

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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

Cherylene Weston

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
____X____Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company

382 Road 3100, Aztec, NM 87410

Operator

Address

Beaver Lodge Com

1M

I, 32, T30N, R08W

San Juan County, NM

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 372171 Property Code 319133 API No. 30-045-35552 Lease Type: ____Federal ____X____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)	2785' – 3116'	4110' – 5546'	7420' – 7634'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	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)	178 psi	639 psi	126 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1121 BTU	1284 BTU	1057 BTU
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: Rates:	Date: 9/1/2023 Oil: 0 bbls Rates: Gas: 2,123 Mcf Water: 18 bbls	Date: 9/1/2023 Oil: 0 bbls Rates: Gas: 2,394 Mcf Water: 22 bbls
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas % %	Oil Gas % %

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 ____X____
Yes ____X____No ____

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

Yes ____X____No ____

Will commingling decrease the value of production?

Yes____No ____X____

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 ____X____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

Cherylene Weston

TITLE

Operations/Regulatory Tech-Sr.

DATE

12/12/2023

TYPE OR PRINT NAME

Cherylene Weston

TELEPHONE NO. (713)

289-2615

E-MAIL ADDRESS

cweston@hilcorp.com

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

Form C-102
August 1, 2011

Permit 355134

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-35552	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 319133	5. Property Name BEAVER LODGE COM	6. Well No. 001M
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6217

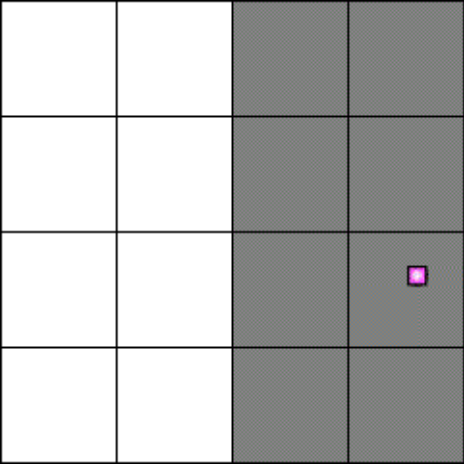
10. Surface Location

UL - Lot I	Section 32	Township 30N	Range 08W	Lot Idn	Feet From 2149	N/S Line S	Feet From 544	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 32	Township 30N	Range 08W	Lot Idn	Feet From 1116	N/S Line S	Feet From 723	E/W Line E	County SAN JUAN
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

	<p style="text-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: Cherylene Weston Title: Cherylene Weston Date: 12/04/2023</p> <hr/> <p style="text-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: Marshall W. Lindeen Date of Survey: 1/17/2014 Certificate Number: 17078</p>
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State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-045-35552	² Pool Code 71599 / 72319	³ Pool Name BASIN DAKOTA / BLANCO MESA VERDE
⁴ Property Code 6823	⁵ Property Name BEAVER LODGE COM	⁶ Well Number 1M
⁷ GRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	⁹ Elevation 6217

¹⁰ Surface Location

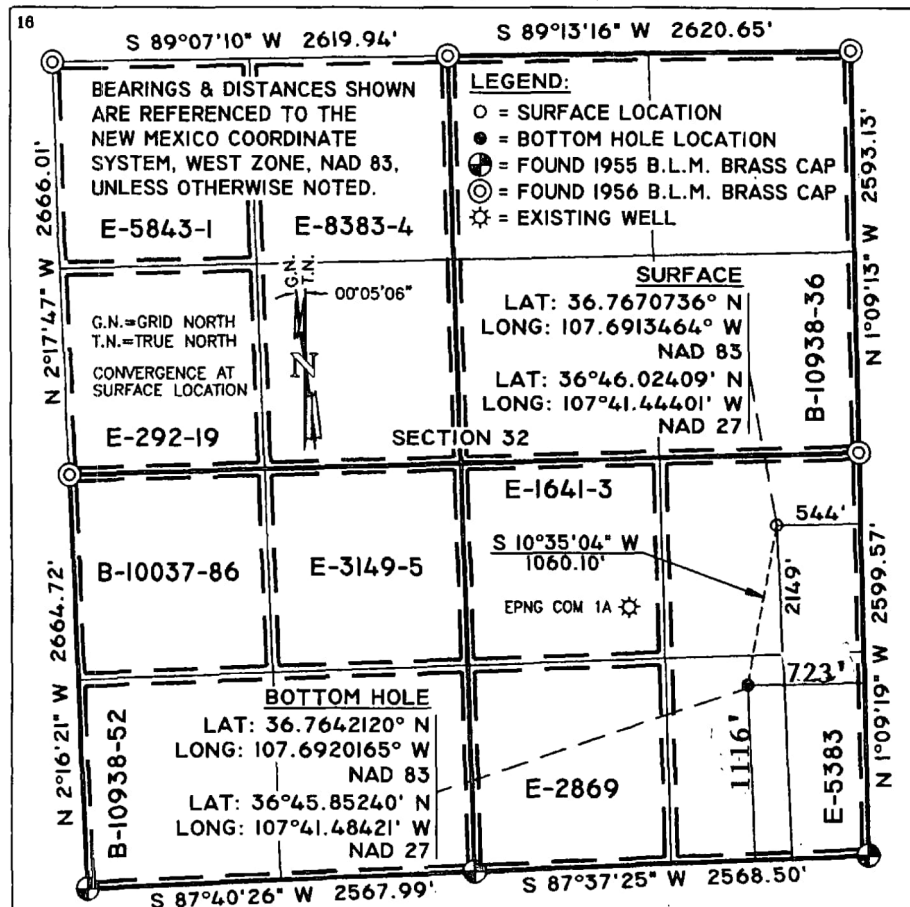
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	32	30 N	8 W		2149	SOUTH	544	EAST	SAN JUAN

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
P	32	30 N	8 W		1116	SOUTH	723	EAST	SAN JUAN

¹² Dedicated Acres 320 (MV) E 1/2 320 (DK) S 1/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

**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 of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Denise Journey 12/30/14
Signature Date
Denise Journey
Printed Name
Denise.J.Journey@copc.com
E-mail Address

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.

01/17/14

Date of Survey

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

Signature and Seal of Professional Surveyor

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OIL CONS. DIV DIST. 3

DEC 30 2014

The near wellbore shut-in bottom hole pressures of the above reservoirs are much lower than the calculated far-field stabilized reservoir pressure due to the low permeability of the reservoirs. Based on pressure transient analysis performed in the San Juan Basin, it would take 7-25 years for shut-in bottom hole pressures to build up to the calculated far-field reservoir pressure. Our observation is that even for areas of high static reservoir pressures, the low permeability of the reservoir rock results in rapid depletion of the near-fracture region, quickly enough that the wells are unable to produce without the aid of a plunger. Given low permeabilities and low wellbore flowing pressures in the above reservoirs, loss of reserves due to cross-flow is not an issue during producing or shut-in periods. Given low shut-in bottom hole pressures, commingling the above reservoirs in this well will not result in shut-in or flowing wellbore pressures in excess of any commingled pool's fracture parting pressure. The pressures provided in the C-107A are based on shut-in bottom hole pressures of offset standalone wells which match expected near-wellbore shut-in bottom hole pressures of this proposed commingled completion.

Note: BTU Data taken from standalone completions in the zone of interest within a 2 mile radius of the well.

A farther radius is used if there is not enough data for a proper statistical analysis.

Beaver Lodge Com 1M Allocation

The forecasts for Fruitland Coal production have been generated using type curves of production in the surrounding trend.

These zones are proposed to be commingled 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 basin wide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin, in conjunction with shut-in pressure build-ups. 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

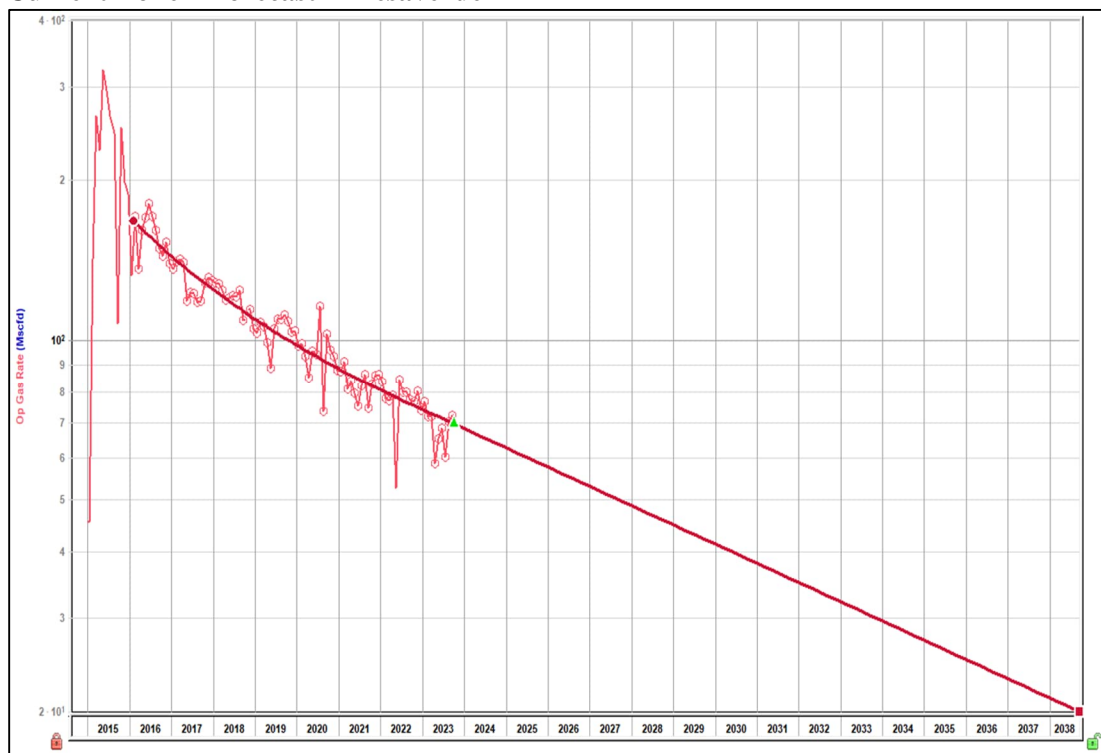
Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formations are the Mesaverde/Dakota and the added formation to be trimmingle is the Fruitland Coal. The subtraction method applies an average monthly production forecast to the base formations using historic production. All production from this well exceeding the base formation forecasts will be allocated to the new formation.

