

Submit 3 Copies To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rs., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-039-30255
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. FEE
7. Lease Name or Unit Agreement Name SAN JUAN 30-5 UNIT
8. Well Number 78N
9. OGRID Number 372171
10. Pool name or Wildcat FRC - BASIN CB::FRUITLAND COAL

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Hilcorp Energy Company	
3. Address of Operator 382 Road 3100 Aztec, NM 87410	
4. Well Location Unit Letter O Footage 675' FSL & 2075' FEL Section 07 Township 030N Range 005W RIO ARRIBA COUNTY	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6244' GR	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	
CLOSED-LOOP SYSTEM <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/> Allocation	

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

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

Spud Date: **10/2/2007**

Rig Released Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Operations/Regulatory Tech - Sr. DATE 9/16/2024

Type or print name Amanda Walker E-mail address: mwalker@hilcorp.com PHONE: 346.237.2177

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

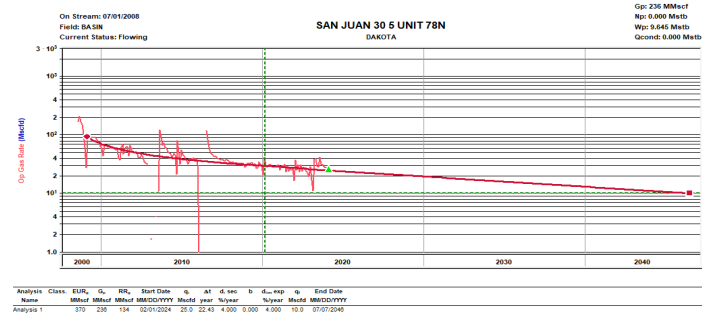
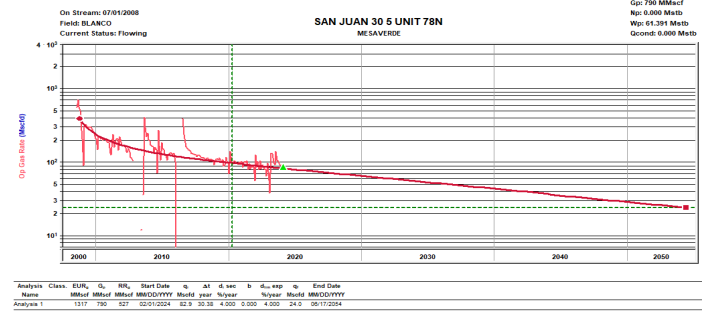
<h1>Hilcorp Energy Company</h1> <h2>PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>	
Commingle Type SURFACE <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"/>					Date: 9/16/2024 API No. 30-039-30255 DHC No. 5419 Lease No. FEE	
Well Name San Juan 30-5 Unit					Well No. 78N	
Unit Letter O	Section 07	Township 30N	Range 05W	Footage 675' FSL & 2075' FEL	County, State , New Mexico	
Completion Date 9/5/2024		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 Mesaverde/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(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. Hilcorp intends to continue to allocate the projected base production on the same fixed percentages to the following pools 77% MV and 23% DK.</p> <p>Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. The Dakota and Mesaverde formations have historically never produced oil. If the well produces and oil, it will be allocated 100% to the Fruitland Coal formation. FC 100% MV 0%, DK 0% (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
X <i>M. Outler</i>		09/16/2024		Operations/Regulatory Tech – Sr.		346-237-2177
For Technical Questions: Shane Smith				Reservoir Engineer		shane.smith@hilcorp.com

