| Received by OSD: A/14/2023 Rid2:42 AM | State of New Mexic | co | 30 | Form C-103 of |
|--|--|-------------------------------|--------------------------------|------------------------|
| Office <u>District I</u> – (575) 393-6161 Enc 1625 N. French Dr., Hobbs, NM 88240 | ergy, Minerals and Natural | Resources WEL | L API NO. | Revised July 18, 2013 |
| <u>District II</u> – (575) 748-1283 | L CONSERVATION D | IVISION | 30-039 | |
| 811 S. First St., Artesia, NM 88210 District III – (505) 334-6178 | 1220 South St. Francis | 5 In | dicate Type of Le | |
| 1000 Rio Brazos Rd., Aztec, NM 87410 | Santa Fe, NM 8750 | _ | STATE ate Oil & Gas Le | FEE |
| <u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505 | Santa 1 C, 14141 0750 | 6. 50 | NMSF0 | |
| SUNDRY NOTICES AND (DO NOT USE THIS FORM FOR PROPOSALS TO D DIFFERENT RESERVOIR. USE "APPLICATION FOR | RILL OR TO DEEPEN OR PLUG E | BACK TO A San J | ease Name or Unituan 27-5 Unit | it Agreement Name |
| PROPOSALS.) 1. Type of Well: Oil Well Gas Well | Other | | ell Number 103 | |
| 2. Name of Operator Hilcorp Energy Company | | 9. O | GRID Number 372 | 171 |
| 3. Address of Operator | | 10. F | Pool name or Wil | |
| 382 Road 3100, Aztec NM 87410 | | | Basin Dakota | /Blanco Mesaverde |
| 4. Well Location Unit Letter_H_:_1850feet from | the North line and 1100 | feet from the Fast 1 | ina | |
| Section 14 Township 2 | | NMPM Rio Arril | | |
| | 27N Range 5W vation (Show whether DR, RA | | ba County | |
| TT. Ele | 6666' | AD, K1, OK, etc.) | | |
| 12 Check Appropri | iate Box to Indicate Natu | ra of Notice Panor | rt or Other Dat | 0 |
| 11 1 | | | | |
| NOTICE OF INTENTION | | | JENT REPO | |
| | | EMEDIAL WORK OMMENCE DRILLING | | TERING CASING ND A |
| | - | ASING/CEMENT JOB | | IND A |
| DOWNHOLE COMMINGLE | | NOINO/OLIMENT COD | Ь | |
| CLOSED-LOOP SYSTEM | | | | |
| OTHER: | | THER: | | |
| 13. Describe proposed or completed open of starting any proposed work). SEE proposed completion or recompletion | RULE 19.15.7.14 NMAC. I | | | |
| It is intended to recomplete the subject well in (pool 71599) with the Mesaverde. The product allocation methodology. Commingling will not in writing of this application. | ction will be commingled per | Oil Conservation Divis | sion Order Numb | er 11363. See attached |
| Proposed perforations are: MV - 5058' - 5800 |)'; DK – 7698' - 7908' The | se perforations are in | TVD. | |
| As referenced in Order # R- 10695 interest ow | vners were not re-notified. | | | |
| R-13764 | | | | |
| | | | | |
| Spud Date: | Rig Release Date: | | | |
| Spud Date. | Rig Release Date. | | | |
| | | | | |
| I hereby certify that the information above is t | rue and complete to the best of | of my knowledge and b | elief. | |
| SIGNATUREKandís Roland_ | TITLE Operation | ons/Regulatory Technic | cian Sr, DATE_ | 4/14/2023 |
| Type or print nameKandis Roland For State Use Only | E-mail address: | _kroland@hilcorp.com | PHONE | :713-757-5246 |
| 4 | Clure TITLE_ | | DATE (| 08/01/2023 |
| Conditions of Approval (if any): | | | 21112_ | |

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.

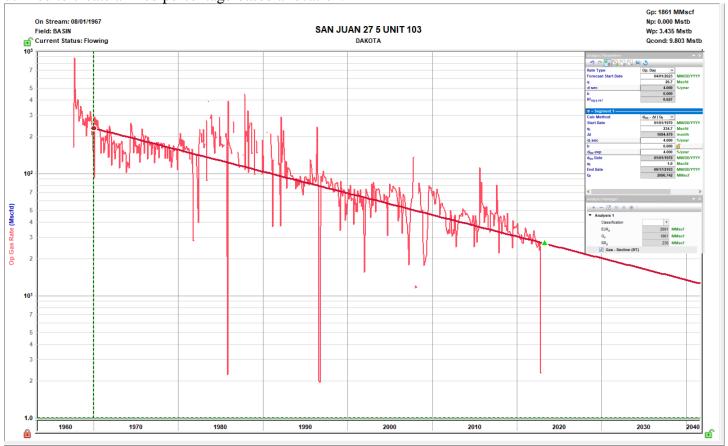
If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

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.

