

Well Name: ZACHRY	Well Location: T28N / R10W / SEC 12 / SWSE / 36.672455 / -107.842728	County or Parish/State: SAN JUAN / NM
Well Number: 19E	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF080724A	Unit or CA Name: ZACHARY, ZACHRY	Unit or CA Number: NMNM73689, NMNM76144
US Well Number: 3004524357	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2824631

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 11/26/2024

Time Sundry Submitted: 11:11

Date proposed operation will begin: 10/10/2024

Procedure Description: Please see attached subtraction allocation.

NOI Attachments

Procedure Description

Zachry_19E_Preliminary_Subtraction_Allocation_20241126111051.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: CHERYLENE WESTON

Signed on: NOV 26, 2024 11:11 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

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: 11/26/2024

Signature: Matthew Kade

<h1>Hilcorp Energy Company</h1> <h2>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 type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input checked="" type="checkbox"/>						Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/> Date: 11/26/2024 API No. 30-045-24357 DHC No. DHC-5394 Lease No. NMSF080724A
Well Name ZACHRY						Well No. 19E
Unit Letter O	Section 12	Township 28N	Range 10W	Footage 1120 FSL & 1520 FEL	County, State SAN JUAN, New Mexico	
Completion Date 10/10/2024		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 a fixed percentage based on historical volumes. The well was previously producing as a dual Chacra/Dakota. DK 15%, CH 85% (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. DK 100%, CH 0% (No Change from Approved DHC) 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	
<i>X Cherylene Weston</i>						
Cherylene Weston		11/26/2024	Operations/Regulatory Tech – Sr.		713-289-2615	
For Technical Questions: Sikandar Khan			Reservoir Engineer		346-237-2015	

FORECAST MCFD

Date	DK	CH
10/1/2024	6.54	19.14
11/1/2024	6.52	19.08
12/1/2024	6.49	19.01
1/1/2025	6.47	18.95
2/1/2025	6.45	18.88
3/1/2025	6.43	18.82
4/1/2025	6.41	18.76
5/1/2025	6.38	18.69
6/1/2025	6.36	18.63
7/1/2025	6.34	18.57
8/1/2025	6.32	18.50
9/1/2025	6.30	18.44
10/1/2025	6.28	18.38
11/1/2025	6.26	18.31
12/1/2025	6.23	18.25
1/1/2026	6.21	18.19
2/1/2026	6.19	18.13
3/1/2026	6.17	18.07
4/1/2026	6.15	18.01
5/1/2026	6.13	17.95
6/1/2026	6.11	17.89
7/1/2026	6.09	17.82
8/1/2026	6.07	17.76
9/1/2026	6.05	17.70
10/1/2026	6.03	17.64
11/1/2026	6.01	17.58
12/1/2026	5.98	17.52
1/1/2027	5.96	17.46
2/1/2027	5.94	17.40
3/1/2027	5.93	17.35
4/1/2027	5.90	17.29
5/1/2027	5.88	17.23
6/1/2027	5.86	17.17
7/1/2027	5.84	17.11
8/1/2027	5.82	17.05
9/1/2027	5.80	16.99
10/1/2027	5.78	16.94
11/1/2027	5.77	16.88
12/1/2027	5.75	16.82
1/1/2028	5.73	16.76
2/1/2028	5.71	16.71
3/1/2028	5.69	16.65
4/1/2028	5.67	16.59
5/1/2028	5.65	16.54
6/1/2028	5.63	16.48
7/1/2028	5.61	16.43
8/1/2028	5.59	16.37
9/1/2028	5.57	16.31
10/1/2028	5.55	16.26

ZACHRY 19E - SUBTRACTION ALLOCATION**GAS ALLOCATION**

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formations the **DAKOTA** and the **CHACRA**. They are flowing separately and will now be commingled together. 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.

