

Well Name: NAVAJO INDIAN B	Well Location: T27N / R8W / SEC 19 / NWNW / 36.56632 / -107.72867	County or Parish/State: SAN JUAN / NM
Well Number: 7	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name: EASTERN NAVAJO
Lease Number: I149IND8468	Unit or CA Name:	Unit or CA Number:
US Well Number: 300452618500C1	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2782830

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 04/01/2024

Time Sundry Submitted: 03:56

Date proposed operation will begin: 03/30/2024

Procedure Description: Please see attached preliminary subtraction allocation.

NOI Attachments

Procedure Description

Navajo_Indian_B_7_Prelim_Subtraction_Allocation_20240401155531.pdf

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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: APR 01, 2024 03:55 PM

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: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 04/04/2024

Signature: Kenneth Rennick

<h1 style="text-align: center;">Hilcorp Energy Company</h1> <h2 style="text-align: center;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input 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 checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Date: 04/01/2024 API No. 30-045-26185 DHC No. DHC-5343 Lease No. I149IND8468	
Well Name NAVAJO INDIAN B					Well No. 7	
Unit Letter D	Section 19	Township 27N	Range 08W	Footage 459' FNL & 529' FWL	County, State San Juan, New Mexico	
Completion Date 3/30/2024		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
<p>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 Gallup and the added formation to be commingled is the Mesaverde. 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. 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. (No change to allocation from Approved DHC application)</p> <p>Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 51%, GL 49%.</p> <p>After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation. (No change to allocation from Approved DHC application)</p>						
NAME		DATE		TITLE		PHONE
X <i>Cherylene Weston</i>				Operations/Regulatory Tech – Sr.		713-289-2615
Cherylene Weston		4/01/2024				
For Technical Questions: Marcus Hill				Reservoir Engineer		346-237-2011