SJ 27-5 #103 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 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 4th year and will be utilized to create a fixed percentage-based allocation.

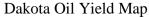


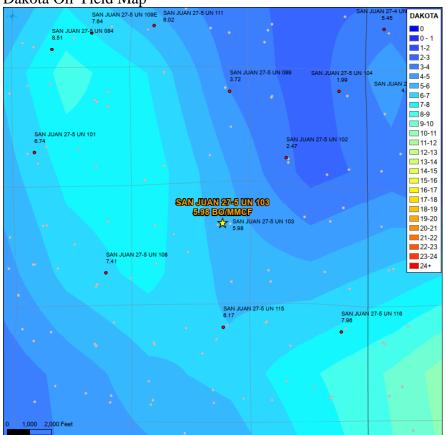
Oil Allocation:

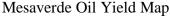
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

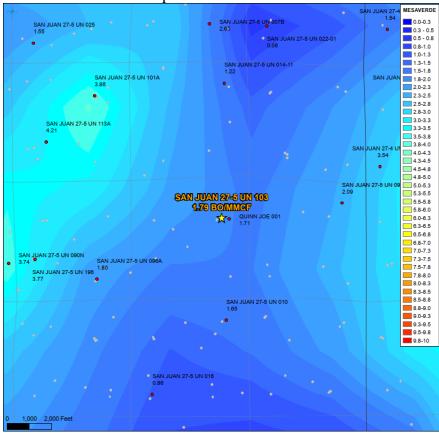
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.

| Formation | Yield (bbl/MM) | Remaining Reserves (MMcf) | % Oil Allocation |
|-----------|----------------|------------------------------|---------------------|
| DK | 5.98 | 230 | 44% |
| MV | 1.79 | 1000 | 56% |









District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

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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

Form C-102 August 1, 2011

Permit 338230

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number 30-039-20032 | 2. Pool Code 72319 | 3. Pool Name BLANCO-MESAVERDE (PRORATED GAS) |
|-------------------------------|--|--|
| 4. Property Code 318920 | 5. Property Name SAN JUAN 27 5 UNIT | 6. Well No. 103 |
| 7. OGRID No. 372171 | 8. Operator Name HILCORP ENERGY COMPANY | 9. Elevation 6666 |

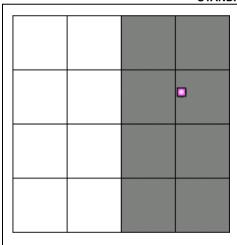
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| H | 1 | 1 27N | 05W | | 1850 | N | 1190 | E | RIO |
| | | | | | | | | | ARRIBA |

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 A | ores 00 E/2 | | 13. Joint or Infill | | 14. Consolidatio | n 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 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.

E-Signed By: Kandis Roland
Title: Regulatory Tech
Date: 4/13/2023

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.