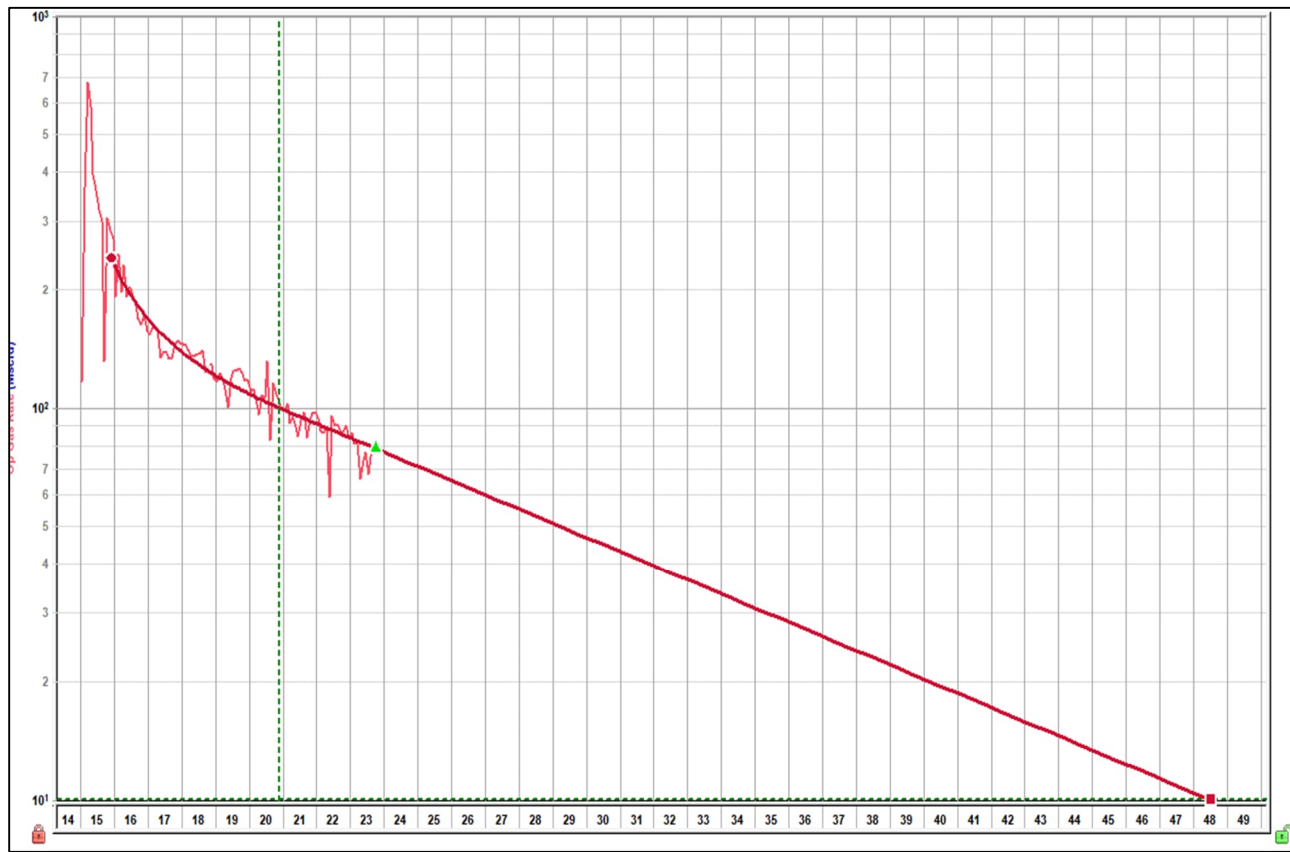
Hilcorp intends to continue to allocate the projected base production on the same fixed percentages to the following pools 47% (MV) 53% (DK) while the subtraction method is being used to determine the allocation to the new zone.

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.

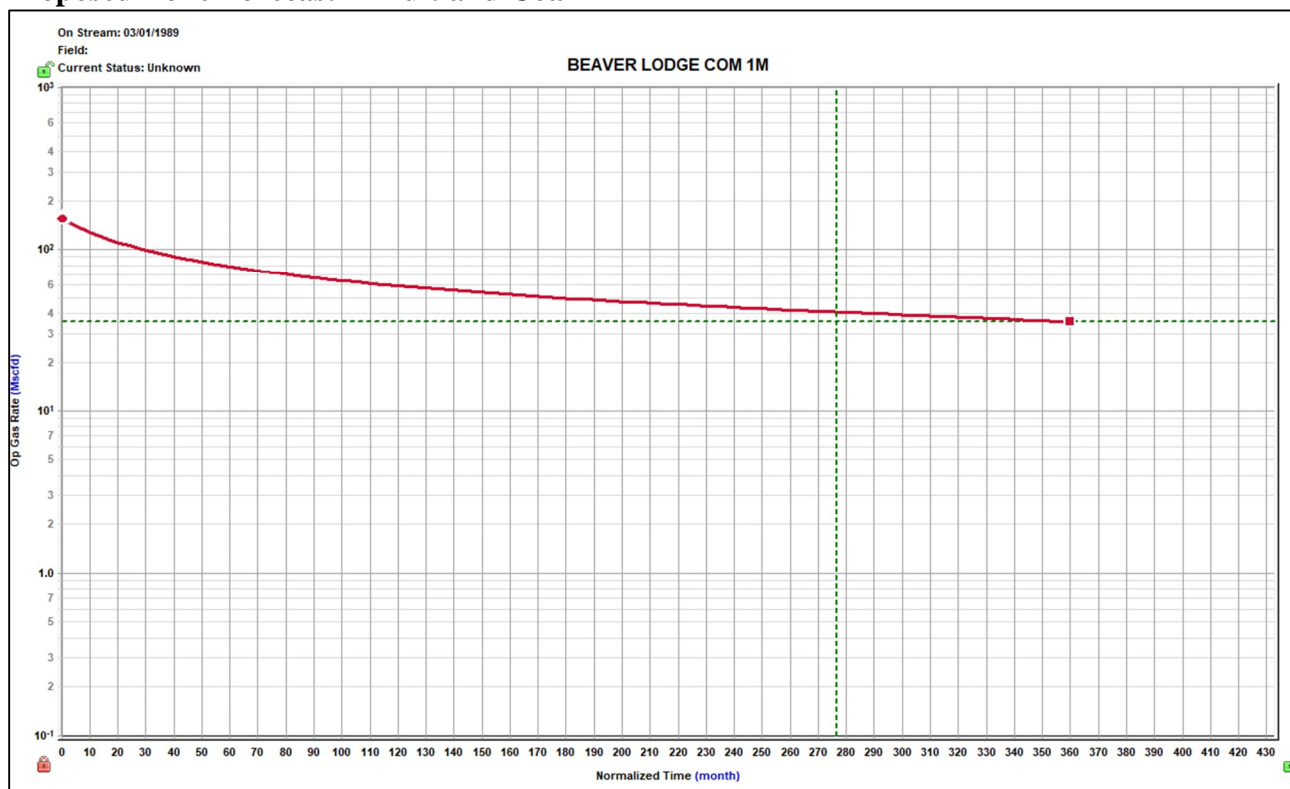
Current Zone 1 Forecast – Mesaverde



Current Zone 2 Forecast – Dakota



Proposed Zone Forecast – Fruitland Coal



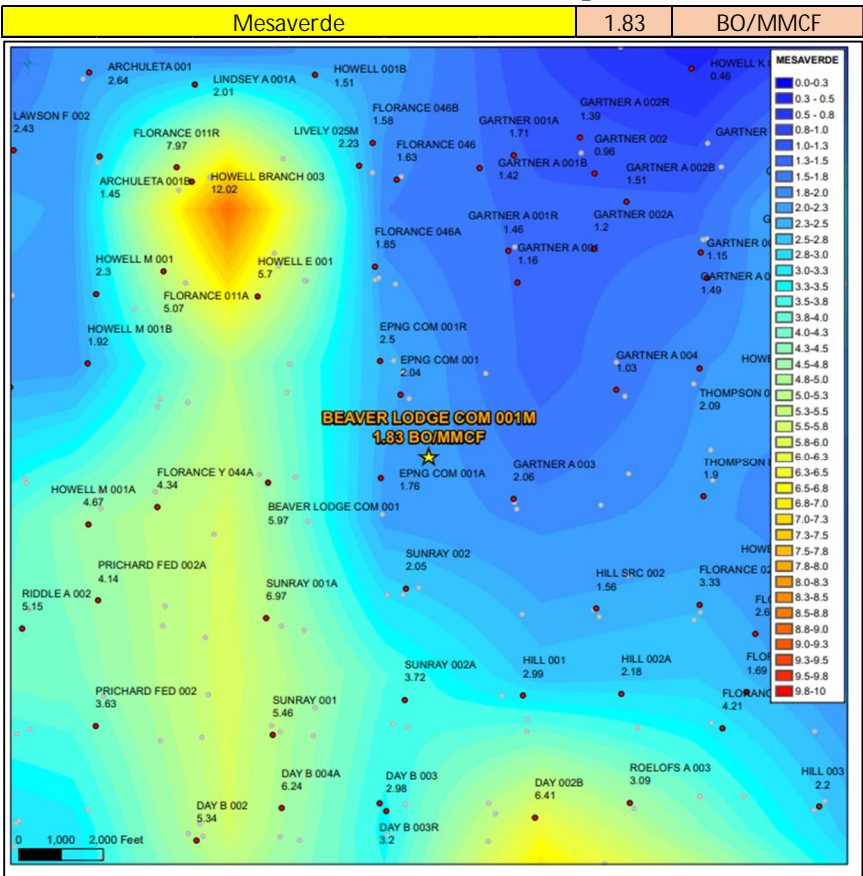
Average initial production curve in geologic region.

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 adjusted as needed based on average formation yields and new fixed gas allocation.

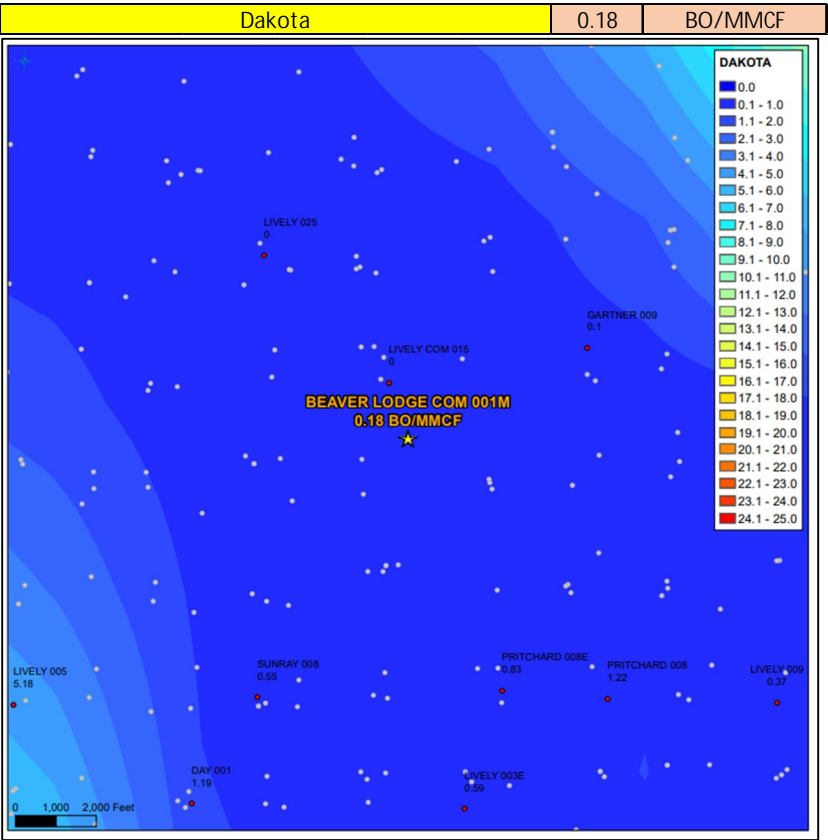
Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	1.83	217	43%
FRC	0.61	777	51%
DK	0.18	302	6%
			100%

Current Zone 1 – Mesaverde Oil Yield Map



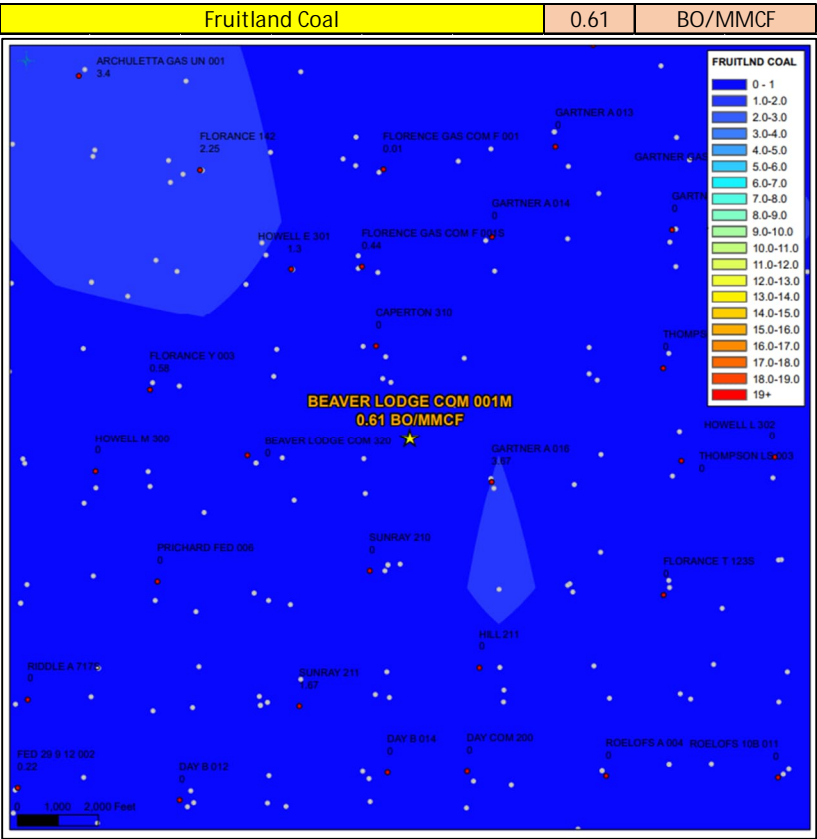
9-Section Area Map of Standalone Oil Yields. Sampled well to this map.