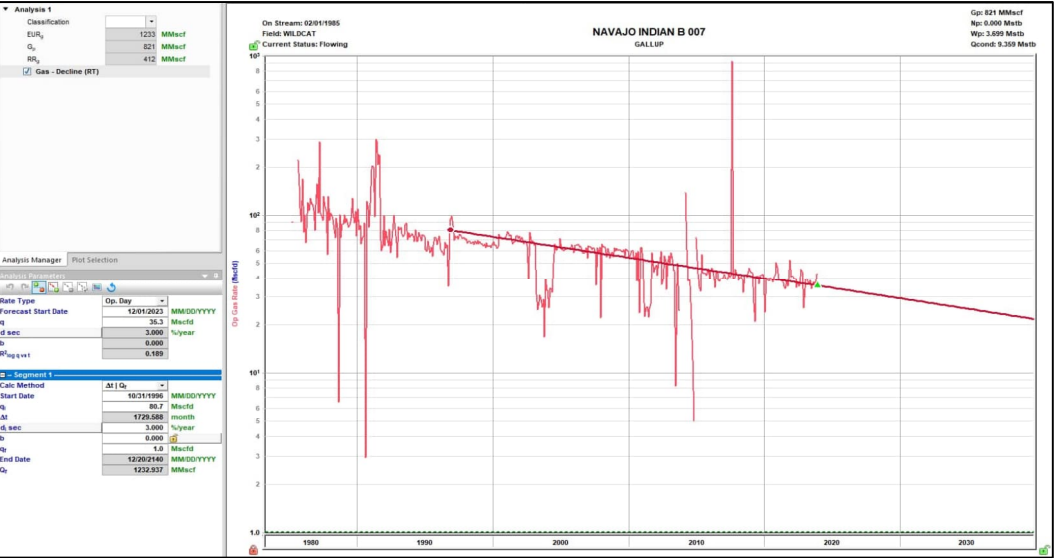
Navajo Indian B 7 Production Allocation

Date	Mcf/d
Mar-24	35.04
Apr-24	34.95
May-24	34.86
Jun-24	34.77
Jul-24	34.68
Aug-24	34.59
Sep-24	34.51
Oct-24	34.42
Nov-24	34.33
Dec-24	34.24
Jan-25	34.15
Feb-25	34.07
Mar-25	33.99
Apr-25	33.9
May-25	33.81
Jun-25	33.73
Jul-25	33.64
Aug-25	33.56
Sep-25	33.47
Oct-25	33.39
Nov-25	33.3
Dec-25	33.22
Jan-26	33.13
Feb-26	33.05
Mar-26	32.97
Apr-26	32.88
May-26	32.8
Jun-26	32.72
Jul-26	32.63
Aug-26	32.55
Sep-26	32.47
Oct-26	32.38
Nov-26	32.3
Dec-26	32.22
Jan-27	32.14
Feb-27	32.06
Mar-27	31.98
Apr-27	31.9
May-27	31.82
Jun-27	31.74
Jul-27	31.66
Aug-27	31.57
Sep-27	31.49
Oct-27	31.41
Nov-27	31.33
Dec-27	31.25
Jan-28	31.17
Feb-28	31.1
Mar-28	31.02

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Gallup and the added formations to be commingled is the Mesaverde. 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 4th year and will be utilized to create a fixed percentage based allocation.

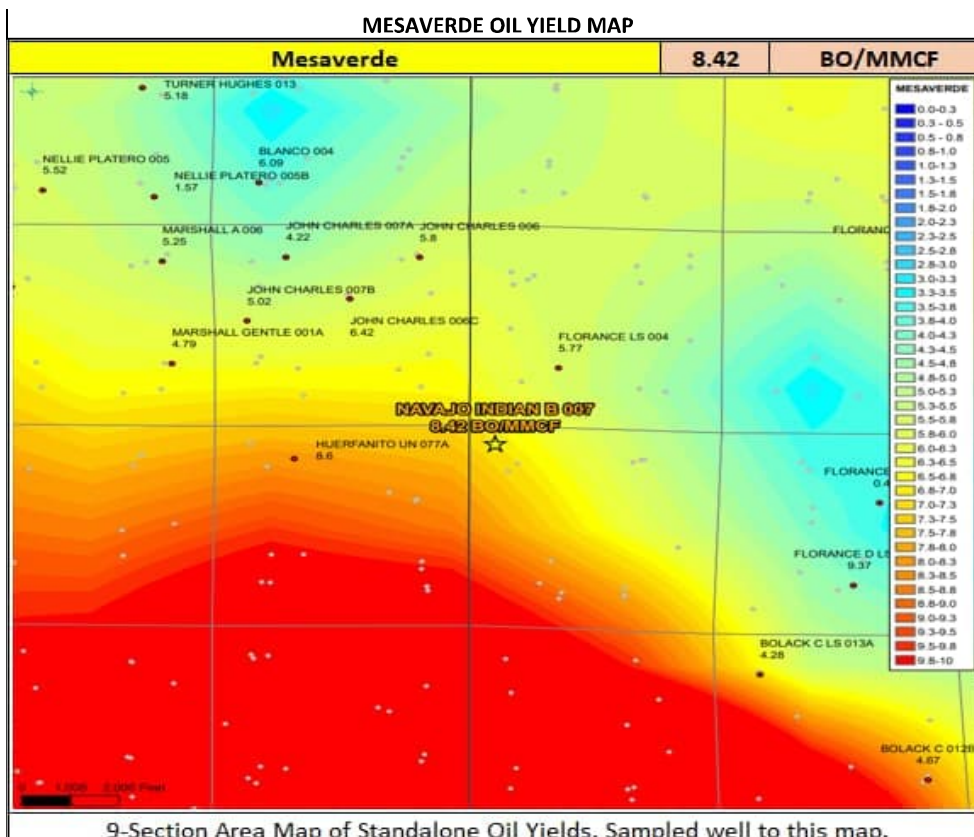


Oil Allocation:

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 (MMcf)	% Oil Allocation
GL	9	412	49%
MV	8.42	451	51%



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 330393

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 330393
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclosure	ACCEPTED FOR RECORD ONLY	4/9/2024