

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Mandi Walker](#)
Cc: [Lea Peters](#); [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] FW: Grenier A 8N - Should be for the Grenier A 8M
Date: Thursday, June 22, 2023 4:21:02 PM
Attachments: [image001.png](#)
[image002.png](#)

The application shown below has been withdrawn at the Applicant’s request.

Commingling Applications															
Admin	Applicant	OGRID Number	ID	Request Number	Title	Ownership	API	Allocation	Pending CA	C(4) (g)	Infill	Status	Notes	Date	Folder
DHC-5206	Hilcorp Energy Company	372171	97301	pDM2215140449	Grenier I A #8N		30-045-34990	Mixed				Under Review	Supersedes DHC-3204, FLC; asking for BHP data and water/gas sample	4/11/2022	C:\Users\dmccclure\OneDrive - State of New Mexico\NM WORK\DHC\DHC5206

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Mandi Walker <mwalker@hilcorp.com>
Sent: Thursday, June 22, 2023 1:23 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Lea Peters <lpeters@hilcorp.com>
Subject: RE: [EXTERNAL] FW: Grenier A 8N - Should be for the Grenier A 8M

Good afternoon Dean,

I have talked with Lea about the Grenier A 8N, and we would like to withdraw the application 97301 filed on 4/11/2022.

Please let me know if you need anything further from me.

Thank you,
Mandi

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Thursday, June 22, 2023 8:54 AM
To: Mandi Walker <mwalker@hilcorp.com>
Cc: Lea Peters <lpeters@hilcorp.com>
Subject: RE: [EXTERNAL] FW: Grenier A 8N - Should be for the Grenier A 8M

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Thank you Mandi; I will supplement the admin file for the Grenier A #8M with the information below.

Regarding the Grenier A #8N, please provide a status update on the request below.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Mandi Walker <mwalker@hilcorp.com>
Sent: Thursday, June 15, 2023 2:24 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Lea Peters <lpeters@hilcorp.com>
Subject: [EXTERNAL] FW: Grenier A 8N - Should be for the Grenier A 8M

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

The request is for the Grenier A 8N, the request that we need the approval for is the Grenier A 8M with the action id of 183655. I snagged a snippet of the original email below for the 8M. I am attaching the additional information from Lea on the A 8M below

Dean,

Shut in pressures were calculated for 3 operated offset standalone wells in each of the 3 zones being commingled in the Grenier A 8M via the following process:

1. Wells were shut in for 24 hours
2. Echometer was used to obtain a fluid level
3. Shut in BHP was calculated for the proposed commingled completion

List of wells used to calculate BHPs for the Grenier A 8M Project:

3004533808	Atlantic D Com E 6E	DK
3004533551	Quigley 100	FRC
3004521727	Pierce A 1A	MV

I believe each of the reservoirs to be continuous and in a similar state of depletion at the Grenier A 8M and at each of the wells from which the pressures are being derived.

Sent: Wednesday, May 31, 2023 9:50 AM
 To: Wrinkle, Justin, EMNRD <Justin.Wrinkle@emnrd.nm.gov>; McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>; Brandon.Powell@emnrd.nm.gov
 Cc: Cheryl Weston <cweston@hilcorp.com>; JP Knox <jpknox@hilcorp.com>; James Osborn <josborn@hilcorp.com>
 Subject: RE: June Recomplete Program - DHC Permits

Good morning Dean/Justin,

We are about 2 weeks out from the frac crews moving in and I wanted check on the status of the DHC's listed below.

API	Well Name	New Zone	DHC Type	DHC Filed	DHC OCD ID
3003923833	SAN JUAN 28-5 UNIT 79E	MV	C-103	3/6/23	193388
3003923699	SAN JUAN 27-5 UNIT 110E	MV	C-103	3/10/23	195642
3004524489	Grenier A 8M	FC	C-107A	2/7/23	183655
3004534321	MANSFIELD 11N	FC	C-107A	3/7/23	193963
3003906781	SAN JUAN 27-4 UNIT 37	MV	C-107A	5/20/22	109110

Please let me know if there is anyone else we need to be including in the requests.

Thanks!

Mandi

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Sent: Tuesday, June 13, 2023 1:36 PM

To: Mandi Walker <mwalker@hilcorp.com>

Cc: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Subject: [EXTERNAL] Action ID: 97301; DHC-5206

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

To whom it may concern (c/o Mandi Walker for Hilcorp Energy Company),

The Division is reviewing the following application:

Action ID	97301
Admin No.	DHC-5206
Applicant	Hilcorp Energy Company (372171)
Title	Grenier A #8N
Sub. Date	4/11/22

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- the bottomhole pressure for each of pools being proposed to be commingled. Considering the distance between this well and the Mansfield #11N (30-045-34321), I would speculate that you wish to submit the same information as was submitted for that well. I would also speculate that you will wish to submit an amended C-107A with updated bottom hole pressures. For reference, the following was submitted for the Mansfield #11N:
 - a list of wells from which the bottom hole pressure was derived including the basic methodology used to determine it
 - confirmation that the reservoirs are continuous and in a similar state of depletion at the subject well as at each well from which the bottom hole pressure was derived.
- Water and Gas samples for the pools being proposed to be commingled. Again, I would speculate that you may wish to submit the same information as was submitted for the Mansfield #11N (30-045-34321).

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

 Print or Type Name

 Signature

 Date

 Phone Number

 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☐ Single Well
☒ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company

382 Road 3100, Aztec, NM 87410

OperatorAddress

Grenier A

8N

K, 35, 30N, 10W

Sam Juan

LeaseWell No.Unit Letter-Section-Township-RangeCounty

OGRID No. 372171 Property Code 318536 API No. 30-045-34990 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal	Blanco Mesaverde	Basin Dakota
Pool Code	71629	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2270-2667 - Estimated	4226-5386	7032-7182
Method of Production (Flowing or Artificial Lift)	New Zone	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	881	977	1460
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1089	1226	1194
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates:	Date: 1/1/2022 Rates: Gas: 1736 mcf Oil: 0 bbl Water: 1 bbl	Date: 1/1/2022 Rates: Gas: 1539 mcf Oil: 0 bbl Water: 0 bbl
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	OilGas Please see attachments	OilGas Please see attachments	OilGas Please see attachments

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.


PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE



TITLE

Operations/Regulatory Technician

DATE

04/11/2022

TYPE OR PRINT NAME

Amanda Walker

TELEPHONE NO.

