

Well Name: SAN JUAN 30-5 UNIT

Well Location: T30N / R5W / SEC 23 /
NWSW / 36.79483 / -107.33202

County or Parish/State: RIO
ARRIBA / NM

Well Number: 83

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMSF078738

Unit or CA Name: SAN JUAN 30-5
UNIT--DK

Unit or CA Number:
NMNM78419B

US Well Number: 3003922728

Operator: HILCORP ENERGY
COMPANY

Notice of Intent

Sundry ID: 2789345

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 05/09/2024

Time Sundry Submitted: 11:57

Date proposed operation will begin: 05/01/2024

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

NOI Attachments

Procedure Description

Preliminary_Subtraction_Allocation_Form_20240509115723.pdf

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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 09, 2024 11:57 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 Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 05/10/2024

Signature: Kenneth Rennick

<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: 5/8/2024 API No. 30-039-22728 DHC No. 5374 Lease No. NMSF078738
Well Name San Juan 30-5 Unit					Well No. 83
Unit Letter L	Section 23	Township 30N	Range 05W	Footage 1480' FSL & 950' FWL	County, State Rio Arriba, New Mexico
Completion Date 5/6/2024	Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
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 4 th year and will be utilized to create a fixed percentage based allocation.					
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 100%, DK 0% (No Change to Allocation from Approved DHC Application)					
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.					
NAME		DATE		TITLE	PHONE
Amanda Walker		5/9/2024		Operations/Regulatory Tech – Sr.	346-237-2177
					
For Technical Questions: Shane Smith				Reservoir Engineer	shane.smith@hilcorp.com

San Juan 30-5 Unit 083 Subtraction Allocation

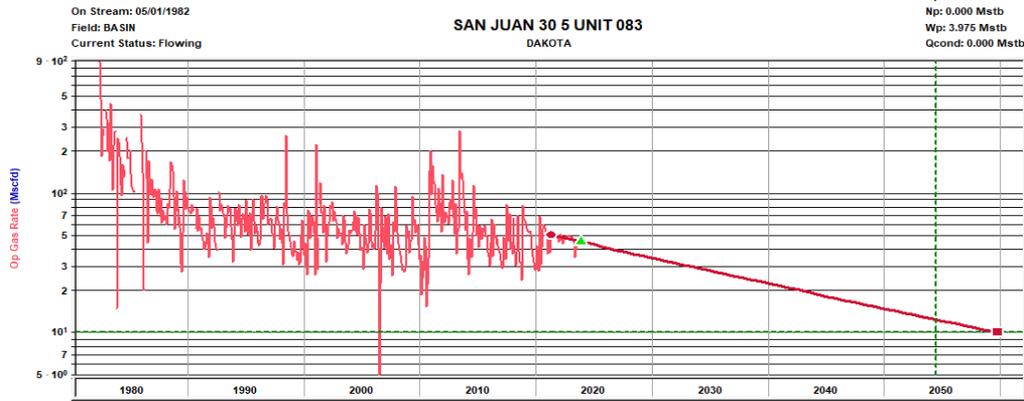
3003922728

Date	Mcf/d
May-24	43.99
Jun-24	43.83
Jul-24	43.67
Aug-24	43.51
Sep-24	43.36
Oct-24	43.2
Nov-24	43.05
Dec-24	42.89
Jan-25	42.73
Feb-25	42.59
Mar-25	42.44
Apr-25	42.28
May-25	42.13
Jun-25	41.98
Jul-25	41.83
Aug-25	41.68
Sep-25	41.53
Oct-25	41.38
Nov-25	41.23
Dec-25	41.08
Jan-26	40.93
Feb-26	40.79
Mar-26	40.65
Apr-26	40.5
May-26	40.36
Jun-26	40.21
Jul-26	40.07
Aug-26	39.92
Sep-26	39.78
Oct-26	39.64
Nov-26	39.49
Dec-26	39.35
Jan-27	39.21
Feb-27	39.07
Mar-27	38.94
Apr-27	38.8
May-27	38.66
Jun-27	38.52
Jul-27	38.38
Aug-27	38.24
Sep-27	38.11
Oct-27	37.97
Nov-27	37.83
Dec-27	37.7
Jan-28	37.56
Feb-28	37.43
Mar-28	37.3
Apr-28	37.16

Gas Allocation:

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.

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.



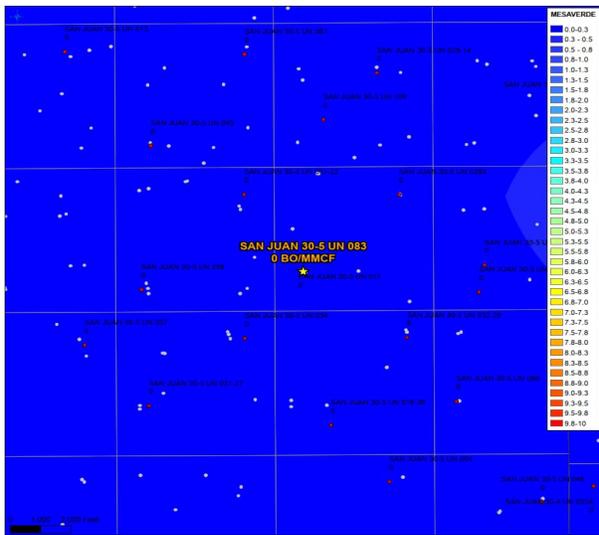
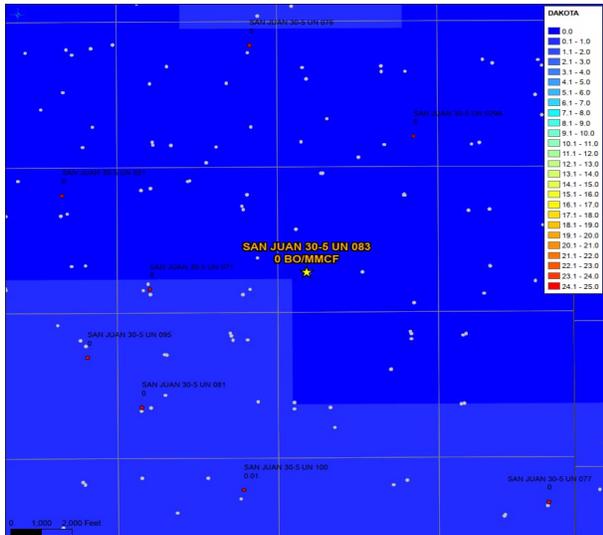
Analysis	Class.	EUR ₁	G ₁	RR ₁	Start Date	q	Δt	d, sec	b	d ₁₀ , exp	q ₁	End Date
Name	MMscf	MMscf	MMscf	MMscf/PPY	Mscf/d	year	%/year	%/year	Mscf	MMscf/PPY		
Analysis 1	1289	987	302	12/01/2023	44.9	35.88	4.229	0.045	4.000	10.0	10/19/2059	

Oil Allocation:

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. The Dakota formation has historically never produced oil. If the well produces and oil, it will be allocated 100% to the Mverde formation.

After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	0	302	0%
MV	0	880	100%



District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 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 343359

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 343359
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclosure	ACCEPTED FOR RECORD ONLY	5/13/2024
dmcclosure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	5/13/2024