

Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.	NMSF078496
6. If Indian, Allottee or Tribe Name	

SUBMIT IN TRIPLICATE - Other instructions on page 2		7. If Unit of CA/Agreement, Name and/or No. SAN JUAN 28-7 UNIT-DK/NMNM78413C
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. SAN JUAN 28-7 UNIT/131
2. Name of Operator HILCORP ENERGY COMPANY		9. API Well No. 3003920587
3a. Address 1111 TRAVIS STREET, HOUSTON, TX 77002	3b. Phone No. (include area code) (713) 209-2400	10. Field and Pool or Exploratory Area BLANCO MESAVERDE/BASIN DAKOTA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SEC 34/T28N/R7W/NMP		11. Country or Parish, State RIO ARRIBA/NM

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

Please see attached subtraction allocation.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) CHERYLENE WESTON / Ph: (713) 289-2615	Title Operations/Regulatory Tech - Sr
Signature (Electronic Submission)	Date 07/26/2024

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by KENNETH G RENNICK / Ph: (505) 564-7742 / Approved	Title Petroleum Engineer	Date 07/29/2024
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office FARMINGTON	

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.

(Instructions on page 2)

<h1 style="text-align: center;">Hilcorp Energy Company</h1> <h2 style="text-align: center;">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: 7/26/2024 API No. 3003920587 DHC No. DHC-5412 Lease No. NMSF078496		
Well Name SAN JUAN 28-7 UNIT						Well No. 131		
Unit Letter L	Section 34	Township 028N	Range 007W	Footage 1680 FSL & 870 FWL	County, State RIO ARRIBA, New Mexico			
Completion Date 7/26/2024		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 DK and the added formations to be commingled are the MV/MC. The subtraction method applies an average monthly production forecast to the base formations using historic production. All production from this well exceeding the forecast will be allocated to the new formations. 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. (No Change from Approved DHC)</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 31%, MC 57%, DK 12% (No Change from Approved DHC)</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>Cherylene Weston</i>								
Cherylene Weston				7/26/2024		Operations/Regulatory Tech – Sr.		713-289-2615
For Technical Questions: Marcus Hill/Griffin S.				Reservoir Engineer				346-237-2011 or 2071

San Juan 28-7 Unit 131 - Production Allocation

	DK
Date	Mcf/d
Jul-24	27.79
Aug-24	27.68
Sep-24	27.58
Oct-24	27.47
Nov-24	27.37
Dec-24	27.26
Jan-25	27.16
Feb-25	27.06
Mar-25	26.96
Apr-25	26.86
May-25	26.76
Jun-25	26.65
Jul-25	26.55
Aug-25	26.45
Sep-25	26.35
Oct-25	26.25
Nov-25	26.15
Dec-25	26.05
Jan-26	25.95
Feb-26	25.86
Mar-26	25.76
Apr-26	25.66
May-26	25.57
Jun-26	25.47
Jul-26	25.37
Aug-26	25.28
Sep-26	25.18
Oct-26	25.08
Nov-26	24.99
Dec-26	24.89
Jan-27	24.8
Feb-27	24.71
Mar-27	24.62
Apr-27	24.52
May-27	24.43
Jun-27	24.34
Jul-27	24.25
Aug-27	24.15
Sep-27	24.06
Oct-27	23.97
Nov-27	23.88
Dec-27	23.79
Jan-28	23.7
Feb-28	23.61
Mar-28	23.52
Apr-28	23.43
May-28	23.34
Jun-28	23.25
Jul-28	23.16