346.237.2177

E-MAIL ADDRESS

mwalker@hilcorp.com

JUN 12 2009

DISTRICT I
1626 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045- 34990	*Pool Code 71599 / 72319	*Pool Name BASIN DAKOTA/BLANCO MESAVERDE
*Property Code 18531	*Property Name GRENIER A	*Well Number 8 N
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	*Elevation 6177'

¹⁰ Surface Location

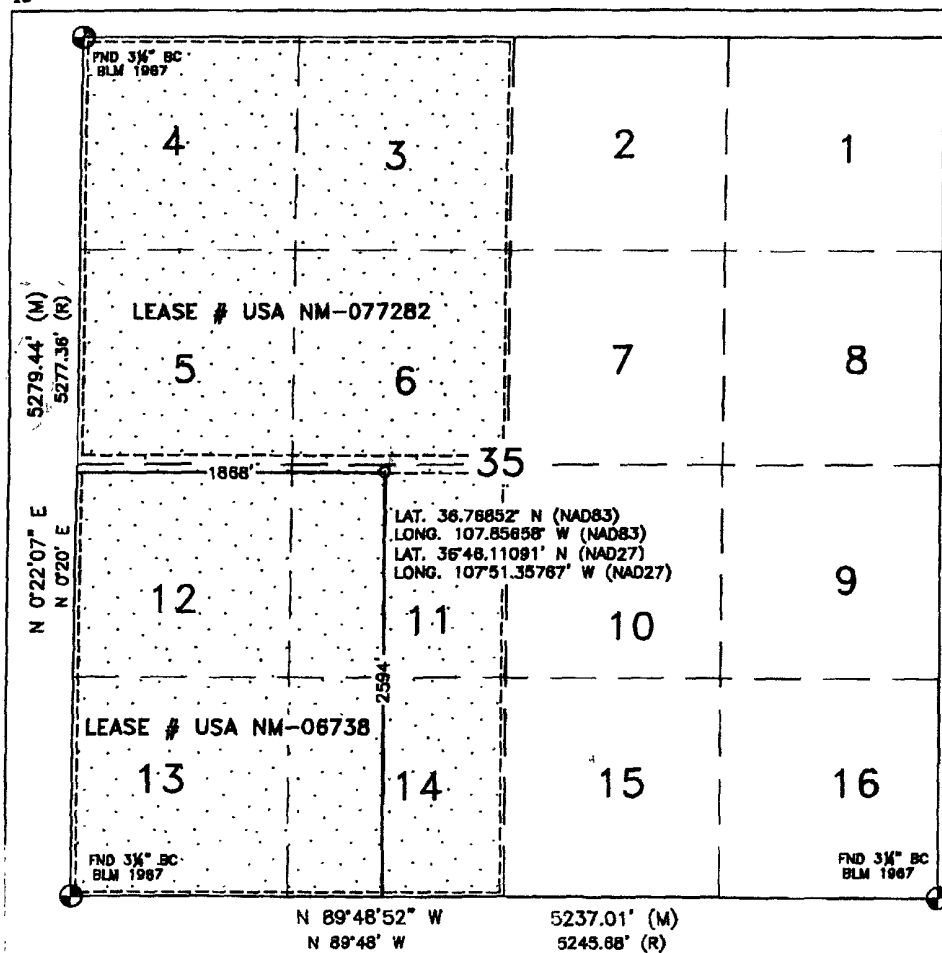
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	35	30N	10W	11	2594'	SOUTH	1868'	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K									
¹² Dedicated Acres 317.18 Acres - (W/2)			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner or a compulsory pooling order heretofore entered by the division.

Signature: *James Gardenhire* Date: 8/27/08

Printed Name: James Gardenhire

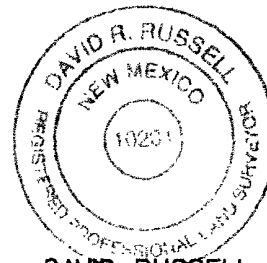
18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