San Juan 30-5 Unit 78N Subtraction Allocation 3003930255

Date	IMV, mcf/d	DK, mcf/d
Sep-24	80.85	24.35
Oct-24	80.57	24.27
Nov-24	80.30	24.19
Dec-24	80.03	24.11
Jan-25	79.75	24.02
Feb-25	79.49	23.94
Mar-25	79.22	23.87
Apr-25	78.95	23.78
May-25	78.69	23.70
Jun-25	78.42	23.62
Jul-25	78.15	23.54
Aug-25	77.88	23.46
Sep-25	77.62	23.38
Oct-25	77.35	23.30
Nov-25	77.09	23.22
Dec-25	76.83	23.14
Jan-26	76.56	23.06
Feb-26	76.31	22.99
Mar-26	76.06	22.91
Apr-26	75.80	22.83
May-26	75.54	22.76
Jun-26	75.28	22.68
Jul-26	75.03	22.60
Aug-26	74.77	22.52
Sep-26	74.51	22.45
Oct-26	74.26	22.37
Nov-26	74.01	22.29
Dec-26	73.76	22.22
Jan-27	73.50	22.14
Feb-27	73.26	22.07
Mar-27	73.02	22.00
Apr-27	72.77	21.92
May-27	72.52	21.85
Jun-27	72.27	21.77
Jul-27	72.03	21.70
Aug-27	71.78	21.62
Sep-27	71.54	21.55
Oct-27	71.29	21.48
Nov-27	71.05	21.40
Dec-27	70.81	21.33
Jan-28	70.56	21.26
Feb-28	70.33	21.18
Mar-28	70.09	21.11
Apr-28	69.85	21.04
May-28	69.61	20.97
Jun-28	69.38	20.90
Jul-28	69.14	20.83
Aug-28	68.90	20.76

Gas Allocation:
Production for the downhole commingling will be allocated using the subtraction method in agreement with local agencies. The base formations are the **Dakota & Mesaverde** 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.

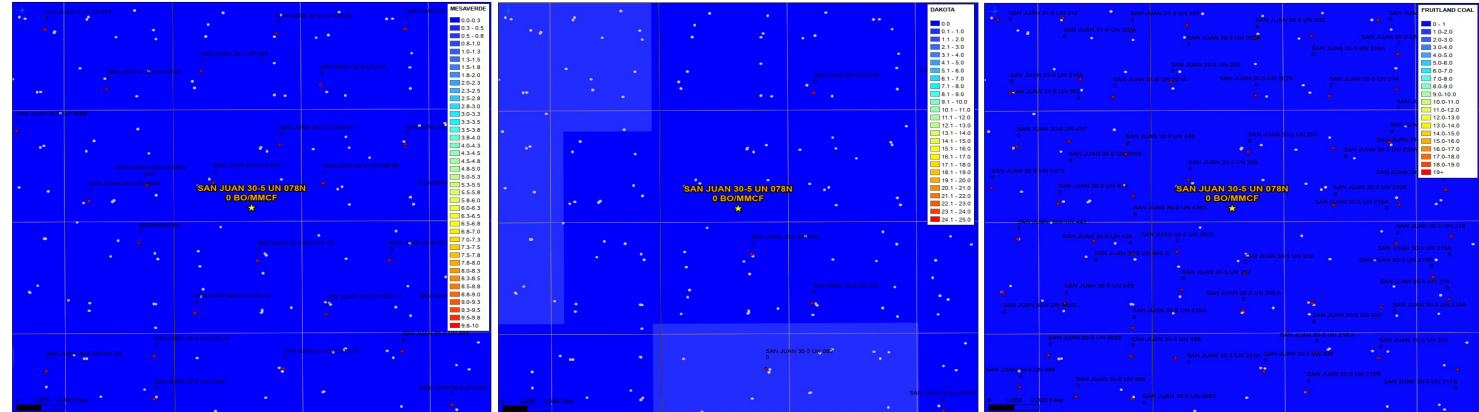
After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.



Oil Allocation:
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. The Dakota and Mesaverde formations have historically never produced oil. If the well produces and oil, it will be allocated 100% to the Fruitland Coal 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	527	0%
IMV	0	134	0%
FRC	0	967	100%



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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/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 383765

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 383765
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
andrew.fordyce	The production from the well shall be allocated to each pool as stipulated in the DHC Order.	12/19/2025