Surveyed By: David Kilven
Date of Survey: 4/11/1967
Certificate Number: 1760

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

| EL PASO NATURAL GAS COMPANY SAN JUAN 27-5 INST County H | Operator | | All distance. | | Lease | oundaries of the | | | \ Well | Nc |
|--|-----------------------------|---------------------------------------|---------------------------------------|------------------------|----------------------|---|-----------|---------------------|-------------|---------------|
| H 14 27 NORTH 5 WEST RIO ARRIBA 1850 | | | | | | · · · · | | 079 492- | A) | 103 |
| 1350 feet from the NORTH me and 1390 feet from the Code of DAXOTA BASIN DAXOTA BASIN DAXOTA BASIN DAXOTA Code of DaxOTA A residence of DaxOTA Code of DAXOTA BASIN DAXOTA Code of DaxOTA A residence of DAXOTA Code of DAXOTA A residence of DAXO | | | | NORTH | | Coun EST | RIO | ARRIBA | / | |
| RASIN DAROTA BASIN DAROTA BA | | | NOPTH | | 1100 | | | PAST. | | |
| 1. Outfine the acerage dedicated to the subject well by colored percif or hachare manys on the plat below 2. If more than one lease is deficated to the well, outline each and identify the conversity thereof inboth as to working interest and royality. 3. If more than one lease of different comerching is dedicated to the well have the interests of all conversible to the very dedicated by communication, unstable, force-loging let? 1. If answer is "no," list the owners and tract descriptions which have the interests of all converse side of this form if necessary. No allowable will be assigned to the well until all interests have been marger to be been decreased by communication, unstable. No allowable will be assigned to the well until all interests have been marger to be been decreased by communication, unstable. No allowable will be assigned to the well until all interests have been marger to be been decreased by communication, unstable to the best of marger to the best of marger and the control of the contro | Fround Leve Ele- | | | ine and | 900 T | feet from | tr.e | | | reage |
| 2. If more than one lease is sedicated to the well, outline each and identify the ownership is to working interest and regults). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolirated by community and on, unitization, forces coloring, etc? 1. X Yes 1. No. If answer is "yes," type of consolidation. If answer is "no," list the owners and tract descriptions which have provided to the reverse side of this form if necessary. No allowable will be assigned to the well until all interests have been approved by the Community action, unitization, forced-cooling, or otherwise or until a non standard unit, eliminating such integers by the community action, unitization, forced-cooling, or otherwise or until a non standard unit, eliminating such integers a back or approved by the Community. OIL CON. COM. Oil being and belief. I hereby certify that the information contains herein in true and complete to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and correct to the best of management of the same is true and c | 666 6 | DAI | ATO | | BASIN DA | KOTA | | | | |
| 3. If more than one lease of different dwarship is dedicated to the well have the interests of all cwners been consultated by communication, unitization, forces coing, etc? If answer is "no," list the owners and tract descriptions which have proceeding, or otherwise or until a non-standard unit, eliminating such interests have been approved by the Commission. OIL CON. COM. OIST, 3 I hereby certify that the information contains herein in true and complete to the best of many leading of the containing such interests and complete to the best of many leading or otherwise or until a non-standard unit, eliminating such interests have been approved by the Commission. OIL CON. COM. OIL CON | 1 Outline th | ne acerage dedica | ated to the subject | well by col | ored pencil c | or hachure mo | arks on t | he plat bel | OW. | |
| If answer is "no," list the owners and tract descriptions which have processory. No allowable will be assigned to the well until all interests have been approved by the Commission on the owners or until a non-standard unit, climinating such integers, see been approved by the Commission. OIL CON. COM- DIST. 3 I hereby certify that the information contains herein is true and complete to the best of m knowledge and belief. Of ginal Signed F. II. W.OOD Septimal Signed F. II. W.OOD Septimal Signed F. II. W.OOD APRIL 11, 1967 Registered fairtesmal Engager and papers. APRIL 11, 1967 Registered fairtesmal Engager and papers. APRIL 11, 1967 Registered fairtesmal Engager and papers. | 2. If more trinterest and i | han one lease is royalty), | cedicated to the | well, outli | ne each and | lidentify the | 3 Owners | shi;: thereo | f beth o | s to working |
| If answer is "no," list the owners and tract descriptions which have necessary. No allowable will be assigned to the well until all interests have been until a non-standard unit, eliminating such interests, has been made to the commission. OIL CON. COM. DIST. 3 I hereby certify that the information contains herein is true and complete to the best of manufacture in true and complete to the best of manufactur | 3. If more to by community | han one lease of ization, unitizat | different ownershoon, force-; ooling. | nip is dedica Letc? | ated to the | well, have the | e interes | sts of all a | wners been | Censolicated |
| No allowable will be assigned to the well until all interests have been until all interests have been until a community and comm | Yes | , No | If answer is 'yes. | ' type of o | oriscl-dation | *************************************** | Unit | ication | | |
