

Well Name: SAN JUAN 29-7 UNIT	Well Location: T29N / R7W / SEC 19 / NWSW / 36.710342 / -107.616669	County or Parish/State: RIO ARRIBA / NM
Well Number: 117	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078503	Unit or CA Name: SAN JUAN 29-7 UNIT--DK	Unit or CA Number: NMNM78417B
US Well Number: 3003922762	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2792871

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 05/29/2024

Time Sundry Submitted: 02:35

Date proposed operation will begin: 05/24/2024

Procedure Description: Please see the attached subtraction allocation.

NOI Attachments

Procedure Description

SJ_29_7_Unit_117_Preliminary_Subtraction_Allocation_20240529143526.pdf

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NWSW / 36.710342 / -107.616669

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UNIT--DK

Unit or CA Number:
NMNM78417B

US Well Number: 3003922762

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: CHERYLENE WESTON

Signed on: MAY 29, 2024 02:35 PM

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: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 05/29/2024

Signature: Kenneth Rennick

<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: 5/28/2024 API No. 30-039-22762 DHC No. DHC-5386 Lease No. NMSF078503			
Well Name SAN JUAN 29-7 UNIT						Well No. 117			
Unit Letter L	Section 19	Township 029N	Range 007W	Footage 2190 FSL & 550 FWL	County, State RIO ARRIBA, New Mexico				
Completion Date 5/24/2024		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 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 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 100%, DK 0%. Allocation matches DHC – no changes to allocation.</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 Cherylene Weston				5/28/2024		Operations/Regulatory Tech – Sr.		713-289-2615	
Cherylene Weston									
For Technical Questions: Marcus Hill						Reservoir Engineer		346-237-2011	

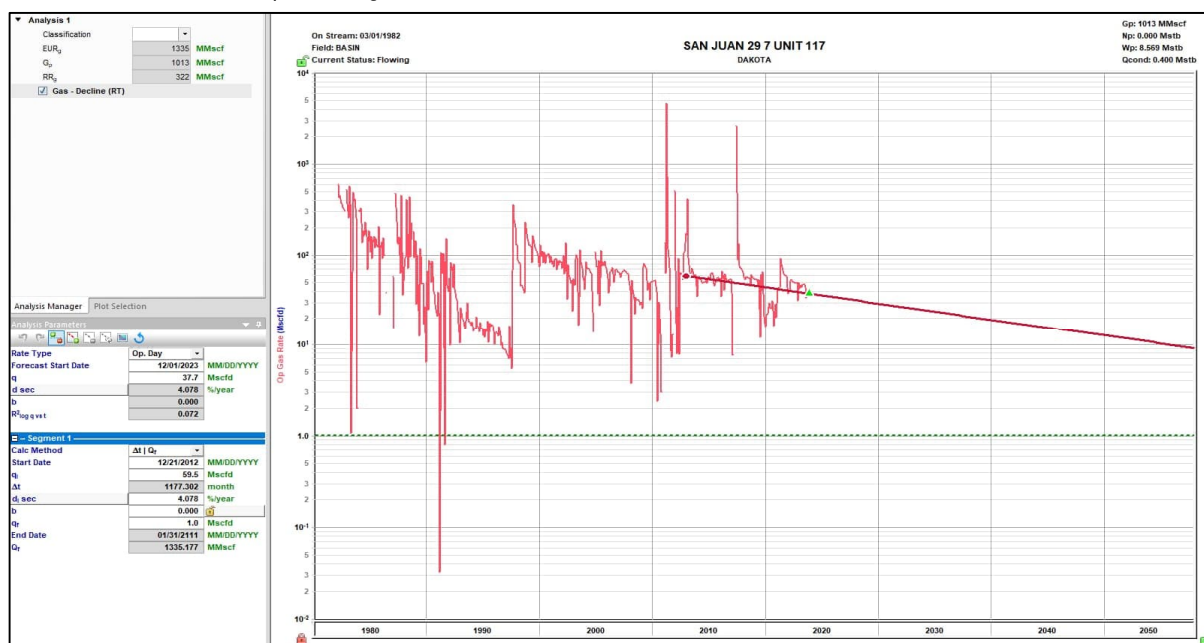
San Juan 29-7 Unit 117 - Production Allocation

