

**Well Name:** SAN JUAN 28-7 UNIT

**Well Location:** T28N / R7W / SEC 23 /  
NWNE / 36.650589 / -107.538116

**County or Parish/State:** RIO  
ARRIBA / NM

**Well Number:** 158

**Type of Well:** CONVENTIONAL GAS  
WELL

**Allottee or Tribe Name:**

**Lease Number:** NMSF079290A

**Unit or CA Name:** SAN JUAN 28-7  
UNIT--DK, SAN JUAN 28-7 UNIT--MV

**Unit or CA Number:**  
NMNM78413A, NMNM78413C

**US Well Number:** 3003920381

**Operator:** HILCORP ENERGY  
COMPANY

### Notice of Intent

**Sundry ID:** 2839934

**Type of Submission:** Notice of Intent

**Type of Action:** Commingling (Subsurface)

**Date Sundry Submitted:** 03/04/2025

**Time Sundry Submitted:** 11:51

**Date proposed operation will begin:** 02/28/2025

**Procedure Description:** Please find the attached preliminary subtraction allocation.

### NOI Attachments

**Procedure Description**

SAN\_JUAN\_28\_7\_UNIT\_158\_Preliminary\_Subtraction\_Allocation\_Form\_20250304115103.pdf

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Unit or CA Number: NMNM78413A, NMNM78413C

US Well Number: 3003920381

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: DAWN NASH-DEAL

Signed on: MAR 04, 2025 11:51 AM

Name: HILCORP ENERGY COMPANY

Title: Operations Regulatory Tech

Street Address: 1111 TRAVIS ST

City: HOUSTON State: TX

Phone: (505) 324-5132

Email address: DNASH@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: 03/04/2025

Signature: Kenneth Rennick

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.**

<b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>		5. Lease Serial No.
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator		7. If Unit of CA/Agreement, Name and/or No.
3a. Address	3b. Phone No. (include area code)	8. Well Name and No.
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)		9. API Well No.
		10. Field and Pool or Exploratory Area
		11. Country or Parish, State

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 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 recomplete 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 performed 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 recompletion 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 determined that the site is ready for final inspection.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	
	Title
Signature	Date

**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by		
	Title	Date
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	

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)

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13*: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

## Additional Information

### Location of Well

0. SHL: NWNE / 1190 FNL / 1450 FEL / TWSP: 28N / RANGE: 7W / SECTION: 23 / LAT: 36.650589 / LONG: -107.538116 ( TVD: 0 feet, MD: 0 feet )

BHL: NWNE / 1190 FNL / 1450 FEL / TWSP: 28N / SECTION: / LAT: 36.650589 / LONG: 107.538116 ( TVD: 0 feet, MD: 0 feet )

<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 type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input checked="" type="checkbox"/>					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>  Date:  API No. 3003920381 DHC No. 5447 Lease No. NMSF079290A
Well Name <b>SAN JUAN 28-7 UNIT</b>					Well No. <b>158</b>
Unit Letter <b>B</b>	Section <b>23</b>	Township <b>28N</b>	Range <b>07W</b>	Footage <b>1190' FNL &amp; 1450' FEL</b>	County, State <b>RIO ARRIBA, New Mexico</b>
Completion Date		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 will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formations to be commingled are the Mesaverde and 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. New zones (MV/MC) will be allocated using a fixed allocation. Forecasted rates for MV and MC are based on offsets type curve. The split between MV and MC is based on the ratio of forecasted reserves as shown in the table below.					
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. <b>MV 57%, MC 43%</b> (No Change to Allocation from Approved DHC Application)					
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.					
CONTACT INFORMATION					
NAME		DATE		TITLE	PHONE
DAWN NASH-DEAL		03/07/2025			
X <i>Dawn Nash Deal</i>				Operations/Regulatory Tech	505-324-5132
For Technical Questions: MARCUS HILL				Reservoir Engineer	Marcus.Hill@hilcorp.com

