

Area: «TEAM»

<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006		
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 type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input type="checkbox"/>		
					Date: <b>11/29/22</b>  API No. <b>30-045-11820</b> DHC No. <b>DHC 4067AZ</b> Lease No. <b>NMSF079232</b>		
Well Name <b>Bolack B</b>					Well No. <b>4</b>		
Unit Letter <b>O</b>	Section <b>30</b>	Township <b>T027N</b>	Range <b>R008W</b>	Footage <b>825' FSL &amp; 1770' FEL</b>	County, State <b>San Juan County, New Mexico</b>		
Completion Date		Test Method  HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>					
FORMATION		GAS		PERCENT		CONDENSATE	
<b>DAKOTA</b>		<b>538 MCF</b>		<b>34%</b>		<b>36%</b>	
<b>MESAVERDE</b>		<b>1044 MCF</b>		<b>66%</b>		<b>64%</b>	
JUSTIFICATION OF ALLOCATION: 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. Oil allocated based on average formation yields in surrounding area and new fixed allocations.							
APPROVED BY <i>Kandis Roland</i>				DATE		TITLE	
X Kandis Roland				11/29/2022		Operations/Regulatory Tech	
For Technical Questions: Mohammad Shahvali				Reservoir Engineer		713-757-5271	

*Dean R. McIlure*

11/30/2022

Well Name: BOLACK B	Well Location: T27N / R8W / SEC 30 / SWSE / 36.540375 / -107.719284	County or Parish/State: SAN JUAN / NM
Well Number: 4	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF079232	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004511820	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2704697

Type of Submission: Notice of Intent	Type of Action: Commingling (Subsurface)
Date Sundry Submitted: 11/29/2022	Time Sundry Submitted: 05:33
Date proposed operation will begin: 12/01/2022	

Procedure Description: See attached production allocation.

NOI Attachments

Procedure Description

Bolack\_B\_4\_Fixed\_Production\_Allocation\_20221129053319.pdf

Well Name: BOLACK B	Well Location: T27N / R8W / SEC 30 / SWSE / 36.540375 / -107.719284	County or Parish/State: SAN JUAN / NM
Well Number: 4	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF079232	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004511820	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: KANDIS ROLAND Signed on: NOV 29, 2022 05:33 AM  
Name: HILCORP ENERGY COMPANY  
Title: Operation Regulatory Tech  
Street Address: 382 Road 3100  
City: Farmington State: NM  
Phone: (505) 599-3400  
Email address: kroland@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: 11/29/2022  
Signature: Kenneth Rennick

