

Area: <TEAM>

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|--|-----------------------|---|-------------------------------------|--|---|
| <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"/> |
| Well Name Bolack B | | | | | Date: 11/29/22 API No. 30-045-11820 DHC No. DHC 4067AZ Lease No. NMSF079232 |
| Unit Letter O | Section 30 | Township T027N | Range R008W | Footage 825' FSL & 1770' FEL | County, State San Juan County, New Mexico |
| Completion Date | | Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/> | | | |
| | | | | | |
| FORMATION DAKOTA | GAS 538 MCF | PERCENT 34% | CONDENSATE | PERCENT 36% | |
| MESAVERDE | 1044 MCF | 66% | | 64% | |
| 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 11/29/2022 | TITLE Operations/Regulatory Tech | | PHONE 713-757-5246 |
| X Kandis Roland | | 11/29/2022 | Operations/Regulatory Tech | | 713-757-5246 |
| For Technical Questions: Mohammad Shahvali | | | Reservoir Engineer | | 713-757-5271 |
| | | | | | |

Dean R Mollure

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

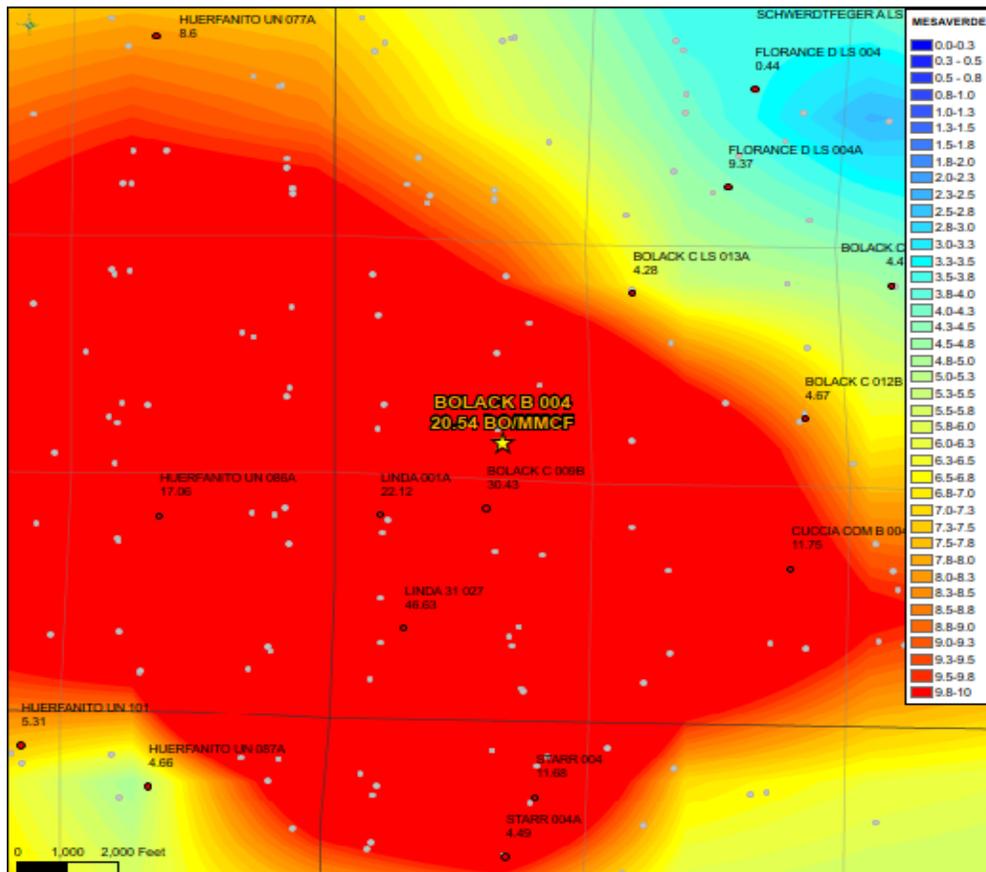
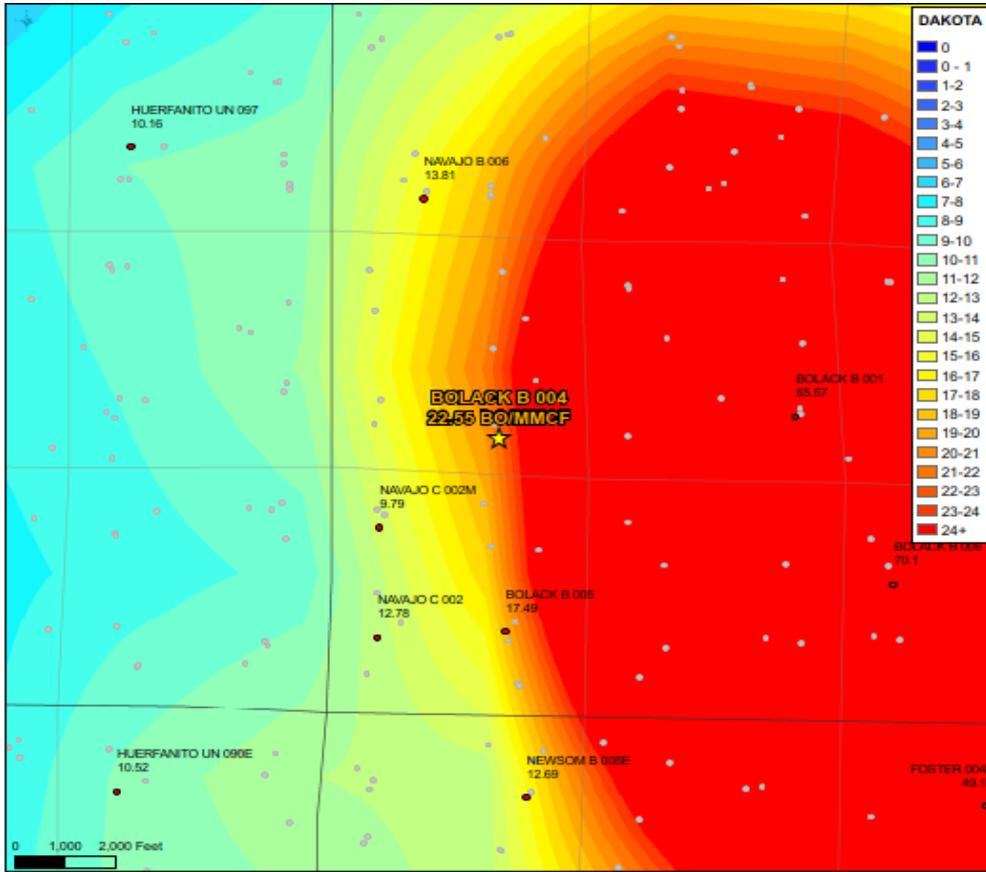
The Dakota and the Mesaverde formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage 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 | 34% | 66% | |

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 | 36% |
| Mesaverde | 20.54 bbl/mmscf | 1,044 | 64% |



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 161984

CONDITIONS

| | |
|--|---|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 161984 |
| | Action Type: [C-103] NOI General Sundry (C-103X) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| dmcclure | None | 11/30/2022 |