

<h1>Hilcorp Energy Company</h1> <h2>PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006						
					Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input checked="" 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: <b>5/23/2022</b> API No. <b>30-045-24057</b> DHC No. <b>DHC371AZ</b> Lease No. <b>SF078266</b>						
Well Name <b>San Jacinto</b>					Well No. <b>6E</b>						
Unit Letter <b>A</b>	Section <b>20</b>	Township <b>T029N</b>	Range <b>R010W</b>	Footage <b>1090' FNL &amp; 640' FEL</b>	County, State <b>San Juan County,          New Mexico</b>						
Completion Date <b>2/23/2018</b>		Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>									
FORMATION		GAS		PERCENT		CONDENSATE		PERCENT			
MESAVERDE		208 MCFD		94%				95%			
DAKOTA		13 MCFD		6%				5%			
JUSTIFICATION OF ALLOCATION: <b>**REVISED Oil allocation due to miscalculation. Effective Date 2/1/2022. No change to gas allocation.**</b> Hilcorp Energy Company requests that production for the down hole commingle to be switched to a fixed percentage-based allocation. The fixed percentage-based allocation is calculated from average production rates from twelve months. Oil allocated based on average formation yields in surrounding area and new fixed allocations.											
APPROVED BY			DATE			TITLE			PHONE		
Amanda Walker											
X <i>A Walker</i>			5/23/2022			Operations/Regulatory Tech Sr.			346-237-2177		
For Technical Questions:			Justin Nall			Reservoir Engineer – Sr.			346-237.2231		

*Dean R McIlure*

06/02/2022

<b>Well Name:</b> SAN JACINTO	<b>Well Location:</b> T29N / R10W / SEC 20 / NENE / 36.715836 / -107.900696	<b>County or Parish/State:</b> SAN JUAN / NM
<b>Well Number:</b> 6E	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMSF078266	<b>Unit or CA Name:</b> BLANCO MESAVERDE, SAN JACINTO-DK	<b>Unit or CA Number:</b> NMNM123495, NMNM73864
<b>US Well Number:</b> 3004524057	<b>Well Status:</b> Producing Gas Well	<b>Operator:</b> HILCORP ENERGY COMPANY

### Notice of Intent

**Sundry ID:** 2672903

**Type of Submission:** Notice of Intent

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

**Date Sundry Submitted:** 05/23/2022

**Time Sundry Submitted:** 09:21

**Date proposed operation will begin:** 02/01/2022

**Procedure Description:** Please see the attached REVISED request to change the Production Allocation effective 2/1/2022.

### NOI Attachments

**Procedure Description**

San\_Jacinto\_6E\_REVISIED\_Preliminary\_Changed\_to\_Fixed\_Allocation\_20220523092113.pdf

**Well Name:** SAN JACINTO

**Well Location:** T29N / R10W / SEC 20 / NENE / 36.715836 / -107.900696

**County or Parish/State:** SAN JUAN / NM

**Well Number:** 6E

**Type of Well:** CONVENTIONAL GAS WELL

**Allottee or Tribe Name:**

**Lease Number:** NMSF078266

**Unit or CA Name:** BLANCO MESAVERDE, SAN JACINTO-DK

**Unit or CA Number:** NMNM123495, NMNM73864

**US Well Number:** 3004524057

**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:** MAY 23, 2022 09:21 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:** KENNETH G RENNICK

**BLM POC Title:** Petroleum Engineer

**BLM POC Phone:** 5055647742

**BLM POC Email Address:** krennick@blm.gov

**Disposition:** Approved

**Disposition Date:** 05/25/2022

**Signature:** Kenneth Rennick

## San Jacinto 6E Fixed Allocation

The Mesaverde and the Gallup formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage based allocation.

The new fixed percentage based allocation will be calculated from average production rates from the past twelve months.

Date	Gas Production		
	Dakota	Mesaverde	Total
Oct-20	12.9	236.4	249.3
Nov-20	12.8	214.1	226.9
Dec-20	12.8	178.5	191.3
Jan-21	12.7	171.5	184.2
Feb-21	12.6	220.5	233.1
Mar-21	12.6	220.1	232.7
Apr-21	12.5	214.6	227.1
May-21	12.4	222.0	234.4
Jun-21	12.4	216.7	229.1
Jul-21	12.3	197.2	209.5
Aug-21	12.3	203.6	215.9
Sep-21	12.2	205.2	217.4
Averages	13	208	221
% of Total	6%	94%	

Oil will be reallocated based on the average formation yields in surrounding area and new fixed allocations.

Formation	Yield	Oil Allocation
Dakota	8.29 bbl/mmscf	5%
Mesaverde	10.03 bbl/mmscf	95%

