

Submit 1 Copy To Appropriate District

Office

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1625 N. French Dr., Hobbs, NM 88240

District II - (575) 748-1283

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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

DHC-5439

Form C-103  
Revised July 18, 2013OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.

30-039-20714

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil &amp; Gas Lease No.

Federal: NMSF078281

7. Lease Name or Unit Agreement Name

San Juan 29-5 Unit

8. Well Number

63

9. OGRID Number

372171

10. Pool name or Wildcat

Blanco Mesaverde

## SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Hilcorp Energy Company

3. Address of Operator

382 Road 3100, Aztec NM 87410

4. Well Location

Unit Letter M : 1180 feet from the S line and 1180 feet from the W line

Section 17 Township 29N Range 05W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6553' GL

## 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

## NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☒CLOSED-LOOP SYSTEM ☐OTHER: ☐

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

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

It is intended to recomplete the subject well in the Blanco Mesaverde (pool 72319) and downhole commingle the existing Basin Dakota (pool 71599) with the Mesaverde. The production will be commingled per Oil Conservation Division Order Number 11363. See the attached allocation methodology. Commingling will not reduce the value of the production. The Bureau of Land Management has been notified in writing of this application.

Proposed perforations are: MV - 5096' - 6117'; DK - 7850' - 7987' These perforations are in TVD.

As referenced in Order # ~~R-10771~~ interest owners were not re-notified.

R-10770

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 Amanda Walker TITLE Operations/Regulatory Technician Sr. DATE 6/24/2024Type or print name Amanda Walker E-mail address: nwalker@hilcorp.com PHONE: 346-237-2177**For State Use Only**APPROVED BY: Dean R. McElure TITLE \_\_\_\_\_ DATE 4

Conditions of Approval (if any):

### CONDITIONS OF APPROVAL

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

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

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

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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) 476-3462Form C-102  
August 1, 2011

Permit 367843

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-039-20714	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318837	5. Property Name SAN JUAN 29 5 UNIT	6. Well No. 063
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6553

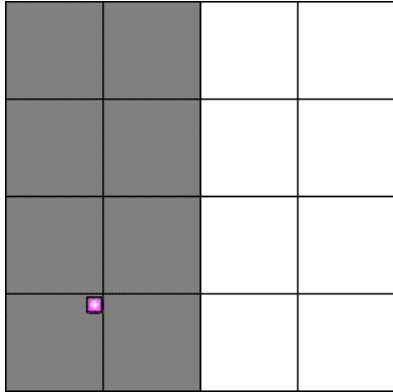

**10. Surface Location**

UL - Lot M	Section 17	Township 29N	Range 05W	Lot Idn	Feet From 1180	N/S Line S	Feet From 1180	E/W Line W	County RIO ARRIBA
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill			14. Consolidation Code			15. Order No.		

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

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></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:   Title: Operations Regulatory Tech Sr.  Date: 6/24/2024</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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: James Leese  Date of Survey: 6/26/1973  Certificate Number: 1463</p>
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# NEW MEXICO OIL CONSERVATION COMMISSION

## WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

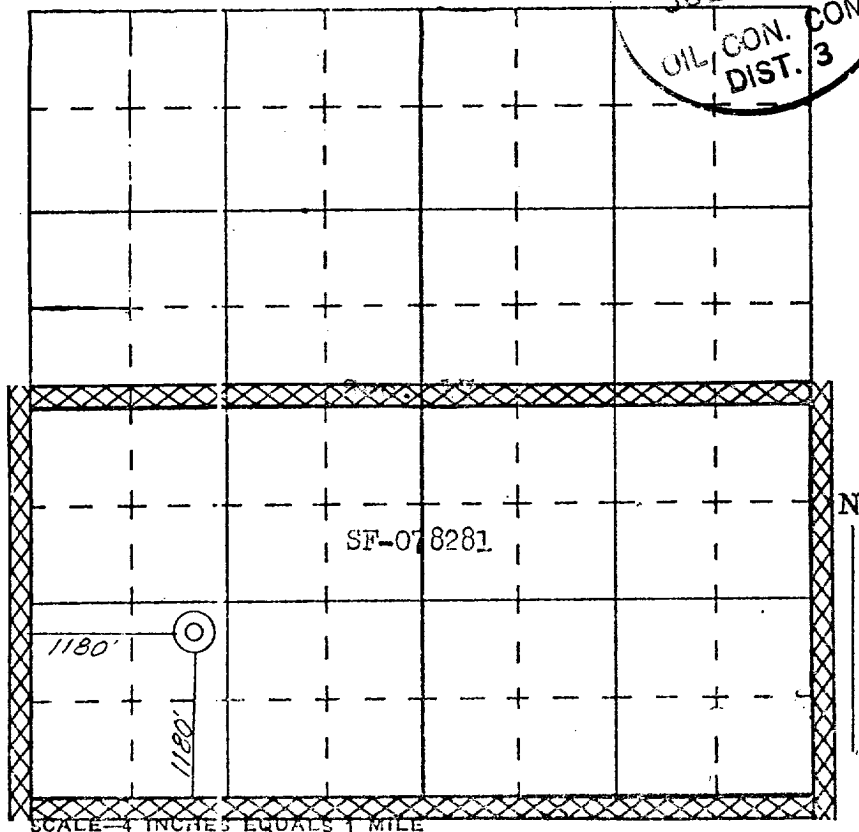
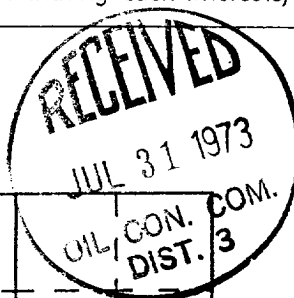
Operator <b>EL PASO NATURAL GAS COMPANY</b>			Lease <b>SAN JUAN 29-5 UNIT (SF-078281)</b>			Well No. <b>63</b>		
Unit Letter <b>M</b>	Section <b>17</b>	Township <b>29 NORTH</b>	Range <b>5 WEST</b>	County <b>RIO ARriba</b>				
Actual Footage Location of Well: <b>1180</b> feet from the <b>SOUTH</b> line and <b>1180</b> feet from the <b>WEST</b> line								
Ground Level Elev. <b>6553.0</b>		Producing Formation <b>DAKOTA</b>		Pool <b>BASIN DAKOTA</b>		Dedicated Average: <b>320.00</b>		Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