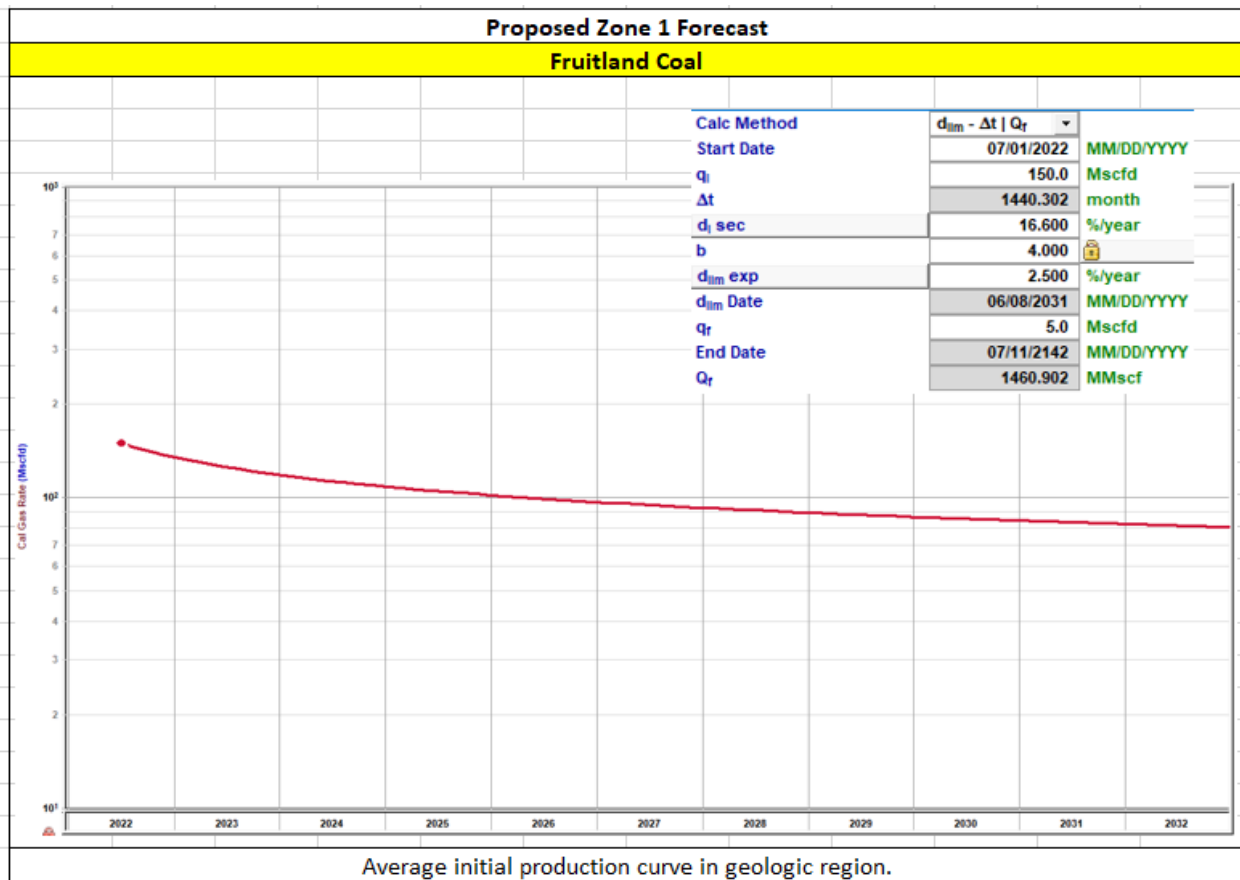
Date of Survey: JULY 28, 2008

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL
Certificate Number 10201



These zones are proposed to be trimmingle because the application of dual completions impedes the ability to produce the shallow zone without artificial lift and the deeper zones with reduced artificial lift efficiency. All horizons will require artificial lift due to low bottomhole pressure (BHP) and permeability.

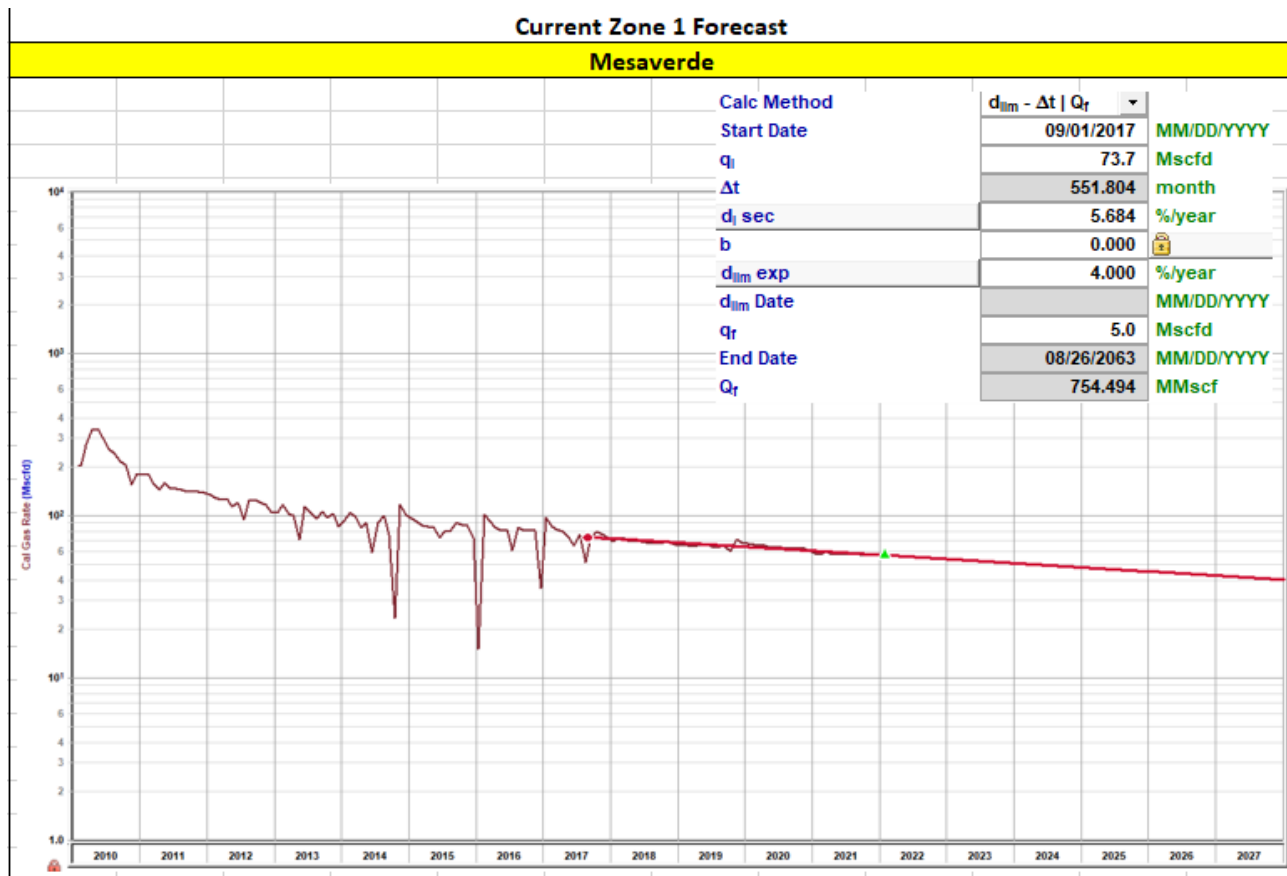
The BHPs of all zones, producing and non-producing, were estimated based upon basinwide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin. These models were constructed incorporating reservoir dynamics and physics, historic production, and observed pressure data. Historic commingling operations have proven reservoir fluids are compatible.

