

Well Name: SAN JUAN 28-7 UNIT	Well Location: T28N / R7W / SEC 22 / SESW / 36.642303 / -107.560806	County or Parish/State: RIO ARRIBA / NM
Well Number: 220	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078497A	Unit or CA Name: SAN JUAN 28-7 UNIT--DK	Unit or CA Number: NMNM78413C
US Well Number: 3003920865	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2631026

Type of Submission: Notice of Intent	Type of Action: Commingling (Subsurface)
Date Sundry Submitted: 08/27/2021	Time Sundry Submitted: 09:02
Date proposed operation will begin: 07/24/2021	

Procedure Description: See attached production allocation.

NOI Attachments

- Procedure Description
- San_Juan_28_7_Unit_220_Production_Allocation_Back_up_20210827090202.pdf
 - SJ_28_7_Unit_220_Preliminary_Subtraction_Allocation_20210827090202.pdf

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Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: KANDIS ROLAND	Signed on: AUG 27, 2021 09:02 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

Representative Name:		
Street Address:		
City:	State:	Zip:
Phone:		
Email address:		

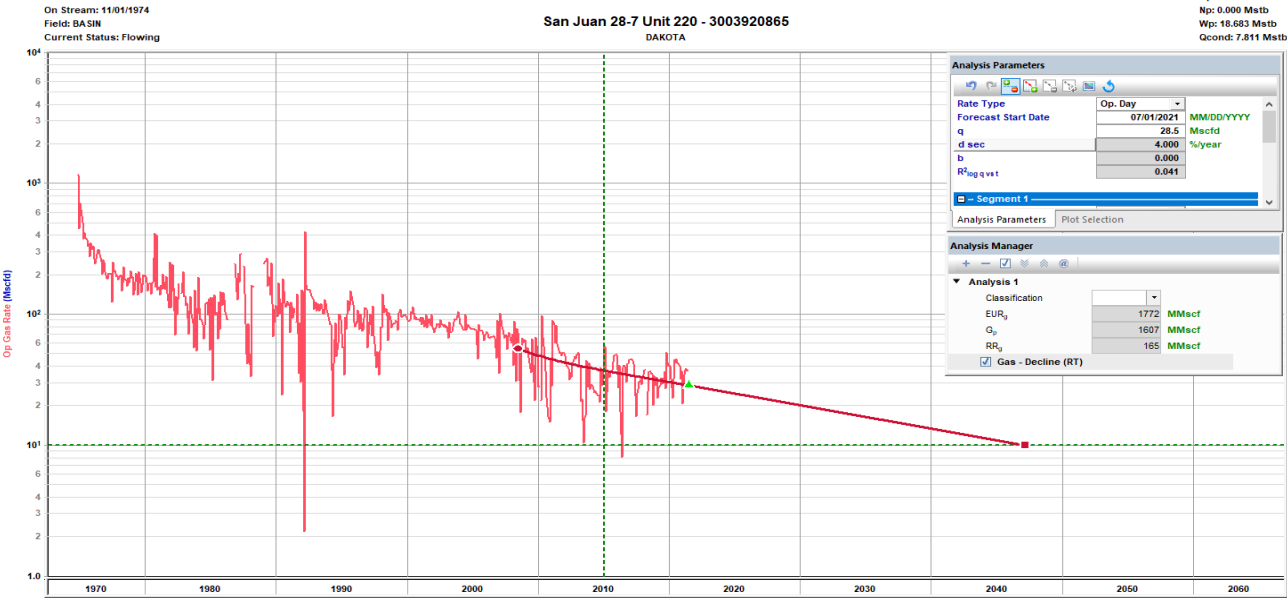
BLM Point of Contact

BLM POC Name: KENNETH G RENNICK	BLM POC Title: Petroleum Engineer
BLM POC Phone: 9708783846	BLM POC Email Address: krennick@blm.gov
Disposition: Approved	Disposition Date: 09/02/2021
Signature: Kenneth Rennick	

San Juan 28-7 Unit 220 Subtraction Allocation

Date	Mcf/d
Jul-21	28.4
Aug-21	28.3
Sep-21	28.2
Oct-21	28.1
Nov-21	28
Dec-21	27.9
Jan-22	27.9
Feb-22	27.8
Mar-22	27.7
Apr-22	27.6
May-22	27.5
Jun-22	27.4
Jul-22	27.3
Aug-22	27.2
Sep-22	27.1
Oct-22	27
Nov-22	26.9
Dec-22	26.8
Jan-23	26.7
Feb-23	26.6
Mar-23	26.6
Apr-23	26.5
May-23	26.4
Jun-23	26.3
Jul-23	26.2
Aug-23	26.1
Sep-23	26
Oct-23	25.9
Nov-23	25.8
Dec-23	25.8
Jan-24	25.7
Feb-24	25.6
Mar-24	25.5
Apr-24	25.4
May-24	25.3
Jun-24	25.2
Jul-24	25.2
Aug-24	25.1
Sep-24	25
Oct-24	24.9
Nov-24	24.8
Dec-24	24.7
Jan-25	24.6
Feb-25	24.6
Mar-25	24.5
Apr-25	24.4
May-25	24.3
Jun-25	24.2

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 formation. High oil yield in this area of MV.



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	3.95	165	2%
MV	30	1000	98%

<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: 8/16/2021 API No. 30-039-20865 DHC No. DHC-4957 Lease No. NMSF078497A	
Well Name San Juan 28-7 Unit					Well No. 220	
Unit Letter N	Section 22	Township 28N	Range 7W	Footage 1080' FSL & 2480' FWL	County, State Rio Arriba, New Mexico	
Completion Date 7/25/2021		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. 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). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast.</p> <p>Oil production will be allocated based on average formation yields from offset wells: DK- 2%, MV- 97%</p>						
NAME		DATE		TITLE		PHONE
X <i>Kandis Roland</i>		8/16/2021		Operations/Regulatory Tech – Sr.		713-757-5246

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 47563

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 47563
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	11/12/2021