Current Zone 2 – Dakota Oil Yield Map



9-Section Area Map of Standalone Oil Yields. Sampled well to this map.

Proposed Zone – Fruitland Coal Oil Yield Map



9-Section Area Map of Standalone Oil Yields. Sampled well to this map.

Supplemental Information:

Shut in pressures were calculated for operated offset standalone wells in each of the zones being commingled in the well in question 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 Project:

3004527835	ROELOFS A 4	FRC
3004526343	EPNG COM 1A	MV
3004526314	SUNRAY 8	DK

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

Water Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Pictured Cliffs, Blanco Mesaverde, Basin Dakota, etc.) and a productive coalbed methane reservoir (Basin Fruitland Coal).
- These siliciclastic and coalbed methane reservoirs are commingled extensively throughout the basin in many different combinations with no observed damage from clay swelling due to differing formation waters.
- The samples below all show water with low TDS.

Well Name	API
BEAVER LODGE COM 1M	3004535552

FRC Offset		MV Offset		DK Offset	
API	3004527049	API	3004526343	API	3004526314
Property	DAY COM 200	Property	EPNG COM 1A	Property	SUNRAY 8
CationBarium	0	CationBarium	0.1	CationBarium	0.1
CationBoron		CationBoron		CationBoron	
CationCalcium	4.02	CationCalcium	165	CationCalcium	93
CationIron	7.23	CationIron	135	CationIron	249
CationMagnesium	0.49	CationMagnesium	83	CationMagnesium	49
CationManganese	0.09	CationManganese	0.7	CationManganese	0.9
CationPhosphorus		CationPhosphorus		CationPhosphorus	
CationPotassium		CationPotassium		CationPotassium	
CationStrontium	0.09	CationStrontium	0.1	CationStrontium	0.2
CationSodium	82.29	CationSodium	-66.59	CationSodium	12.14
CationSilica		CationSilica		CationSilica	
CationZinc		CationZinc		CationZinc	
CationAluminum		CationAluminum		CationAluminum	
CationCopper		CationCopper		CationCopper	
CationLead		CationLead		CationLead	
CationLithium		CationLithium		CationLithium	
CationNickel		CationNickel		CationNickel	
CationCobalt		CationCobalt		CationCobalt	
CationChromium		CationChromium		CationChromium	
CationSilicon		CationSilicon		CationSilicon	
CationMolybdenum		CationMolybdenum		CationMolybdenum	
AnionChloride	50.05	AnionChloride	288	AnionChloride	84
AnionCarbonate	0	AnionCarbonate	0	AnionCarbonate	0
AnionBicarbonate	171.08	AnionBicarbonate	50	AnionBicarbonate	280
AnionBromide		AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride		AnionFluoride	
AnionHydroxyl		AnionHydroxyl	0	AnionHydroxyl	0
AnionNitrate		AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate		AnionPhosphate	
AnionSulfate	0	AnionSulfate	155	AnionSulfate	108
phField		phField	5.31	phField	6.51
phCalculated	5.64	phCalculated		phCalculated	
TempField		TempField	60	TempField	64
TempLab		TempLab		TempLab	
OtherFieldAlkalinity		OtherFieldAlkalinity		OtherFieldAlkalinity	
OtherSpecificGravity	1	OtherSpecificGravity	0	OtherSpecificGravity	0
OtherTDS	315.26	OtherTDS	810.31	OtherTDS	876.34
OtherCaCO3	12.06	OtherCaCO3		OtherCaCO3	
OtherConductivity		OtherConductivity	1266.11	OtherConductivity	1369.28
DissolvedCO2	0	DissolvedCO2	280	DissolvedCO2	110
DissolvedO2		DissolvedO2		DissolvedO2	
DissolvedH2S	0	DissolvedH2S	0.15	DissolvedH2S	0.52
GasPressure		GasPressure	100	GasPressure	100
GasCO2		GasCO2	0	GasCO2	0
GasCO2PP		GasCO2PP	0	GasCO2PP	0
GasH2S		GasH2S	0	GasH2S	0
GasH2SPP		GasH2SPP	0	GasH2SPP	0
PitzerCaCO3_70		PitzerCaCO3_70	-2.54	PitzerCaCO3_70	-0.81
PitzerBaSO4_70		PitzerBaSO4_70	0.49	PitzerBaSO4_70	0.33
PitzerCaSO4_70		PitzerCaSO4_70	-1.15	PitzerCaSO4_70	-1.54
PitzerSrSO4_70		PitzerSrSO4_70	-2.68	PitzerSrSO4_70	-2.54
PitzerFeCO3_70		PitzerFeCO3_70		PitzerFeCO3_70	
PitzerCaCO3_220		PitzerCaCO3_220		PitzerCaCO3_220	-0.01
PitzerBaSO4_220		PitzerBaSO4_220		PitzerBaSO4_220	-0.22
PitzerCaSO4_220		PitzerCaSO4_220		PitzerCaSO4_220	-1.43
PitzerSrSO4_220		PitzerSrSO4_220		PitzerSrSO4_220	-2.34
PitzerFeCO3_220		PitzerFeCO3_220		PitzerFeCO3_220	

Gas Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Pictured Cliffs, Blanco Mesaverde, Basin Dakota, etc.) and a productive coalbed methane reservoir (Basin Fruitland Coal).
- These siliciclastic and coalbed methane reservoirs are commingled extensively throughout the basin in many different combinations with no observed damage from clay swelling due to differing formation waters or gas composition.
- The samples below all show offset gas analysis variability by formation is low.

Well Name	API
BEAVER LODGE COM 1M	3004535552

FRC Offset		MV Offset		DK Offset	
AssetCode	3004527429	AssetCode	3004526343	AssetCode	3004526314
AssetName	THOMPSON LS 3	AssetName	EPNG COM 1A	AssetName	SUNRAY 8
CO2	0.02	CO2	0.02	CO2	0.02
N2	0	N2	0	N2	0
C1	0.88	C1	0.8	C1	0.92
C2	0.06	C2	0.09	C2	0.05
C3	0.03	C3	0.05	C3	0.01
ISOC4	0	ISOC4	0.01	ISOC4	0
NC4	0	NC4	0.01	NC4	0
ISOC5	0	ISOC5	0.01	ISOC5	0
NC5	0	NC5	0	NC5	0
NEOC5		NEOC5		NEOC5	
C6	0	C6		C6	
C6_PLUS		C6_PLUS	0.01	C6_PLUS	0
C7	0	C7		C7	
C8	0	C8		C8	
C9	0	C9		C9	
C10		C10		C10	
AR		AR		AR	
CO		CO		CO	
H2		H2		H2	
O2		O2		O2	
H2O		H2O		H2O	
H2S	0	H2S		H2S	
HE		HE		HE	
C_O_S		C_O_S		C_O_S	
CH3SH		CH3SH		CH3SH	
C2H5SH		C2H5SH		C2H5SH	
CH2S3_2CH3S		CH2S3_2CH3S		CH2S3_2CH3S	
CH2S		CH2S		CH2S	
C6HV		C6HV		C6HV	
CO2GPM		CO2GPM	0	CO2GPM	0
N2GPM		N2GPM	0	N2GPM	0
C1GPM		C1GPM	0	C1GPM	0
C2GPM		C2GPM	2.47	C2GPM	1.21
C3GPM		C3GPM	1.31	C3GPM	0.26
ISOC4GPM		ISOC4GPM	0.3	ISOC4GPM	0.11
NC4GPM		NC4GPM	0.46	NC4GPM	0.06
ISOC5GPM		ISOC5GPM	0.21	ISOC5GPM	0.06
NC5GPM		NC5GPM	0.16	NC5GPM	0.03
C6_PLUSGPM		C6_PLUSGPM	0.57	C6_PLUSGPM	0.14

Water Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Pictured Cliffs, Blanco Mesaverde, Basin Dakota, etc.) and a productive coalbed methane reservoir (Basin Fruitland Coal).
- These siliciclastic and coalbed methane reservoirs are commingled extensively throughout the basin in many different combinations with no observed damage from clay swelling due to differing formation waters.
- The samples below all show water with low TDS.

Well Name	API
BEAVER LODGE COM 1M	3004535552

FRC Offset		MV Offset		DK Offset	
API	3004527049	API	3004526343	API	3004526314
Property	DAY COM 200	Property	EPNG COM 1A	Property	SUNRAY 8
CationBarium	0	CationBarium	0.1	CationBarium	0.1
CationBoron		CationBoron		CationBoron	
CationCalcium	4.02	CationCalcium	165	CationCalcium	93
CationIron	7.23	CationIron	135	CationIron	249
CationMagnesium	0.49	CationMagnesium	83	CationMagnesium	49
CationManganese	0.09	CationManganese	0.7	CationManganese	0.9
CationPhosphorus		CationPhosphorus		CationPhosphorus	
CationPotassium		CationPotassium		CationPotassium	
CationStrontium	0.09	CationStrontium	0.1	CationStrontium	0.2
CationSodium	82.29	CationSodium	-66.59	CationSodium	12.14
CationSilica		CationSilica		CationSilica	
CationZinc		CationZinc		CationZinc	
CationAluminum		CationAluminum		CationAluminum	
CationCopper		CationCopper		CationCopper	
CationLead		CationLead		CationLead	
CationLithium		CationLithium		CationLithium	
CationNickel		CationNickel		CationNickel	
CationCobalt		CationCobalt		CationCobalt	
CationChromium		CationChromium		CationChromium	
CationSilicon		CationSilicon		CationSilicon	
CationMolybdenum		CationMolybdenum		CationMolybdenum	
AnionChloride	50.05	AnionChloride	288	AnionChloride	84
AnionCarbonate	0	AnionCarbonate	0	AnionCarbonate	0
AnionBicarbonate	171.08	AnionBicarbonate	50	AnionBicarbonate	280
AnionBromide		AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride		AnionFluoride	
AnionHydroxyl		AnionHydroxyl	0	AnionHydroxyl	0
AnionNitrate		AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate		AnionPhosphate	
AnionSulfate	0	AnionSulfate	155	AnionSulfate	108
phField		phField	5.31	phField	6.51
phCalculated	5.64	phCalculated		phCalculated	
TempField		TempField	60	TempField	64
TempLab		TempLab		TempLab	
OtherFieldAlkalinity		OtherFieldAlkalinity		OtherFieldAlkalinity	
OtherSpecificGravity	1	OtherSpecificGravity	0	OtherSpecificGravity	0
OtherTDS	315.26	OtherTDS	810.31	OtherTDS	876.34
OtherCaCO3	12.06	OtherCaCO3		OtherCaCO3	
OtherConductivity		OtherConductivity	1266.11	OtherConductivity	1369.28
DissolvedCO2	0	DissolvedCO2	280	DissolvedCO2	110
DissolvedO2		DissolvedO2		DissolvedO2	
DissolvedH2S	0	DissolvedH2S	0.15	DissolvedH2S	0.52
GasPressure		GasPressure	100	GasPressure	100
GasCO2		GasCO2	0	GasCO2	0
GasCO2PP		GasCO2PP	0	GasCO2PP	0
GasH2S		GasH2S	0	GasH2S	0
GasH2SPP		GasH2SPP	0	GasH2SPP	0
PitzerCaCO3_70		PitzerCaCO3_70	-2.54	PitzerCaCO3_70	-0.81
PitzerBaSO4_70		PitzerBaSO4_70	0.49	PitzerBaSO4_70	0.33
PitzerCaSO4_70		PitzerCaSO4_70	-1.15	PitzerCaSO4_70	-1.54
PitzerSrSO4_70		PitzerSrSO4_70	-2.68	PitzerSrSO4_70	-2.54
PitzerFeCO3_70		PitzerFeCO3_70		PitzerFeCO3_70	
PitzerCaCO3_220		PitzerCaCO3_220		PitzerCaCO3_220	-0.01
PitzerBaSO4_220		PitzerBaSO4_220		PitzerBaSO4_220	-0.22
PitzerCaSO4_220		PitzerCaSO4_220		PitzerCaSO4_220	-1.43
PitzerSrSO4_220		PitzerSrSO4_220		PitzerSrSO4_220	-2.34
PitzerFeCO3_220		PitzerFeCO3_220		PitzerFeCO3_220	

