

<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">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 checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>																	
					Date: 6/15/2022 API No. 30-045-11007 DHC No. 5001 Lease No. NMNM019413																	
Well Name Mitchell					Well No. 1																	
Unit Letter N	Section 05	Township 31N	Range 12W	Footage 790' FSL & 1850' FWL	County, State San Juan, New Mexico																	
Completion Date 5/28/2022		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 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(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 th 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. MV 46%, DK 54% After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.																						
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">NAME</th> <th style="width: 15%;">DATE</th> <th style="width: 30%;">TITLE</th> <th style="width: 25%;">PHONE</th> </tr> </thead> <tbody> <tr> <td>Amanda Walker</td> <td></td> <td></td> <td></td> </tr> <tr> <td>X <i>A Walker</i></td> <td style="text-align: center;">06/15/2022</td> <td>Operations/Regulatory Tech – Sr.</td> <td style="text-align: center;">346.237.2177</td> </tr> <tr> <td>For Technical Questions: Lea Peters</td> <td></td> <td>Reservoir Engineer</td> <td style="text-align: center;">346.237.2071</td> </tr> </tbody> </table>							NAME	DATE	TITLE	PHONE	Amanda Walker				X <i>A Walker</i>	06/15/2022	Operations/Regulatory Tech – Sr.	346.237.2177	For Technical Questions: Lea Peters		Reservoir Engineer	346.237.2071
NAME	DATE	TITLE	PHONE																			
Amanda Walker																						
X <i>A Walker</i>	06/15/2022	Operations/Regulatory Tech – Sr.	346.237.2177																			
For Technical Questions: Lea Peters		Reservoir Engineer	346.237.2071																			

Dean R McClure

10/03/2023

Well Name: MITCHELL	Well Location: T31N / R12W / SEC 5 / SESW / 36.922867 / -108.120712	County or Parish/State: SAN JUAN / NM
Well Number: 1	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM019413	Unit or CA Name: MITCHELL	Unit or CA Number: NMNM73711
US Well Number: 3004511007	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2677055

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 06/15/2022

Time Sundry Submitted: 12:13

Date proposed operation will begin: 05/28/2022

Procedure Description: Please see the attached production allocations.

NOI Attachments

Procedure Description

Mitchell_1_NOI_Prelim_Sub_Allocation_20220615121308.pdf

Well Name: MITCHELL

Well Location: T31N / R12W / SEC 5 /
SESW / 36.922867 / -108.120712

County or Parish/State: SAN
JUAN / NM

Well Number: 1

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMNM019413

Unit or CA Name: MITCHELL

Unit or CA Number:
NMNM73711

US Well Number: 3004511007

Well Status: Producing Gas Well

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: JUN 15, 2022 12:13 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: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 06/23/2022

Signature: Kenneth Rennick

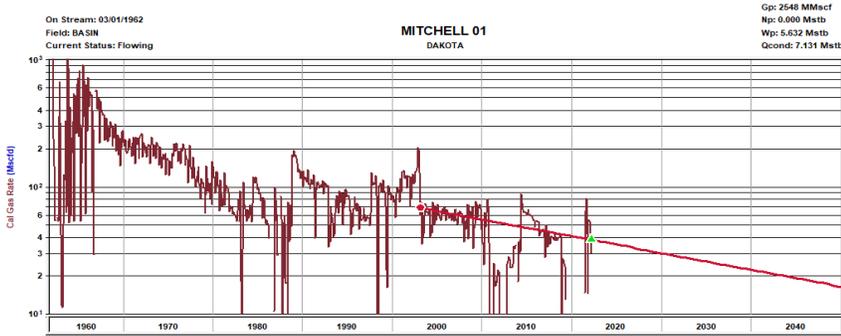
Mitchell 001-05 Subtraction Allocation 3004511007

