

Well Name: SAN JUAN 28-6 UNIT	Well Location: T27N / R6W / SEC 5 / SESW / 36.59877 / -107.492	County or Parish/State: RIO ARRIBA / NM
Well Number: 134	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF079051	Unit or CA Name: SAN JUAN 28-6 UNIT--DK	Unit or CA Number: NMNM78412C
US Well Number: 300392058100C1	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2760815

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 11/09/2023

Time Sundry Submitted: 11:31

Date proposed operation will begin: 11/01/2023

Procedure Description: Please see the attached preliminary subtraction allocation.

NOI Attachments

Procedure Description

SJ_28_6_Unit_134_Preliminary_Subtraction_Allocation_20231109113040.pdf

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UNIT--DK

Unit or CA Number:
NMNM78412C

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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: CHERYLENE WESTON

Signed on: NOV 09, 2023 11:31 AM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Tech - Sr

Street Address: 1111 TRAVIS STREET

City: HOUSTON

State: TX

Phone: (713) 289-2615

Email address: CWESTON@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: 11/13/2023

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"/>
Well Name SAN JUAN 28-6 UNIT					Date: 11/09/2023 API No. 30-039-20581 DHC No. DHC-5333 Lease No. NMSF079391
Unit Letter	Section	Township	Range	Footage	County, State
N	5	27N	06W	1170' FSL & 1750' FWL	Rio Arriba, New Mexico
Completion Date 11/01/2023	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 Dakota and the added formations to be commingled is the Mesaverde and Mancos. 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 th year and will be utilized to create a fixed percentage based allocation. (No Change to Allocation from Approved DHC Application)					
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 22%, MC 70%, DK 8% After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.					
NAME	DATE	TITLE		PHONE	
X Cherylene Weston		Operations/Regulatory Tech – Sr.		713-289-2615	
Cherylene Weston	11/09/2023				
For Technical Questions: Ray Brandhurst		Reservoir Engineer		713-757-5224	

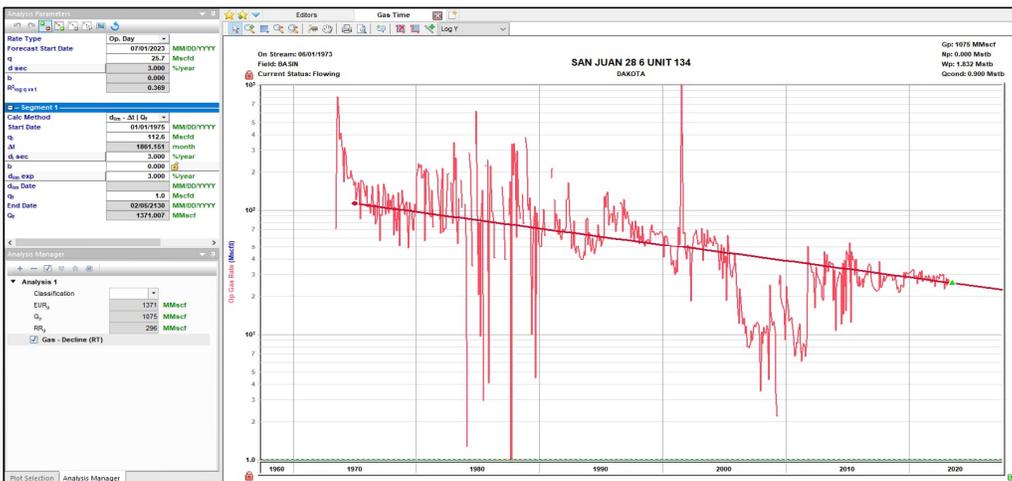
San Juan 28-6 Unit 134 Production Allocation

Date	Mcfd
Nov-23	25.4
Dec-23	25.4
Jan-24	25.3
Feb-24	25.2
Mar-24	25.2
Apr-24	25.1
May-24	25
Jun-24	25
Jul-24	24.9
Aug-24	24.8
Sep-24	24.8
Oct-24	24.7
Nov-24	24.7
Dec-24	24.6
Jan-25	24.5
Feb-25	24.5
Mar-25	24.4
Apr-25	24.3
May-25	24.3
Jun-25	24.2
Jul-25	24.2
Aug-25	24.1
Sep-25	24
Oct-25	24
Nov-25	23.9
Dec-25	23.9
Jan-26	23.8
Feb-26	23.7
Mar-26	23.7
Apr-26	23.6
May-26	23.6
Jun-26	23.5
Jul-26	23.4
Aug-26	23.4
Sep-26	23.3
Oct-26	23.3
Nov-26	23.2
Dec-26	23.1
Jan-27	23.1
Feb-27	23
Mar-27	23
Apr-27	22.9
May-27	22.8
Jun-27	22.8
Jul-27	22.7
Aug-27	22.7
Sep-27	22.6
Oct-27	22.6
Nov-27	22.5

Gas Allocation:

