State of New Mexic  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  SUNDRY NOTICES AND REPORTS ON WELLS  (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG EDIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SPROPOSALS.)  1. Type of Well: Oil Well  Gas Well Other  2. Name of Operator  Hilcorp Energy Company  3. Address of Operator  382 Road 3100, Aztec NM 87410  4. Well Location	Resources  WELL API NO.  30-045-20985  5. Indicate Type of Lease STATE FEE  6. State Oil & Gas Lease No. Federal SF078198  7. Lease Name or Unit Agreement Name			
Unit Letter A: 825 feet from the North line and 825 feet from the				
Section 25 Township 30N Range 11W I 11. Elevation (Show whether DR, RK				
11. Elevation (Snow whether DR, RK 6128' GR				
12. Check Appropriate Box to Indicate Nature				
NOTICE OF INTENTION TO:  PERFORM REMEDIAL WORK  PLUG AND ABANDON  CHANGE PLANS  COMMENCE DRILLING OPNS. PAND A DOWNHOLE COMMINGLE  CLOSED-LOOP SYSTEM  COTHER:				
13. Describe proposed or completed operations. (Clearly state all pertin of starting any proposed work). SEE RULE 19.15.7.14 NMAC. Fo proposed completion or recompletion. It is intended to recomplete the subject well in the Blanco Mesaverde (pool 7 (pool 71599) with the Mesaverde. The production will be commingled per C attached allocation methodology. Commingling will not reduce the value of t notified in writing of this application.	r Multiple Completions: Attach wellbore diagram of  2319) and downhole commingle the existing Basin Dakota il Conservation Division Order Number 11363. See the			
Proposed perforations are: MV - 4128' – 5271'; DK - 7050' - 7206' <b>These</b>	perforations are in TVD.			
Notification of the intent to commingle the subject well was sent to all into objections were received.				
Spud Date: Rig Release Date:				
I hereby certify that the information above is true and complete to the best of	my knowledge and belief.			
$\sim 1/\Omega \cdot V$	Regulatory Technician Sr, DATE 4/18/2024			
Type or print name Amanda Walker E-mail address: <a href="mailto:mwalker@hilcorp.co">mwalker@hilcorp.co</a> For State Use Only  APPROVED BY: Dean R Molline TITLE Petroleum				
Conditions of Approval (if any): Released to Imaging: 4/19/2024 12:59:45 PM				

### 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.

Released to Imaging: 4/19/2024 12:59:45 PM

# NEW MEXICO OIL CONSERVATION COMMISS | WELL LOCATION AND ACREAGE DEDICATION PLAT

ic. - . .. Suja reden (.-128 Eri : tive 1-1-85

All distances must be from the outer boundaries of the Section Well 1.0. Lease Operator Aztec Cil & Gos Company 15 Nye County Township Range Section Unit Letter Scale . 30N IIW 25 Actual Footage Location of Well: 825 825 North teet from the Preducing Formation Dedicated Acrea in Ground Level Elev. 6128 Delevio Basin 1. Outline the acreage dedicated to the subject well by colored pencil or hachure surles on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof the interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been con dated by communitization, unitization, force-pooling. etc? JUN 20 1972 If answer is "yes," type of consolidation \_\_\_ OIL CON. COM If answer is "no," list the owners and tract descriptions which have actually been consolidated. DISTre 3 side of this form if necessary.). No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. :: :::.e3 Perst. n District Company Aztec Oil & Gas Company June 14, 1972 Sec 25 certify that the well location a this plat was plotted from field actual surveys made by me or y supervision, and that the same and correct to the best of my 1320 1650 1980 2310 2000 1500 1000 500

NYE SRC 015 Subtraction Allocation

3004520985

EUR<sub>g</sub>
G<sub>p</sub>
RR<sub>g</sub>

Gas - Decline (RT)

2276 MMscf 2130 MMscf 146 MMscf

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 usign bistoric 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  $4^{th}$  year and will be utilized to create a fixed percentage based allocation.