Gas Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Pictured Cliffs, Blanco Mesaverde, Basin Dakota, etc.) and a productive coalbed methane reservoir (Basin Fruitland Coal).
- These siliciclastic and coalbed methane reservoirs are commingled extensively throughout the basin in many different combinations with no observed damage from clay swelling due to differing formation waters or gas composition.
- The samples below all show offset gas analysis variability by formation is low.

Well Name	API
BEAVER LODGE COM 1M	3004535552

FRC Offset		MV Offset		DK Offset	
AssetCode	3004527429	AssetCode	3004526343	AssetCode	3004526314
AssetName	THOMPSON LS 3	AssetName	EPNG COM 1A	AssetName	SUNRAY 8
CO2	0.02	CO2	0.02	CO2	0.02
N2	0	N2	0	N2	0
C1	0.88	C1	0.8	C1	0.92
C2	0.06	C2	0.09	C2	0.05
C3	0.03	C3	0.05	C3	0.01
ISOC4	0	ISOC4	0.01	ISOC4	0
NC4	0	NC4	0.01	NC4	0
ISOC5	0	ISOC5	0.01	ISOC5	0
NC5	0	NC5	0	NC5	0
NEOC5		NEOC5		NEOC5	
C6	0	C6		C6	
C6_PLUS		C6_PLUS	0.01	C6_PLUS	0
C7	0	C7		C7	
C8	0	C8		C8	
C9	0	C9		C9	
C10		C10		C10	
AR		AR		AR	
CO		CO		CO	
H2		H2		H2	
O2		O2		O2	
H2O		H2O		H2O	
H2S	0	H2S		H2S	
HE		HE		HE	
C_O_S		C_O_S		C_O_S	
CH3SH		CH3SH		CH3SH	
C2H5SH		C2H5SH		C2H5SH	
CH2S3_2CH3S		CH2S3_2CH3S		CH2S3_2CH3S	
CH2S		CH2S		CH2S	
C6HV		C6HV		C6HV	
CO2GPM		CO2GPM	0	CO2GPM	0
N2GPM		N2GPM	0	N2GPM	0
C1GPM		C1GPM	0	C1GPM	0
C2GPM		C2GPM	2.47	C2GPM	1.21
C3GPM		C3GPM	1.31	C3GPM	0.26
ISOC4GPM		ISOC4GPM	0.3	ISOC4GPM	0.11
NC4GPM		NC4GPM	0.46	NC4GPM	0.06
ISOC5GPM		ISOC5GPM	0.21	ISOC5GPM	0.06
NC5GPM		NC5GPM	0.16	NC5GPM	0.03
C6_PLUSGPM		C6_PLUSGPM	0.57	C6_PLUSGPM	0.14

Submit 1 Copy To Appropriate District

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

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South 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 BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-35552
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator HILCORP ENERGY COMPANY		6. State Oil & Gas Lease No. E-5383-6
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name Beaver Lodge Com
4. Well Location Unit Letter <u>I</u> : <u>2149</u> feet from the <u>South</u> line and <u>544</u> feet from the <u>East</u> line Section <u>32</u> Township <u>30N</u> Range <u>08W</u> NMPM County <u>San Juan</u>		8. Well Number <u>1M</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6217' GL		9. OGRID Number 372171
		10. Pool name or Wildcat Basin Fruitland Coal

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 type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: RECOMPLETE <input checked="" type="checkbox"/>		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.

Hilcorp Energy Company requests permission to recomplete the subject well in the Basin Fruitland Coal formation and downhole commingle 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.

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 12/05/2023

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

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Beaver Lodge Com 1M

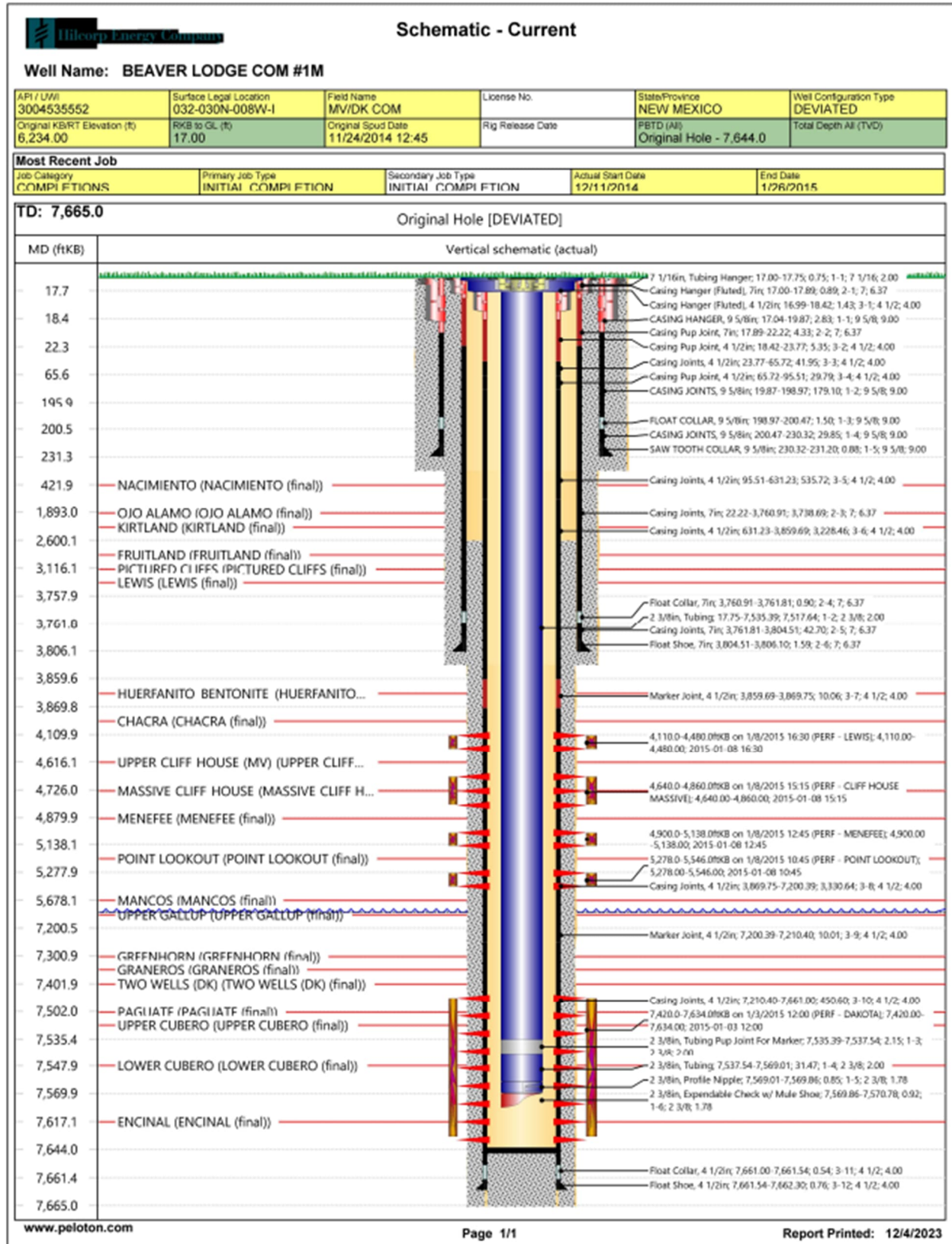
API#: 3004535552

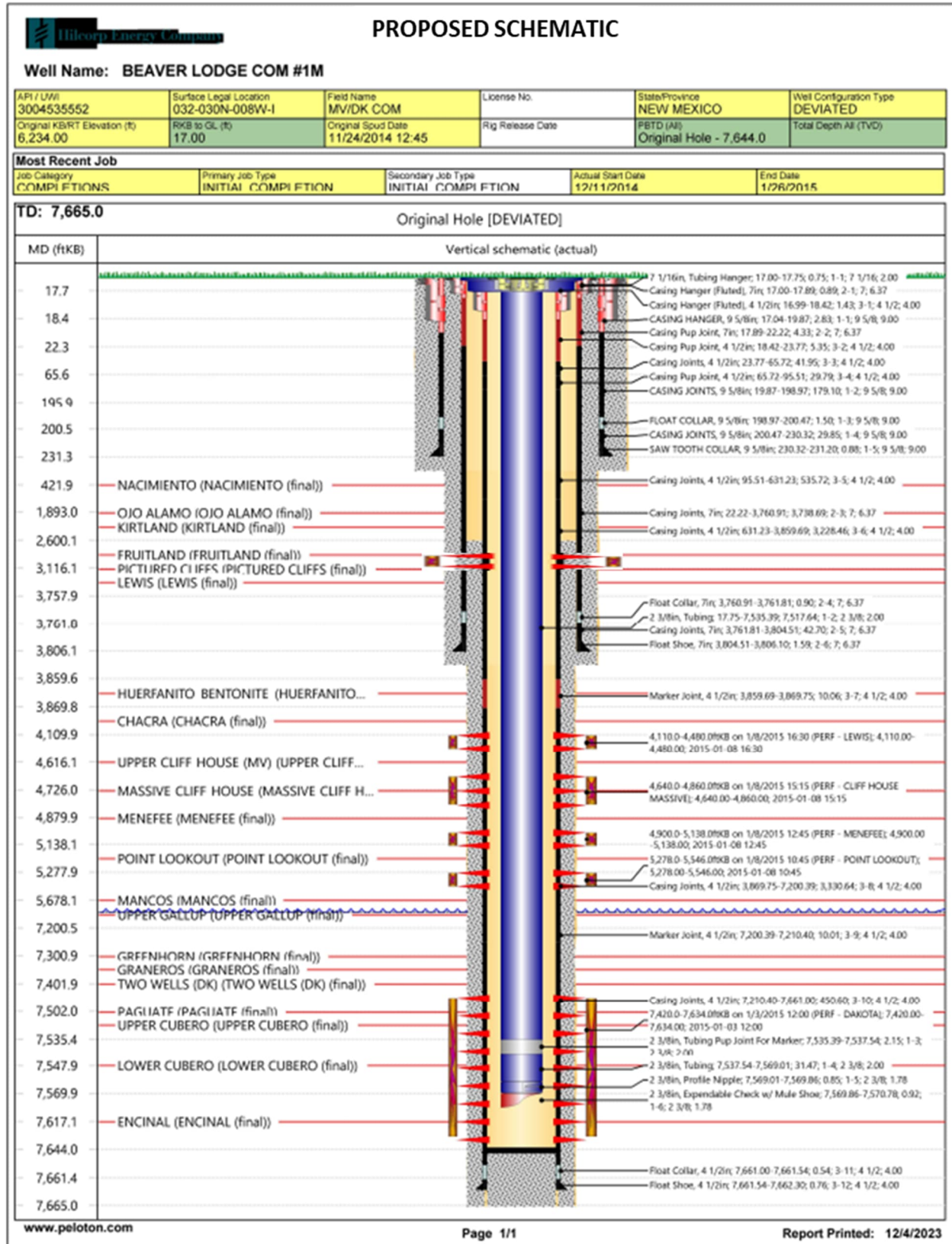
Fruitland Coal Recompletion Procedure

12/4/2023

Procedure:

