

|                               |   |   |
|-------------------------------|---|---|
| Well Name: SAN JUAN 30-5 UNIT | Well Location: T30N / R5W / SEC 27 / NWNE / 36.78851 / -107.34045 | County or Parish/State: RIO ARRIBA / NM |
| Well Number: 94               | 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: 3003923146    | Operator: HILCORP ENERGY COMPANY                                  |   |

Notice of Intent

Sundry ID: 2789083

Type of Submission: Notice of Intent

Date Sundry Submitted: 05/08/2024

Date proposed operation will begin: 05/01/2024

Type of Action: Commingling (Subsurface)

Time Sundry Submitted: 12:06

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

NOI Attachments

Procedure Description

Preliminary\_Subtraction\_Allocation\_Form\_20240508120529.pdf

Well Name: SAN JUAN 30-5 UNIT

Well Location: T30N / R5W / SEC 27 /  
NWNE / 36.78851 / -107.34045

County or Parish/State: RIO  
ARRIBA / NM

Well Number: 94

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: 3003923146

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 08, 2024 12:05 PM

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: MATTHEW H KADE

BLM POC Title: Petroleum Engineer


BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 05/14/2024

Signature: Matthew Kade

|   |                      |   |                     |  |   |              |
|---|----------------------|---|---------------------|--|---|--------------|
| <h1 style="text-align: center;">Hilcorp Energy Company</h1> <h2 style="text-align: center;">PRODUCTION ALLOCATION FORM</h2>   |                      |   |                     |  | Distribution:<br>BLM / NMOCD Original<br>Accounting<br>Well File<br>Revised: September 25, 2019                                 |              |
|   |                      |   |                     |  | Status<br>PRELIMINARY <input checked="" type="checkbox"/><br>FINAL <input type="checkbox"/><br>REVISED <input type="checkbox"/> |              |
| Commingle Type<br>SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/><br>Type of Completion<br>NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>   |                      |   |                     |  | Date: 5/8/2024<br><br>API No. 30-039-23146<br>DHC No. 5370<br>Lease No. NMSF078738  |              |
| Well Name<br><b>San Juan 30-5 Unit</b>  |                      |   |                     |  | Well No.<br><b>94</b>   |              |
| Unit Letter<br><b>B</b>   | Section<br><b>27</b> | Township<br><b>30N</b>  | Range<br><b>05W</b> | Footage<br><b>835' FNL &amp; 1530' FEL</b>                           | County, State<br><b>Rio Arriba,<br/>New Mexico</b>  |              |
| Completion Date<br><br><b>5/6/2024</b>  |                      | Test Method<br><br>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 <b>Dakota</b> and the added formation to be commingled is the <b>Mesaverde</b>. 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<sup>th</sup> 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. <b>MV 100%, DK 0%</b> (No Change to Allocation from Approved DHC Application)</p> <p>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   |                      | 5/8/2024  |                     | Operations/Regulatory Tech – Sr.                                     |   | 346-237-2177 |
| X    |                      |   |                     |  |   |              |
|   |                      |   |                     |  |   |              |
| For Technical Questions: Shane Smith  |                      | Reservoir Engineer  |                     | <a href="mailto:shane.smith@hilcorp.com">shane.smith@hilcorp.com</a> |   |              |
|   |                      |   |                     |  |   |              |

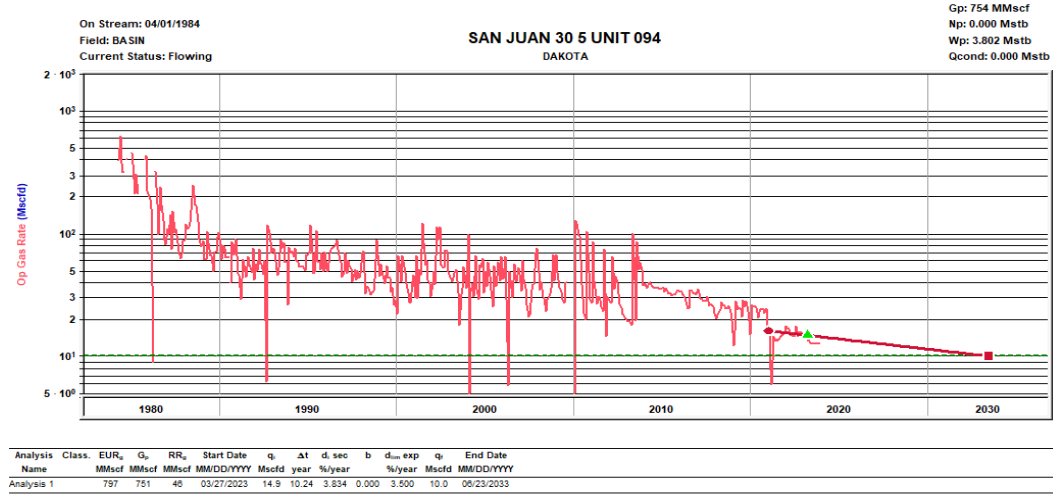
San Juan 30-5 Unit 094 Subtraction Allocation