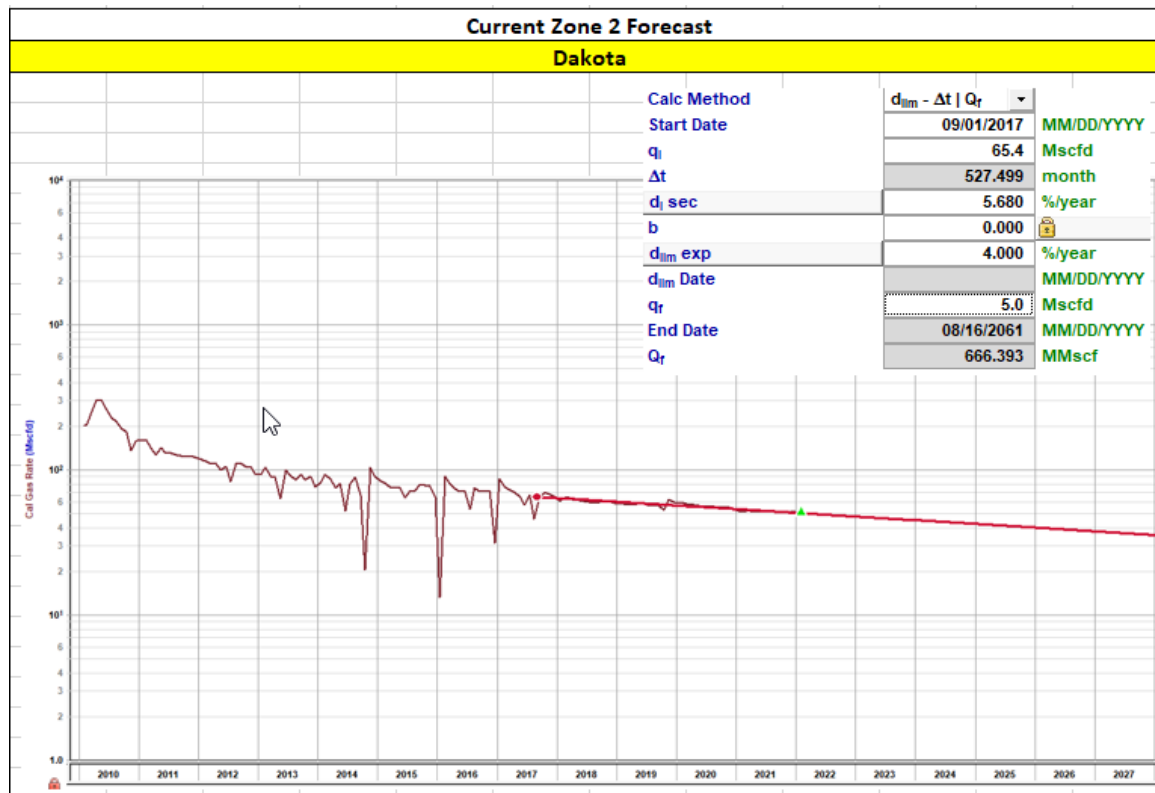
Production Allocation Method - Subtraction

Gas Allocation:

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



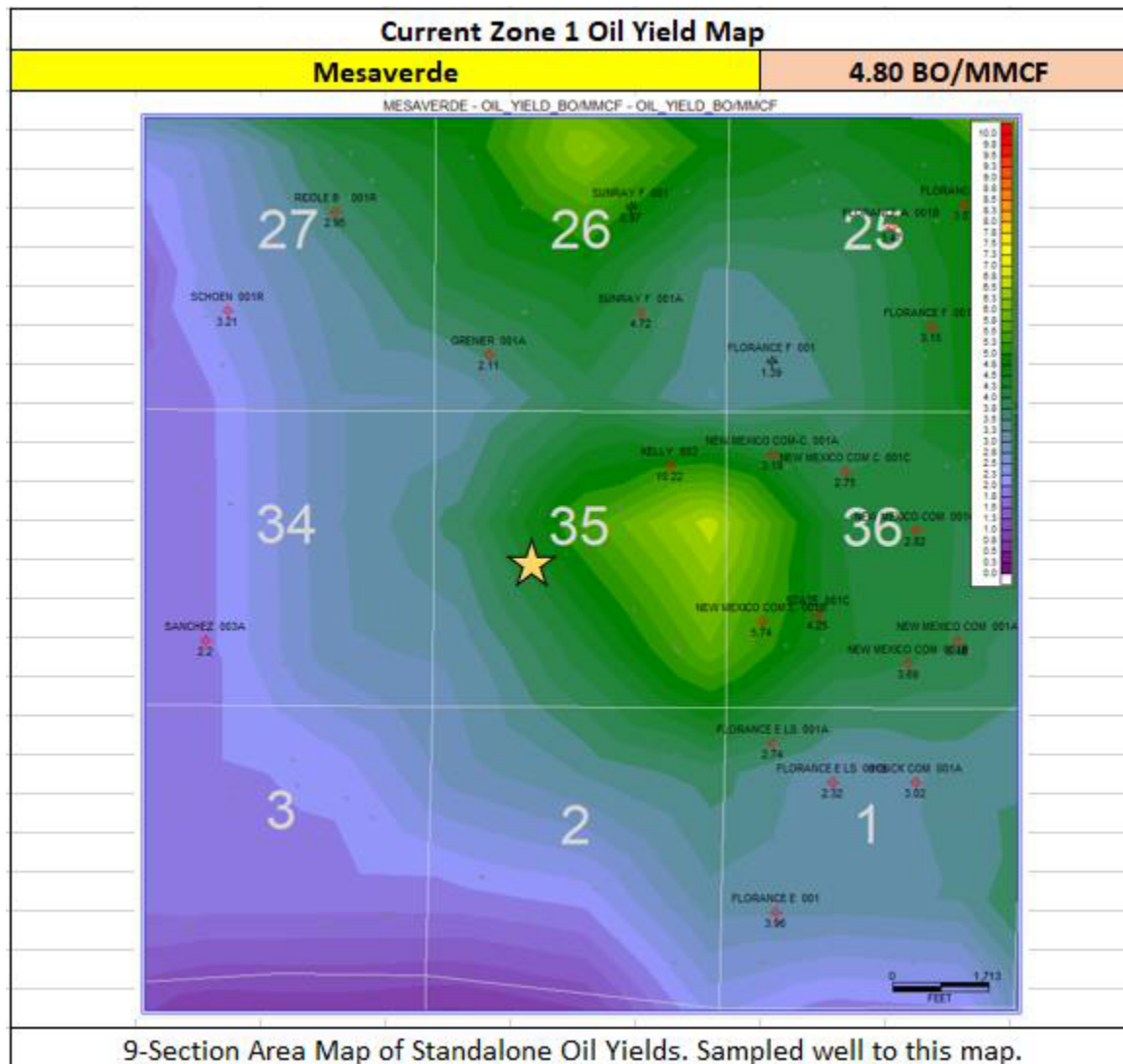


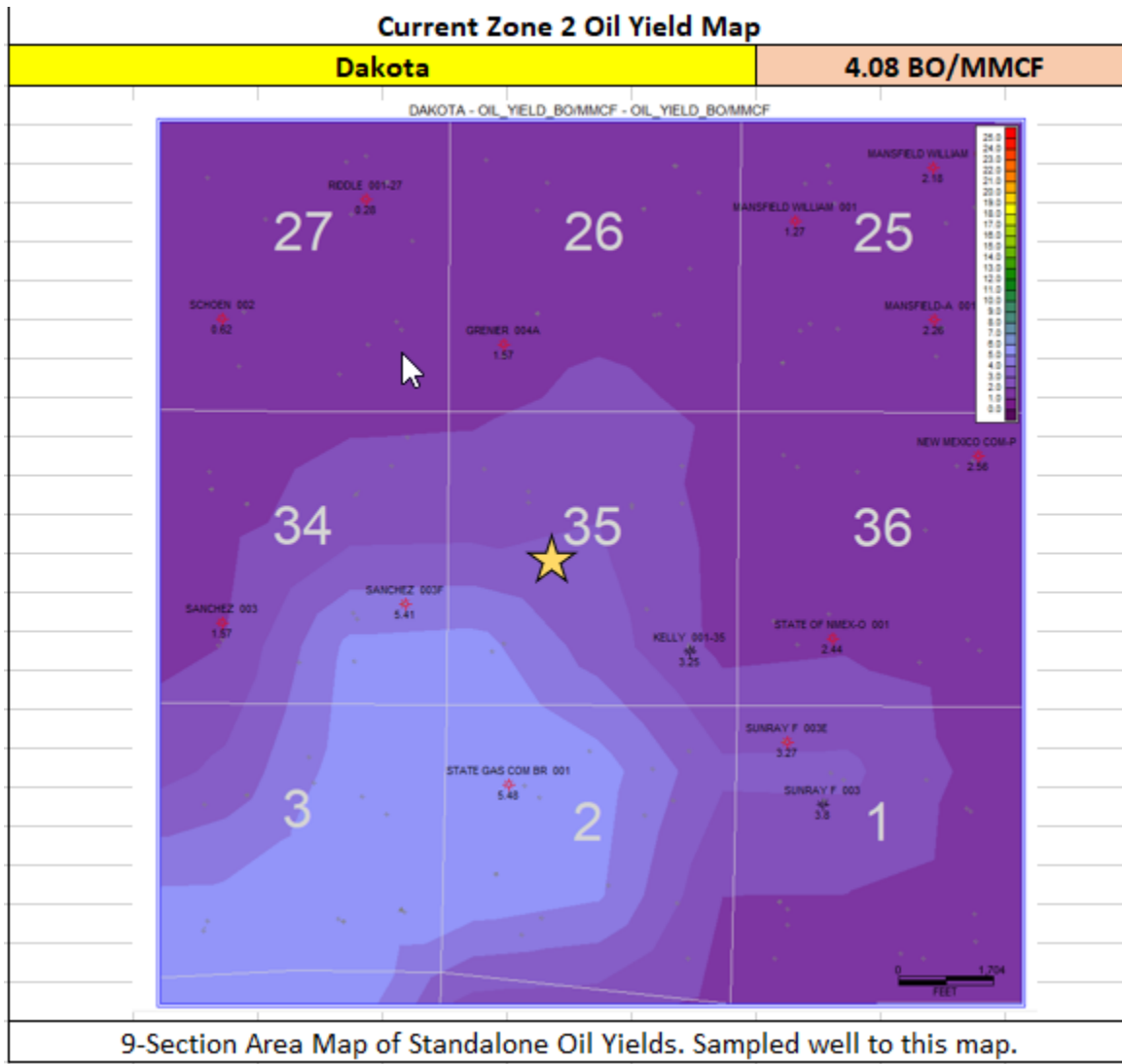
Oil Allocation:

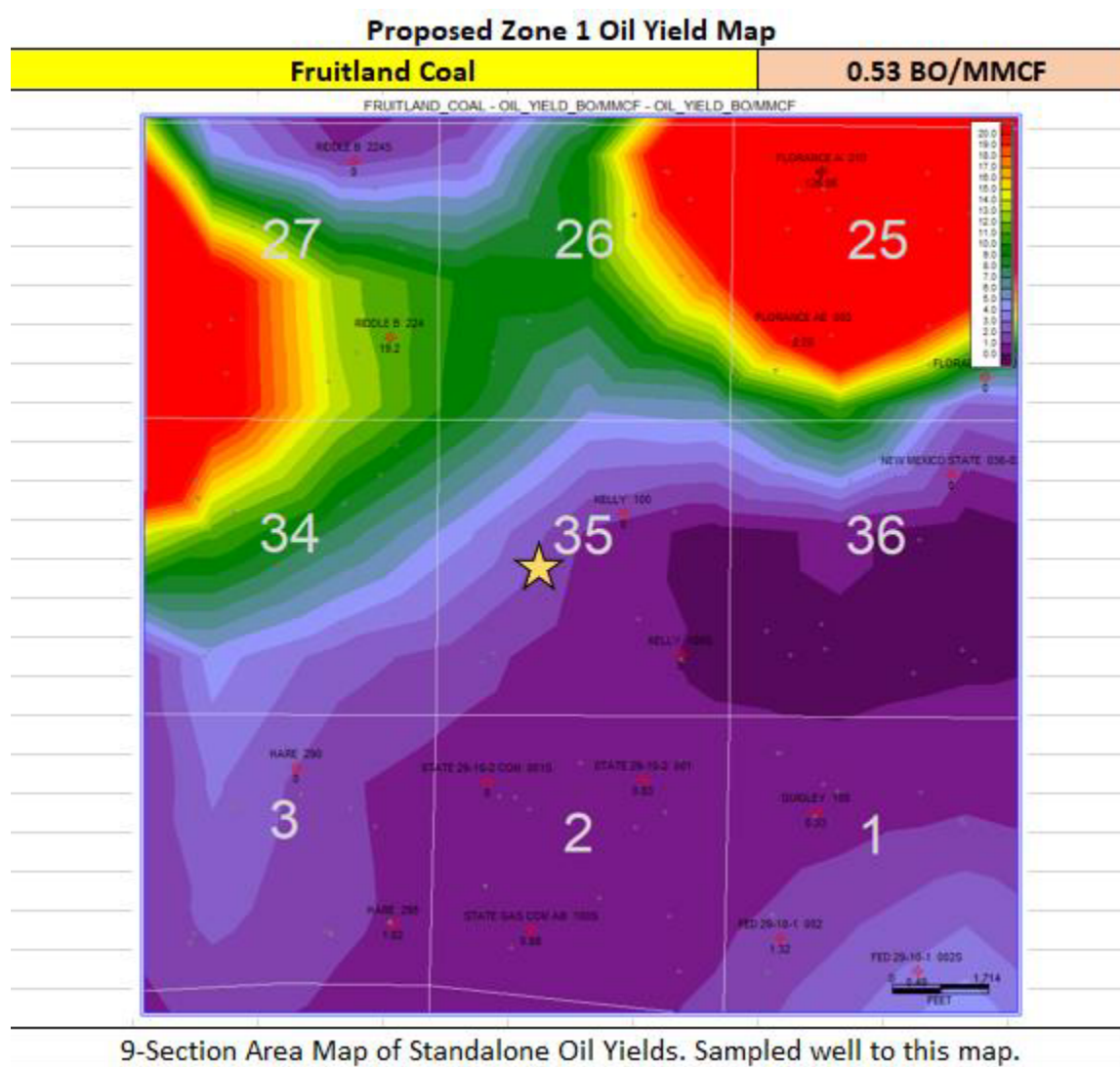
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

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

All documentation will be submitted to NMOCD.









