

<b>Well Name:</b> SAN JUAN 29-6 UNIT	<b>Well Location:</b> T29N / R6W / SEC 28 / NWNW / 36.70068 / -107.47376	<b>County or Parish/State:</b> RIO ARRIBA / NM
<b>Well Number:</b> 58A	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM03471	<b>Unit or CA Name:</b> SAN JUAN 29-6 UNIT--FR, SAN JUAN 29-6 UNIT--MV	<b>Unit or CA Number:</b> NMNM78416A, NMNM78416E
<b>US Well Number:</b> 3003921262	<b>Well Status:</b> Producing Gas Well	<b>Operator:</b> HILCORP ENERGY COMPANY

Notice of Intent

**Sundry ID:** 2691645

**Type of Submission:** Notice of Intent      **Type of Action:** Commingling (Subsurface)

**Date Sundry Submitted:** 09/09/2022      **Time Sundry Submitted:** 12:12

**Date proposed operation will begin:** 08/31/2022

**Procedure Description:** Please see attached production allocation.

NOI Attachments

**Procedure Description**

SJ\_29\_6\_Unit\_58A\_\_\_Fixed\_Allocation\_Form\_20220909120602.pdf

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Well Number: 58A	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM03471	Unit or CA Name: SAN JUAN 29-6 UNIT--FR, SAN JUAN 29-6 UNIT--MV	Unit or CA Number: NMNM78416A, NMNM78416E
US Well Number: 3003921262	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: SEP 09, 2022 12:06 PM

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: 09/12/2022

Signature: Kenneth Rennick

Once the well conditions have stabilized and sample(s) collected and analyzed submit a follow up sundry with the findings.

Dean R McClure

09/14/2022

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 type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input checked="" type="checkbox"/>					Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input type="checkbox"/>	
					Date: <b>9/1/22</b>  API No. <b>30-039-21262</b> DHC No. <b>DHC5218</b> Lease No. <b>NMNM03471</b> <div style="text-align: center;"><b>Federal</b></div>	
Well Name <b>San Juan 29-6 Unit</b>					Well No. <b>58A</b>	
Unit Letter <b>D</b>	Section <b>28</b>	Township <b>29N</b>	Range <b>6W</b>	Footage <b>1150' FNL &amp; 870' FWL</b>	County, State <b>Rio Arriba County, New Mexico</b>	
Completion Date  <b>8/31/22</b>		Test Method  HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>				
FORMATION <b>MESAVERDE</b>		GAS <b>74 MCF</b>		PERCENT <b>38%</b>	CONDENSATE <b>.05 bbls</b>	PERCENT <b>46%</b>
<b>FRUITLAND COAL</b>		<b>120 MCF</b>		<b>62%</b>	<b>.06 bbls</b>	<b>54%</b>
JUSTIFICATION OF ALLOCATION: Mesaverde and Fruitland Coal were metered separately before downhole commingle. Fixed percentage-based allocation is calculated from average production rates from the last twelve months for both gas and condensate.						
APPROVED BY			DATE		TITLE	PHONE
X <i>Kandis Roland</i>					Operations/Regulatory Tech – Sr.	713-757-5246
Kandis Roland			9/1/22			

## San Juan 29-6 Unit 58A

The Mesaverde and Fruitland Coal formations have been producing through dual strings and metered separately since the Fruitland Coal was stimulated in 2004. Hilcorp is proposing to commingle these zones and allocate production using a fixed percentage based on the historical separately metered production volumes.

During the workover operation, HEC was unable to recover the packer but received approval from NMOCD to produce the well as is. At this time, HEC has no reason to believe this will enable the well to produced as normally expected. Current plan is to get the well on production and install a compressor to bring the flowing wellhead pressure to approximately 10 PSIG. This will be lower than the pressure prior to rig up. The Mesaverde is still flowing as confirmed from troubleshooting efforts. Once online HEC will need to collect gas samples for our gathering allocation and can use this data to confirm the uplift by zone due to the differences in gas makeup between the Fruitland and Mesaverde. If this indicates an allocation variance, HEC will follow-up and provide a supported allocation change.

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

Date	Gas Production		
	Mesaverde	Fruitland Coal	Total
Jun-21	72.5	114.4	186.9
Jul-21	78.3	124.8	203.1
Aug-21	76.9	123.7	200.6
Sep-21	76.0	122.3	198.3
Oct-21	75.2	119.8	195.0
Nov-21	76.1	121.7	197.8
Dec-21	75.9	115.3	191.2
Jan-22	74.9	128.0	202.9
Feb-22	74.2	122.1	196.3
Mar-22	73.5	119.7	193.2
Apr-22	76.0	124.9	200.9
May-22	64.9	101.7	166.6
Averages	74.5	119.9	194.4
% of Total	38%	62%	