	DK
Date	Mcf/d
May-24	36.98
Jun-24	36.85
Jul-24	36.73
Aug-24	36.6
Sep-24	36.47
Oct-24	36.34
Nov-24	36.22
Dec-24	36.09
Jan-25	35.96
Feb-25	35.84
Mar-25	35.72
Apr-25	35.6
May-25	35.48
Jun-25	35.35
Jul-25	35.23
Aug-25	35.11
Sep-25	34.98
Oct-25	34.86
Nov-25	34.74
Dec-25	34.62
Jan-26	34.5
Feb-26	34.38
Mar-26	34.27
Apr-26	34.15
May-26	34.03
Jun-26	33.91
Jul-26	33.79
Aug-26	33.67
Sep-26	33.56
Oct-26	33.44
Nov-26	33.33
Dec-26	33.21
Jan-27	33.09
Feb-27	32.98
Mar-27	32.87
Apr-27	32.76
May-27	32.64
Jun-27	32.53
Jul-27	32.42
Aug-27	32.3
Sep-27	32.19
Oct-27	32.08
Nov-27	31.97
Dec-27	31.86
Jan-28	31.74
Feb-28	31.64
Mar-28	31.53
Apr-28	31.42
May-28	31.31

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 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.

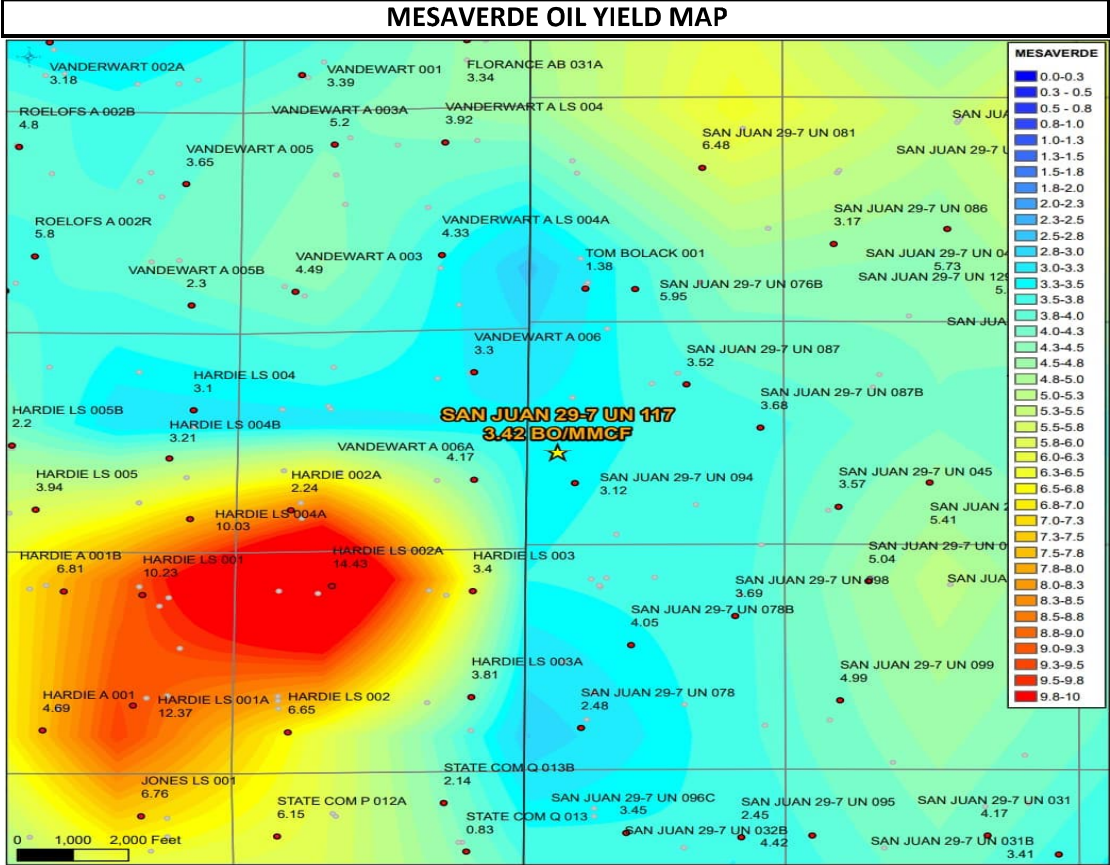
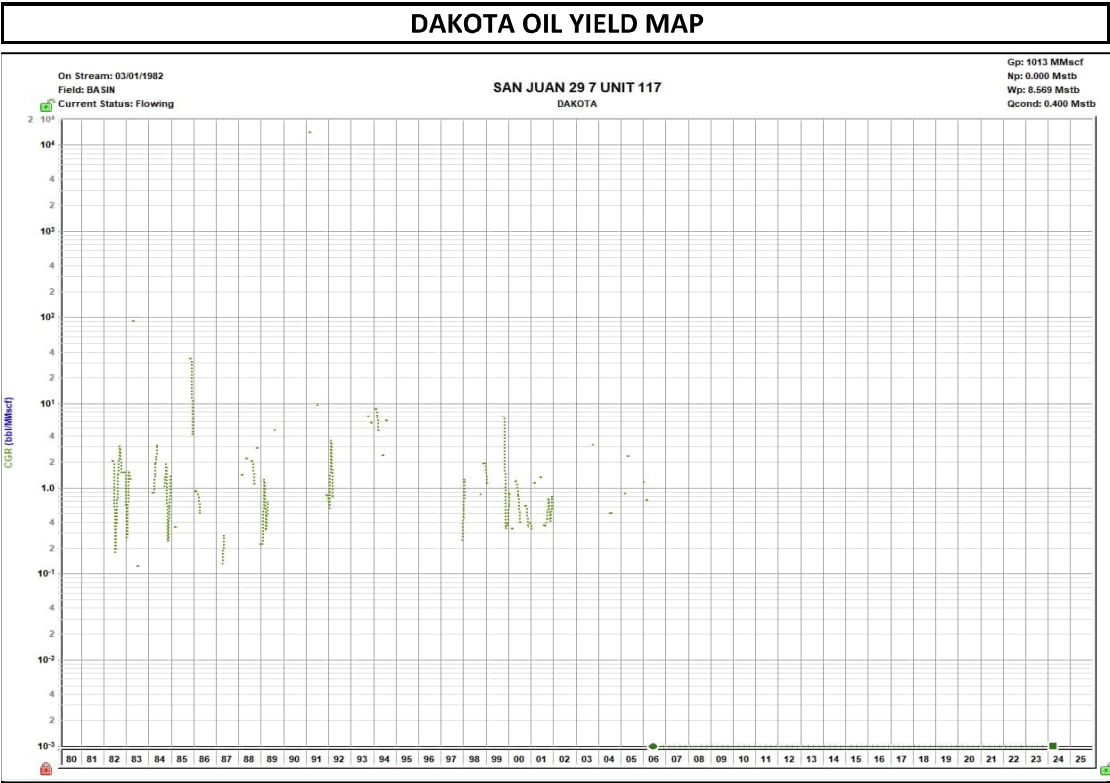


Oil Allocation:

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	0	322	0%
MV	3.42	476	100%



Sante Fe Main Office
Phone: (505) 476-3441

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 431877

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 431877
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	2/21/2025
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	2/21/2025