### San Juan 28-7 Unit 158 Subtraction Allocation

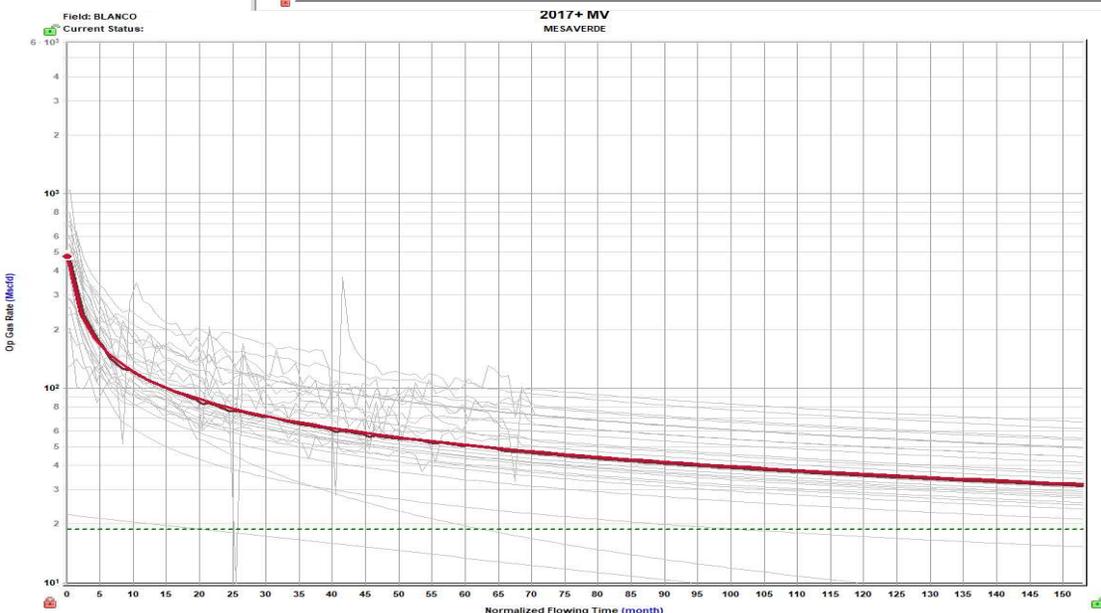
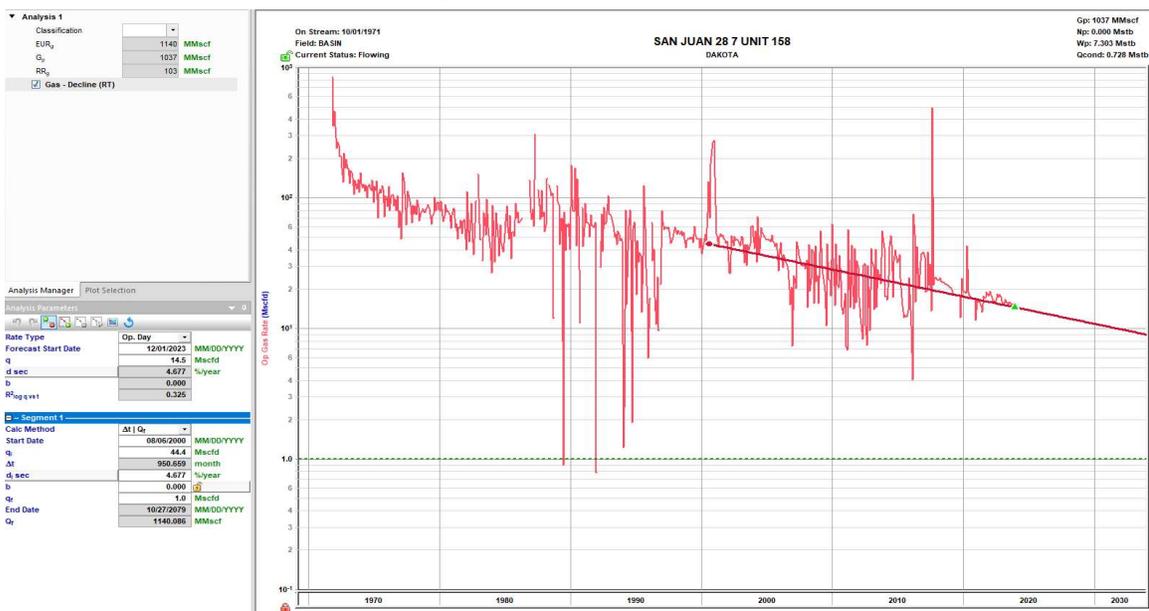
Date	Mcf/d
Mar-25	13.68
Apr-25	13.62
May-25	13.57
Jun-25	13.51
Jul-25	13.46
Aug-25	13.4
Sep-25	13.35
Oct-25	13.3
Nov-25	13.25
Dec-25	13.19
Jan-26	13.14
Feb-26	13.09
Mar-26	13.04
Apr-26	12.99
May-26	12.93
Jun-26	12.88
Jul-26	12.83
Aug-26	12.78
Sep-26	12.73
Oct-26	12.68
Nov-26	12.63
Dec-26	12.58
Jan-27	12.52
Feb-27	12.48
Mar-27	12.43
Apr-27	12.38
May-27	12.33
Jun-27	12.28
Jul-27	12.23
Aug-27	12.18
Sep-27	12.13
Oct-27	12.08
Nov-27	12.04
Dec-27	11.99
Jan-28	11.94
Feb-28	11.89
Mar-28	11.85
Apr-28	11.8
May-28	11.75
Jun-28	11.7
Jul-28	11.66
Aug-28	11.61
Sep-28	11.56
Oct-28	11.52
Nov-28	11.47
Dec-28	11.43
Jan-29	11.38
Feb-29	11.34

