


<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>	
					Date: 5/5/2023 API No. 30-045-32504 DHC No. 5275 Lease No. NMSF080113	
Well Name: Hartman					Well No. 3	
Unit Letter A	Section 26	Township 30N	Range 11W	Footage 790' FNL & 890' FEL	County, State San Juan, New Mexico	
Completion Date 4/23/2023		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
<p>JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formation to be commingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s). After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.</p> <p>Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 44%, DK 56% After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.</p>						
NAME		DATE		TITLE		PHONE
Amanda Walker		5/5/2023				
x 				Operations/Regulatory Tech – Sr.		346-237-2177
For Technical Questions: John Brown				Asset Team Leader		713.757.5231

The amended allocation plan shall be used to allocate production from the well to each pool.

All conditions of approval and stipulations within the DHC Order are still in effect except for those stipulating the allocation of production under the prior approved allocation plan.

Dean R McIlhiney

10/04/2023

Well Name: HARTMAN	Well Location: T30N / R11W / SEC 26 / NENE / 36.788172 / -107.954599	County or Parish/State: SAN JUAN / NM
Well Number: 3	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF080113	Unit or CA Name: HARTMAN A	Unit or CA Number: NMNM73844
US Well Number: 3004532504	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2729409

Type of Submission: Notice of Intent

Date Sundry Submitted: 05/05/2023

Date proposed operation will begin: 04/01/2023

Type of Action: Commingling (Subsurface)

Time Sundry Submitted: 11:42

Procedure Description: Attached please the Preliminary Subtraction Allocation for the recently recompleted well.

NOI Attachments

Procedure Description

Hartman_3_Prelim_Sub_Allocation_20230505114154.pdf

Well Name: HARTMAN	Well Location: T30N / R11W / SEC 26 / NENE / 36.788172 / -107.954599	County or Parish/State: SAN JUAN / NM
Well Number: 3	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF080113	Unit or CA Name: HARTMAN A	Unit or CA Number: NMNM73844
US Well Number: 3004532504	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: AMANDA WALKER
Signed on: MAY 05, 2023 11:42 AM
Name: HILCORP ENERGY COMPANY
Title: Operations/Regulatory Technician
Street Address: 1111 TRAVIS ST.
City: HOUSTON State: TX
Phone: (346) 237-2177
Email address: mwalker@hilcorp.com

Field

Representative Name:
Street Address:
City: State: Zip:
Phone:
Email address:

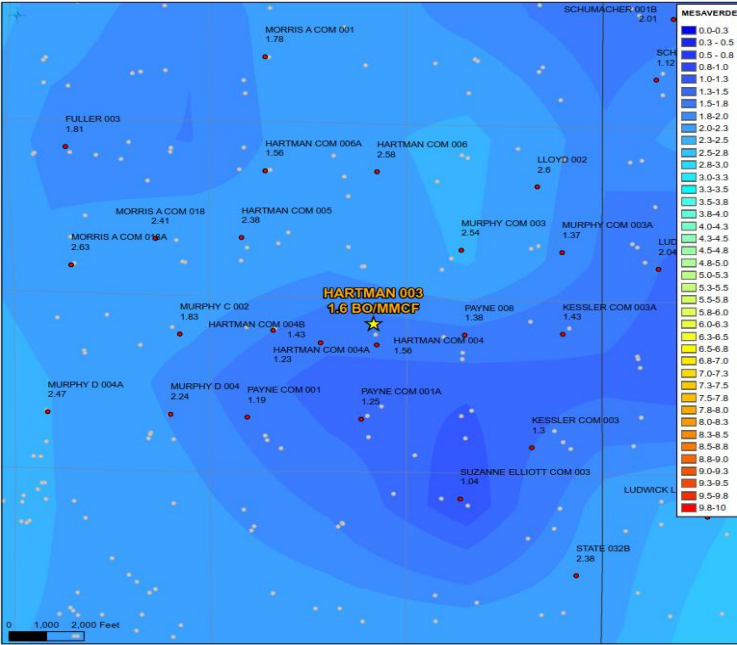
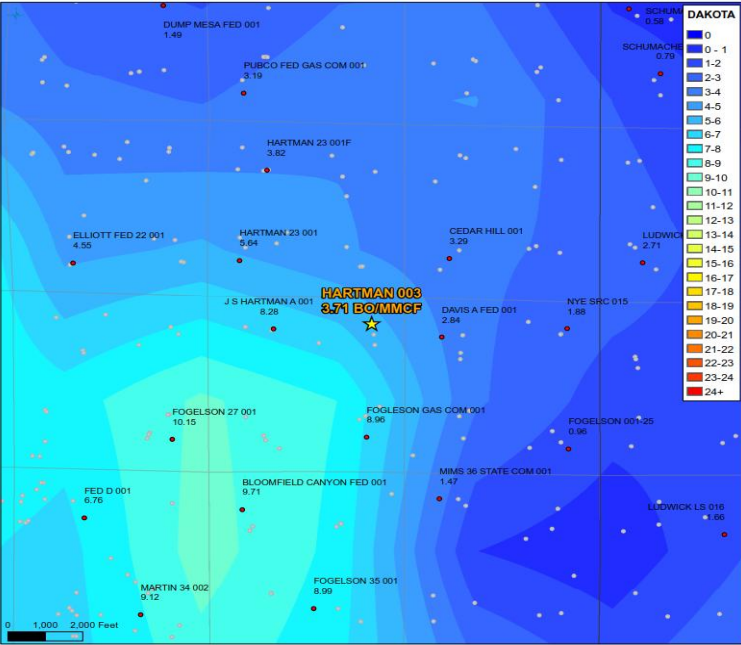
BLM Point of Contact

