

Revised July 18, 2013

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

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

WELL API NO. 30-039-27574	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. E-511-7	
7. Lease Name or Unit Agreement Name San Juan 29-7 Unit	
8. Well Number 193	
9. OGRID Number 372171	
10. Pool name or Wildcat Basin Fruitland Coal/Blanco PC South	

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> 2. Name of Operator Hilcorp Energy Company 3. Address of Operator 382 Road 3100, Aztec NM 87410 4. Well Location Unit Letter __P__: 875 feet from the __South__ line and 785 feet from the __East__ line Section 36 Township 29N Range 07W NMPM County Rio Arriba 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,793' GL	
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/> RECOMPLETE		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

It is intended to recomplete the subject well in the Basin-Fruitland Coal (Pool 71629) and downhole commingle the existing Blanco Pictured Cliffs South (Pool 72439). The production will be commingled per Oil Conservation Division Order Number 11363. Allocation and methodology will be provided after the well is completed. Commingling will not reduce the value of the production.

Proposed perforations are: FRC-3414' - 3611', PC- 3613' – 3707'. These perforations are in TVD.

As referenced in Order # R-10697 interest owners were not re-notified.

Spud Date:

Rig Release Date:

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

SIGNATURE Cherylene Weston TITLE Operations/Regulatory Technician - Sr. DATE 5/24/2023

Type or print name Cherylene Weston E-mail address: cweston@hilcorp.com PHONE: 713-289-2615

For State Use Only

APPROVED BY: Dean R McClure TITLE Petroleum Engineer DATE 07/06/2023

Conditions of Approval (if any):

CONDITIONS OF APPROVAL

If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.

If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.

If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

The Operator shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools ("fixed percentage allocation plan"). No later than ninety (90) days after the fourth year, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. If the Operator fails to do so, this Permit shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Permit shall terminate on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.

District I1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720**District II**811 S. First St., Artesia, NM 88210
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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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-27574	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 318713	5. Property Name SAN JUAN 27-9 UNIT	6. Well No. 193
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6793

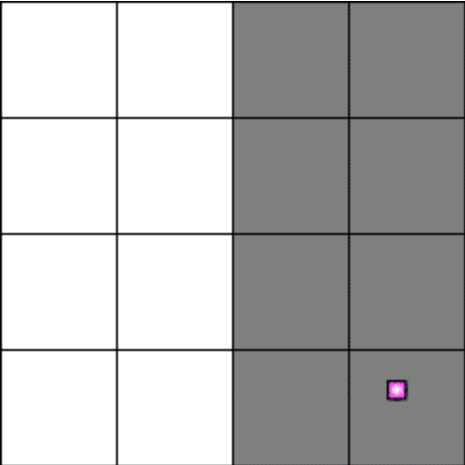
10. Surface Location

UL - Lot P	Section 36	Township 29N	Range 07W	Lot Idn	Feet From 875	N/S Line S	Feet From 785	E/W Line E	County RIO ARRIBA
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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 320.00	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

	<div style="text-align: center;">OPERATOR CERTIFICATION</div> <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>Cheryllee Weston</i> Title: Operations/Regulatory Tech-Sr. Date: 05/23/2023</p> <hr/> <div style="text-align: center;">SURVEYOR CERTIFICATION</div> <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: David Johnson Date of Survey: 10/23/2003 Certificate Number: 14827</p> <p style="text-align: right; color: purple; font-style: italic;">Released to Imaging: 7/6/2023 10:59:42 AM</p>
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OCD Permitting

REVISED: RECORD CLEAN UP

Form C-102
August 1, 2011
Permit 217222**District I**1625 N. French Dr., Hobbs, NM 88240
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-27574	2. Pool Code 72439	3. Pool Name BLANCO P. C. SOUTH (PRORATED GAS)
4. Property Code 7465	5. Property Name SAN JUAN 29 7 UNIT	6. Well No. 193
7. OGRID No. 14538	8. Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	9. Elevation 6793

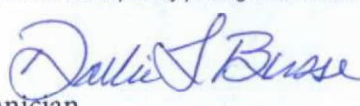
10. Surface Location

UL - Lot P	Section 36	Township 29N	Range 07W	Lot Idn	Feet From 875	N/S Line S	Feet From 785	E/W Line E	County RIO ARRIBA
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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 160.00				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

	OPERATOR CERTIFICATION	
	<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>	
	E-Signed By: Dollie L. Busse  Title: Regulatory Technician Date: 2/24/2016	
	SURVEYOR CERTIFICATION	
<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>		
Surveyed By: David Johnson Date of Survey: 10/23/2003 Certificate Number: 14827		