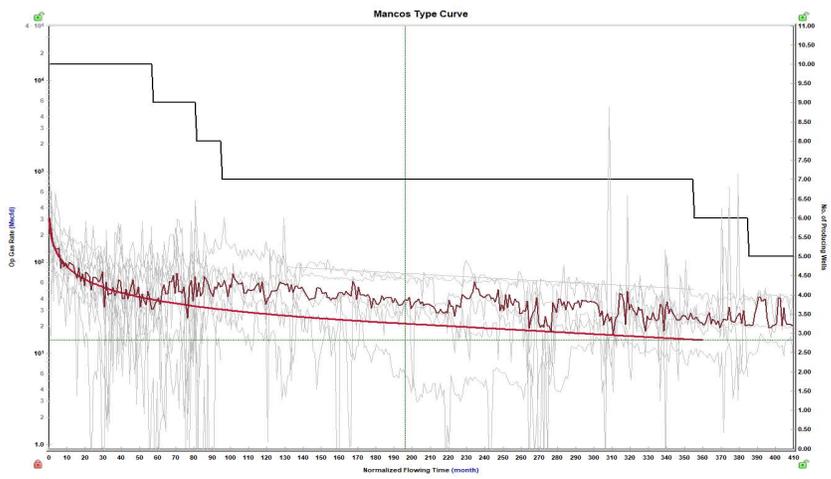
**Gas Allocation:**

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 formations to be commingled are the Mesaverde and 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. New zones (MV/MC) will be allocated using a fixed allocation. Forecasted rates for MV and MC are based on offsets type curve. The split between MV and MC is based on the ratio of forecasted reserves as shown in the table below.

Formation	Forecasted Reserves (MMcf)	% Gas Allocation
MV	436	57%
MC	325	43%

After 3 years production will stabilize. A production average will be gathered during the 4<sup>th</sup> year and will be utilized to create a fixed percentage based allocation.



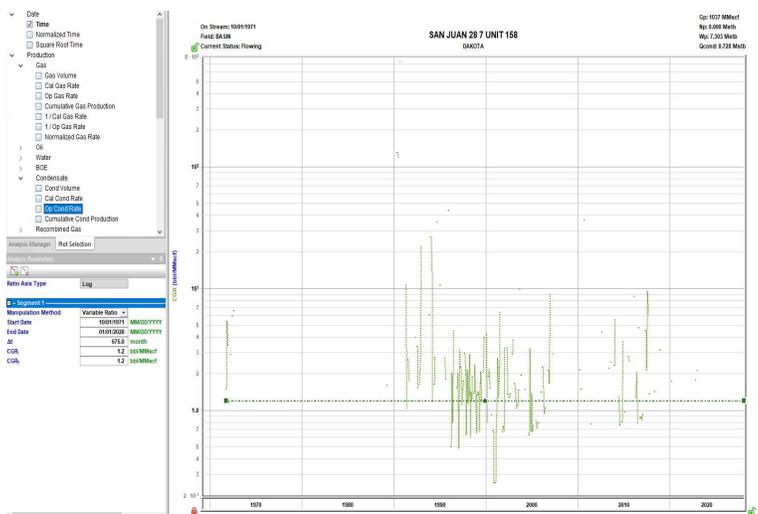
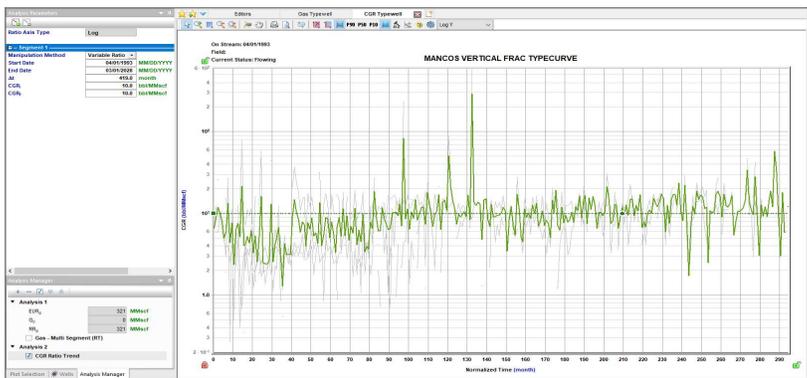
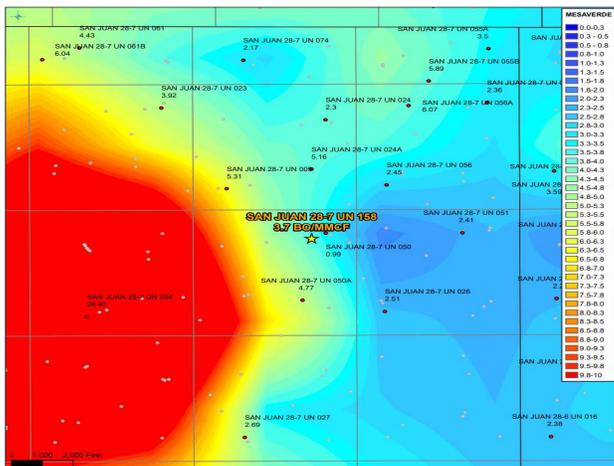


**Oil Allocation:**

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 or Forecasted Reserves (MMcft)	% Oil Allocation
DK	1.2	103	2%
MV	3.7	436	32%
MC	10	325	65%



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 450062

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 450062
	Action Type: [C-103] NOI General Sundry (C-103X)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	6/13/2025
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	6/13/2025