March 29, 2022

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application for Downhole Commingling
Well: GRENIER A #008N
API: 3004534990
T30N - R10W - Section 35, Unit Letter: K
San Juan County, NM

Ladies and Gentlemen:

Concerning Hilcorp Energy Company's application to downhole commingle production in the subject well, this letter serves to confirm the following:

- All working, royalty and overriding royalty interests are identical between the **Blanco Mesaverde (72319)**, **Basin Dakota (71599)** and **Basin Fruitland Coal (71629)** as such relates to the prescribed spacing unit(s) being the **W/317.18**.

Pursuant to Subsection C.(1)(c) of 19.15.12.11, if the spacing unit(s) contains state, federal or tribal lands, Hilcorp will have provided notice via mail or sundry to the State Land Office and/or BLM as of the date of this letter.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at the email or number provided below.

Regards,

Hilcorp Energy Company

A handwritten signature in blue ink, appearing to read 'R. Carlson'.

Robert T. Carlson
Sr. Landman
(832) 839-4596
rcarlson@hilcorp.com

1111 Travis Street Houston, TX 77002
Phone: (713) 209-2400 Fax: (713) 209-2420

Well Name: GRENIER A	Well Location: T30N / R10W / SEC 35 / NESW / 36.76852 / -107.85658	County or Parish/State: SAN JUAN / NM
Well Number: 8N	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM06738	Unit or CA Name: GRENIER	Unit or CA Number: NMNM75980, NMNM76037
US Well Number: 3004534990	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2665303

Type of Submission: Notice of Intent

Date Sundry Submitted: 04/05/2022

Date proposed operation will begin: 04/05/2022

Type of Action: Recompletion

Time Sundry Submitted: 09:17

Procedure Description: REVISED to update Perfs. Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal and downhole trimmingle with the existing Mesaverde/Dakota. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. A pre- reclamation site visit was held on 3/16/2022 with Roger Herrera/BLM. The reclamation plan is attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

REVISED_Grenier_A_8N_FRC_RC_NOI_20220405091414.pdf

Received by OCD: 6/22/2023 4:26:17 PM

Page 16 of 31

Well Name: GRENIER A	Well Location: T30N / R10W / SEC 35 / NESW / 36.76852 / -107.85658	County or Parish/State: SAIN JUAN / NM
Well Number: 8N	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM06738	Unit or CA Name: GRENIER	Unit or CA Number: NMNM75980, NMNM76037
US Well Number: 3004534990	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: AMANDA WALKER	Signed on: APR 05, 2022 09:14 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

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: 04/06/2022
Signature: Kenneth Rennick	



HILCORP ENERGY COMPANY
GRENIER A 8N
FRUITLAND COAL RECOMPLETION SUNDRY

Prepared by:	Andrew Malone
Preparation Date:	April 4, 2022

WELL INFORMATION			
Well Name:	GRENIER A 8N	State:	NM
API #:	3004534990	County:	SAN JUAN
Area:	03	Location:	2594' FSL & 1868' FWL - Unit K - Section 35 - T 030N - R 010W
Route:	0305	Latitude:	36.768515 N
Spud Date:	11/19/2009	Longitude:	-107.855961 W

PROJECT DESCRIPTION
Isolate the Mesaverde and Dakota, perforate and stimulate the Fruitland Coal.

CONTACTS			
Title	Name	Office Phone #	Cell Phone #
Engineer	Andrew Malone	346-237-2370	832-335-8451
Area Foreman	Jeremy Brooks		947-3867
Lead	Wayne Peace		320-2532
Artificial Lift Tech	Jake Stockton		330-6450
Operator	Shaun Pettigrew		609-4931



