

Well Name: JOHNSTON FEDERAL	Well Location: T30N / R9W / SEC 12 / SEW / 36.828369 / -107.734299	County or Parish/State: SAN JUAN / NM
Well Number: 1A	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078439	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004521667	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2796236

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 06/20/2024

Time Sundry Submitted: 05:38

Date proposed operation will begin: 06/01/2024

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

NOI Attachments

Procedure Description

Johnston_Federal_1A_Preliminary_Subtraction_Allocation_Form_20240620053828.pdf

Well Name: JOHNSTON FEDERAL

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SEW / 36.828369 / -107.734299

County or Parish/State: SAN
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Well Number: 1A

Type of Well: CONVENTIONAL GAS
WELL

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Lease Number: NMSF078439

Unit or CA Name:

Unit or CA Number:

US Well Number: 3004521667

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 20, 2024 05:38 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: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 06/20/2024

Signature: Matthew Kade

<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: 6/18/2024 API No. 30-045-21667 DHC No. DHC 5383 Lease No. NMSF078439	
Well Name Johnston Federal						Well No. 1A	
Unit Letter F	Section 12	Township 30N	Range 09W	Footage 1600' FNL & 1800' FWL	County, State San Juan, New Mexico		
Completion Date 6/3/2024		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 the subtraction method in agreement with local agencies. The base formation is the 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(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. FC 0%, MV 100% (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	
Amanda Walker 		06/18/2024		Operations/Regulatory Tech – Sr.		346-237-2177	
For Technical Questions: Shane Smith				Reservoir Engineer		shane.smith@hilcorp.com	

Johnston Federal 1A Subtraction Allocation

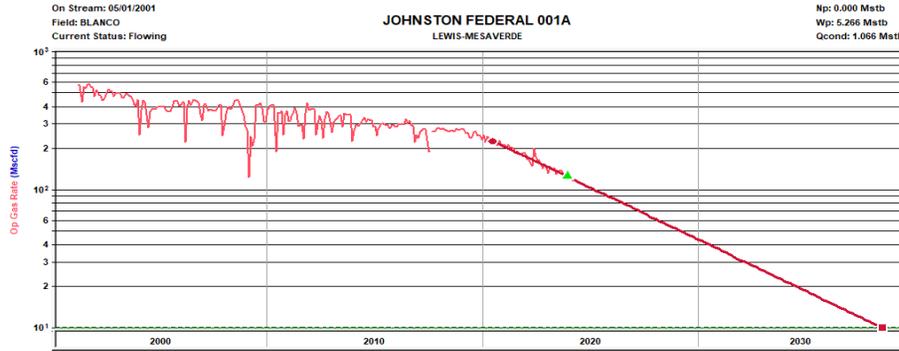
3004521667

Date	Mcf
Jun-24	113.6
Jul-24	112
Aug-24	110.4
Sep-24	108.8
Oct-24	107.2
Nov-24	105.7
Dec-24	104.2
Jan-25	102.7
Feb-25	101.2
Mar-25	99.84
Apr-25	98.41
May-25	97
Jun-25	95.61
Jul-25	94.24
Aug-25	92.87
Sep-25	91.53
Oct-25	90.22
Nov-25	88.93
Dec-25	87.65
Jan-26	86.38
Feb-26	85.18
Mar-26	84
Apr-26	82.79
May-26	81.61
Jun-26	80.44
Jul-26	79.28
Aug-26	78.13
Sep-26	77.01
Oct-26	75.9
Nov-26	74.81
Dec-26	73.74
Jan-27	72.67
Feb-27	71.66
Mar-27	70.67
Apr-27	69.65
May-27	68.65
Jun-27	67.67
Jul-27	66.7
Aug-27	65.73
Sep-27	64.78
Oct-27	63.86
Nov-27	62.94
Dec-27	62.04
Jan-28	61.13
Feb-28	60.27
Mar-28	59.42
Apr-28	58.57

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the **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.



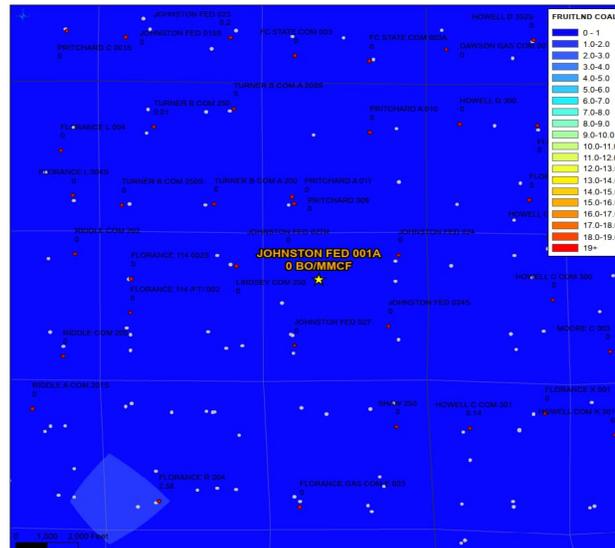
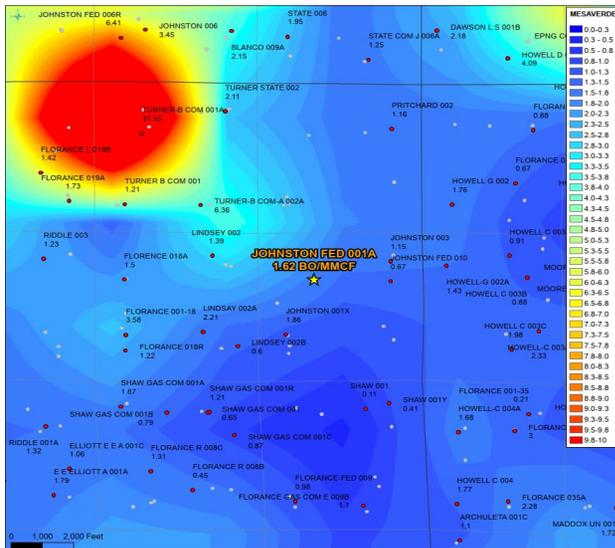
Analysis	Class	EUR	G ₁	RR ₁	Start Date	q	Δt	d _{sec}	d _{exp}	q ₁	End Date	
Name		MMscf	MMscf	MM/DD/YYYY	Mscf	year	%/year			MM/DD/YYYY		
Analysis 1		2678	2636	242	12/01/2023	124.8	14.60	15.881	0.000	8.000	10.0	07/06/2038

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 Fruitland Coal formation has historically never produced oil. If the well produces and oil, it will be allocated 100% to the Mesaverde 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
MV	1.62	242	100%
FRC	0	1145	0%



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 356443

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 356443
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclore	ACCEPTED FOR RECORD ONLY	7/1/2024
dmcclore	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	7/1/2024