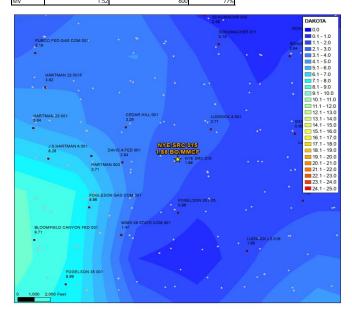
Dp. Day - 07/01/2024 MM/DD/YYYY 60.6 Mscfd 7.383 %/year 0.000 0.519 Δt | O<sub>1</sub> - 05/21/2019 MM/DD/YYYY 89.7 Mscfd 171.442 month 7.383 %/year 0.000 30.0 Mscfd 9902/2033 MM/DD/YYYY 2276.238 MMscfd Mscfd 9002/2033 MM/Mscfd 9002/2033 MM ▼ Analysis 1

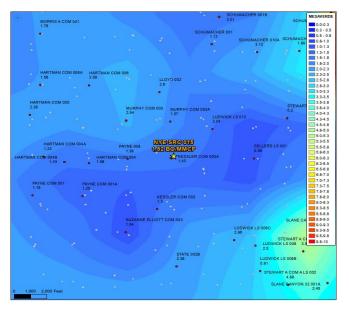
### Oll Allocation:

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	1.88	146	23%
N 41 /	1.50	/00	330/







February 7, 2024

Mailed Certified / Electronic Return Receipt Requested

To: ALL INTEREST OWNERS

RE: Application to Downhole Commingle Production

Well: Nye SRC 15 API: 30-045-20985

Section 25, Township 30 North, Range 11 West

San Juan County, New Mexico

### Ladies and Gentlemen:

Hilcorp Energy Company ("Hilcorp"), as Operator of the subject well, has filed application with the New Mexico Oil Conservation Division for approval to downhole commingle production from the **Mesaverde**, a formation Hilcorp soon intends to perforate, with existing production from the **Dakota** formation. This letter and the application copy enclosed serve to provide you, an owner in one or more of the aforementioned formations, with written notice as prescribed by Subsection C of 19.15.12.11 New Mexico Administrative Code.

No action is required by you unless you wish to pursue a formal protest (see details italicized below).

If you no longer own an interest in this well or need to make changes to your address, etc., please email ownerrelations@hilcorp.com. For those without email access, please call (713) 209-2457.

Hilcorp is eager to explore this potential opportunity to enhance production. Thank you for your support.

Sincerely.

Carson Rice

Landman – San Juan North

Come Parker Prin

(713) 757-7108 carice@hilcorp.com

cc:bmg Enclosures

### Protesting:

Protests must be in writing and received within twenty (20) days from the date of this letter. In your response, please include your contact information, details referenced herein and the specific concerns and/or reasoning behind your decision. You are encouraged to email me an electronic copy and, subsequently, mailing (overnight) a hard copy to my attention at the address in the footer below. Upon receipt, I will follow up by phone to discuss your concerns. Should we be unable to resolve them, a formal protest will be set for hearing with the New Mexico Oil & Conservation Division in Santa Fe, NM, wherein your attendance and testimony will be required.