1. MIRU PU and associated equipment. Kill well and NDWH.
2. NUBOP, unseat tubing, tag for fill and lay down 2-3/8" string
3. Set 4.5" CIBP at +/-4100' to isolate existing Mesaverde and Dakota Perforations
4. RU wellcheck and MIT wellbore to 500 PSI
5. Perforate and frac the Fruitland Coal from 2785' to 3116'.
6. MI flow back and flow well to relieve pressure if needed.
7. MIRU service rig and test BOP's.
8. Cleanout sand and plugs to PBTD.
9. TIH and land 2-3/8" production tubing in Dakota.
10. ND BOP's, NU production tree.
11. RDMO service rig & turn well over to production as commingled Fruitland Coal/Mesaverde/Dakota producer.





District I

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

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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

Form C-102
August 1, 2011

Permit 355134

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-35552	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 319133	5. Property Name BEAVER LODGE COM	6. Well No. 001M
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6217

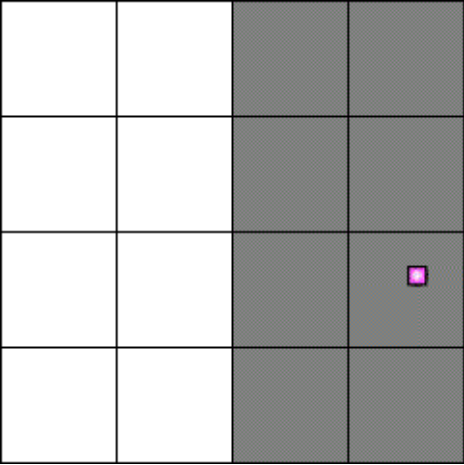
10. Surface Location

UL - Lot I	Section 32	Township 30N	Range 08W	Lot Idn	Feet From 2149	N/S Line S	Feet From 544	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 32	Township 30N	Range 08W	Lot Idn	Feet From 1116	N/S Line S	Feet From 723	E/W Line E	County SAN JUAN
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

	<p style="text-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: Cherylene Weston Title: Cherylene Weston Date: 12/04/2023</p> <hr/> <p style="text-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: Marshall W. Lindeen Date of Survey: 1/17/2014 Certificate Number: 17078</p>
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State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Electronically
Via E-permitting

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:** 12 / 05 / 2023

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
Beaver Lodge Com 1M	3004535552	P-32-30N-08W	1116 FSL, 723 FEL	0 bbl/d	195 mcf/d	1.2 bbl/d

IV. Central Delivery Point Name: Chaco-Blanco 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
Beaver Lodge Com 1M	3004535552					2024

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 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

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:	Cherylene Weston
Printed Name:	Cherylene Weston
Title:	Operations/Regulatory Tech-Sr.
E-mail Address:	cweston@hilcorp.com
Date:	12/05/2023
Phone:	713-289-2615
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 recomple project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomple 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 recomple 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 recompletion
 - 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
 - o Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - o 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.



December 22, 2023

Mailed Certified / Electronic Return Receipt Requested

To: ALL INTEREST OWNERS

RE: Application to Downhole Commingle Production
Well: Beaver Lodge Com 1M
API: 30-045-35552
Section 32, Township 30 North, Range 08 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 **Fruitland Coal**, a formation Hilcorp soon intends to perforate, with existing production from the **Mesaverde and 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,

A handwritten signature in blue ink, appearing to read 'Carson Rice'.

Carson Rice
Landman – San Juan North
(713) 757-7108
carice@hilcorp.com

cc:bmj 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

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
____X____Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company

382 Road 3100, Aztec, NM 87410

Operator

Address

Beaver Lodge Com

1M

I, 32, T30N, R08W

San Juan County, NM

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 372171 Property Code 319133 API No. 30-045-35552 Lease Type: ____Federal ____X____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)	2785' – 3116'	4110' – 5546'	7420' – 7634'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	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)	178 psi	639 psi	126 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1121 BTU	1284 BTU	1057 BTU
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: Rates:	Date: 9/1/2023 Oil: 0 bbls Rates: Gas: 2,123 Mcf Water: 18 bbls	Date: 9/1/2023 Oil: 0 bbls Rates: Gas: 2,394 Mcf Water: 22 bbls
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas % %	Oil Gas % %

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 ____X____
Yes ____X____No ____

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

Yes ____X____No ____

Will commingling decrease the value of production?

Yes____No ____X____

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 ____X____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

Cherylene Weston

TITLE

Operations/Regulatory Tech-Sr.

DATE

12/12/2023

TYPE OR PRINT NAME

Cherylene Weston

TELEPHONE NO. (713)

289-2615

E-MAIL ADDRESS

cweston@hilcorp.com

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901831825807	Brenda Guzman	, LINDSAY PRODUCTION, and ROYALTIES LTD, FREDERICKSBURG, TX, 78624 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825814	Brenda Guzman	, THE NORDAN TRUST, RANDOLPH C MARCEAU TRUSTEE, SAN ANTONIO, TX, 78209 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825821	Brenda Guzman	, PRIMITIVE PETROLEUM INC, , MIDLAND, TX, 79707 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825838	Brenda Guzman	, WESLEY WEST MINERALS LTD, , HOUSTON, TX, 77001 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825845	Brenda Guzman	, KENNEDY MINERALS LTD, , MIDLAND, TX, 79701 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825852	Brenda Guzman	, MARGARET A KEARNS TRUST FBO, HELENE D GORMAN AND AS TRUSTEE, NAPLES, FL, 34102 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825869	Brenda Guzman	, MARGARET A KEARNS TRUST FBO, JAMES B DRAPER TRUSTEE, COLORADO SPRINGS, CO, 80904-1029 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825876	Brenda Guzman	, CYNTHIA GRAY MILANI ESTATE, BARBARA B GRAY INDEP EXECUTRIX, FT WORTH, TX, 76199-0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825883	Brenda Guzman	, STATE OF NEW MEXICO, BATAAN MEMORIAL BUILDING, SANTA FE, NM, 87501 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825890	Brenda Guzman	, ELLEN BOONE SCHWETHELM, , SAN ANTONIO, TX, 78209-6716 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825906	Brenda Guzman	, CLAUD W RAYBOURN, , APPLE VALLEY, CA, 92307 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825913	Brenda Guzman	, ELSR LP, C/O PETROLEDGER FINANCIAL SERV, FORT WORTH, TX, 76107 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825920	Brenda Guzman	, GROVER FAMILY LP, , MIDLAND, TX, 79702-3666 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825937	Brenda Guzman	, ARCHER PEARL ENERGY LTD, , SAN ANTONIO, TX, 78209 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825944	Brenda Guzman	, CHARLES RUSSELL BELL JR, , BELLVILLE, TX, 77418-0042 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825951	Brenda Guzman	, VALERIE L JONES HUNDLEY, , CORPUS CHRISTI, TX, 78468-1242 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825968	Brenda Guzman	, JOHN HUNTER JONES, , AUSTIN, TX, 78746 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825975	Brenda Guzman	, JESSICA DAVANT STANLEY, , AUSTIN, TX, 78732 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825982	Brenda Guzman	, AMELIA ANNE SUNDBERG, , RICHMOND, TX, 77406-6727 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825999	Brenda Guzman	, HDBC INVESTMENTS LTD, A TEXAS LTD PTRSHP, DALLAS, TX, 75225 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826002	Brenda Guzman	, PAUL DAVIS LTD, , MIDLAND, TX, 79702 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826019	Brenda Guzman	, MULLIGAN LP, , RICHARDSON, TX, 75080-4611 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826026	Brenda Guzman	, REBECCA ANN HOWARD MUNNELL, , SUGAR LAND, TX, 77479-1470	12/22/2023	

		Code: Beaver Lodge Com 1M DHC		Signature Pending
92148969009997901831826033	Brenda Guzman	, RICHARD HOWARD, , HOUSTON, TX, 77024 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826040	Brenda Guzman	, ROBERT LOUIS HOWARD JR, , CLARKESVILLE, GA, 30523 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826057	Brenda Guzman	, CROSS TIMBERS ENERGY LLC, C/O DRILLINGINFO MAIL, FORT WORTH, TX, 76102 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826064	Brenda Guzman	, WILLIAM C EILAND, , MIDLAND, TX, 79702 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826071	Brenda Guzman	, DELACOSTA ENERGY LP, ANTHONY SPEIER REGISTER AGENT, SAN ANTONIO, TX, 78212 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826088	Brenda Guzman	, PNH RESOURCES LLC, PHILIP N HUDSON MANAGER, SAN ANTONIO, TX, 78280 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826095	Brenda Guzman	, FRED ELDON SPENCER, and JANE B SPENCER JTWROS, MUSTANG, OK, 73064 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826101	Brenda Guzman	, JAMES R LEETON JR, , MIDLAND, TX, 79702 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826118	Brenda Guzman	, ROBERT UMBACH CANCER FOUNDATION, MARTINDALE CONSULTANTS INC AGENT, OKLAHOMA CITY, OK, 73112-2311 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826125	Brenda Guzman	, MARTHA M TUCKER, , HOUSTON, TX, 77252-2822 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826132	Brenda Guzman	, THOMPSON FAMILY LLC, , SANTA FE, NM, 87501 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826149	Brenda Guzman	, VIRGINIA THOMPSON CREPS REV TRUST, ELIZABETH R HARNED SUCC TRUSTEE, WEST CHESTER, PA, 19380 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826156	Brenda Guzman	, ATKO PARTNERS LTD, , HUNTSVILLE, TX, 77340 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826163	Brenda Guzman	, DAVID H GRAY, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199- 0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826170	Brenda Guzman	, JOHN L GRAY, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199- 0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826187	Brenda Guzman	, LAURA A GUNN, , SAN ANTONIO, TX, 78216-2227 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826194	Brenda Guzman	, SHARON A LONG, , BARTLESVILLE, OK, 74006 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826200	Brenda Guzman	, GUY DAVID WARD, , SPRING HILL, TN, 37174 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826217	Brenda Guzman	, TIMOTHY WINSTON WARD, , CARROLLTON, TX, 75007 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826224	Brenda Guzman	, JAMES WENDELL WEST, , LOS ANGELES, CA, 90049-8382 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826231	Brenda Guzman	, HELEN BLOXSOM DAVIS, , HOUSTON, TX, 77025 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826248	Brenda Guzman	, CORNELIA DAVANT PERRY, JAMES E DAVANT POA, BLESSING, TX, 77419-0206 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826255	Brenda Guzman	, DAVID ELBERT REESE, , RICHMOND, TX, 77469 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending