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

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



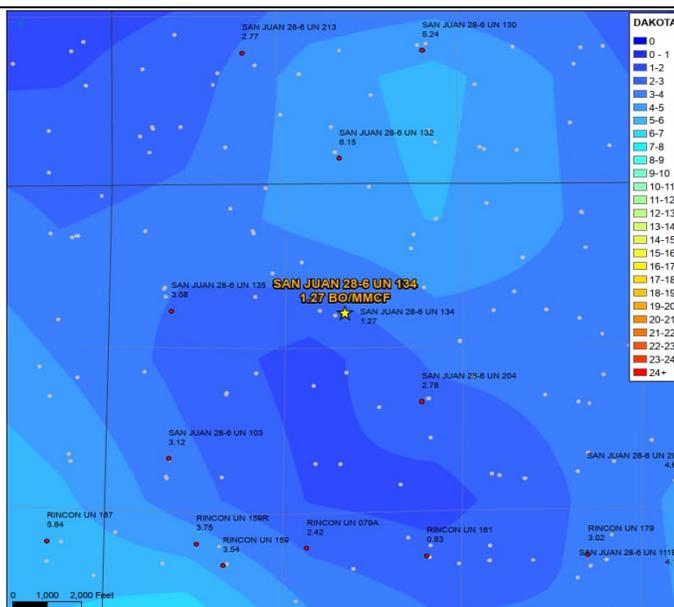
Oil Allocation:

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

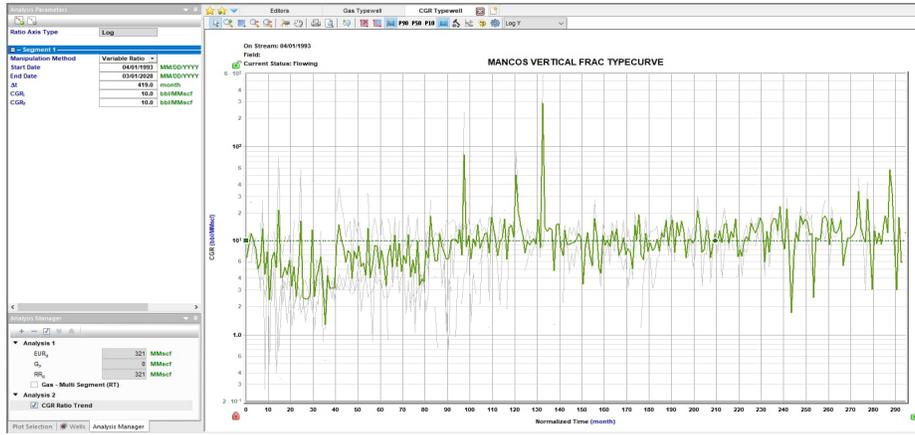
After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcfd)	% Oil Allocation
DK	1.27	296	8%
MC	10	321	70%
MV	1.75	576	22%

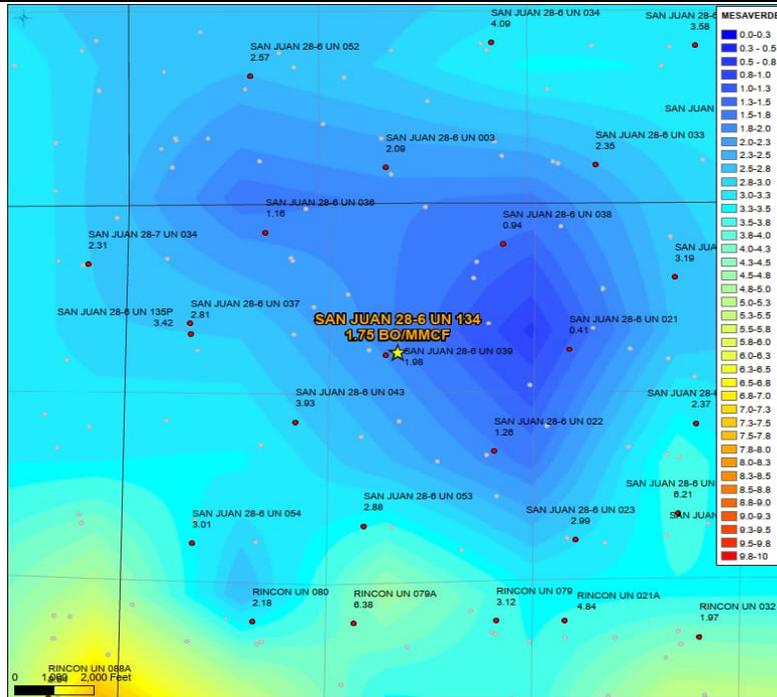
DAKOTA OIL YIELD MAP



MANCOS OIL YIELD MAP



MESAVERDE OIL YIELD MAP



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 285003

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 285003
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclore	ACCEPTED FOR RECORD	11/13/2023
dmcclore	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	11/13/2023