

<b>Well Name:</b> SAN JUAN 28-6 UNIT	<b>Well Location:</b> T28N / R6W / SEC 19 / NENW / 36.650406 / -107.510593	<b>County or Parish/State:</b> RIO ARRIBA / NM
<b>Well Number:</b> 159F	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMSF080430B	<b>Unit or CA Name:</b> SAN JUAN 28-6 UNIT--DK	<b>Unit or CA Number:</b> NMNM78412C
<b>US Well Number:</b> 3003930251	<b>Operator:</b> HILCORP ENERGY COMPANY	

### Notice of Intent

**Sundry ID:** 2799951

**Type of Submission:** Notice of Intent

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

**Date Sundry Submitted:** 07/10/2024

**Time Sundry Submitted:** 04:29

**Date proposed operation will begin:** 06/23/2024

**Procedure Description:** Please see the attached subtraction allocation.

### NOI Attachments

**Procedure Description**

San\_Juan\_28\_6\_Unit\_159F\_Preliminary\_Subtraction\_Allocation\_20240710162907.pdf

**Well Name:** SAN JUAN 28-6 UNIT

**Well Location:** T28N / R6W / SEC 19 /  
NENW / 36.650406 / -107.510593

**County or Parish/State:** RIO  
ARRIBA / NM

**Well Number:** 159F

**Type of Well:** CONVENTIONAL GAS  
WELL

**Allottee or Tribe Name:**

**Lease Number:** NMSF080430B

**Unit or CA Name:** SAN JUAN 28-6  
UNIT--DK

**Unit or CA Number:**  
NMNM78412C

**US Well Number:** 3003930251

**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:** JUL 10, 2024 04:29 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:** 07/11/2024

**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: 7/10/2024  API No. <b>30-039-30251</b> DHC No. <b>DHC-5398</b> Lease No. <b>NMSF080430B</b>	
Well Name <b>SAN JUAN 28-6 UNIT</b>						Well No. <b>159F</b>	
Unit Letter <b>C</b>	Section <b>19</b>	Township <b>028N</b>	Range <b>006W</b>	Footage <b>1305 FNL &amp; 1535 FWL</b>	County, State <b>RIO ARRIBA, New Mexico</b>		
Completion Date <b>6/23/2024</b>		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 Dakota 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(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.</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 81%, DK 19%. <b>No change from approved DHC.</b></p> <p>After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.</p>							
NAME		DATE		TITLE		PHONE	
X <i>Cherylene Weston</i>							
Cherylene Weston		7/10/2024		Operations/Regulatory Tech – Sr.		713-289-2615	
For Technical Questions: Marcus Hill				Reservoir Engineer		346-237-2011	

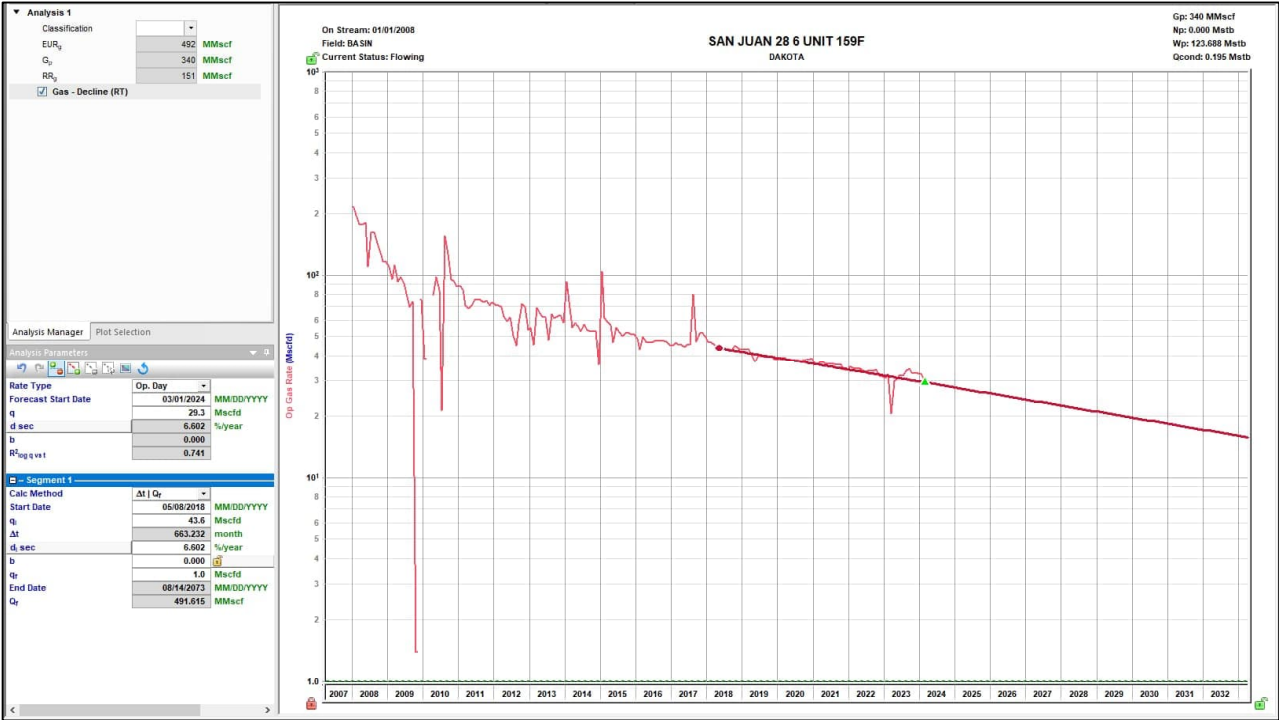
San Juan 28-6 Unit 159F Subtraction Allocation