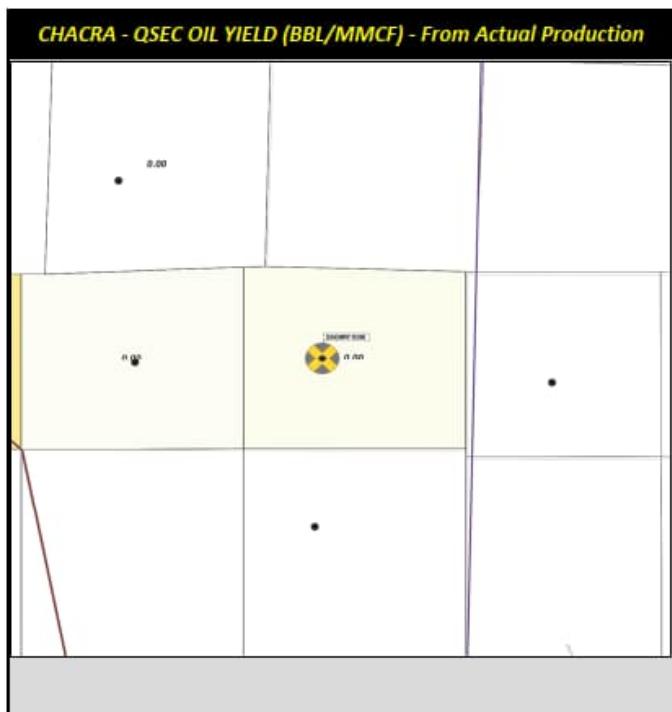
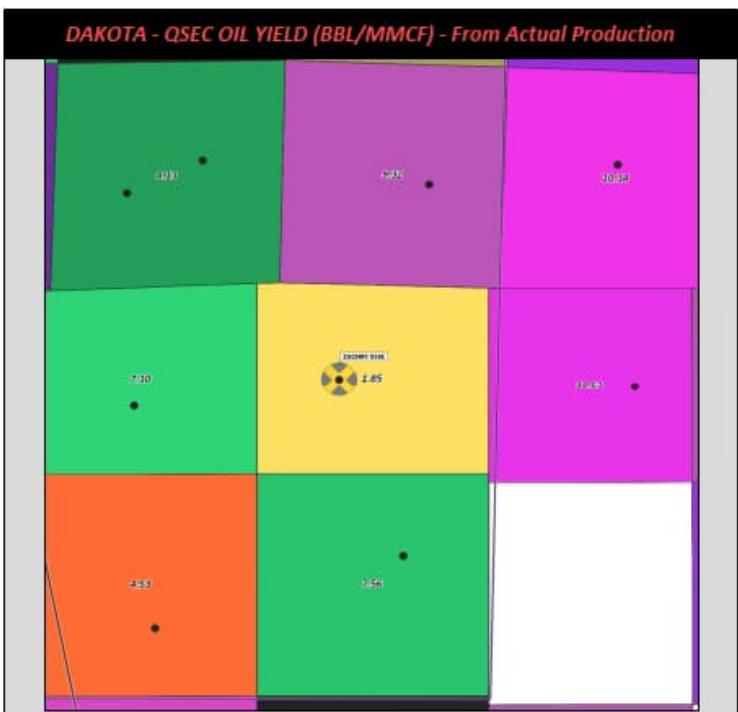
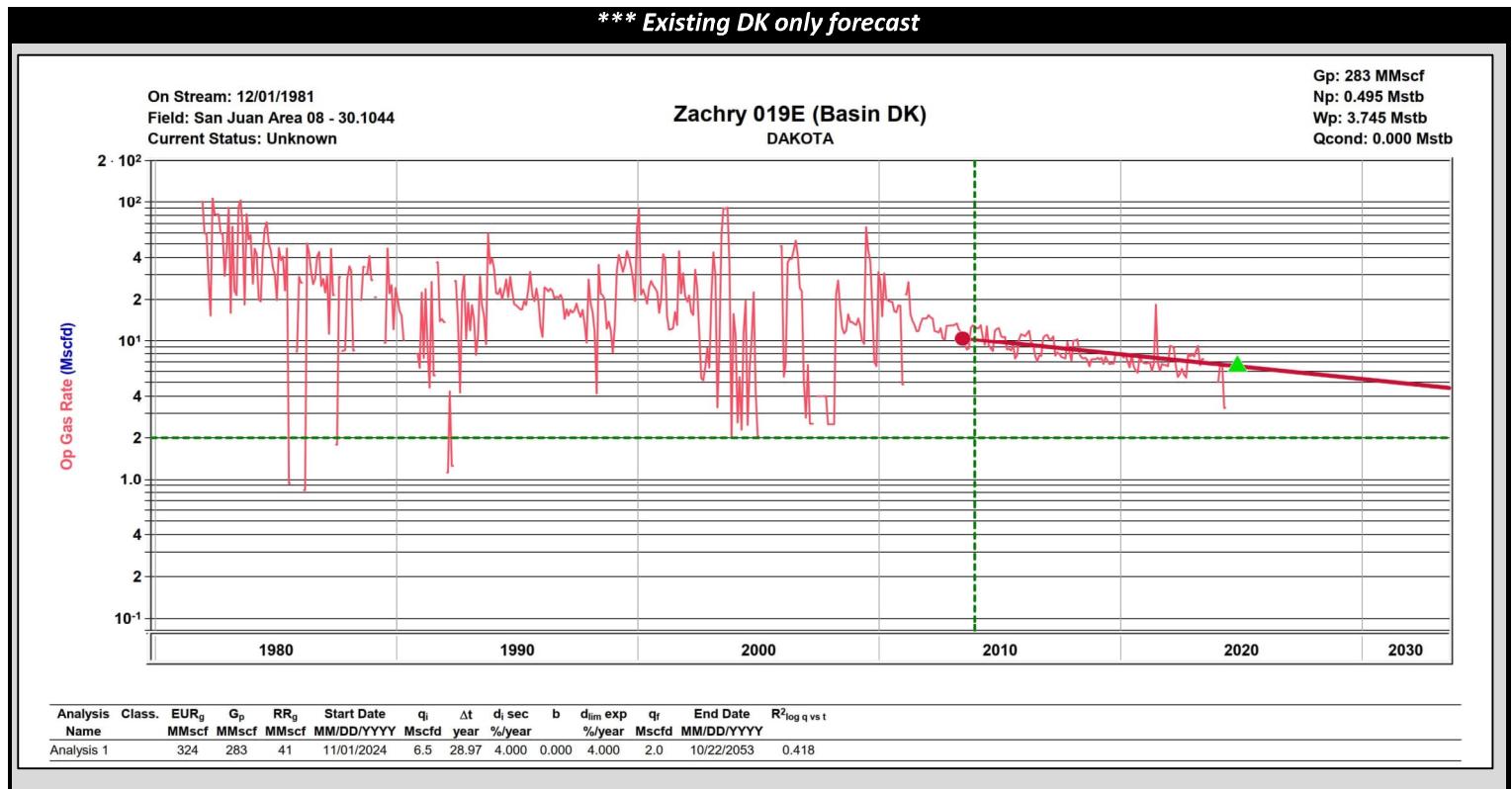
After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.

***** Existing CHACRA only forecast****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 re-evaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	1.85	41	100%
CH	0	122	0%



Sante Fe Main Office
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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 406977

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 406977
	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 within the DHC Order.	12/30/2025