



Well Name: NYE

Well Location: T30N / R11W / SEC 1 /
SESE / 36.836243 / -107.936188

County or Parish/State: SAN
JUAN / NM

Well Number: 8

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMSF078198

Unit or CA Name:

Unit or CA Number:

US Well Number: 3004509819

Operator: HILCORP ENERGY
COMPANY

Notice of Intent

Released to Imaging: 10/23/2025 11:30:13 AM

Sundry ID: 2866289

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 07/31/2025

Time Sundry Submitted: 08:19

Date proposed operation will begin: 07/30/2025

Procedure Description: Please see attached preliminary subtraction allocation.

NOI Attachments

Procedure Description

Nye_SRC_8_Prelim_Subtraction_Allocation_20250731081826.pdf

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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: CHERYLENE WESTON

Signed on: JUL 31, 2025 08:18 AM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Tech - Sr

Street Address: 1111 TRAVIS STREET

City: HOUSTON

State: TX

Phone: (713) 289-2615

Email address: CWESTON@HILCORP.COM

Released to Imaging: 10/23/2025 11:30:13 AM

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: 07/31/2025

Signature: Kenneth Rennick

Form 3160-5 (June 2019)	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2021
SUNDRY NOTICES AND REPORTS ON WELLS <i>Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.</i>		5. Lease Serial No. NMSF078198
		6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2		7. If Unit of CA/Agreement, Name and/or No.
1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other		8. Well Name and No. NYE/8
2. Name of Operator HILCORP ENERGY COMPANY		9. API Well No. 3004509819
3a. Address 1111 TRAVIS STREET, HOUSTON, TX 77002	3b. Phone No. (include area code) (713) 209-2400	10. Field and Pool or Exploratory Area AZTEC PICTURED CLIFFS/AZTEC PICTURED CLIFFS
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SEC 1/T30N/R11W/NMP		11. Country or Parish, State SAN JUAN/NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA					
TYPE OF SUBMISSION		TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity	
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other	
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon		
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

Please see attached preliminary subtraction allocation.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) CHERYLENE WESTON / Ph: (713) 289-2615	Title Operations/Regulatory Tech - Sr
Signature (Electronic Submission)	Date 07/31/2025

THE SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by KENNETH G RENNICK / Ph: (505) 564-7742 / Approved	Title Petroleum Engineer	Date 07/31/2025
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office FARMINGTON	

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.

(Instructions on page 2)

Hilcorp Energy Company PRODUCTION ALLOCATION FORM						Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
						Status PRELIMINARY ☒ FINAL ☐ REVISED ☐	
Commingle Type SURFACE ☐ DOWNHOLE ☒ Type of Completion NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐						Date: 7/31/2025 API No. 30-045-09819 DHC No. DHC-5512 Lease No. NMSF078198	
Well Name NYE SRC						Well No. 8	
Unit Letter P	Section 01	Township 030N	Range 011W	Footage 990 FSL & 990 FEL	County, State SAN JUAN, New Mexico		
Completion Date 7/30/2025		Test Method HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒					
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 Pictured Cliffs and the added formation to be commingled is the Fruitland Coal. 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. (No Change from Approved DHC) Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. PC 0%, FRC 100% (No Change from Approved DHC) After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.							
NAME		DATE		TITLE		PHONE	
X <i>Cherylene Weston</i>							
Cherylene Weston		7/31/2025		Operations/Regulatory Tech – Sr.		713-289-2615	
For Technical Questions: Griffin Selby				Reservoir Engineer		346-237-2071	