92148969009997901831826262	Brenda Guzman	, WILLIAM SHUPP, , MURFREESBORO, TN, 37128 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826279	Brenda Guzman	, JAMES SHUPP, , SHREWSBURY, PA, 17361 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826286	Brenda Guzman	, ANGELA SLAIS, , GARDNERVILLE, NV, 86460 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826293	Brenda Guzman	, JEAN ASHLEY WARD CARTER, , HOUSTON, TX, 77062 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826309	Brenda Guzman	, SANDRA T CURRIE, , LLANO, TX, 78643 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826316	Brenda Guzman	, WILLIAM LOUIS DAVANT, , BLESSING, TX, 77419 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826323	Brenda Guzman	, JAMES E DAVANT DVM, , BLESSING, TX, 77419-0695 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826330	Brenda Guzman	, KATHRYN DAVANT DODSON, , CLARKSDALE, MS, 38614 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826347	Brenda Guzman	, THOMAS E DUNNAM III, , SAN ANTONIO, TX, 78269 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826354	Brenda Guzman	, JAMES H ESSMAN, , MIDLAND, TX, 79702 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826361	Brenda Guzman	, WILLIAM F GORDON, , LE CLAIRE, IA, 52753 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826378	Brenda Guzman	, JULIE A GRAHAM, , NORTH PORT, FL, 34291 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826385	Brenda Guzman	, ADAIR M HADLEY, , SUNSET BEACH, NC, 28468 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826392	Brenda Guzman	, THEODORE W SCHICK JR, and MARCELLA MOYER SCHICK, ALLENTOWN, PA, 18104 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826408	Brenda Guzman	, BRADFORD TUCKER, , HOUSTON, TX, 77056-1421 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826415	Brenda Guzman	, F LOUIS TUCKER JR, , HOUSTON, TX, 77056 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826422	Brenda Guzman	, EUGENIA DAVANT WILSON, , SULPHUR, LA, 70664-1160 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826439	Brenda Guzman	, PAMELA GRAY BALDWIN, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199-0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826446	Brenda Guzman	, SUSAN FRY BRACKEN, , TYLER, TX, 75701 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826453	Brenda Guzman	, MARSHA HENDERSON COLLINS, , HELENA, MT, 59602 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826460	Brenda Guzman	, ANNA REBECCA WARD DELKRUG, , HOUSTON, TX, 77062 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826477	Brenda Guzman	, DICK HOLLAND, , MIDLAND, TX, 79702-2926 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826484	Brenda Guzman	, CLAY JOHNSON, , MIDLAND, TX, 79701 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826491	Brenda Guzman	, MARY KATHRYN DUNNAM LADEWIG, , TROPHY CLUB, TX, 76262 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826507	Brenda Guzman	, KEVIN K LEONARD, , MIDLAND, TX, 79710 Code: Beaver Lodge Com 1M DHC	12/22/2023	

				Signature Pending
92148969009997901831826514	Brenda Guzman	, CHRISTIAN MUELLER, , THE VILLAGES, FL, 32162 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826521	Brenda Guzman	, LOIS MUELLER, , BOLIVAR, MO, 65613 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826538	Brenda Guzman	, LILLY L NEWKIRK, , INDIANOLA, IA, 50125 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826545	Brenda Guzman	, PARADOX VALLEY PARTNERS LTD, , LLANO, TX, 78643 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826552	Brenda Guzman	, NANCY J SPENCER, , RANCHO CUCAMONGA, CA, 91739-2565 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826569	Brenda Guzman	, JANICE P CAMPBELL, AUSTEN S CAMPBELL POA, MIDLAND, TX, 79702-1714 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826576	Brenda Guzman	, RICHARD W MCDUGAL, , JENKS, OK, 74037 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826583	Brenda Guzman	, ROBERT B MCDUGAL JR, , THE VILLAGES, FL, 32163 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826590	Brenda Guzman	, L J and R R MONEY 1990 TR, DATED 10-9- 90, SACRAMENTO, CA, 95864 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826606	Brenda Guzman	, OAK TREE MINERALS LLC, , FRISCO, TX, 75034 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826613	Brenda Guzman	, MARY E PRIESTER, , BETTENDORF, IA, 52722 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826620	Brenda Guzman	, RAYBOURN ENTERPRISES LLC, , NEWTOWN SQUARE, PA, 19073 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826637	Brenda Guzman	, CATHARINE GRAY REMENICK, JPMORGAN CHASE BANK AGENT and A/I/F, FORT WORTH, TX, 76199-0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826644	Brenda Guzman	, WILLIAM R ARCHER JR 2003 GRANTOR, TRUST WILLIAM R ARCHER JR TRUSTEE, MCLEAN, VA, 22101 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826651	Brenda Guzman	, BARBARA A BRYANT 2003 GRANTOR TRUST, KATHERINE BRYAN LYNCH and, MCLEAN, VA, 22101 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826668	Brenda Guzman	, ROBIN T HENDERSON, , WESTERNPORT, MD, 21562 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826675	Brenda Guzman	, SHIRLEY JARAMILLO, , ALBUQUERQUE, NM, 87102 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826682	Brenda Guzman	, NORTHGATE ROYALTY FUND B LLC, , NOTRE DAME, IN, 46556-0757 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826699	Brenda Guzman	, IM H PORTER TUW, FBO JOHN PORTER, DAVENPORT, FL, 33837 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826705	Brenda Guzman	, RICHARD A GROENENDYKE JR, , TULSA, OK, 74114 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826712	Brenda Guzman	, SHERRI HULT HEINTSCHEL, , ROCKPORT, TX, 78382 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826729	Brenda Guzman	, GLENN HEINTSCHEL, , ROCKPORT, TX, 78382 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826736	Brenda Guzman	, MARY L HERROLD REVOC TR, DTD 1/7/92, TULSA, OK, 74133 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826743	Brenda Guzman	, ICON PETROLEUM INC, , MIDLAND, TX, 79701 Code: Beaver Lodge Com 1M DHC	12/22/2023	

				Signature Pending
92148969009997901831826750	Brenda Guzman	, HELEN MACALISTER, , BETTENDORF, IA, 52722 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826767	Brenda Guzman	, NINETY SIX CORPORATION, , MIDLAND, TX, 79701-4695 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826774	Brenda Guzman	, ENDURING RESOURCES IV, LLC, , CENTENNIAL, CO, 80111 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826781	Brenda Guzman	, JANE B SPENCER, , YUKON, OK, 73099 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826798	Brenda Guzman	, WATERS S DAVIS III BYPASS TRUST, C/O PDS/SSandC INNOVEST, FT WORTH, TX, 76102 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826804	Brenda Guzman	, RUGELEY TRUST, FRANK M RUGELEY CO- TTEE, BATON ROUGE, LA, 70816 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826811	Brenda Guzman	, JULIANNE DEAN, , SPRING, TX, 77393 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826828	Brenda Guzman	, ROBERT HENDERSON, , WESTERNPORT, MD, 21562 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826835	Brenda Guzman	, SIMCOE, LLC, , HOUSTON, TX, 77002-5632 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826842	Brenda Guzman	, BETTY ANN STEDMAN ESTATE, , HOUSTON, TX, 77001 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826859	Brenda Guzman	, ROY RANDOLPH REESE, , SUGAR LAND, TX, 77478 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826866	Brenda Guzman	, MWOODHAM LLC, , DENVER, CO, 80220 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826873	Brenda Guzman	, MARILYNN L JACKSON, , PONCA CITY, OK, 74604 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826880	Brenda Guzman	, MARBAR HOLDINGS LLC, , BELLAIRE, TX, 77401 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826897	Brenda Guzman	, MARY DAVANT FRICKE, , PORT LAVACA, TX, 77979 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826903	Brenda Guzman	, LISA F BERGER, , TULSA, OK, 74132 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826910	Brenda Guzman	, LAURA F GRUNDHOEFER, , SAN ANTONIO, TX, 78258 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826927	Brenda Guzman	, RDJL HOLDINGS LLC, , RICHMOND, TX, 77469 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826934	Brenda Guzman	, GEOJAC LLC, , HOUSTON, TX, 77079-6422 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826941	Brenda Guzman	, ANDREW MCDUGAL, , OAK RIDGE, NC, 27310 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826958	Brenda Guzman	, CHARLES MCDUGAL, , WAKE FOREST, NC, 27587 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Cherylene Weston **OGRID #:** 372171
Well Name: Beaver Lodge Com 1M **API #:** 30-045-35552
Pool: Basin Fruitland Coal, Blanco Mesaverde, Basin Dakota

OPERATOR NAME: Hilcorp Energy Company
OPERATOR ADDRESS: 382 Road 3100, Aztec, NM 87410

APPLICATION REQUIREMENTS – SUBMIT:

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Cherylene Weston
 Print or Type Name
Cherylene Weston
 Signature
1/10/2024
 Date

713-289-2615
 Phone Number
cweston@hilcorp.com
 e-mail Address

Submit application to:
 Commissioner of Public Lands
 Attn: Commingling Manager
 PO Box 1148
 Santa Fe, NM 87504-1148

Questions?
 Contact the Commingling Manager:
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Cheryl Weston](#); [Mandi Walker](#)
Cc: [McClure, Dean, EMNRD](#); [Lowe, Leonard, EMNRD](#); [Rikala, Ward, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Lamkin, Baylen L.](#)
Subject: Approved Administrative Order DHC-5354
Date: Wednesday, May 22, 2024 3:51:09 PM
Attachments: [DHC5354 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5354 which authorizes Hilcorp Energy Company (372171) to downhole commingle production within the following well:

Well Name: **Beaver Lodge Com #1M**
Well API: **30-045-35552**

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

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



Stephanie Garcia Richard
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

February 6, 2024

Hilcorp Energy Company
ATTN: Ms. Cherylene Weston
382 Road 3100
Aztec, NM 87410

Re: Application for Downhole Commingling
Wells approved for Downhole Commingling
Beaver Lodge Com #001M (30-045-35552)
POOLS: [71629] Basin; Fruitland Coal (Gas)
[72319] Blanco-Mesaverde (Prorated Gas)
[71599] Basin Dakota (Prorated Gas)
San Juan County, New Mexico

Dear Ms. Weston,

We have received your \$150 application fee and request for downhole commingling for the above-captioned well(s).

Since it appears that all the rules and regulations for the New Mexico Oil Conservation Division and the State Land Office have been complied with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved.

Our approval

- is subject to approval from all relevant agencies,
- does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

If you have any questions or if we may be of further assistance, please contact Baylen Lamkin at 505.827.6628 or blamkin@slo.state.nm.us.

Respectfully,

A handwritten signature in blue ink, appearing to read "S. GARCIA/RICHARD".

Stephanie Garcia Richard
Commissioner of Public Lands

SGR/bl

cc: OCD – Mr. Dean McClure
OGMD and Units Reader Files



December 22, 2023

Mailed Certified / Electronic Return Receipt Requested

To: ALL INTEREST OWNERS

RE: Application to Downhole Commingle Production
Well: Beaver Lodge Com 1M
API: 30-045-35552
Section 32, Township 30 North, Range 08 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 **Fruitland Coal**, a formation Hilcorp soon intends to perforate, with existing production from the **Mesaverde and 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,

A handwritten signature in blue ink, appearing to read 'Carson Rice'.