3003923146

| Date   | Mcf/d |
|--------|-------|
| May-24 | 14.28 |
| Jun-24 | 14.23 |
| Jul-24 | 14.18 |
| Aug-24 | 14.14 |
| Sep-24 | 14.09 |
| Oct-24 | 14.04 |
| Nov-24 | 14    |
| Dec-24 | 13.95 |
| Jan-25 | 13.91 |
| Feb-25 | 13.86 |
| Mar-25 | 13.82 |
| Apr-25 | 13.77 |
| May-25 | 13.73 |
| Jun-25 | 13.68 |
| Jul-25 | 13.64 |
| Aug-25 | 13.59 |
| Sep-25 | 13.55 |
| Oct-25 | 13.51 |
| Nov-25 | 13.46 |
| Dec-25 | 13.42 |
| Jan-26 | 13.37 |
| Feb-26 | 13.33 |
| Mar-26 | 13.29 |
| Apr-26 | 13.25 |
| May-26 | 13.2  |
| Jun-26 | 13.16 |
| Jul-26 | 13.12 |
| Aug-26 | 13.07 |
| Sep-26 | 13.03 |
| Oct-26 | 12.99 |
| Nov-26 | 12.95 |
| Dec-26 | 12.9  |
| Jan-27 | 12.86 |
| Feb-27 | 12.82 |
| Mar-27 | 12.78 |
| Apr-27 | 12.74 |
| May-27 | 12.7  |
| Jun-27 | 12.66 |
| Jul-27 | 12.61 |
| Aug-27 | 12.57 |
| Sep-27 | 12.53 |
| Oct-27 | 12.49 |
| Nov-27 | 12.45 |
| Dec-27 | 12.41 |
| Jan-28 | 12.37 |
| Feb-28 | 12.33 |
| Mar-28 | 12.29 |
| Apr-28 | 12.25 |

**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.

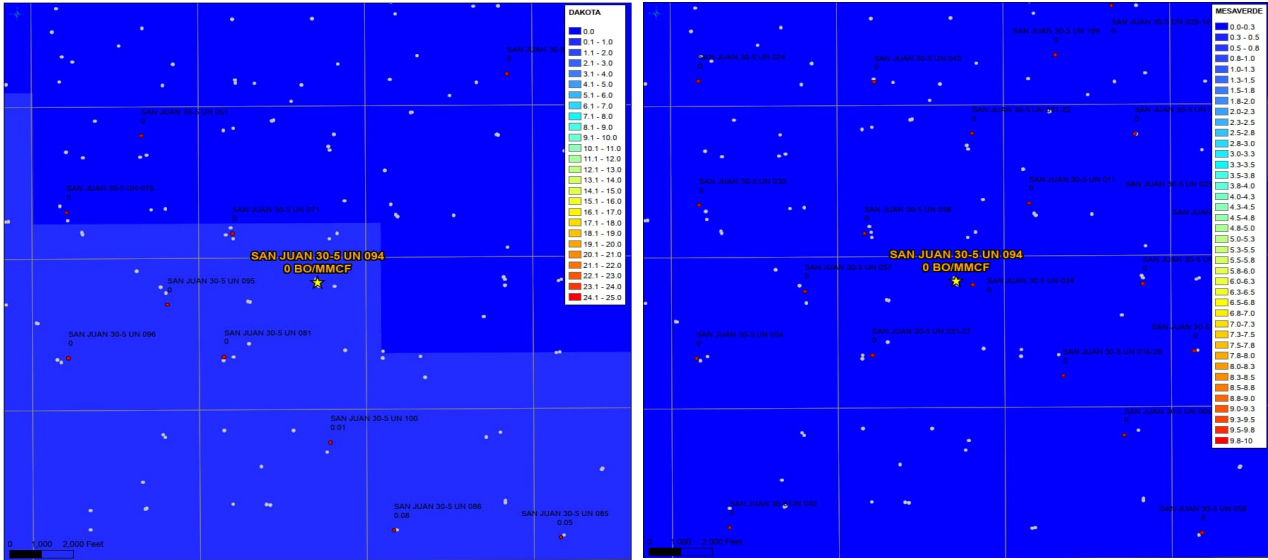
After 3 years production will stabilize. A production average will be gathered during the 4<sup>th</sup> year and will be utilized to create a fixed percentage based allocation.



**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              | 46                        | 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 344256

CONDITIONS

|  |   |
|--|---|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                    |
|  | Action Number:<br>344256                            |
|  | Action Type:<br>[C-103] NOI General Sundry (C-103X) |

CONDITIONS

| Created By | Condition  | Condition Date |
|------------|--|----------------|
| dmcclure   | ACCEPTED FOR RECORD ONLY   | 5/17/2024      |
| dmcclure   | The production from the well shall be allocated to each pool as stipulated within the DHC Order. | 5/17/2024      |