

Well Name: SCOTT	Well Location: T31N / R10W / SEC 3 / NENW / 36.932725 / -107.872879	County or Parish/State: SAN JUAN / NM
Well Number: 7B	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078604	Unit or CA Name: DKOT11-N/2	Unit or CA Number: NMNM128038, NMNM73333
US Well Number: 3004534952	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2876890

Type of Submission: Notice of Intent

Date Sundry Submitted: 10/02/2025

Date proposed operation will begin: 09/01/2025

Type of Action: Commingling (Subsurface)

Time Sundry Submitted: 11:38

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

NOI Attachments

Procedure Description

Scott_7B_NOI_Preliminary_Subtraction_Allocation_20251002113752.pdf

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US Well Number: 3004534952	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: OCT 02, 2025 11:37 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: 10/08/2025
Signature: Kenneth Rennick	

Form 3160-5
(October 2024)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0220
Expires: October 31, 2027

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

3a. Address 3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

9. API Well No.

10. Field and Pool or Exploratory Area

11. Country or Parish, State

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 recompletion 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.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Title

Signature

Date

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: NENW / 660 FNL / 1595 FWL / TWSP: 31N / RANGE: 10W / SECTION: 3 / LAT: 36.932725 / LONG: -107.872879 (TVD: 0 feet, MD: 0 feet)

BHL: NENW / 660 FNL / 1595 FWL / TWSP: 31N / SECTION: / LAT: 36.932725 / LONG: 107.872879 (TVD: 0 feet, MD: 0 feet)

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: 9/30/2025 API No. 30-045-34952 DHC No. 5523 Lease No. NMSF078604	
Well Name Scott					Well No. 7B	
Unit Letter C	Section 03	Township 31N	Range 10W	Footage 660' FNL & 1595' FWL	County, State San Juan, New Mexico	
Completion Date 9/23/2025		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 MV/DK and the added formation to be commingled is the Fruitland Coal. 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). There will be no change to the MV/DK current fixed allocation. 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 production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. FC 0%, MV 99%, DK 1% (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
X 		09/30/2025		Operations/Regulatory Tech-Sr.		346.237.2177
For Technical Questions: Shane Smith				Reservoir Engineer		shane.smith@hilcorp.com

Scott 7B Subtraction Allocation

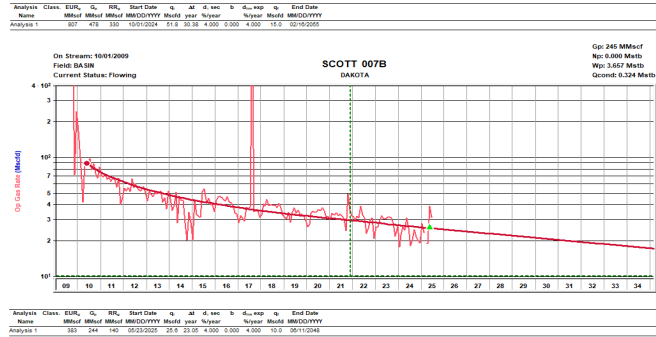
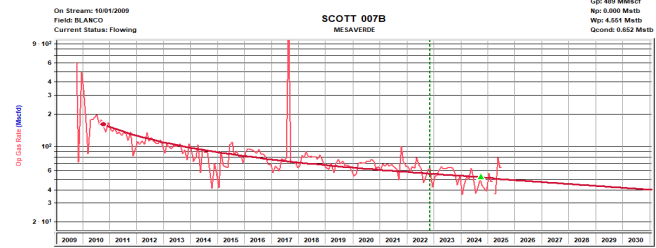
3004534952