Date	Mcf/d
May-22	38.03
Jun-22	37.94
Jul-22	37.84
Aug-22	37.74
Sep-22	37.65
Oct-22	37.55
Nov-22	37.45
Dec-22	37.36
Jan-23	37.26
Feb-23	37.17
Mar-23	37.08
Apr-23	36.99
May-23	36.89
Jun-23	36.8
Jul-23	36.71
Aug-23	36.61
Sep-23	36.52
Oct-23	36.42
Nov-23	36.33
Dec-23	36.24
Jan-24	36.15
Feb-24	36.06
Mar-24	35.97
Apr-24	35.87
May-24	35.78
Jun-24	35.69
Jul-24	35.6
Aug-24	35.51
Sep-24	35.42
Oct-24	35.33
Nov-24	35.24
Dec-24	35.15
Jan-25	35.06
Feb-25	34.97
Mar-25	34.89
Apr-25	34.8
May-25	34.71
Jun-25	34.62
Jul-25	34.53
Aug-25	34.45
Sep-25	34.36
Oct-25	34.27
Nov-25	34.18
Dec-25	34.1
Jan-26	34.01
Feb-26	33.92
Mar-26	33.84
Apr-26	33.76

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 4th year and will be utilized to create a fixed percentage based allocation.



Gp: 2548 MMcf
Np: 0.000 Mstb
Wp: 5.632 Mstb
Ocond: 7.131 Mstb

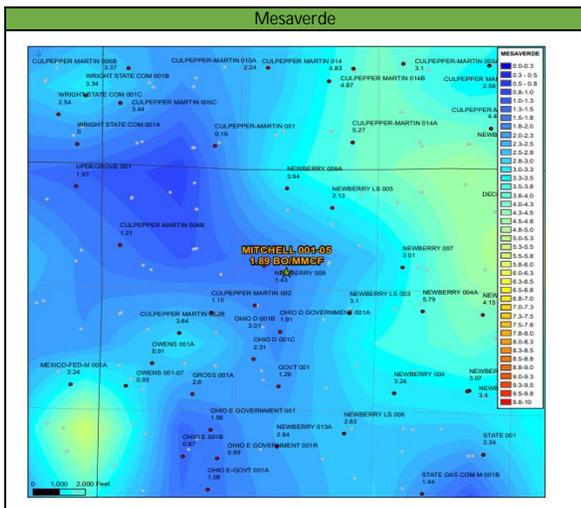
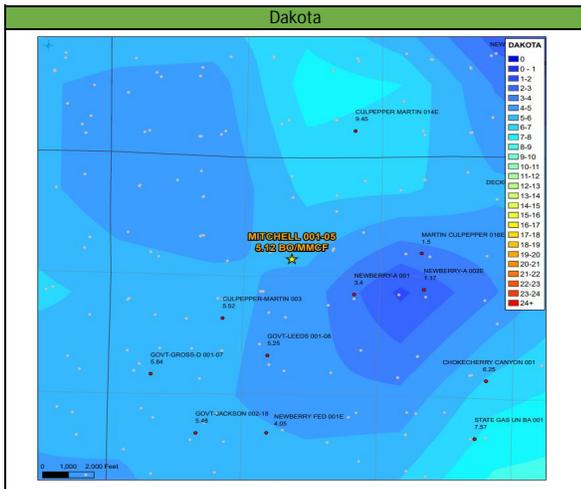
Analysis Class	EUR	G _e	RR	Start Date	q	A ₁	d ₁ sec	b	d ₁ exp	q	End Date	RR ₁ %
Name	MMcf	MMcf	MMcf	MM/DD/YYYY	Mscf	year	%/year	%/year	Mscf	MM/DD/YYYY		
Analysis 1	2880	2548	338	04/01/2022	38.2	43.98	3.000	0.000	10.0	05/25/2059	-0.080	

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	
DK		5.12	338	54%
MV		1.89	777	46%



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 272060

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 272060
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclore	None	10/3/2023