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

Received by QCD i 2/28/20124 7:42:57 AM	State of New Mexico	Form C-103
<u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240	Energy, Minerals and Natural Resources	Revised July 18, 2013 WELL API NO.
<u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210	OIL CONSERVATION DIVISION	30-045-20985
<u>District III</u> – (505) 334-6178	1220 South St. Francis Dr.	5. Indicate Type of Lease STATE FEE
1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> – (505) 476-3460	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505		Federal SF078198
SUNDRY NOTICE	ES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
	LS TO DRILL OR TO DEEPEN OR PLUG BACK TO A FION FOR PERMIT" (FORM C-101) FOR SUCH	Nyo SDC
PROPOSALS.)	_	Nye SRC 8. Well Number 15
<ol> <li>Type of Well: Oil Well G</li> <li>Name of Operator</li> </ol>	as Well 🗵 Other	9. OGRID Number
Hilcorp Energy Company		372171
3. Address of Operator		10. Pool name or Wildcat
382 Road 3100, Aztec NM 8	37410	Blanco Mesaverde
4. Well Location	a the North line and 925 feet from the Feet line	
Section 25 Towns	the North line and 825 feet from the East line ship 30N Range 11W Lot 1 N	MPM County San Juan
	ship 30N Range 11W Lot 1 N 11. Elevation (Show whether DR, RKB, RT, GR,	
	6128' GR	Cici
12 Charle Ame	gangiata Day ta Indianta Natura of Natio	Parant or Other Data
•	ropriate Box to Indicate Nature of Notic	
NOTICE OF INT		UBSEQUENT REPORT OF:
<del></del>	PLUG AND ABANDON ☐ REMEDIAL V CHANGE PLANS ☐ COMMENCE	VORK ☐ ALTERING CASING ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
<del>-</del>	MULTIPLE COMPL CASING/CEN	
DOWNHOLE COMMINGLE		
CLOSED-LOOP SYSTEM		_
OTHER:	OTHER:	and aire positional datas including estimated data
	SEE RULE 19.15.7.14 NMAC. For Multiple	and give pertinent dates, including estimated date
proposed completion or recomp		Completions. Thuesi wendore diagram of
It is intended to recomplete the subject to	well in the Blanco Mesaverde (pool 72310) and	downhole commingle the existing Basin Dakota
		ation Division Order Number 11363. See the at-
tached allocation methodology. Commit		n. The Bureau of Land Management has been
notified in writing of this application.		
Proposed perforations are: MV - 4128'	- 5271'; DK - 7050' - 7206' These perforation	ons are in TVD.
	, and the same particular	
		N 1 110/0 DI 1/0 IVI
Energy Company within twenty (20) of	y certified mail as an interest owner per Orde	er Number 11363. Please notify Hilcorp
Energy company within twenty (20) c	ays if you have objections.	
Spud Date:	Rig Release Date:	
I hereby certify that the information abo	ve is true and complete to the best of my knowle	edge and belief.
SIGNATURE Albubler		
SIGNATURE AWakler	TITLE Operations/Regulatory	Technician Sr, DATE 2/6/2024
Type or print name Amanda Walker - F	-mail address: <u>mwalker@hilcorp.com</u> PHON	JF: 346 237 2177
For State Use Only	man address. <u>Inwarker@incorp.com</u> 111010	
APPROVED BV	_TITLE	DATE
APPROVED BY:  Conditions of Approval (if any):  Released to Imaging: 4/19/2024 12:59:45	THEE	DAIL
keteasea to 1maging: 4/19/2024/12:59:43	rni	

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901832909308	Brenda Guzman	, OFFICE OF NATURAL RESOURCES REVENUE, LAKEWOOD ACCTG CENT ONSHORE, DENVER, CO, 80225-0627 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909315	Brenda Guzman	, CROSS TIMBERS ENERGY LLC, , FORT WORTH, TX, 76102 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909322	Brenda Guzman	, ANDREW JEFFREY SILVER TRUST, , BOSTON, MA, 02116 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909339	Brenda Guzman	, ANDREW JEFFREY SILVER, , BOSTON, MA, 02116-1235 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909346	Brenda Guzman	, PATRICIA MERLE SILVER TRUST, , BERKELEY, CA, 94707-1928 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909353	Brenda Guzman	, PATRICIA MERLE SILVER, , BERKELEY, CA, 94707-1928 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909360	Brenda Guzman	, LAURA LYNN BOND, , DALLAS, TX, 75214 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909377	Brenda Guzman	, SAM ZACHRY ALBRIGHT, , INDIO, CA, 92203 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909384	Brenda Guzman	, BRONCO OIL COMPANY, , OKLAHOMA CITY, OK, 73189 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909391	Brenda Guzman	, JEFFREY P KESSLER TRUST, JEFFREY P KESSLER TRUSTEE, OAKLAND, CA, 94611 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909407	Brenda Guzman	, JOHN DAVID KESSLER TRUST, JOHN DAVID KESSLER TRUSTEE, PENRYN, CA, 95663-0173 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909414	Brenda Guzman	, PTERODACTYL TRUST, JAMES MATTHEW KESSLER TRUSTEE, SAN FRANCISCO, CA, 94121 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909421	Brenda Guzman	, SAN JUAN BASIN TRUST, , BARTLESVILLE, OK, 74006-7500 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending
92148969009997901832909438	Brenda Guzman	, EDWARD FORGOTSON SR MINTRDTD7/25/17, ANN Y M FORGOTSON ELIZABETH FORGOTS, MIAMI, FL, 33139 Code: Nye SRC 15 DHC	2/7/2024	Signature Pending