Carson Rice
Landman – San Juan North
(713) 757-7108
carice@hilcorp.com

cc:bmj 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

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
____X____Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company

382 Road 3100, Aztec, NM 87410

Operator

Address

Beaver Lodge Com

1M

I, 32, T30N, R08W

San Juan County, NM

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 372171 Property Code 319133 API No. 30-045-35552 Lease Type: ____Federal ____X____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)	2785' – 3116'	4110' – 5546'	7420' – 7634'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	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)	178 psi	639 psi	126 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1121 BTU	1284 BTU	1057 BTU
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: Rates:	Date: 9/1/2023 Oil: 0 bbls Rates: Gas: 2,123 Mcf Water: 18 bbls	Date: 9/1/2023 Oil: 0 bbls Rates: Gas: 2,394 Mcf Water: 22 bbls
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas % %	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ____ No ____X____

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ____X____ No ____

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

Yes ____X____ No ____

Will commingling decrease the value of production?

Yes ____ No ____X____

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 ____X____ 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

Cherylene Weston

TITLE

Operations/Regulatory Tech-Sr.

DATE

12/12/2023

TYPE OR PRINT NAME

Cherylene Weston

TELEPHONE NO. (713)

289-2615

E-MAIL ADDRESS

cweston@hilcorp.com



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 to Paragraph (2) of Subsection C of 19.15.12.11 NMAC, Hilcorp Energy Company, as Operator, has filed form C-107-A with the New Mexico Energy, Minerals and Natural Resources Department - Oil Conservation Division (NMOCD) seeking administrative approval to downhole commingle new production from the Basin-Fruitland Coal Gas Pool (71629) with existing production from the Blanco-Mesaverde Gas Pool (72319) and Basin-Dakota Gas Pool (71599) in the BEAVER LODGE COM 1M well (API No. 30-045-35552) located in Unit 1, Section 32, Township 30 North, Range 8 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.
#9972629, Daily Times, March 20, 2024

Legal Clerk

Notary, State of WI, County of Brown

My commission expires

Publication Cost: \$84.50

Order No: 9972629

of Copies:

Customer No: 1366050

1

PO #:

THIS IS NOT AN INVOICE!*Please do not use this form for payment remittance.*

RYAN SPELLER
Notary Public
State of Wisconsin

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901831825807	Brenda Guzman	, LINDSAY PRODUCTION, and ROYALTIES LTD, FREDERICKSBURG, TX, 78624 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825814	Brenda Guzman	, THE NORDAN TRUST, RANDOLPH C MARCEAU TRUSTEE, SAN ANTONIO, TX, 78209 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825821	Brenda Guzman	, PRIMITIVE PETROLEUM INC, , MIDLAND, TX, 79707 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825838	Brenda Guzman	, WESLEY WEST MINERALS LTD, , HOUSTON, TX, 77001 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825845	Brenda Guzman	, KENNEDY MINERALS LTD, , MIDLAND, TX, 79701 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825852	Brenda Guzman	, MARGARET A KEARNS TRUST FBO, HELENE D GORMAN AND AS TRUSTEE, NAPLES, FL, 34102 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825869	Brenda Guzman	, MARGARET A KEARNS TRUST FBO, JAMES B DRAPER TRUSTEE, COLORADO SPRINGS, CO, 80904-1029 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825876	Brenda Guzman	, CYNTHIA GRAY MILANI ESTATE, BARBARA B GRAY INDEP EXECUTRIX, FT WORTH, TX, 76199-0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825883	Brenda Guzman	, STATE OF NEW MEXICO, BATAAN MEMORIAL BUILDING, SANTA FE, NM, 87501 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825890	Brenda Guzman	, ELLEN BOONE SCHWETHELM, , SAN ANTONIO, TX, 78209-6716 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825906	Brenda Guzman	, CLAUD W RAYBOURN, , APPLE VALLEY, CA, 92307 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825913	Brenda Guzman	, ELSR LP, C/O PETROLEDGER FINANCIAL SERV, FORT WORTH, TX, 76107 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825920	Brenda Guzman	, GROVER FAMILY LP, , MIDLAND, TX, 79702-3666 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825937	Brenda Guzman	, ARCHER PEARL ENERGY LTD, , SAN ANTONIO, TX, 78209 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825944	Brenda Guzman	, CHARLES RUSSELL BELL JR, , BELLVILLE, TX, 77418-0042 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825951	Brenda Guzman	, VALERIE L JONES HUNDLEY, , CORPUS CHRISTI, TX, 78468-1242 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825968	Brenda Guzman	, JOHN HUNTER JONES, , AUSTIN, TX, 78746 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825975	Brenda Guzman	, JESSICA DAVANT STANLEY, , AUSTIN, TX, 78732 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825982	Brenda Guzman	, AMELIA ANNE SUNDBERG, , RICHMOND, TX, 77406-6727 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831825999	Brenda Guzman	, HDBC INVESTMENTS LTD, A TEXAS LTD PTRSHP, DALLAS, TX, 75225 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826002	Brenda Guzman	, PAUL DAVIS LTD, , MIDLAND, TX, 79702 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826019	Brenda Guzman	, MULLIGAN LP, , RICHARDSON, TX, 75080-4611 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826026	Brenda Guzman	, REBECCA ANN HOWARD MUNNELL, , SUGAR LAND, TX, 77479-1470	12/22/2023	

		Code: Beaver Lodge Com 1M DHC		Signature Pending
92148969009997901831826033	Brenda Guzman	, RICHARD HOWARD, , HOUSTON, TX, 77024 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826040	Brenda Guzman	, ROBERT LOUIS HOWARD JR, , CLARKESVILLE, GA, 30523 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826057	Brenda Guzman	, CROSS TIMBERS ENERGY LLC, C/O DRILLINGINFO MAIL, FORT WORTH, TX, 76102 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826064	Brenda Guzman	, WILLIAM C EILAND, , MIDLAND, TX, 79702 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826071	Brenda Guzman	, DELACOSTA ENERGY LP, ANTHONY SPEIER REGISTER AGENT, SAN ANTONIO, TX, 78212 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826088	Brenda Guzman	, PNH RESOURCES LLC, PHILIP N HUDSON MANAGER, SAN ANTONIO, TX, 78280 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826095	Brenda Guzman	, FRED ELDON SPENCER, and JANE B SPENCER JTWROS, MUSTANG, OK, 73064 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826101	Brenda Guzman	, JAMES R LEETON JR, , MIDLAND, TX, 79702 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826118	Brenda Guzman	, ROBERT UMBACH CANCER FOUNDATION, MARTINDALE CONSULTANTS INC AGENT, OKLAHOMA CITY, OK, 73112-2311 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826125	Brenda Guzman	, MARTHA M TUCKER, , HOUSTON, TX, 77252-2822 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826132	Brenda Guzman	, THOMPSON FAMILY LLC, , SANTA FE, NM, 87501 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826149	Brenda Guzman	, VIRGINIA THOMPSON CREPS REV TRUST, ELIZABETH R HARNED SUCC TRUSTEE, WEST CHESTER, PA, 19380 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826156	Brenda Guzman	, ATKO PARTNERS LTD, , HUNTSVILLE, TX, 77340 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826163	Brenda Guzman	, DAVID H GRAY, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199- 0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826170	Brenda Guzman	, JOHN L GRAY, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199- 0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826187	Brenda Guzman	, LAURA A GUNN, , SAN ANTONIO, TX, 78216-2227 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826194	Brenda Guzman	, SHARON A LONG, , BARTLESVILLE, OK, 74006 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826200	Brenda Guzman	, GUY DAVID WARD, , SPRING HILL, TN, 37174 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826217	Brenda Guzman	, TIMOTHY WINSTON WARD, , CARROLLTON, TX, 75007 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826224	Brenda Guzman	, JAMES WENDELL WEST, , LOS ANGELES, CA, 90049-8382 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826231	Brenda Guzman	, HELEN BLOXSOM DAVIS, , HOUSTON, TX, 77025 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826248	Brenda Guzman	, CORNELIA DAVANT PERRY, JAMES E DAVANT POA, BLESSING, TX, 77419-0206 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826255	Brenda Guzman	, DAVID ELBERT REESE, , RICHMOND, TX, 77469 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending

92148969009997901831826262	Brenda Guzman	, WILLIAM SHUPP, , MURFREESBORO, TN, 37128 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826279	Brenda Guzman	, JAMES SHUPP, , SHREWSBURY, PA, 17361 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826286	Brenda Guzman	, ANGELA SLAIS, , GARDNERVILLE, NV, 86460 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826293	Brenda Guzman	, JEAN ASHLEY WARD CARTER, , HOUSTON, TX, 77062 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826309	Brenda Guzman	, SANDRA T CURRIE, , LLANO, TX, 78643 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826316	Brenda Guzman	, WILLIAM LOUIS DAVANT, , BLESSING, TX, 77419 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826323	Brenda Guzman	, JAMES E DAVANT DVM, , BLESSING, TX, 77419-0695 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826330	Brenda Guzman	, KATHRYN DAVANT DODSON, , CLARKSDALE, MS, 38614 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826347	Brenda Guzman	, THOMAS E DUNNAM III, , SAN ANTONIO, TX, 78269 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826354	Brenda Guzman	, JAMES H ESSMAN, , MIDLAND, TX, 79702 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826361	Brenda Guzman	, WILLIAM F GORDON, , LE CLAIRE, IA, 52753 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826378	Brenda Guzman	, JULIE A GRAHAM, , NORTH PORT, FL, 34291 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826385	Brenda Guzman	, ADAIR M HADLEY, , SUNSET BEACH, NC, 28468 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826392	Brenda Guzman	, THEODORE W SCHICK JR, and MARCELLA MOYER SCHICK, ALLENTOWN, PA, 18104 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826408	Brenda Guzman	, BRADFORD TUCKER, , HOUSTON, TX, 77056-1421 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826415	Brenda Guzman	, F LOUIS TUCKER JR, , HOUSTON, TX, 77056 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826422	Brenda Guzman	, EUGENIA DAVANT WILSON, , SULPHUR, LA, 70664-1160 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826439	Brenda Guzman	, PAMELA GRAY BALDWIN, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199-0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826446	Brenda Guzman	, SUSAN FRY BRACKEN, , TYLER, TX, 75701 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826453	Brenda Guzman	, MARSHA HENDERSON COLLINS, , HELENA, MT, 59602 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826460	Brenda Guzman	, ANNA REBECCA WARD DELKRUG, , HOUSTON, TX, 77062 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826477	Brenda Guzman	, DICK HOLLAND, , MIDLAND, TX, 79702-2926 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826484	Brenda Guzman	, CLAY JOHNSON, , MIDLAND, TX, 79701 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826491	Brenda Guzman	, MARY KATHRYN DUNNAM LADEWIG, , TROPHY CLUB, TX, 76262 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826507	Brenda Guzman	, KEVIN K LEONARD, , MIDLAND, TX, 79710 Code: Beaver Lodge Com 1M DHC	12/22/2023	

