

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		
					Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" 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 type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input checked="" type="checkbox"/>					Date: <b>8/26/22</b>  API No. <b>30-045-29893</b> DHC No. <b>DHC3960</b> Lease No. <b>NMSF078487C</b> <div style="text-align: center;"><b>Federal</b></div>		
Well Name <b>Sunray</b>					Well No. <b>8M</b>		
Unit Letter <b>P</b>	Section <b>5</b>	Township <b>29N</b>	Range <b>8W</b>	Footage <b>1005' FSL &amp; 1110' FEL</b>	County, State <b>San Juan County, New Mexico</b>		
Completion Date  <b>8/25/22</b>		Test Method  HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>					
FORMATION <b>DAKOTA</b>		GAS <b>1 mcf</b>		PERCENT <b>1%</b>		CONDENSATE <b>1%</b>	
MESAVERDE		56 mcf		99%		99%	
		57 mcf					
JUSTIFICATION OF ALLOCATION: Mesaverde and Dakota zones were metered separately before downhole commingle. Percentage based allocation is calculated from average production rates from the last twelve months. Well has not produced any oil in over 10 years. For that reason, oil percentages are based upon the gas allocation and are provided in the event the wellbore begins to producing oil at some point in the future.							
APPROVED BY				DATE		TITLE	
<i>XKandis Roland</i>						Operations/Regulatory Tech – Sr.	
Kandis Roland				8/26/22			

*Dean R McClure*

06/27/2023

Well Name: SUNRAY	Well Location: T29N / R8W / SEC 5 / SESE / 36.749354 / -107.692499	County or Parish/State: SAN JUAN / NM
Well Number: 8M	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078487C	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004529893	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2689367

Type of Submission: Notice of Intent	Type of Action: Commingling (Subsurface)
Date Sundry Submitted: 08/26/2022	Time Sundry Submitted: 12:15
Date proposed operation will begin: 08/25/2022	

Procedure Description: Please see attached production allocation.

NOI Attachments

Procedure Description

Sunray\_8M\_Production\_Allocation\_20220826121519.pdf

Received by OCD: 9/13/2022 5:45:13 AM

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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: AUG 26, 2022 12:15 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	

## Sunray 8M Fixed Allocation

The Mesaverde and the Dakota formations have been producing through dual strings and metered separately since the well was originally completed in 2000. Hilcorp commingled these zones and requests to allocate production using a fixed percentage based on the historical separately metered production volumes.

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

Date	Gas Production		
	Dakota	Mesaverde	Total
Aug-21	0.0	67.6	67.6
Sep-21	0.0	58.9	58.9
Oct-21	0.0	66.9	66.9
Nov-21	0.0	93.4	93.4
Dec-21	0.0	68.1	68.1
Jan-22	0.0	65.9	65.9
Feb-22	0.0	54.1	54.1
Mar-22	0.0	64.3	64.3
Apr-22	0.0	62.7	62.7
May-22	5.0	35.7	40.7
Jun-22	0.0	18.4	18.4
Jul-22	0.0	24.6	24.6
Averages	0.4	56.7	57.1
<b>% of Total</b>	<b>1%</b>	<b>99%</b>	

Well has not produced any oil in over 10 years. For that reason, oil percentages are based upon the gas allocation and are provided in the event the wellbore begins to producing oil at some point in the future.

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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 142602

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 142602
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	6/27/2023