( ) Yes ( ) No If answer is "yes," type of consolidation unitization

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



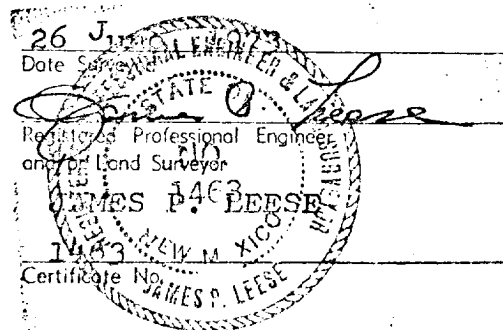
### CERTIFICATION

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

#### Original Signed by

Name **D. G. Brisco**  
 Position  
 Company  
 Date **JUL 27, 1973**

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 knowledge and belief.



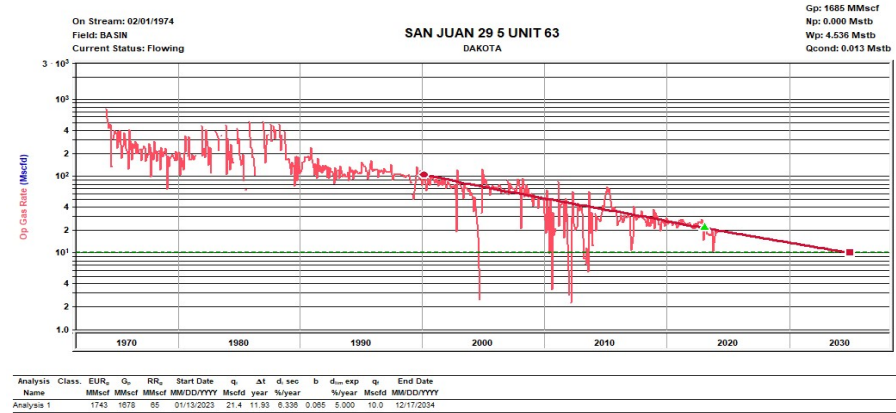
San Juan 29-5 Unit 063 Subtraction Allocation

3003920714

Gas Allocation:

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

After 3 years production will stabilize. A production average will be gathered during the 4<sup>th</sup> year and will be utilized to create a fixed percentage based allocation.