Date	Oil Production		
	Mesaverde	Fruitland C	Total
Jun-21	0.4	0.4	0.8
Jul-21	0.1	0.1	0.2
Aug-21	0.0	0.0	0.0
Sep-21	0.0	0.0	0.0
Oct-21	0.0	0.0	0.0
Nov-21	0.0	0.0	0.0
Dec-21	0.0	0.0	0.0
Jan-22	0.0	0.0	0.0
Feb-22	0.0	0.0	0.0
Mar-22	0.1	0.1	0.2
Apr-22	0.0	0.1	0.1
May-22	0.0	0.0	0.0
Averages	0.05	0.06	0.1
% of Total	46%	54%	

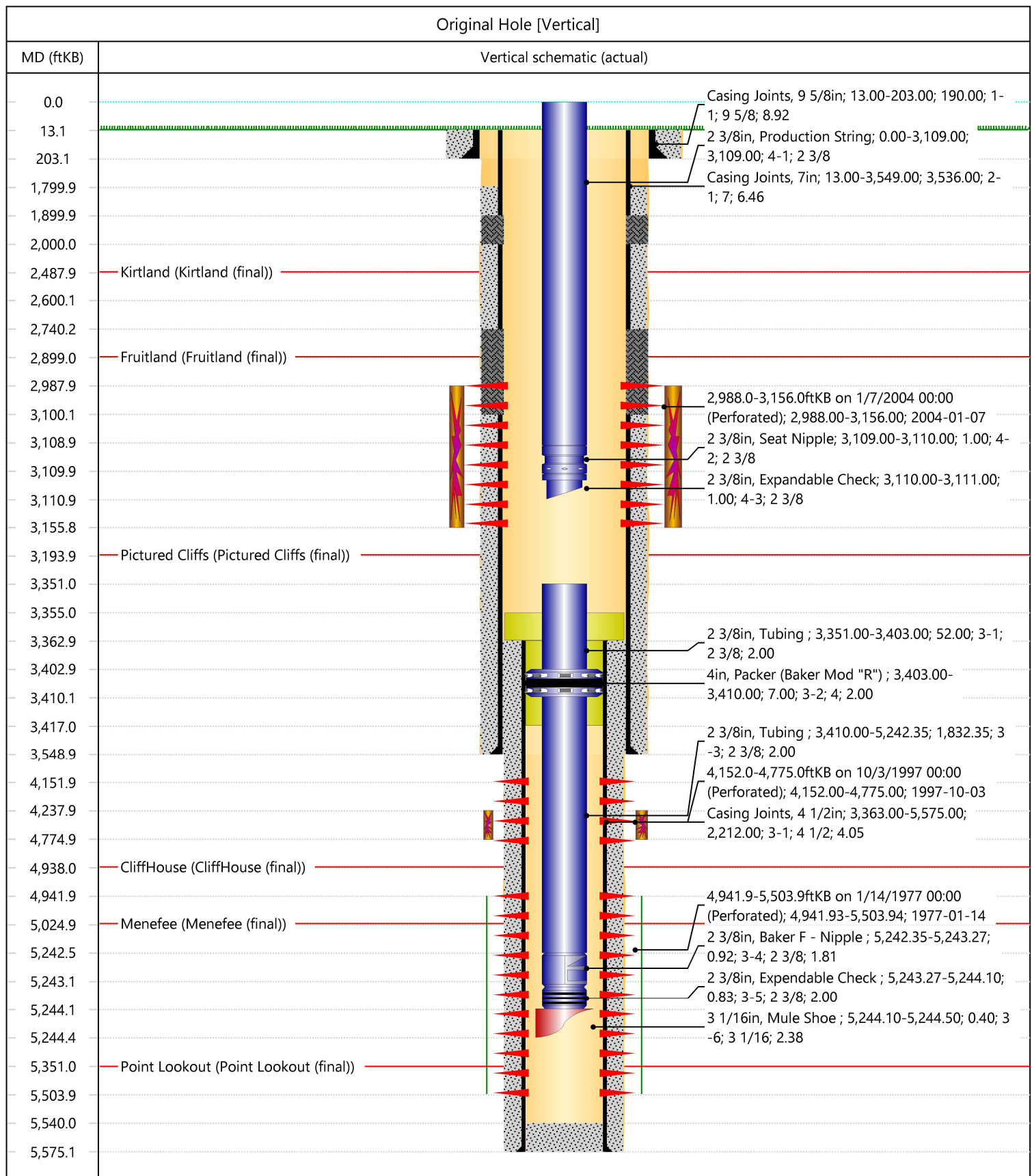
Since production was historically metered separately, oil will be allocated based on the produced oil in the last 12 months.



## Current Schematic

Well Name: SAN JUAN 29-6 UNIT #58A

API / UWI 3003921262	Surface Legal Location 028-029N-006W-D	Field Name FC/MV DUAL	Route 1003	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,280.00	Original KB/RT Elevation (ft) 6,293.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	



**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 142601

## CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 142601
	Action Type: [C-103] NOI General Sundry (C-103X)

## CONDITIONS

Created By	Condition	Condition Date
dmcclure	Once the well conditions have stabilized and sample(s) collected and analyzed submit a follow up sundry with the findings.	9/14/2022