

<b>Well Name:</b> HOWELL G	<b>Well Location:</b> T30N / R8W / SEC 6 / SESW / 36.835388 / -107.719208	<b>County or Parish/State:</b> SAN JUAN / NM
<b>Well Number:</b> 2	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM012719	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b> NMNM73456
<b>US Well Number:</b> 3004560190	<b>Well Status:</b> Producing Gas Well	<b>Operator:</b> HILCORP ENERGY COMPANY

**Notice of Intent**

**Sundry ID:** 2759314

**Type of Submission:** Notice of Intent

**Type of Action:** Commingling (Subsurface)

**Date Sundry Submitted:** 11/02/2023

**Time Sundry Submitted:** 09:33

**Date proposed operation will begin:** 10/01/2023

**Procedure Description:** Attached please the Preliminary Subtraction Allocation for the recently recompleted well.

**NOI Attachments**

**Procedure Description**

Howell\_G\_2\_Preliminary\_Subtraction\_Allocation\_Form\_20231102093225.pdf

Well Name: HOWELL G

Well Location: T30N / R8W / SEC 6 /  
SESW / 36.835388 / -107.719208

County or Parish/State: SAN  
JUAN / NM

Well Number: 2

Type of Well: CONVENTIONAL GAS  
WELL

Allottee or Tribe Name:

Lease Number: NMNM012719

Unit or CA Name:

Unit or CA Number:  
NMNM73456

US Well Number: 3004560190

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: AMANDA WALKER

Signed on: NOV 02, 2023 09:33 AM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Technician

Street Address: 1111 TRAVIS ST

City: HOUSTON

State: TX

Phone: (346) 237-2177

Email address: MWALKER@HILCORP.COM

### Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

### BLM Point of Contact

BLM POC Name: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 11/03/2023

Signature: Matthew Kade

<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019
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 checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>  Date: 11/1/2023  API No. 30-045-60190 DHC No. 5318 Lease No. NMNM012719
Well Name <b>Howell G</b>					Well No. <b>2</b>
Unit Letter <b>M</b>	Section <b>06</b>	Township <b>30N</b>	Range <b>08W</b>	Footage <b>990' FSL &amp; 990' FWL</b>	County, State <b>San Juan, New Mexico</b>
Completion Date  <b>10/28/2023</b>	Test Method  HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method in agreement with local agencies. The base formation is the <b>Mesaverde</b> and the added formation to be commingled is the <b>Fruitland Coal</b> . 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). After 3 years production will stabilize. A production average will be gathered during the 4 <sup>th</sup> year and will be utilized to create a fixed percentage-based allocation.					
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. <b>FC 0%, MV 100%</b> (No Change to Allocation from Approved DHC Application)					
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.					
NAME		DATE		TITLE	
Amanda Walker		11/1/2023			
X 				Operations/Regulatory Tech – Sr.	
				346-237-2177	
For Technical Questions: <b>Shane Smith</b>				Reservoir Engineer	
				<a href="mailto:shane.smith@hilcorp.com">shane.smith@hilcorp.com</a>	