BLM POC Name: KENNETH G RENNICK
BLM POC Phone: 5055647742
Disposition: Approved
Signature: Kenneth Rennick
BLM POC Title: Petroleum Engineer
BLM POC Email Address: krennick@blm.gov
Disposition Date: 05/05/2023

Hartman #3 Subtraction Allocation

Date	Mcf/d	Gas Allocation:
Apr-23	38.72	Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formation to be commingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the forecast will be allocated to the new formation.
May-23	38.6	
Jun-23	38.47	
Jul-23	38.34	
Aug-23	38.21	
Sep-23	38.09	After 3 years production will stabilize. A production average will be gathered during the 4 th year and will be utilized to create a fixed percentage based allocation.
Oct-23	37.96	
Nov-23	37.84	
Dec-23	37.71	
Jan-24	37.59	
Feb-24	37.47	
Mar-24	37.35	
Apr-24	37.22	
May-24	37.1	
Jun-24	36.98	
Jul-24	36.86	
Aug-24	36.73	
Sep-24	36.61	
Oct-24	36.49	
Nov-24	36.37	
Dec-24	36.25	
Jan-25	36.13	
Feb-25	36.02	
Mar-25	35.9	
Apr-25	35.79	
May-25	35.67	
Jun-25	35.55	
Jul-25	35.44	
Aug-25	35.32	
Sep-25	35.2	
Oct-25	35.09	

Nov-25	34.97	Oil Allocation:			
Dec-25	34.86	Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.			
Jan-26	34.74	After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.			
Feb-26	34.63				
Mar-26	34.52				
Apr-26	34.41				
May-26	34.29				
Jun-26	34.18				
Jul-26	34.07	Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
Aug-26	33.95	DK	3.71	252	56%
Sep-26	33.84	MV	1.6	464	44%
Oct-26	33.73				
Nov-26	33.62				
Dec-26	33.51				
Jan-27	33.4				
Feb-27	33.29				
Mar-27	33.19				
Apr-27	33.08				
May-27	32.97				



From: [Mandi Walker](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Cheryl Weston](#)
Subject: [EXTERNAL] Allocation Cleanups
Date: Tuesday, October 3, 2023 2:36:01 PM

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good afternoon Dean,

Please see the table below to update the filed subtraction allocations based on changes to the originally approved allocations filed with the DHC application.

Well Name	Work Type	Orig/Revised	Formations	Action ID	NOTES
Hardie B 1A	RC	Preliminary	FC/MV	245078	Rounding Error
Hartman 3	RC	Preliminary	MV/DK	214351	Rounding Error
San Juan 28-7 Unit 224	RC	Preliminary	MV/DK	128715	Rounding Error
Blanco Wash Federal 1	RC	Preliminary	MV/DK	214344	Updated Type curve based on offsets analogs and actual. Dakota production to more accurately allocate production on subtraction allocation
San Juan 28-7 Unit 259	RC	Preliminary	MV/DK	241528	Updated Type curve based on offsets analogs and actual. Dakota production to more accurately allocate production on subtraction allocation

Please let me know if you need anything from me.

Mandi Walker

SJN/SJS (6,7) Regulatory Technician Sr.

Hilcorp Energy Company

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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 214351

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 214351
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	The amended allocation plan shall be used to allocate production from the well to each pool.	10/4/2023
dmcclure	All conditions of approval and stipulations within the DHC Order are still in effect except for those stipulating the allocation of production under the prior approved allocation plan.	10/4/2023