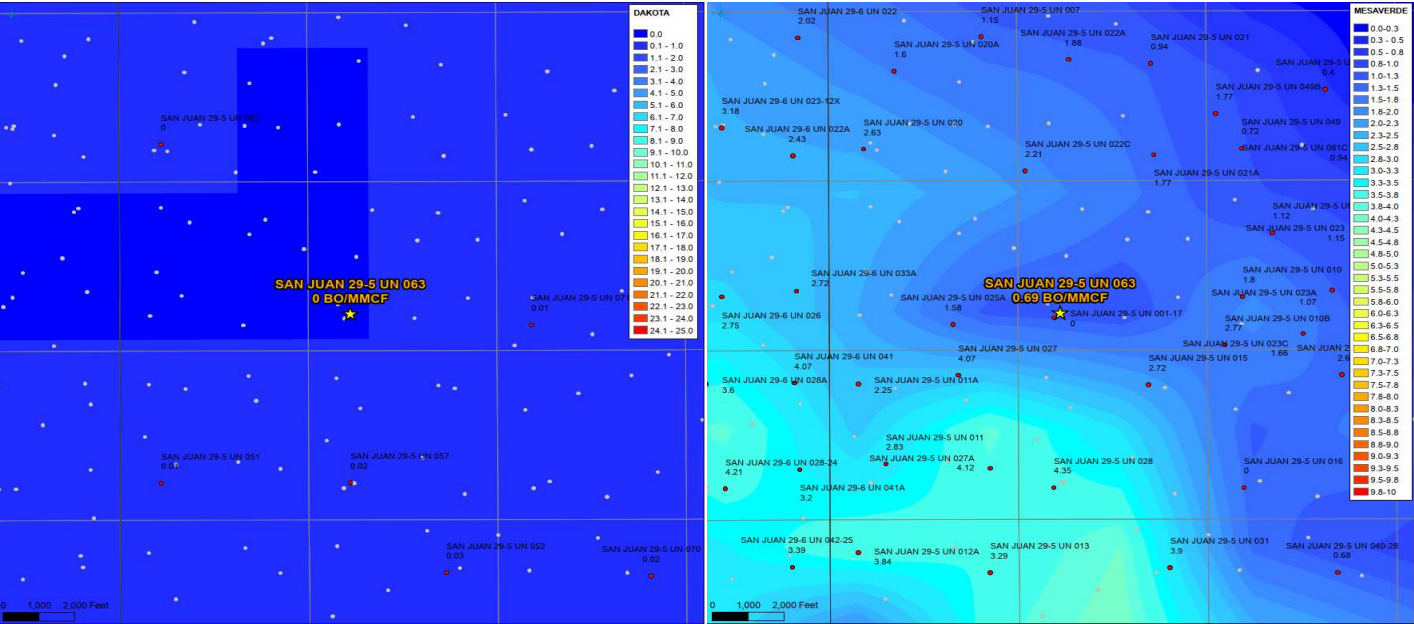


Oil Allocation:

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. The Dakota formation has historically never produced oil. If the well produces and oil, it will be allocated 100% to the Mesaverde formation.

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

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	0	65	0%
MV	0.69	1094	100%



**From:** [Mandi Walker](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** Re: [EXTERNAL] Application ID: 356987; DHC-5439; 30-039-20714 SAN JUAN 29 5 UNIT #063  
**Date:** Friday, November 8, 2024 4:58:25 PM

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I found an old email from my Landman and yes it should be R-10070.

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**From:** Mandi Walker <mwalker@hilcorp.com>  
**Sent:** Friday, November 8, 2024 5:54 PM  
**To:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Subject:** Re: [EXTERNAL] Application ID: 356987; DHC-5439; 30-039-20714 SAN JUAN 29 5 UNIT #063

I am at home and unfortunately don't have my computer with me to double check the numbers, but I believe it would be 10070 rather than 10071, it sounds like a typo on my end.

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**From:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Sent:** Friday, November 8, 2024 5:51 PM  
**To:** Mandi Walker <mwalker@hilcorp.com>  
**Subject:** RE: [EXTERNAL] Application ID: 356987; DHC-5439; 30-039-20714 SAN JUAN 29 5 UNIT #063

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

If you know what the case is and considering you are likely out of the office being on Texas time, if you can confirm for me how Hilcorp would like to proceed, I can red line it.

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

---

**From:** McClure, Dean, EMNRD  
**Sent:** Friday, November 8, 2024 4:49 PM  
**To:** 'Mandi Walker' <mwalker@hilcorp.com>  
**Subject:** RE: [EXTERNAL] Application ID: 356987; DHC-5439; 30-039-20714 SAN JUAN 29 5 UNIT #063

Yes, Monday is a state holiday. From an initial review I think the only issue here is that I presume you meant to reference either R-10770 or R-13681.

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

---

**From:** Mandi Walker <[mwalker@hilcorp.com](mailto:mwalker@hilcorp.com)>  
**Sent:** Friday, November 8, 2024 4:44 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Subject:** Re: [EXTERNAL] Application ID: 356987; DHC-5439; 30-039-20714 SAN JUAN 29 5 UNIT #063

Dean, I will check the number and get you a revised packet first thing on Monday morning. I know you guys are probably off, but I will get it to you quickly.

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Friday, November 8, 2024 5:41:44 PM  
**To:** Mandi Walker <[mwalker@hilcorp.com](mailto:mwalker@hilcorp.com)>; Cheryl Weston <[cweston@hilcorp.com](mailto:cweston@hilcorp.com)>  
**Cc:** Lowe, Leonard, EMNRD <[Leonard.Lowe@emnrd.nm.gov](mailto:Leonard.Lowe@emnrd.nm.gov)>  
**Subject:** [EXTERNAL] Application ID: 356987; DHC-5439; 30-039-20714 SAN JUAN 29 5 UNIT #063

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

Mandi,

I am reviewing the DHC application referenced in the subject line of this email. The application states that Order R-10771 grants an exemption to notice. Please confirm the correct order number and provide me with an amended application.

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

COMMENTS

Action 356987

COMMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 356987
	Action Type: [C-107] Down Hole Commingle (C-107A)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Order No. DHC-5439	11/8/2024

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

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

CONDITIONS

Action 356987

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 356987
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If the OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.	11/8/2024
dmcclure	If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to the OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if the OCD denies the application, this Permit shall terminate on the date of such action.	11/8/2024
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 email us at <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> .	11/8/2024