PO Box 631667 Cincinnati, OH 45263-1667

### AFFIDAVIT OF PUBLICATION

Hilcorp Energy Hilcorp Energy 382 Rd 3100 Aztec NM 87410

STATE OF WISCONSIN, COUNTY OF BROWN

The Farmington Daily Times, a daily newspaper published in the city of Farmington, San Juan County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

03/20/2024

and that the fees charged are legal. Sworn to and subscribed before on 03/20/2024 Notice by Hilcorp Energy Company for Downhole Commingling, San Juan County, New Mexico. Pursuant on Paragraph (2) of Subsection C of 19.15.12.11 NMAC, Hilcorp Energy Company, as Operator, has filed form C-103 with the New Mexico Energy, Minerals and Natural Resources Department — Oil Conservation Division (NMOCD) seeking administrative approval to downhole commingle new production from the Blanco-Mesaverde Gas Pool (72319) with existing production from the Basin-Dakota Gas Pool (71599) in the NYE SRC 015 well (API No. 30-045-20985) located in Unit A, Section 25, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico. Commingling will not reduce the value of production. The allocation of production between zones will occur via subtraction method. This notice is intended for certain unlocatable interest owners in the aforementioned well for which certified mail delivery is not possible. Should you (the interest owner for which this notice is intended) have an objection, you must notify the NMOCD in writing within twenty (20) days from the date of this publication. Thereafter, the matter may be set for hearing with the NMOCD in Santa Fe, NM, wherein your attendance and testimony would be required.

#9973163, Daily Times, March 20, 2024

Legal Clerk

Notary, State of WL County of Brown

My commission expires

\$81.70

**Publication Cost:** 

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RYAN SPELLER Notary Public State of Wisconsin From: Mandi Walker

 To:
 McClure, Dean, EMNRD; Cheryl Weston

 Subject:
 RE: [EXTERNAL] Action ID: 318386; DHC-5365

 Date:
 Thursday, April 18, 2024 3:58:49 PM

Attachments: Page 1 from DHC C-103 Packet.pdf

Dean, I see what you are talking about, I am not sure where those DK perfs came in from, here is the updated cover sheet.

Thank you!

## Mandi Walker

SJE/SJN (1,2,7) Regulatory Technician Sr.

Office: 346.237.2177 <u>mwalker@hilcorp.com</u>

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

Sent: Thursday, April 18, 2024 4:22 PM

To: Mandi Walker <mwalker@hilcorp.com>; Cheryl Weston <cweston@hilcorp.com>

Subject: [EXTERNAL] Action ID: 318386; DHC-5365

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

To whom it may concern (c/o Amanda Walker for Hilcorp Energy Corporation),

### The Division is reviewing the following application:

Action ID	318386	
Admin No.	DHC-5365	
Applicant	Hilcorp Energy Company (372171)	
Title	NYE SRC #15	
Sub. Date	2/28/2024	

Please provide the following additional supplemental documents:

•

### Please provide additional information regarding the following:

• There seems to be a discrepancy between the perforations detailed on the sundry and the perforations detailed on the WBD. Please confirm the perforation depths and provide an amended document for whichever is in error.

### 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.

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 318386

### **CONDITIONS**

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	318386
	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.	4/19/2024
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.	4/19/2024
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.	4/19/2024
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.	4/19/2024