**HILCORP ENERGY COMPANY
GRENIER A 8N
FRUITLAND COAL RECOMPLETION SUNDRY**

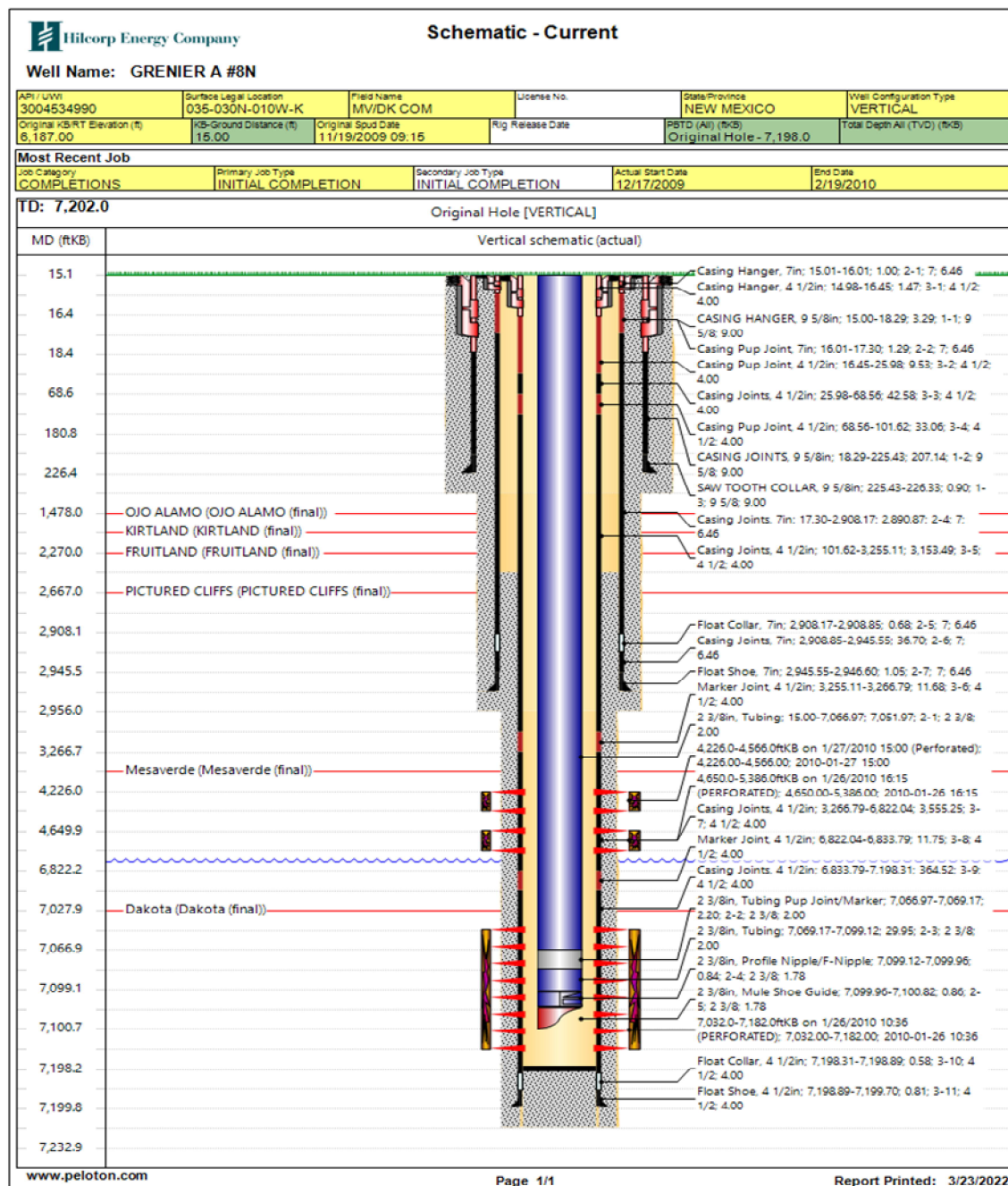
JOB PROCEDURES

1. MIRU service rig and associated equipment; NU and test BOP per HEC, State, and Federal guidelines.
2. TOOH with tubing.
3. Set a bridge plug above Mesaverde perforations (set between **4,176'** and **4,226'**) for zonal isolation.
4. RU E-line. Perforate squeeze holes at **+/- 2,620'**. Per CBL dated 12/17/2009, current TOC is at 2,640'.
5. TIH with tubing and establish circulation through squeeze perms. Pump 48 sacks of cement. TOOH with tubing. Wait on cement.
6. Load hole with fluid and rig up pressure test truck. Perform a Mechanical Integrity Test on wellbore. Chart record the MIT test (notify NMOCD +24hr before the actual test).
7. **If frac'ing down casing:** Pressure test to anticipated frac pressure, but do not exceed 80% of casing burst pressure.
8. RU E-line crew. Perforate the Fruitland Coal. Top perforation depth = **2,270'**; Bottom perforation depth = **2,667'**.
9. **If frac'ing down a frac string:** Run in hole with frac string and packer, and land packer above top Fruitland Coal perforation.
10. ND BOP, NU frac stack. Pressure test frac stack to frac pressure. Pressure test frac string to anticipated frac pressure. RDMO service rig.
11. RU stimulation crew. Frac the Fruitland Coal in one or more stages. Set plugs between stages as needed.
12. Flowback well through flowback separator and sand trap until pressures diminish.
13. MIRU service rig. ND frac stack, NU BOP and test.
14. **If frac was performed down a frac string:** POOH w/ frac string and packer.
15. TIH with mill and clean out to plug at base of frac.
16. Once water and sand rates are acceptable, collect a gas sample from the Fruitland Coal.
17. TIH and land production tubing. Run and set artificial lift components as needed. Set well to production from the Fruitland Coal only.
18. Pending C-107A approval, MIRU service rig and drill out isolation plug to trimmingle Fruitland Coal, Mesaverde, and Dakota.



