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|--|----------------------|---|---------------------|---|--|--|--|
| <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 checked="" type="checkbox"/> | |
| Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> | | | | | | Date: 9/29/2023 | |
| Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/> | | | | | | API No. 30-045-25331 DHC No. 5314 Lease No. NMSF078115 | |
| Well Name Grenier | | | | | | Well No. 15E | |
| Unit Letter K | Section 18 | Township 31N | Range 11W | Footage 1520' FSL & 1560' FWL | | County, State San Juan, New Mexico | |
| Completion Date 8/21/2023 | | 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 will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formation (s) 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(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.</p> <p>Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 21%, DK 79% (Oil revised from previous submission due to miscalculation)</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 | |
| Amanda Walker | | 9/29/2023 | | | | | |
| X  | | | | Operations/Regulatory Tech – Sr. | | 346.237.2177 | |
| For Technical Questions: Shane Smith | | | | Reservoir Engineer | | shane.smith@hilcorp.com | |

ACCEPTED FOR RECORD

The production from the well shall be allocated to each pool as stipulated within the DHC Order.

| | | |
|-----------------------------------|---|--|
| Well Name: GRENIER | Well Location: T31N / R11W / SEC 18 / NESW / 36.895874 / -108.034607 | County or Parish/State: SAN JUAN / NM |
| Well Number: 15E | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMSF078115 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3004525331 | Well Status: Producing Gas Well | Operator: HILCORP ENERGY COMPANY |

Notice of Intent

Sundry ID: 2754218

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 09/29/2023

Time Sundry Submitted: 12:57

Date proposed operation will begin: 08/01/2023

Procedure Description: Please see the attached REVISED Allocation for the above mentioned well. There was a calculation error for the oil.

NOI Attachments

Procedure Description

Grenier_15E_REVISIED_Preliminary_Subtraction_Allocation_Form_20230929125653.pdf

Well Name: GRENIER

Well Location: T31N / R11W / SEC 18 /
NESW / 36.895874 / -108.034607

County or Parish/State: SAN
JUAN / NM

Well Number: 15E

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMSF078115

Unit or CA Name:

Unit or CA Number:

US Well Number: 3004525331

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: SEP 29, 2023 12:56 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: Accepted

Disposition Date: 09/29/2023

Signature: Kenneth Rennick

Grenier 15E Subtraction Allocation 3004525331

| Date | Mcf/d |
|--------|-------|
| Aug-23 | 121.8 |
| Sep-23 | 121.2 |
| Oct-23 | 120.6 |
| Nov-23 | 120.1 |
| Dec-23 | 119.5 |
| Jan-24 | 119 |
| Feb-24 | 118.4 |
| Mar-24 | 117.9 |
| Apr-24 | 117.4 |
| May-24 | 116.8 |
| Jun-24 | 116.3 |
| Jul-24 | 115.8 |
| Aug-24 | 115.2 |
| Sep-24 | 114.7 |
| Oct-24 | 114.2 |
| Nov-24 | 113.6 |
| Dec-24 | 113.1 |
| Jan-25 | 112.6 |
| Feb-25 | 112.1 |
| Mar-25 | 111.6 |
| Apr-25 | 111.1 |
| May-25 | 110.6 |
| Jun-25 | 110.1 |
| Jul-25 | 109.6 |
| Aug-25 | 109 |
| Sep-25 | 108.5 |
| Oct-25 | 108 |
| Nov-25 | 107.5 |
| Dec-25 | 107.1 |
| Jan-26 | 106.6 |
| Feb-26 | 106.1 |
| Mar-26 | 105.6 |
| Apr-26 | 105.1 |
| May-26 | 104.6 |
| Jun-26 | 104.2 |
| Jul-26 | 103.7 |
| Aug-26 | 103.2 |
| Sep-26 | 102.7 |
| Oct-26 | 102.3 |
| Nov-26 | 101.8 |
| Dec-26 | 101.3 |
| Jan-27 | 100.8 |
| Feb-27 | 100.4 |
| Mar-27 | 99.95 |
| Apr-27 | 99.5 |
| May-27 | 99.04 |
| Jun-27 | 98.58 |
| Jul-27 | 98.13 |

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.

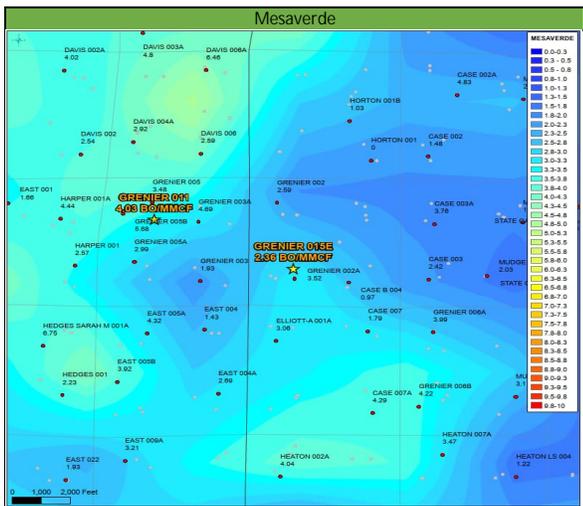
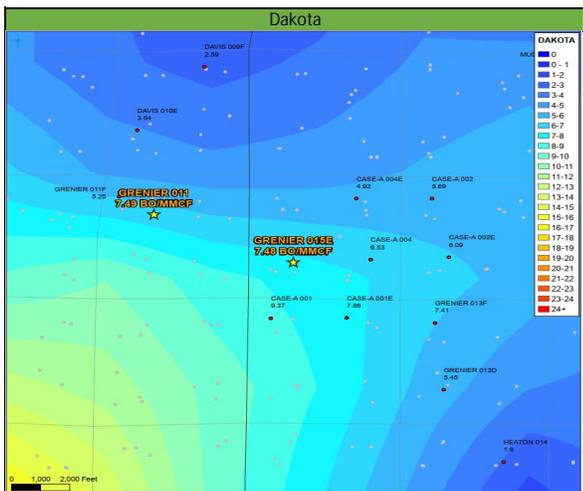


Oil Allocation:

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 | 7.48 | 743 | 79% |
| MV | 2.36 | 612 | 21% |



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 271839

CONDITIONS

| | |
|--|---|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 271839 |
| | Action Type: [C-103] NOI General Sundry (C-103X) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| dmcclosure | ACCEPTED FOR RECORD | 10/3/2023 |
| dmcclosure | The production from the well shall be allocated to each pool as stipulated within the DHC Order. | 10/3/2023 |