Date	MV Mcf	DK Mcf
Sep-25	49.8476	25.29894
Oct-25	49.67797	25.21284
Nov-25	49.50891	25.12704
Dec-25	49.34043	25.04154
Jan-26	49.16978	24.95492
Feb-26	49.00793	24.87278
Mar-26	48.84661	24.79091
Apr-26	48.68039	24.70655
May-26	48.51473	24.62247
Jun-26	48.34963	24.53868
Jul-26	48.1851	24.45517
Aug-26	48.01844	24.37059
Sep-26	47.85503	24.28766
Oct-26	47.69218	24.20501
Nov-26	47.52988	24.12264
Dec-26	47.36814	24.04055
Jan-27	47.20431	23.9574
Feb-27	47.04892	23.87854
Mar-27	46.89406	23.79994
Apr-27	46.73448	23.71895
May-27	46.57544	23.63823
Jun-27	46.41694	23.55779
Jul-27	46.25899	23.47762
Aug-27	46.09899	23.39642
Sep-27	45.94211	23.3168
Oct-27	45.78577	23.23746
Nov-27	45.62996	23.15838
Dec-27	45.47468	23.07957
Jan-28	45.3174	22.99974
Feb-28	45.16571	22.92276
Mar-28	45.01452	22.84603
Apr-28	44.86134	22.76828
May-28	44.70867	22.6908
Jun-28	44.55653	22.61358
Jul-28	44.4049	22.53663
Aug-28	44.25132	22.45868
Sep-28	44.10073	22.38225
Oct-28	43.95066	22.30609
Nov-28	43.80109	22.23018
Dec-28	43.65204	22.15453
Jan-29	43.50106	22.0779
Feb-29	43.35786	22.00523
Mar-29	43.21515	21.9328
Apr-29	43.06809	21.85816
May-29	42.92153	21.78378
Jun-29	42.77546	21.70965
Jul-29	42.6299	21.63577
Aug-29	42.48245	21.56094

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formations are the **Mesaverde** and **Dakota** 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. Hilcorp intends to allocate the projects base production on the same fixed percentages to the following pools 67% (MV) 33% (DK) while the subtraction method is being used to determine the allocation to the new zone.

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.

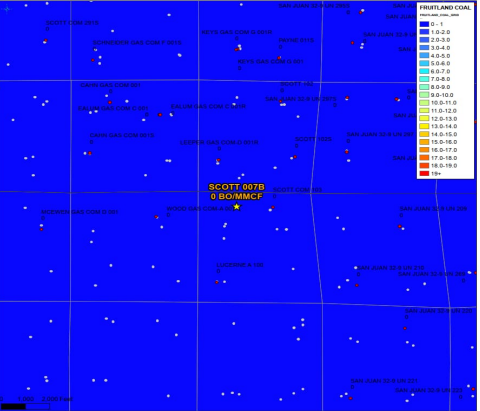
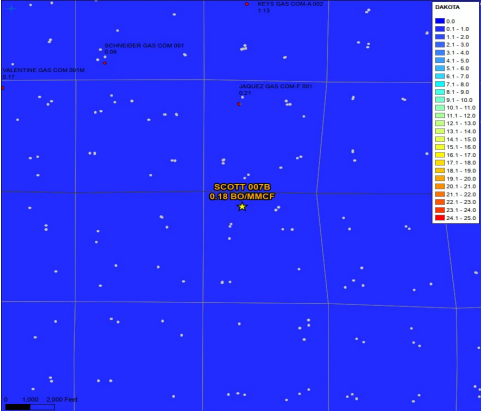
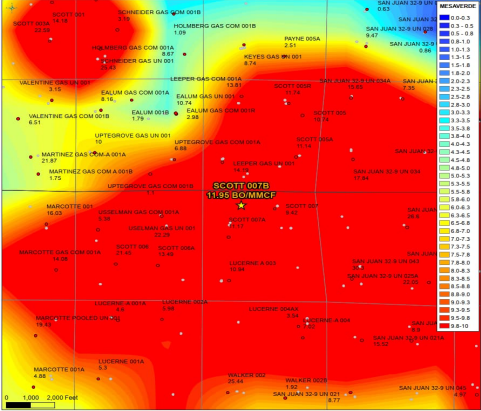


Oil Allocation:

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
MV	11.95	330	99%
DK	0.18	140	1%
FRC	0	1086	0.0%



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 513545

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 513545
	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