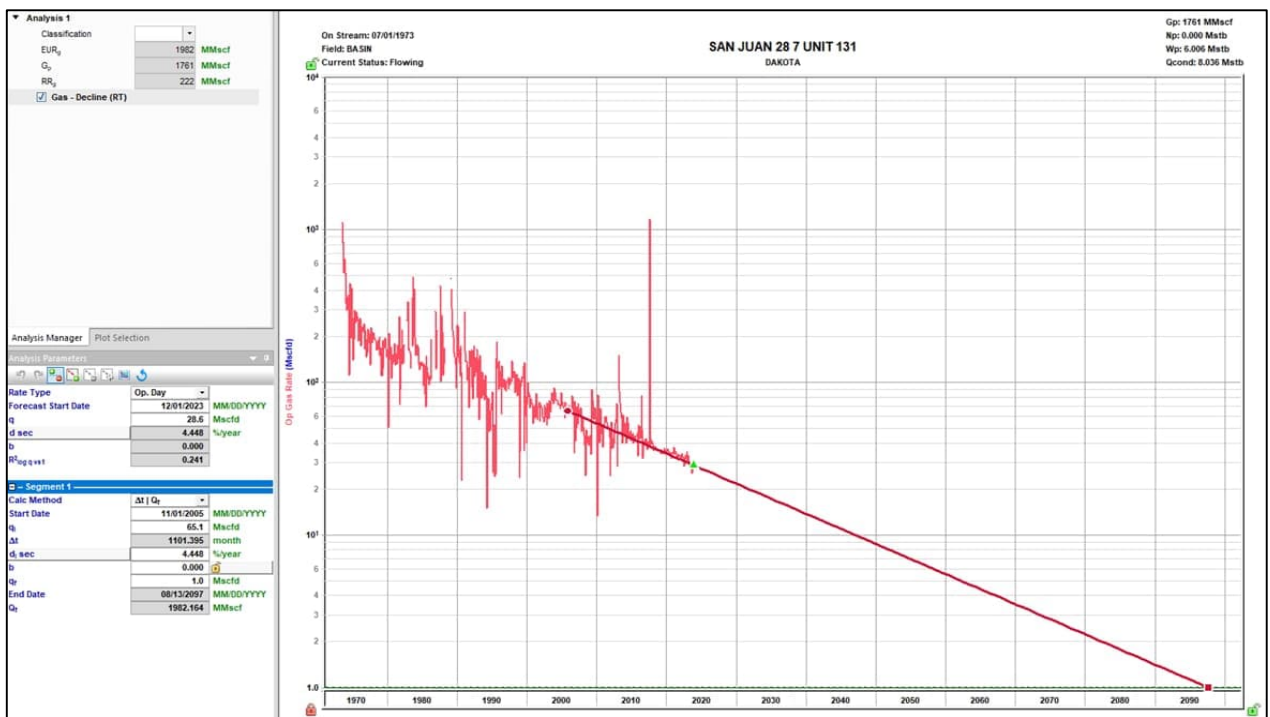
Gas Allocation:

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/Mancos. 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 formations.

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.

The split between MV and MC is based on the ratio of forecasted reserves as shown below.