HILCORP ENERGY COMPANY
GRENIER A 8N
FRUITLAND COAL RECOMPLETION SUNDRY

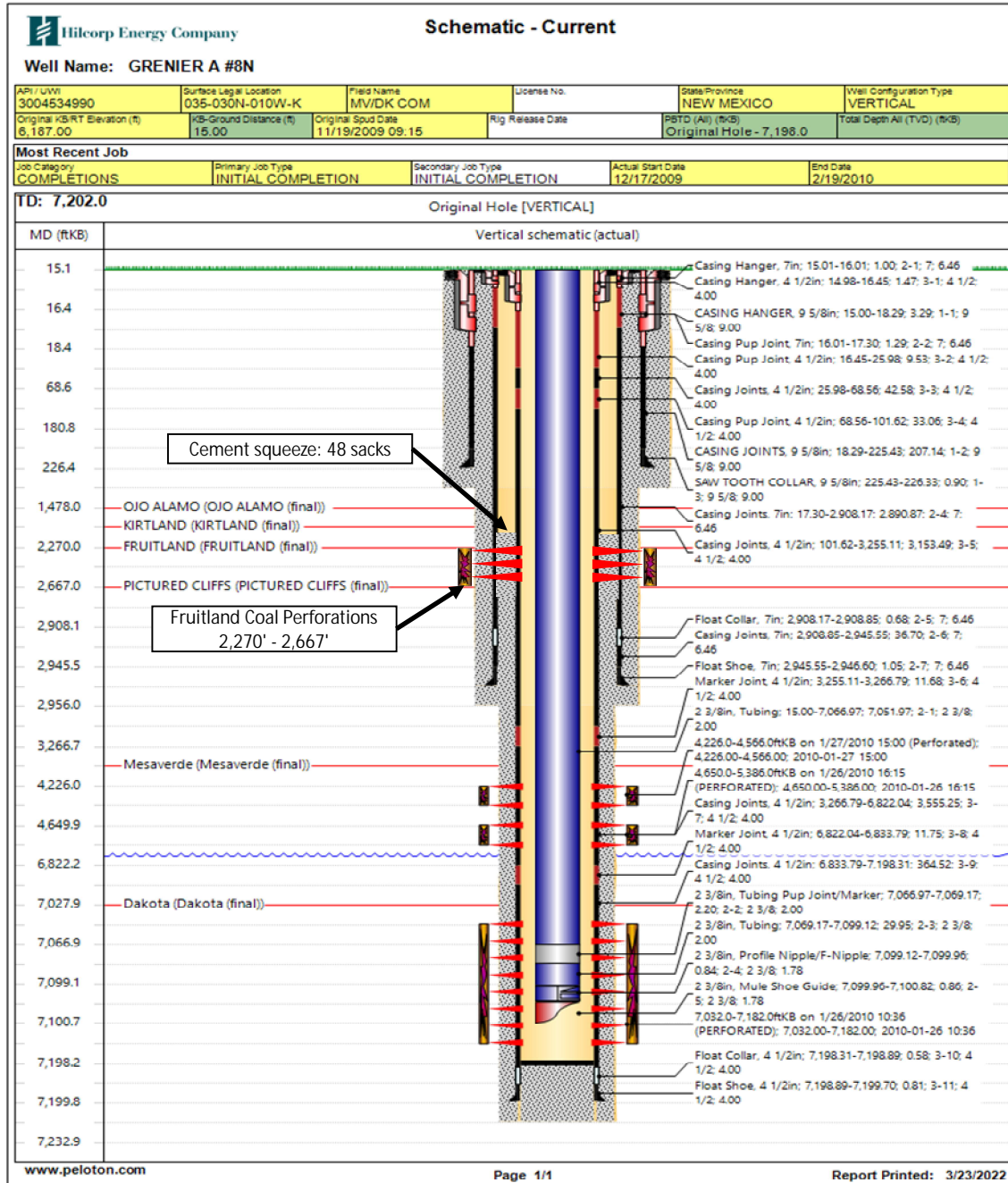
GRENIER A 8N - CURRENT WELLBORE SCHEMATIC





**HILCORP ENERGY COMPANY
GRENIER A 8N
FRUITLAND COAL RECOMPLETION SUNDRY**

GRENIER A 8N - PROPOSED WELLBORE SCHEMATIC



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

Energy, Minerals and Natural**Resources****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**

Permit 312833

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-34990	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 318536	5. Property Name GRENIER A	6. Well No. 008N
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6177

10. Surface Location

UL - Lot K	Section 35	Township 30N	Range 10W	Lot Idn 11	Feet From 2594	N/S Line S	Feet From 1868	E/W Line W	County SAN JUAN
---------------	---------------	-----------------	--------------	---------------	-------------------	---------------	-------------------	---------------	--------------------

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 317.18	13. Joint or Infill			14. Consolidation Code			15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>[Signature]</i></p> <p>Title: Operations Regulatory Tech Sr.</p> <p>Date: 03/25/2022</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Dav Russell</p> <p>Date of Survey: 7/28/2008</p> <p>Certificate Number: 10201</p>

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description **Effective May 25, 2021**

I. Operator: Hilcorp Energy Company **OGRID:** 372171 **Date:** 3/25/2022

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Grenier A 8N	3004534990	K,35,30N,10W	2594' FSL & 1868' FWL	0	150	1

IV. Central Delivery Point Name: Kutz Processing Plant [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
<u>Grenier A 8N</u>	<u>3004534990</u>					<u>2022</u>

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices


1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: 
Printed Name: Amanda Walker
Title: Operations/Regulatory Tech Sr.
E-mail Address: mwalker@hilcorp.com
Date: 3/25/2022
Phone: 346-237-2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. Separation Equipment:

Hilcorp Energy Company (HEC or Operator) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our recompleting project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recompleting to optimize gas capture and send gas to sales or flare based on analytical composition. HEC operates facilities that are typically one-well facilities. Production separation equipment is upgraded prior to well being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the recompleting operations.

VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas
 - HEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
2. Subsection (B) Venting and Flaring during drilling operations
 - This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompleting
 - Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
4. Subsection (D) Venting and flaring during production operations
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
 - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
 - HEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 1-4.
5. Subsection (E) Performance standards
 - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

6. Subsection (F) Measurement or estimation of vented and flared natural gas
 - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

1. Operator has adequate storage and takeaway capacity for wells it chooses to recomplete as the flowlines at the sites are already in place and tied into a gathering system.
2. Operator will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
3. Operator combusts natural gas that would otherwise be vented or flared, when technically feasible.
4. Operator will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.

Hilcorp Energy
Interim Reclamation Plan
Grenier A 8N
API: 30-045-34990
Unit K–Sec 35-T30N-R10W
Lat:36.768515, Long: -107.855961
Footage: 2594' FSL & 1868' FWL
San Juan County, NM

1. PRE- INTERIM RECLAMATION SITE INSPECTION

- 1.1) A pre-interim reclamation onsite inspection was conducted on March 16 2022, with BLM Environmental Protection Specialist Roger Herrera and Bobby Spearman Construction Foreman for Hilcorp Energy.
- 1.2) Location surface will be brush hogged or mulched and bladed as required within original disturbance to acquire additional working surface for well recompletion activities.

2. LOCATION INTERIM RECLAMATION PROCEDURE

- 2.1) Interim reclamation work will be completed after well recompletion.
- 2.2) Location tear drop will be re-defined as applicable during interim reclamation.
- 2.3) All disturbed areas will be seeded, any disturbed areas that are compacted will be ripped before seeding.
- 2.4) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.

3. ACCESS ROAD RECLAMATION PROCEDURE:

- 3.1) No lease access road issues were identified at the time of onsite.

4. SEEDING PROCEDURE

- 4.1) A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the location.
- 4.2) Drill seeding will be done where applicable and all other disturbed areas will be broadcast seeded and harrowed, broadcast seeding will be applied at a double the rate of seed.
- 4.3) Timing of the seeding will take place when the ground is not frozen or saturated.

5. WEED MANAGEMENT

- 5.1) No action is required at this time for weed management, no noxious weeds were identified during the onsite.

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 96472

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 96472
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	DHC required	4/11/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	4/11/2022

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	4.8	324	49%
DK	4.08	284	36%
FRC	0.53	917	15%
			100%

Released to Imaging: 6/22/2023 4:28:08 PM

Hilcorp intends to continue to allocate the projected base production on the same fixed percentages to the following pools 53% (Mesaverde) 47% (Dakota) while the subtraction method is being used to determine the allocation to the new zone.

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

COMMENTS

Action 231912

COMMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 231912
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Withdrawn under Action ID: 97301	6/22/2023

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 231912

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 231912
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmccure	Withdrawn at the Applicant's Request	6/22/2023