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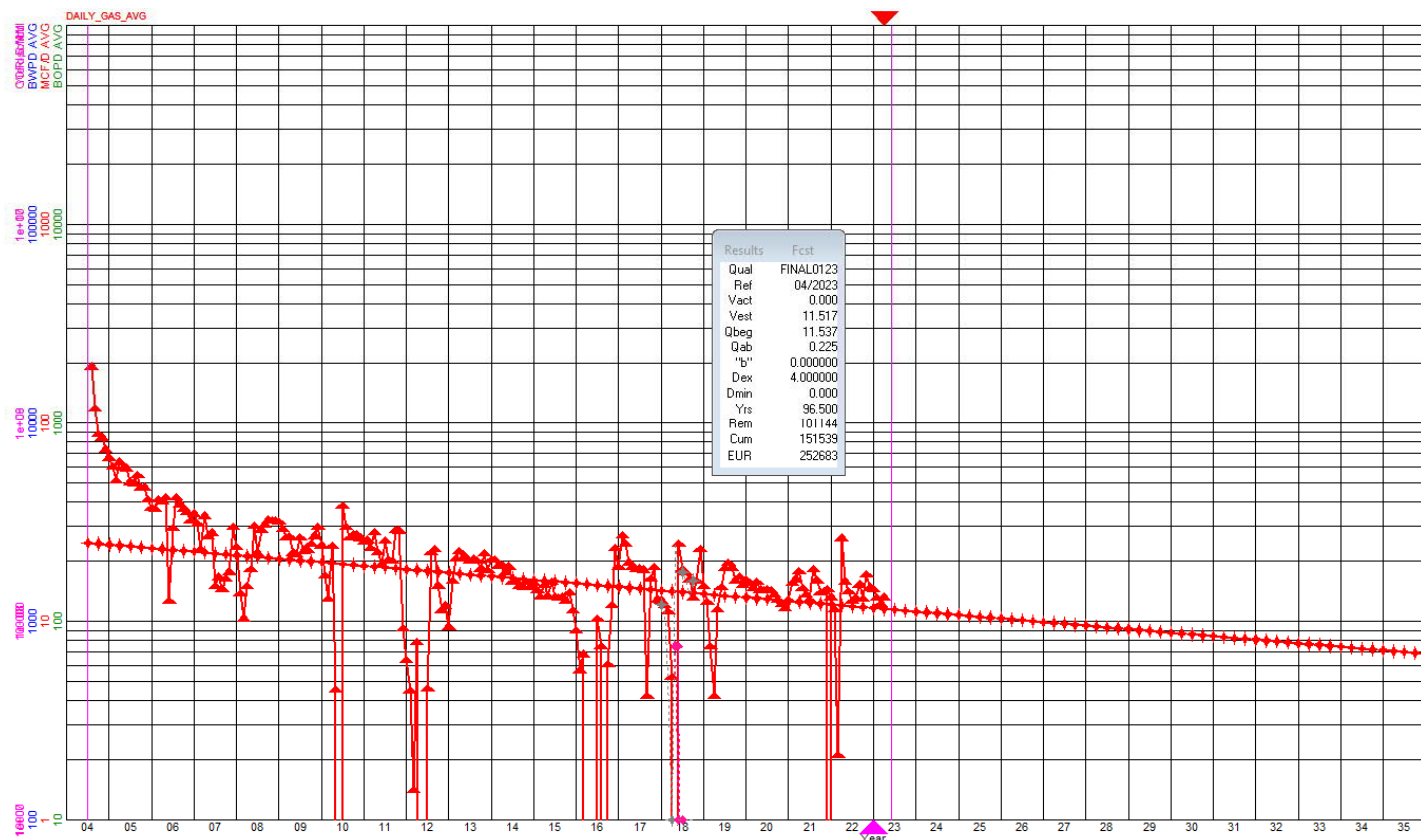
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Form APD Conditions
Permit 217222

San Juan 29-7 Unit 193 Production Allocation Method - Subtraction

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Pictured Cliffs and the added formation to be commingled 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:**

Pictured Cliffs formation has never produced condensate therefore 100% condensate will be allocated to the Fruitland Coal, although it is not expected for the coal to bare condensate.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
PC	0.000	0	0%
FRC	0.000	0	100%

From: [Cheryl Weston](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] Action ID: 231549; DHC-5298
Date: Thursday, July 6, 2023 10:28:45 AM
Attachments: [SJ 29-7 Unit 193 DHC C-103.pdf](#)

Dean,

Here is the revised DHC C-103. The perf range was updated to match the NOI. Let me know if you need anything else.

Thank you,
Cheryl

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Thursday, July 6, 2023 10:24 AM
To: Cheryl Weston <cweston@hilcorp.com>
Subject: [EXTERNAL] Action ID: 231549; DHC-5298

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

To whom it may concern (c/o Cheryl Weston for Hilcorp Energy Company),

The Division is reviewing the following application:

Action ID	231549
Admin No.	DHC-5298
Applicant	Hilcorp Energy Company (372171)
Title	San Juan 29 7 Unit #193
Sub. Date	06/22/2023

Please provide the following additional supplemental documents:

- Amended C-103 (see below)

Please provide additional information regarding the following:

- Per the C-103E and prior communication, Hilcorp may wish to amend their proposed perforation range for this well. Please confirm this and provide the new perforation range. During our prior conversation, I had not realized it was submitted upon a C-103. As this is the case, please provide an amended C-103 as well.

Additional notes:

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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.

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CONDITIONS

Action 231549

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 231549
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.	7/6/2023
dmcclure	If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.	7/6/2023
dmcclure	If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.	7/6/2023
dmcclure	The Operator shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools ("fixed percentage allocation plan"). No later than ninety (90) days after the fourth year, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. If the Operator fails to do so, this Permit shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Permit shall terminate on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.	7/6/2023