NYE SRC 8 Subtraction Allocation

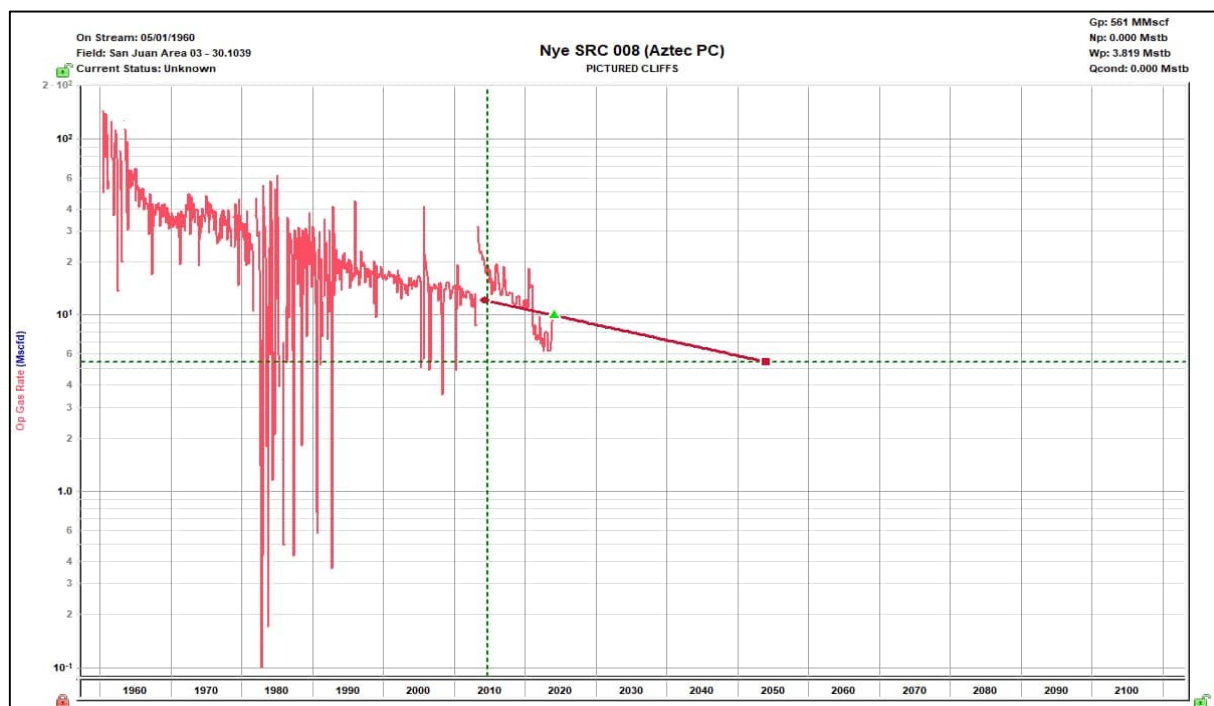
Date PC - Mcfd

Jul-25	9.9
Aug-25	9.9
Sep-25	9.9
Oct-25	9.9
Nov-25	9.8
Dec-25	9.8
Jan-26	9.8
Feb-26	9.8
Mar-26	9.8
Apr-26	9.8
May-26	9.7
Jun-26	9.7
Jul-26	9.7
Aug-26	9.7
Sep-26	9.7
Oct-26	9.7
Nov-26	9.6
Dec-26	9.6
Jan-27	9.6
Feb-27	9.6
Mar-27	9.6
Apr-27	9.6
May-27	9.6
Jun-27	9.5
Jul-27	9.5
Aug-27	9.5
Sep-27	9.5
Oct-27	9.5
Nov-27	9.5
Dec-27	9.4
Jan-28	9.4
Feb-28	9.4
Mar-28	9.4
Apr-28	9.4
May-28	9.4
Jun-28	9.3
Jul-28	9.3
Aug-28	9.3
Sep-28	9.3
Oct-28	9.3
Nov-28	9.3
Dec-28	9.3
Jan-29	9.2
Feb-29	9.2
Mar-29	9.2
Apr-29	9.2
May-29	9.2
Jun-29	9.2
Jul-29	9.1

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the **Pictured Cliffs** and the added formation to be commingled is the **Fruitland Coal**. 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.

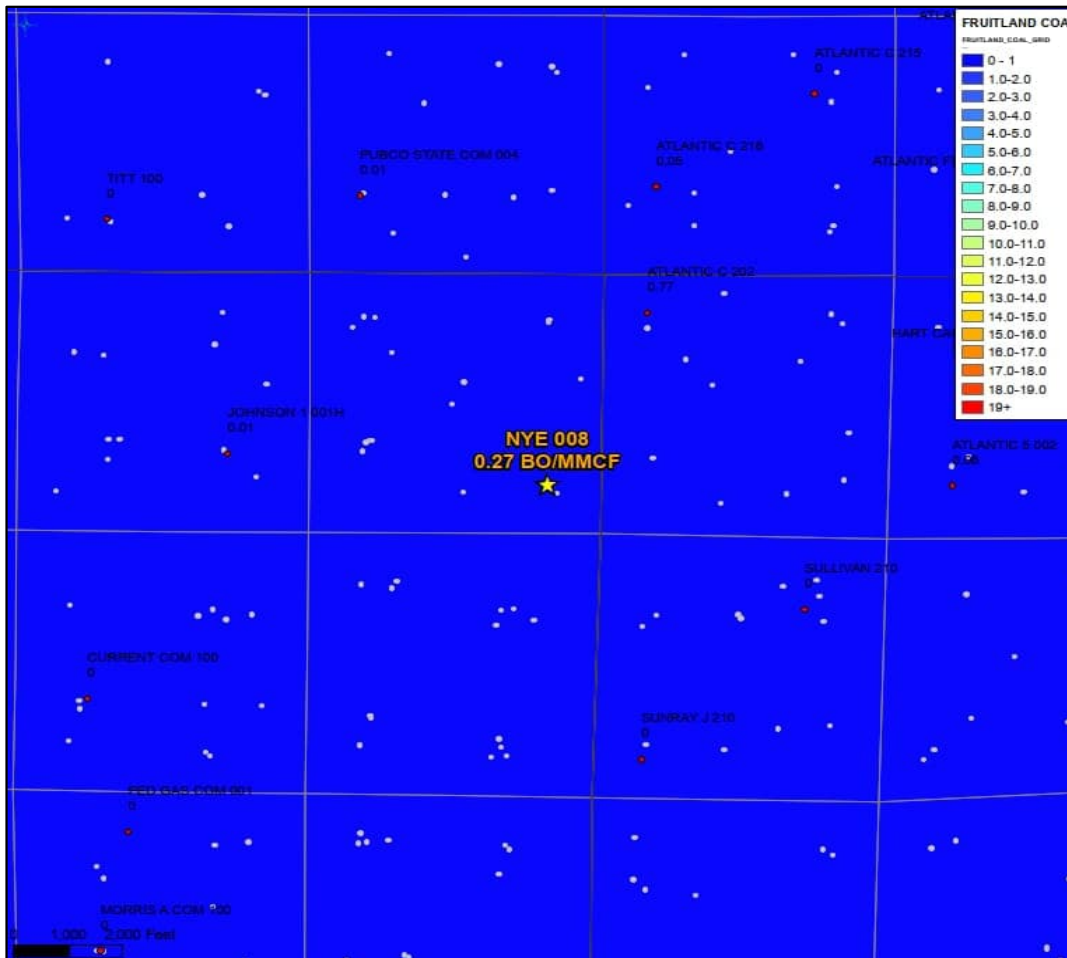


Oil Allocation:

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

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
PC	0	82	0%
FRC	0.27	747	100%



Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 491154

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 491154
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	10/23/2025
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	10/23/2025