

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
BLM 4 Copies
Regulatory
Accounting
Well File
Revised: March 9, 2006

Status
PRELIMINARY
FINAL
REVISED

Commingle Type
SURFACE DOWNHOLE
Type of Completion
NEW DRILL RECOMPLETION PAYADD COMMINGLE

Date: **5/23/2022**
API No. **30-039-22625**
DHC No. **DHC3979AZ**
Lease No. **NMSF078417**

Well Name
San Juan 28-7 Unit

Well No.
134E
County, State
**Rio Arriba County,
New Mexico**

Unit Letter E	Section 21	Township T028N	Range R007W	Footage 1850' FNL & 865' FWL
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Completion Date	Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>
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FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
DAKOTA	52 MCFD	35%		33%
MESAVERDE	96 MCFD	65%		67%

JUSTIFICATION OF ALLOCATION: ****REVISED Oil allocation due to miscalculation. Effective Date 3/1/2022. No change to gas allocation.**** Hilcorp Energy Company requests that production for the down hole commingle to be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Oil allocated based on average formation yields in surrounding area and new fixed allocations.

APPROVED BY	DATE	TITLE	PHONE
X Kandis Roland	5/23/22	Operations/Regulatory Tech	713-757-5246
For Technical Questions: Justin Nall		Reservoir Engineer – Sr.	346-237.2231

Dean R. McClure 06/02/2022

Well Name: SAN JUAN 28-7 UNIT	Well Location: T28N / R7W / SEC 21 / SWNW / 36.648804 / -107.584061	County or Parish/State: RIO ARRIBA / NM
Well Number: 134E	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078417	Unit or CA Name: SAN JUAN 28-7 UNIT--DK, SAN JUAN 28-7 UNIT--MV	Unit or CA Number: NMNM78413A, NMNM78413C
US Well Number: 3003922625	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2672997

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 05/23/2022

Time Sundry Submitted: 01:14

Date proposed operation will begin: 03/01/2022

Procedure Description: See attached revised production allocation.

NOI Attachments

Procedure Description

SJ_28_7_Unit_134E_REVISIED_Preliminary_Changed_to_Fixed_Allocation_20220523131359.pdf

Well Name: SAN JUAN 28-7 UNIT

Well Location: T28N / R7W / SEC 21 / SWNW / 36.648804 / -107.584061

County or Parish/State: RIO ARRIBA / NM

Well Number: 134E

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF078417

Unit or CA Name: SAN JUAN 28-7 UNIT--DK, SAN JUAN 28-7 UNIT--MV

Unit or CA Number: NMNM78413A, NMNM78413C

US Well Number: 3003922625

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: KANDIS ROLAND

Signed on: MAY 23, 2022 01:14 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: 05/25/2022

Signature: Kenneth Rennick

San Juan 28-7 Unit 134E Fixed Allocation

The Mesaverde and the Dakota formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage based allocation.

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

Date	Gas Production		
	Dakota	Mesaverde	Total
Oct-20	53.4	106.1	159.5
Nov-20	53.2	106.7	159.9
Dec-20	53.0	96.1	149.1
Jan-21	52.8	95.4	148.2
Feb-21	52.7	91.2	143.9
Mar-21	52.5	90.8	143.3
Apr-21	52.3	89.0	141.3
May-21	52.1	90.0	142.1
Jun-21	51.9	98.6	150.5
Jul-21	51.7	97.7	149.4
Aug-21	51.5	100.5	152.0
Sep-21	51.3	94.8	146.1
Averages	52	96	149
% of Total	35%	65%	

Oil will be reallocated based on the average formation yields in surrounding area and new fixed allocations.

Formation	Yield	Updated Oil Allocation
Dakota	5.32 bbl/mmscf	33%
Mesaverde	5.9 bbl/mmscf	67%