Formation	Rem Reserves (MMcf)	% Gas Allocation
MC	321	42%
MV	436	58%

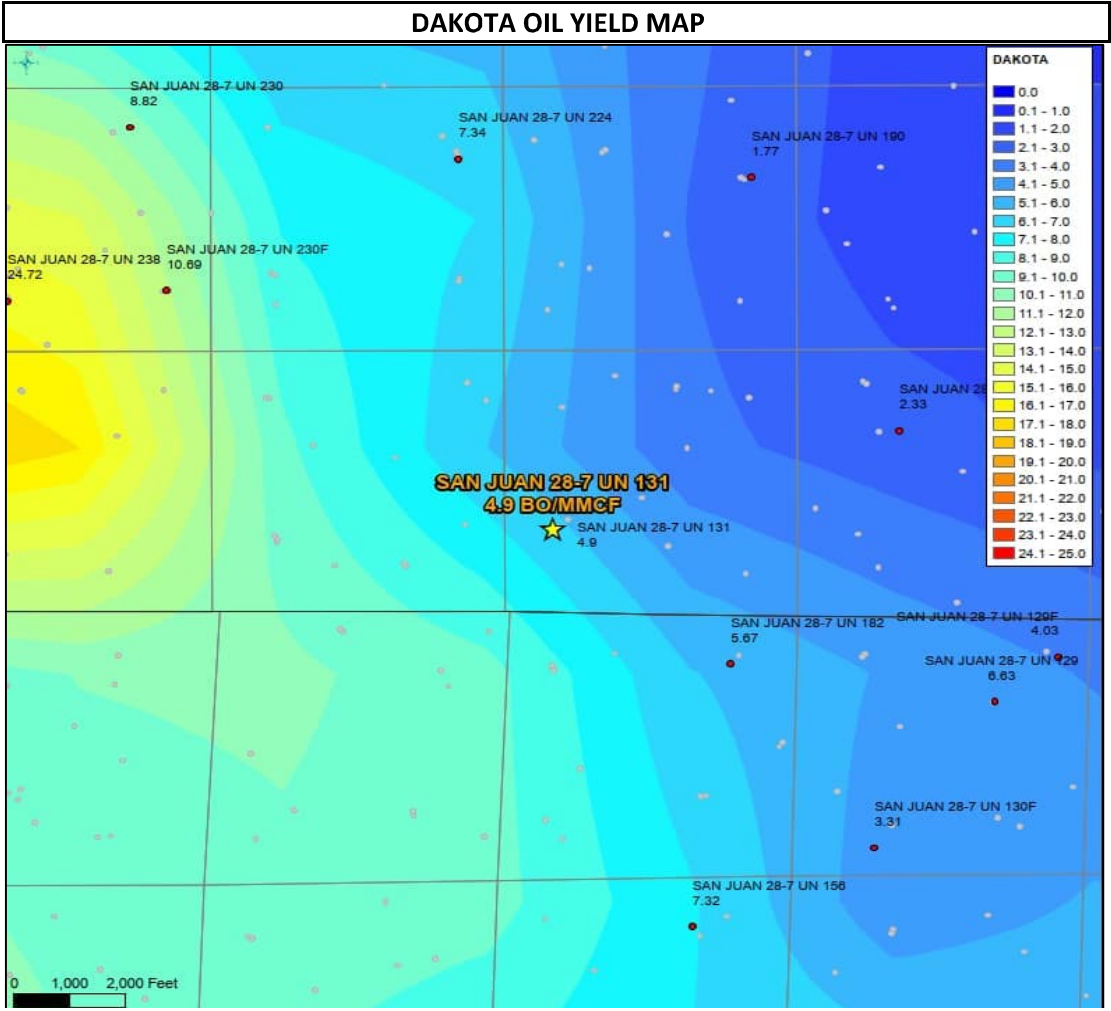


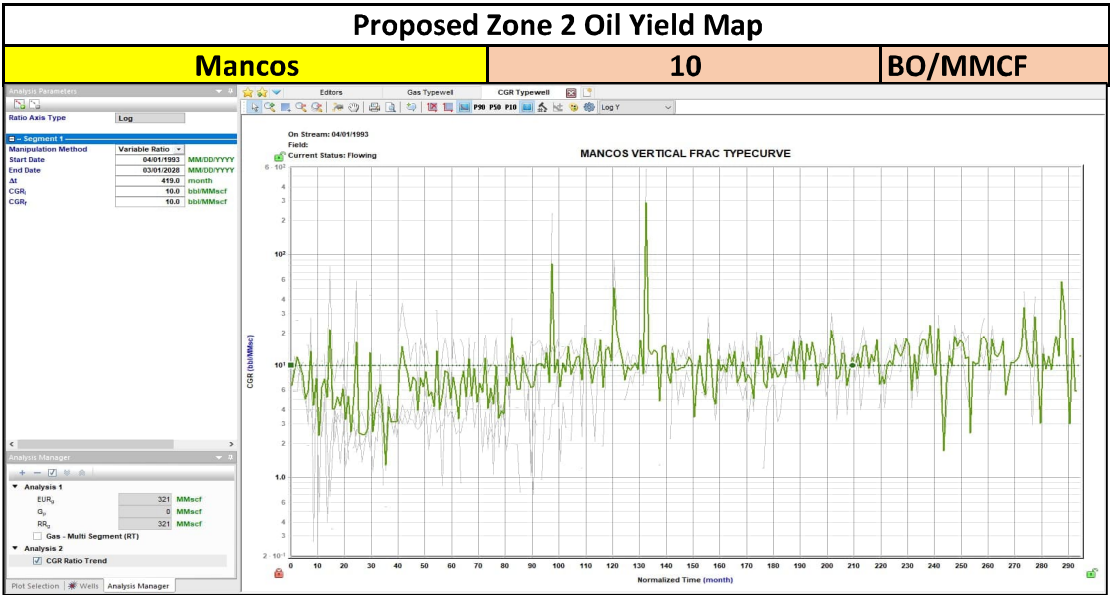
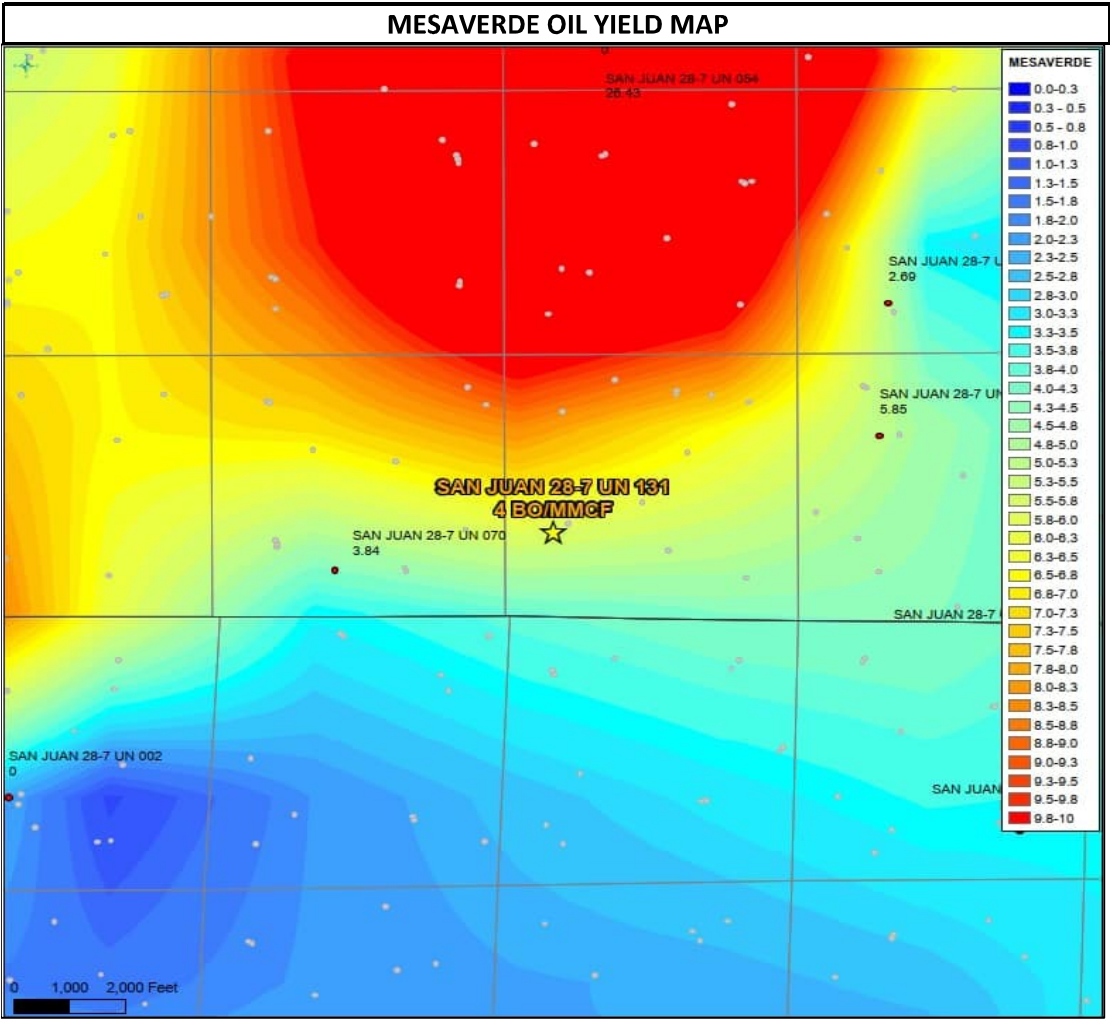
Oil Allocation:

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

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	3.00	222	12%
MV	4.00	436	31%
MC	10.00	321	57%





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 368089

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 368089
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmccclure	ACCEPTED FOR RECORD ONLY	8/1/2024
dmccclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	8/1/2024