## Bolack B 4 Fixed Allocation

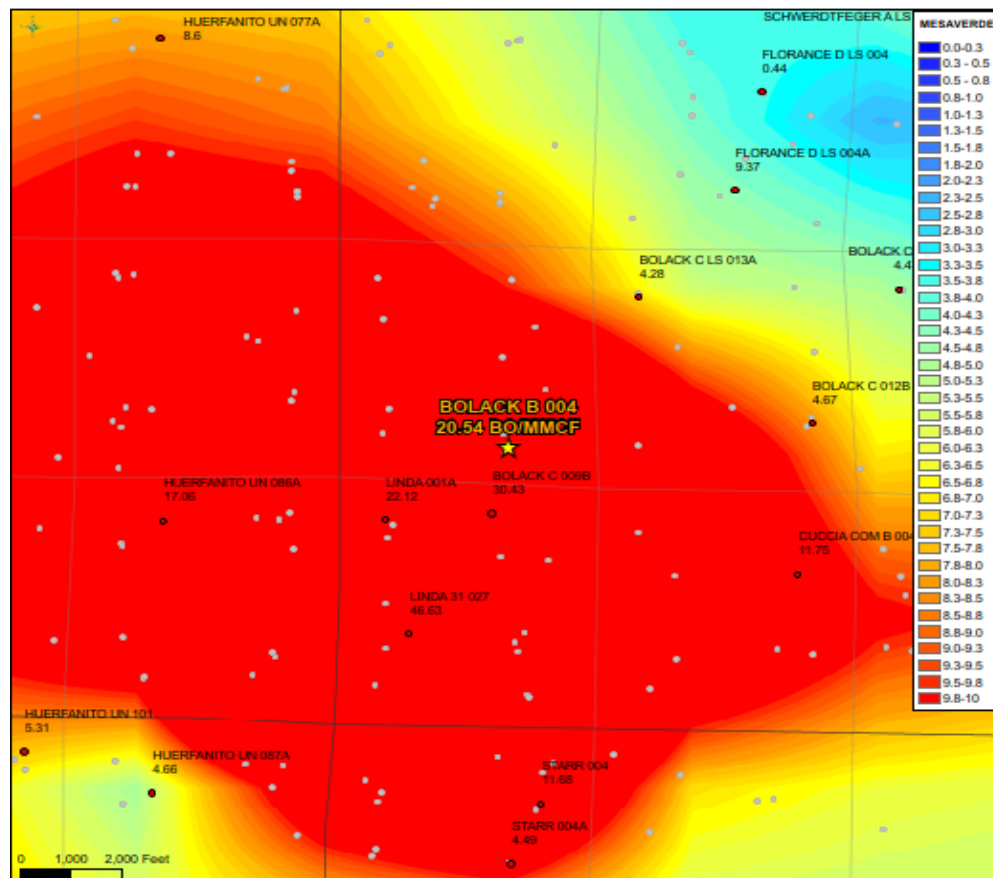
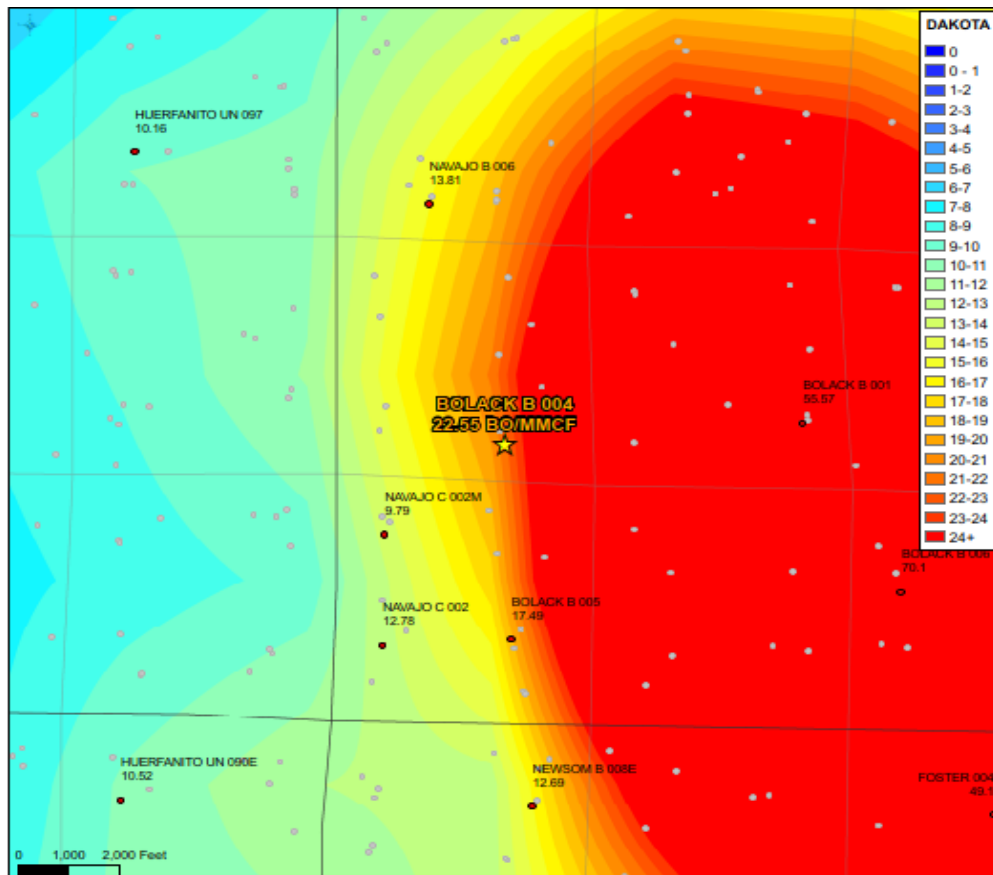
The Dakota and the Mesaverde formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage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

**The new fixed percentage based allocation will be calculated from average production rates from the past 6 months. Typically, we use the past 12 months of production, but in the case of this well, production was down prior to April 22, which is why we are using only 6 months of production.**

Date	Gas Production (Mcf)		
	Dakota	Mesaverde	Total
Apr-22	523	1,191	1,714
May-22	558	2,085	2,643
Jun-22	521	1,884	2,405
Jul-22	555	621	1,176
Aug-22	554	335	889
Sep-22	518	150	668
Averages	538	1,044	1,583
% of Total	<b>34%</b>	<b>66%</b>	

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

Formation	Yield		Avg Gas (mcf)	Oil Allocation
Dakota	22.55	bbl/mmscf	538	<b>36%</b>
Mesaverde	20.54	bbl/mmscf	1,044	<b>64%</b>



**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**

COMMENTS

Action 162432

**COMMENTS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 162432
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

**COMMENTS**

Created By	Comment	Comment Date
dmcclure	Approved under Action ID: 161984	11/30/2022

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Created By	Condition	Condition Date
dmcclore	None	11/30/2022