	DK
Date	Mcf
Jun-24	28.7
Jul-24	28.6
Aug-24	28.4
Sep-24	28.2
Oct-24	28.1
Nov-24	27.9
Dec-24	27.8
Jan-25	27.6
Feb-25	27.4
Mar-25	27.3
Apr-25	27.1
May-25	27
Jun-25	26.8
Jul-25	26.7
Aug-25	26.5
Sep-25	26.4
Oct-25	26.2
Nov-25	26.1
Dec-25	25.9
Jan-26	25.8
Feb-26	25.6
Mar-26	25.5
Apr-26	25.3
May-26	25.2
Jun-26	25.1
Jul-26	24.9
Aug-26	24.8
Sep-26	24.6
Oct-26	24.5
Nov-26	24.4
Dec-26	24.2
Jan-27	24.1
Feb-27	23.9
Mar-27	23.8
Apr-27	23.7
May-27	23.5
Jun-27	23.4
Jul-27	23.3
Aug-27	23.1
Sep-27	23
Oct-27	22.9
Nov-27	22.7
Dec-27	22.6
Jan-28	22.5
Feb-28	22.4
Mar-28	22.2
Apr-28	22.1
May-28	22
Jun-28	21.9

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 formation 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 4<sup>th</sup> year and will be utilized to create a fixed percentage based allocation.



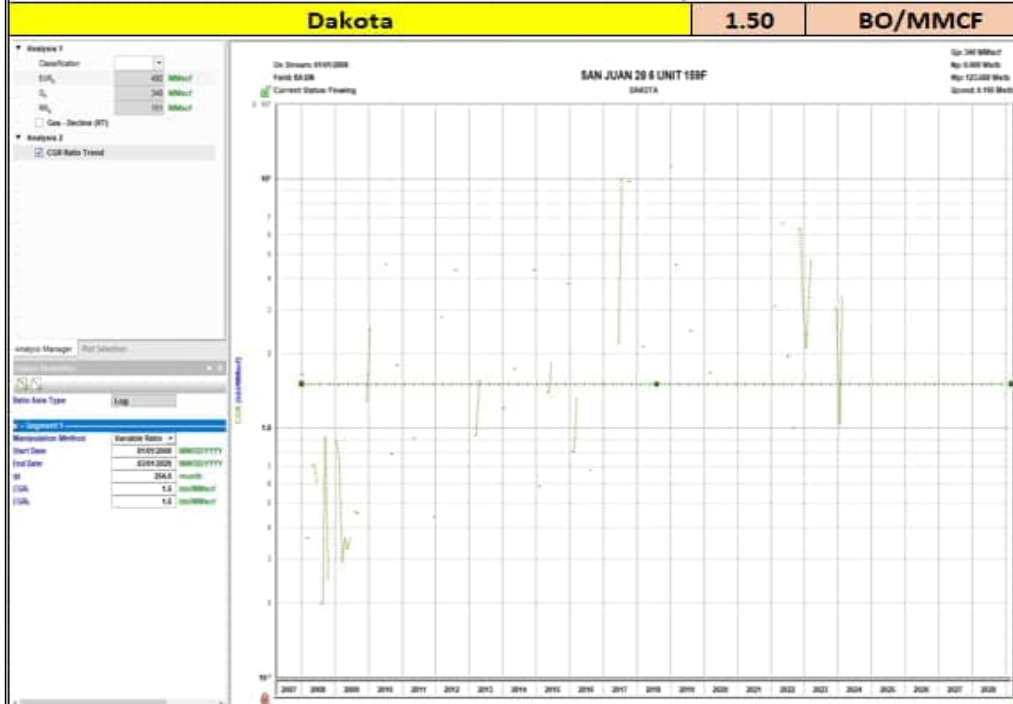
Oil Allocation:

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

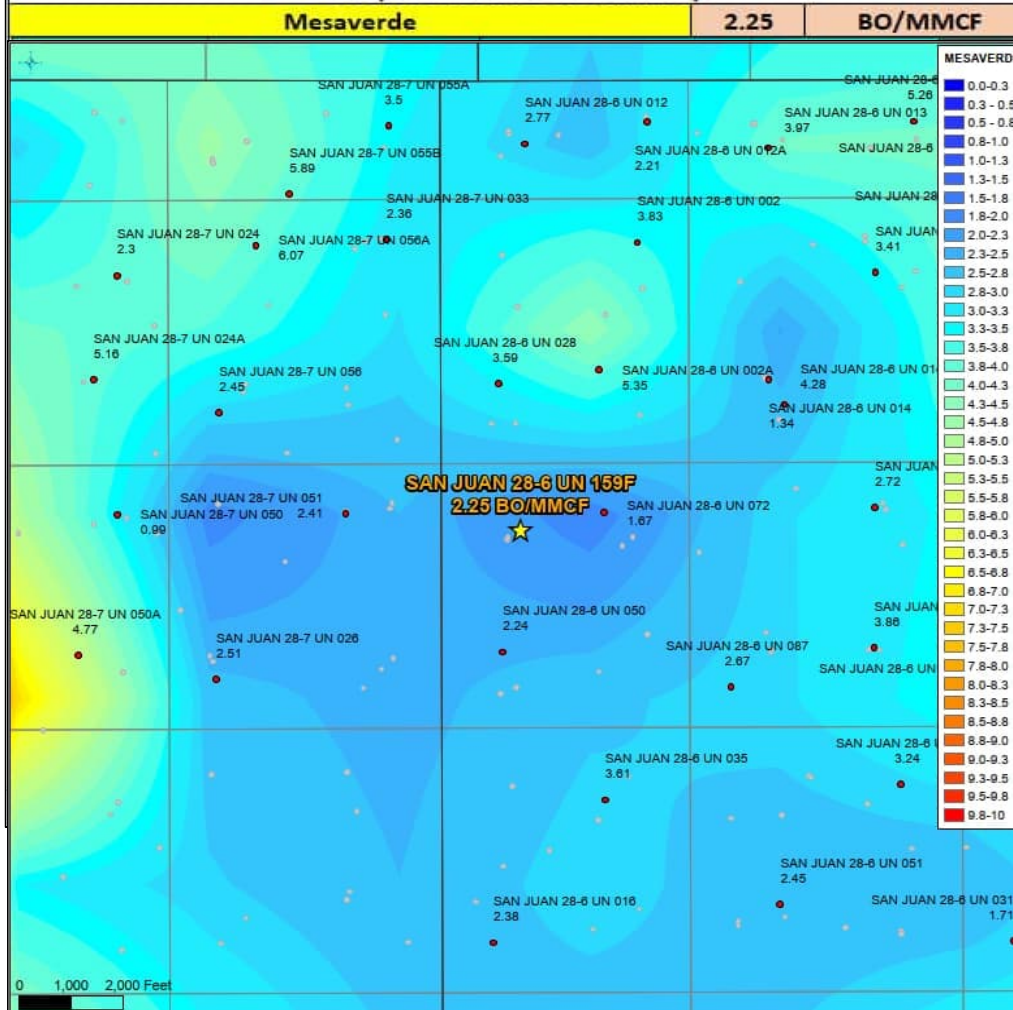
After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	1.50	151	19%
MV	2.25	436	81%

# Current Zone 1 Oil Yield Map



# Proposed Zone 1 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 363217

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 363217
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	7/16/2024
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	7/16/2024