| No allowable will be assigned to the well until all interests have been until all interests have been until a community and comm | If answer is | "no." list the ow | ners and tract des | scriptions w | hich bave 🛎 | araba asa | Judated | (Heartower | ra rida af | this form if |
| SPOTON 14 SPOTO 492-A I hereby certify that the well location shown on this plot was plotted from field notes of active surveys mode by me or under my supervision, on that the same is true and correct to the best of my knowledge and belief. I hereby certify that the well location shown on this plot was plotted from field notes of active surveys mode by me or under my supervision, on that the same is true and correct to the best of my knowledge and belief. Signed F. if V.OOD APRIL 11, 1967 Registered F. if cissional Engineer and/options Surveys. AMALULIUM. | | | | | OF | LEIVES | | | se side or | |
| SECTION 14 SF 079 492-A I hereby certify that the information contains herein is true and complete to the best of meaning the second of the | | | | | | PPIATH | (by con | munitizatio | on, unitiza | tion, forced- |
| SECTION 14 SF 079 492-A I hereby certify that the information contains herein is true and complete to the best of meaning the second of the | pooling, or of | herwise) or until | a n on standard u | n:t, elimina | ting such in | teres is hos b Y 2 4 1967 | eer lapp | roved by th | re Commiss | Sion |
| I hereby certify that the information contains herein is true and complete to the best of management of the best of manage | | | | | 1 | | | | | |
| SECTION 14 SP 079 492-A I hereby certify that the well location shown of this plat was plotted from field notes of active surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Section 14 Note: Section 15 Section 14 Note: Section 14 Note: Section 15 Section 14 Note: Section 15 Section 15 Note: Section 16 APRIL 11, 1967 Regulared for its sample Engineer and/opting Surveys. | | | | | \ | | | | | |
| SECULON 14 SP 079 492-Al I hereby certify that the well location shown on this plat was plotted from field notes of active surveys made by me or under my supervision, on that the same is true and correct to the best of me knowledge and belief. Date Surveys Registered F. H. W.00D Name Fostion I hereby certify that the well location shown on this plat was plotted from field notes of active surveys made by me or under my supervision, on that the same is true and correct to the best of me knowledge and belief. Date Surveys Registered F. H. W.00D Name Fostion APRIL 11, 1967 Registered F. H. W.00D Name Fostion APRIL 11, 1967 Registered F. H. W.00D Name Fostion APRIL 11, 1967 Registered F. H. W.00D Name Fostion APRIL 11, 1967 Registered F. H. W.00D Name Fostion APRIL 11, 1967 Registered F. H. W.00D | | | 1 ~ ~ ~ | | ~ ~ ~ | | | | | |
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| SECTION 14 SF 079 492-A1 I hereby certify that the well location shown of 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 knowledge and belief. Date Surveys APRIL 11, 1967 Registered Freitessional Engineer and/ortend Surveys. | - + | - + - + | | · - + - | - | N | Name | | _ | * |
| SECTION 11 SF 079 492-A N I hereby certify that the well location shown of this plat was plotted from field notes of actue surveys made by me or under my supervision, and that the same is true and correct to the best of me knowledge and belief. Date Survey. Registered Firstessional Engineer and/option Survey. | | 1 | N ' | 83 | | D | Positio | ise tem i | of press | |
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| SECULON 14 SF 079 492-A I hereby certify that the well location shown o 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 me knowledge and belief. Date Survey.r Registered Fraincessonal Engineer and/orthord, Survey.r | | י י | | | | K) | Compo | | ia | |
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| 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 maknowledge and belief. Date Surveyor Registered Firstessional Engineer and/ortand Surveyor | | | SECUTION 14 | | | | | | | |
| Surveys made by me or under my supervision, and that the same is true and correct to the best of maknowledge and belief. Date Surveys Make and Engineer and/or tond Surveyor and/or tond Surveyor | | i | d sr | 079 492 | -A | K | | | | |
| that the same is true and correct to the best of m knowledge and belief. Date Surveyed APRIL 11, 1967 Registered Fretessional Engineer and/or tend Surveyer | + | + - + | - + | _ + | - + | N | • | • | | |
| State Surveyed APRIL 11, 1967 Registered Fredessional Engineer and/artend Surveyer Canal Oldinary | | | M i | | 1 | KI I | | | | |
| APRIL 11, 1967 Registered Frotessional Engineer and/or tend Surveyor April 11, 1967 | | | <u> </u> | | | KI | knowle | edge and beli | ef. | |
| APRIL 11, 1967 Registered Frotessional Engineer and/or tend Surveyor April 11, 1967 | | | N i | | ı | N | | | | |
| Registered Fressional Engineer and/or tond, Surveyer | + | _ | 12 + | _ \ | | N | Date | | . 17 10 | 67 |
| condigrand Surveyor (Chilian) | | ' | i K | | - | | Regist | - | | , |
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| | | | | ~ | /// | 시 | X | 1.6 | 1/9// | |
| | | | | | | | Certif | (LLA) | 1760 | Mulai |

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

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 207741

CONDITIONS

| Operator: | OGRID: |
|------------------------|--------------------------------------|
| HILCORP ENERGY COMPANY | 372171 |
| 1111 Travis Street | Action Number: |
| Houston, TX 77002 | 207741 |
| | 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. | 8/1/2023 |
| 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. | 8/1/2023 |
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