Howell G 2 Subtraction Allocation

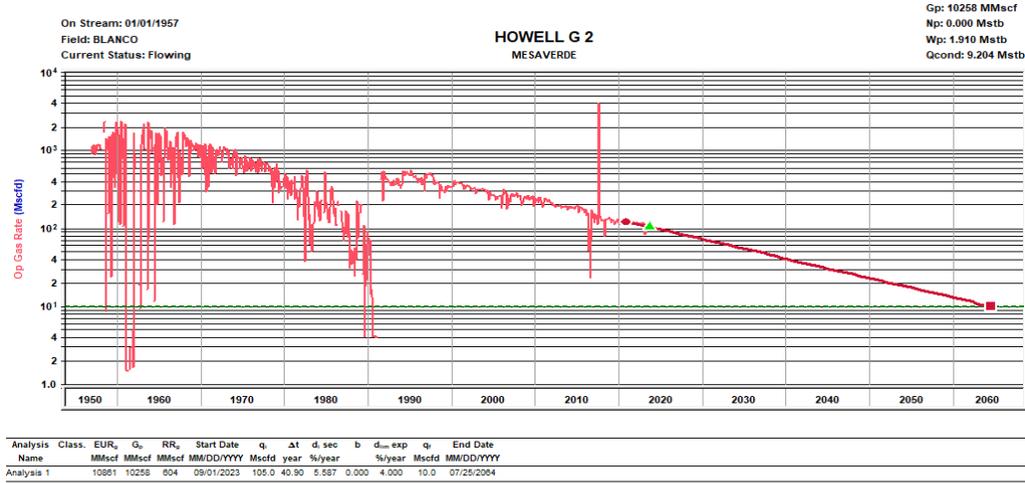
3004560190

Date	Mcf/d
Oct-23	104.3
Nov-23	103.8
Dec-23	103.3
Jan-24	102.8
Feb-24	102.3
Mar-24	101.8
Apr-24	101.3
May-24	100.8
Jun-24	100.3
Jul-24	99.86
Aug-24	99.37
Sep-24	98.9
Oct-24	98.42
Nov-24	97.95
Dec-24	97.48
Jan-25	97.01
Feb-25	96.56
Mar-25	96.11
Apr-25	95.65
May-25	95.19
Jun-25	94.74
Jul-25	94.28
Aug-25	93.82
Sep-25	93.37
Oct-25	92.93
Nov-25	92.48
Dec-25	92.04
Jan-26	91.59
Feb-26	91.17
Mar-26	90.74
Apr-26	90.31
May-26	89.88
Jun-26	89.45
Jul-26	89.02
Aug-26	88.58
Sep-26	88.16
Oct-26	87.74
Nov-26	87.32
Dec-26	86.9
Jan-27	86.48
Feb-27	86.08
Mar-27	85.68
Apr-27	85.27
May-27	84.86
Jun-27	84.45
Jul-27	84.05
Aug-27	83.64
Sep-27	83.24

**Gas Allocation:**

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the **Mesaverde** and the added formation to be commingled is the **Fruitland Coal**. 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.

After 3 years production will stabilize. A production average will be gathered during the 4<sup>th</sup> year and will be utilized to create a fixed percentage based allocation.

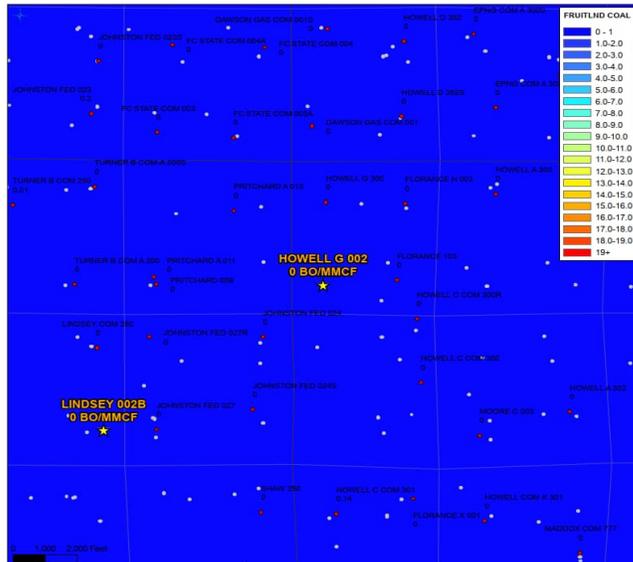
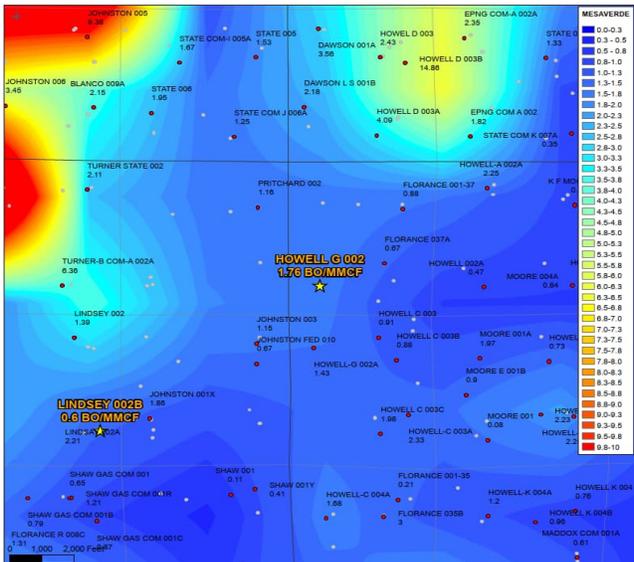


**Oil Allocation:**

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	1.76	604	100%
FRC	0	917	0%



**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 282433

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 282433
	Action Type: [C-103] Sub. General Sundry (C-103Z)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclosure	ACCEPTED FOR RECORD	11/7/2023
dmcclosure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	11/7/2023