				Signature Pending
92148969009997901831826514	Brenda Guzman	, CHRISTIAN MUELLER, , THE VILLAGES, FL, 32162 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826521	Brenda Guzman	, LOIS MUELLER, , BOLIVAR, MO, 65613 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826538	Brenda Guzman	, LILLY L NEWKIRK, , INDIANOLA, IA, 50125 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826545	Brenda Guzman	, PARADOX VALLEY PARTNERS LTD, , LLANO, TX, 78643 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826552	Brenda Guzman	, NANCY J SPENCER, , RANCHO CUCAMONGA, CA, 91739-2565 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826569	Brenda Guzman	, JANICE P CAMPBELL, AUSTEN S CAMPBELL POA, MIDLAND, TX, 79702-1714 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826576	Brenda Guzman	, RICHARD W MCDUGAL, , JENKS, OK, 74037 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826583	Brenda Guzman	, ROBERT B MCDUGAL JR, , THE VILLAGES, FL, 32163 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826590	Brenda Guzman	, L J and R R MONEY 1990 TR, DATED 10-9- 90, SACRAMENTO, CA, 95864 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826606	Brenda Guzman	, OAK TREE MINERALS LLC, , FRISCO, TX, 75034 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826613	Brenda Guzman	, MARY E PRIESTER, , BETTENDORF, IA, 52722 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826620	Brenda Guzman	, RAYBOURN ENTERPRISES LLC, , NEWTOWN SQUARE, PA, 19073 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826637	Brenda Guzman	, CATHARINE GRAY REMENICK, JPMORGAN CHASE BANK AGENT and A/I/F, FORT WORTH, TX, 76199-0084 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826644	Brenda Guzman	, WILLIAM R ARCHER JR 2003 GRANTOR, TRUST WILLIAM R ARCHER JR TRUSTEE, MCLEAN, VA, 22101 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826651	Brenda Guzman	, BARBARA A BRYANT 2003 GRANTOR TRUST, KATHERINE BRYAN LYNCH and, MCLEAN, VA, 22101 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826668	Brenda Guzman	, ROBIN T HENDERSON, , WESTERNPORT, MD, 21562 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826675	Brenda Guzman	, SHIRLEY JARAMILLO, , ALBUQUERQUE, NM, 87102 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826682	Brenda Guzman	, NORTHGATE ROYALTY FUND B LLC, , NOTRE DAME, IN, 46556-0757 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826699	Brenda Guzman	, IM H PORTER TUW, FBO JOHN PORTER, DAVENPORT, FL, 33837 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826705	Brenda Guzman	, RICHARD A GROENENDYKE JR, , TULSA, OK, 74114 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826712	Brenda Guzman	, SHERRI HULT HEINTSCHEL, , ROCKPORT, TX, 78382 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826729	Brenda Guzman	, GLENN HEINTSCHEL, , ROCKPORT, TX, 78382 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826736	Brenda Guzman	, MARY L HERROLD REVOC TR, DTD 1/7/92, TULSA, OK, 74133 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826743	Brenda Guzman	, ICON PETROLEUM INC, , MIDLAND, TX, 79701 Code: Beaver Lodge Com 1M DHC	12/22/2023	

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92148969009997901831826750	Brenda Guzman	, HELEN MACALISTER, , BETTENDORF, IA, 52722 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826767	Brenda Guzman	, NINETY SIX CORPORATION, , MIDLAND, TX, 79701-4695 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826774	Brenda Guzman	, ENDURING RESOURCES IV, LLC, , CENTENNIAL, CO, 80111 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826781	Brenda Guzman	, JANE B SPENCER, , YUKON, OK, 73099 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826798	Brenda Guzman	, WATERS S DAVIS III BYPASS TRUST, C/O PDS/SSandC INNOVEST, FT WORTH, TX, 76102 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826804	Brenda Guzman	, RUGELEY TRUST, FRANK M RUGELEY CO- TTEE, BATON ROUGE, LA, 70816 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826811	Brenda Guzman	, JULIANNE DEAN, , SPRING, TX, 77393 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826828	Brenda Guzman	, ROBERT HENDERSON, , WESTERNPORT, MD, 21562 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826835	Brenda Guzman	, SIMCOE, LLC, , HOUSTON, TX, 77002-5632 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826842	Brenda Guzman	, BETTY ANN STEDMAN ESTATE, , HOUSTON, TX, 77001 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826859	Brenda Guzman	, ROY RANDOLPH REESE, , SUGAR LAND, TX, 77478 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826866	Brenda Guzman	, MWOODHAM LLC, , DENVER, CO, 80220 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826873	Brenda Guzman	, MARILYNN L JACKSON, , PONCA CITY, OK, 74604 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826880	Brenda Guzman	, MARBAR HOLDINGS LLC, , BELLAIRE, TX, 77401 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826897	Brenda Guzman	, MARY DAVANT FRICKE, , PORT LAVACA, TX, 77979 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826903	Brenda Guzman	, LISA F BERGER, , TULSA, OK, 74132 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826910	Brenda Guzman	, LAURA F GRUNDHOEFER, , SAN ANTONIO, TX, 78258 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826927	Brenda Guzman	, RDJL HOLDINGS LLC, , RICHMOND, TX, 77469 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826934	Brenda Guzman	, GEOJAC LLC, , HOUSTON, TX, 77079-6422 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826941	Brenda Guzman	, ANDREW MCDUGAL, , OAK RIDGE, NC, 27310 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending
92148969009997901831826958	Brenda Guzman	, CHARLES MCDUGAL, , WAKE FOREST, NC, 27587 Code: Beaver Lodge Com 1M DHC	12/22/2023	Signature Pending

From: [Cheryl Weston](#)
To: [McClure, Dean, EMNRD](#)
Subject: FW: [EXTERNAL] Action ID: 308500; DHC-5354
Date: Friday, April 19, 2024 11:06:44 AM
Attachments: [image001.png](#)

Dean,

Per, Reservoir Engineer, Griff Selby, we believe the original allocated volumes for the existing zones is correct and accurate. We are not proposing a new allocation for the existing zones. Let me know if I can help clarify anything further.

Thanks,
Cheryl

From: Cheryl Weston <cweston@hilcorp.com>
Sent: Thursday, April 18, 2024 2:56 PM
To: Griffin Selby <Griffin.Selby@hilcorp.com>; Sikandar Khan <Sikandar.Khan@hilcorp.com>
Subject: FW: [EXTERNAL] Action ID: 308500; DHC-5354

Griffin,

Please see Dean's request below for the Beaver Lodge Com 1M DHC.

Cheryl

From: McClure, Dean, EMNRD <Dean.McClure@emnrn.gov>
Sent: Thursday, April 18, 2024 2:23 PM
To: Cheryl Weston <cweston@hilcorp.com>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Action ID: 308500; DHC-5354

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Cheryl,

I looked at the application again and see that the GOR is coming from the Gartner A #15 which I had missed the first time. As such we should be fine regarding the GOR.

However, with the recalculation of remaining reserves for the MV formation, it seems that perhaps Hilcorp is proposing a new allocation. If so, please provide additional information regarding using a calculation to 1 MCF per day rather than the econ limit.

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

From: Cheryl Weston <cweston@hilcorp.com>
Sent: Wednesday, March 20, 2024 7:00 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: FW: [EXTERNAL] Action ID: 308500; DHC-5354

Dean,

Please see our Reservoir Engineer's comment below regarding your question on the GOR. Will this work for the DHC?

Regarding the DHC notice to interest owners, it will be published today on 3/20/24.

Thanks,
Cheryl

From: Griffin Selby <Griffin.Selby@hilcorp.com>
Sent: Monday, March 18, 2024 4:31 PM
To: Cheryl Weston <cweston@hilcorp.com>; Sikandar Khan <Sikandar.Khan@hilcorp.com>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Action ID: 308500; DHC-5354

I used the existing forecasts from each zone as allocated paired with the oil yield maps we have. Those yield values were taken from standalone offset wells for each formation then gridded in PETRA. I changed the forecast to run out to 1 mcf/d for each formation instead of the economic limit, talking with Mandi that more closely lines up with the allocated volumes for the base formation – that gives the following values. That is the only thing we can change and I think nullifies any errors based on economic life for the existing DK and MV....as far as Deans question goes with the yields though, these should be derived from standalone offsets so we feel good about the values there.

Let me know if we need to discuss further.

New allocations with MV and DK remaining reserves ran out to 1 mcf/d

Formation	Yield (bbl/MM)	Remaining Reserves	% Oil
MV	1.83	679	67%
FRC	0.61	777	25%
DK	0.18	806	8%
			100%

From: Cheryl Weston <cweston@hilcorp.com>
Sent: Monday, March 18, 2024 8:16 AM
To: Sikandar Khan <Sikandar.Khan@hilcorp.com>; Griffin Selby <Griffin.Selby@hilcorp.com>
Subject: FW: [EXTERNAL] Action ID: 308500; DHC-5354

Griffin,

Please see Dean's note below regarding the Oil allocation. Please provide an update or explanation.

Thanks,
Cheryl

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, March 15, 2024 4:54 PM
To: Cheryl Weston <cweston@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>
Subject: [EXTERNAL] Action ID: 308500; DHC-5354

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

The Division is reviewing the following application:

Action ID	308500
Admin No.	DHC-5354
Applicant	Hilcorp Energy Company (372171)
Title	BEAVER LODGE COM #001M
Sub. Date	1/26/2024

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- Was public notice provided of this application? If so, please provide the affidavit of publication.
- Please provide more explanation regarding the allocation of oil, specifically regarding where the GOR for the FLC was derived.
- Please provide the address to which notice was provided of this application to the SLO and the certified tracking number associated with it.

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

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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY HILCORP ENERGY COMPANY**

ORDER NO. DHC-5354

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Hilcorp Energy Company ("Applicant") submitted a complete application ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure.
4. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
5. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
7. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure

in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. This Order supersedes Order DHC-3897.
3. Applicant shall allocate a fixed percentage of the oil production from the Well to each of the Pools until a different plan to allocate oil production is approved by OCD. Of the oil production from the Well:
 - a. fifty-one percent (51%) shall be allocated to the BASIN FRUITLAND COAL (GAS) pool (pool ID: 71629);
 - b. forty-three percent (43%) shall be allocated to the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319); and
 - c. six percent (6%) shall be allocated to the BASIN DAKOTA (PRORATED GAS) pool (pool ID: 71599).

Applicant shall allocate gas production to the new pool(s) equal to the total gas production from the Well minus the projected gas production from the current pool(s) until a different plan to allocate gas production is approved by OCD. The new pool(s) are:

- a. the BASIN FRUITLAND COAL (GAS) pool (pool ID: 71629).

The current pool(s) are:

- a. the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319); and
- b. the BASIN DAKOTA (PRORATED GAS) pool (pool ID: 71599).

Until a different plan to allocate gas production is approved by OCD, of the projected gas production allocated to the current pools:

- a. forty-seven percent (47%) shall be allocated to the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319); and
- b. fifty-three percent (53%) shall be allocated to the BASIN DAKOTA (PRORATED GAS) pool (pool ID: 71599).

Applicant 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, Applicant 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 Applicant fails to do so, this Order shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Order 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. 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 Order to become inaccurate, then no later than sixty (60) days after that event, Applicant 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 Order shall terminate on the date of such action.
5. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
6. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
7. 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 Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'D. Fuge', is written over a horizontal line.

**DYLAN M. FUGE
DIRECTOR (ACTING)**

DATE: 5/22/24

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: DHC-5354			
Operator: Hilcorp Energy Company (372171)			
Well Name: Beaver Lodge Com #1M			
Well API: 30-045-35552			
Upper Zone	Pool Name: BASIN FRUITLAND COAL (GAS)		
	Pool ID: 71629	Current:	New: X
	Allocation: Subtraction	Oil: 51.0%	Gas: subt
	Interval: Perforations	Top: 2,785	Bottom: 3,116
Intermediate Zone	Pool Name: BLANCO-MESAVERDE (PRORATED GAS)		
	Pool ID: 72319	Current: X	New:
	Allocation: Fixed Percent	Oil: 43.0%	Gas: 47.0%
	Interval: Perforations	Top: 4,110	Bottom: 5,546
Bottom of Interval within 150% of Upper Zone's Top of Interval:			
Lower Zone	Pool Name: BASIN DAKOTA (PRORATED GAS)		
	Pool ID: 71599	Current: X	New:
	Allocation: Fixed Percent	Oil: 6.0%	Gas: 53.0%
	Interval: Perforations	Top: 7,420	Bottom: 7,634
Bottom of Interval within 150% of Upper Zone's Top of Interval: NO			

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1625 N. French Dr., Hobbs, NM 88240
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District II
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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 308500

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 308500
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/22/2024