

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

State of New Mexico
 Energy, Minerals and Natural Resources

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

Revised July 18, 2013

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. 30-045-09819
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Hilcorp Energy Company		6. State Oil & Gas Lease No. Federal NMSF078198
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name NYE SRC
4. Well Location Unit Letter <u>P</u> : <u>990</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>East</u> line Section <u>01</u> Township <u>030N</u> Range <u>011W</u> NMPM County <u>SAN JUAN</u>		8. Well Number <u>8</u>
ID NO. 388965	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6010' GL	9. OGRID Number 372171
		10. Pool name or Wildcat Basin Fruitland Coal/Aztec Pictured Cliffs

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

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

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

It is intended to complete the subject well in the Basin Fruitland Coal (pool 71629) and downhole commingle with the existing Aztec Pictured Cliffs (pool 71280). The production will be commingled per Oil Conservation Division Order Number 11363. Allocation and methodology will be provided after the well is completed. Commingling will not reduce the value of the production. The Bureau of Land Management has been notified in writing of this application.

Proposed perforations are: FRC 2296' - 2598'; PC 2600' - 2614'. **These perforations are in TVD.**

Interest is common, no notification is necessary.

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 Tech-Sr. DATE 10/1/2024

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

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 07/23/25

Conditions of Approval (if any):

CONDITIONS OF APPROVAL

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

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

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

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

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
			Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal
				<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled		

WELL LOCATION INFORMATION

API Number 30-045-09819	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 318650	Property Name Nye SRC	Well Number 8
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6010
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL P	Section 1	Township 030N	Range 11W	Lot	Ft. from N/S 990' S	Ft. from E/W 990' E	Latitude 36.836272	Longitude -107.935936	County San Juan
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Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Dedicated Acres S/2 - 322.70	Infill or Defining Well Infill	Defining Well API 30-045-33848	Overlapping Spacing Unit (Y/N) N	Consolidation Code Lease
Order Numbers.			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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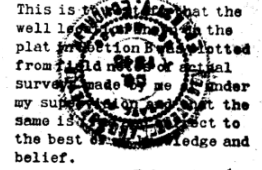
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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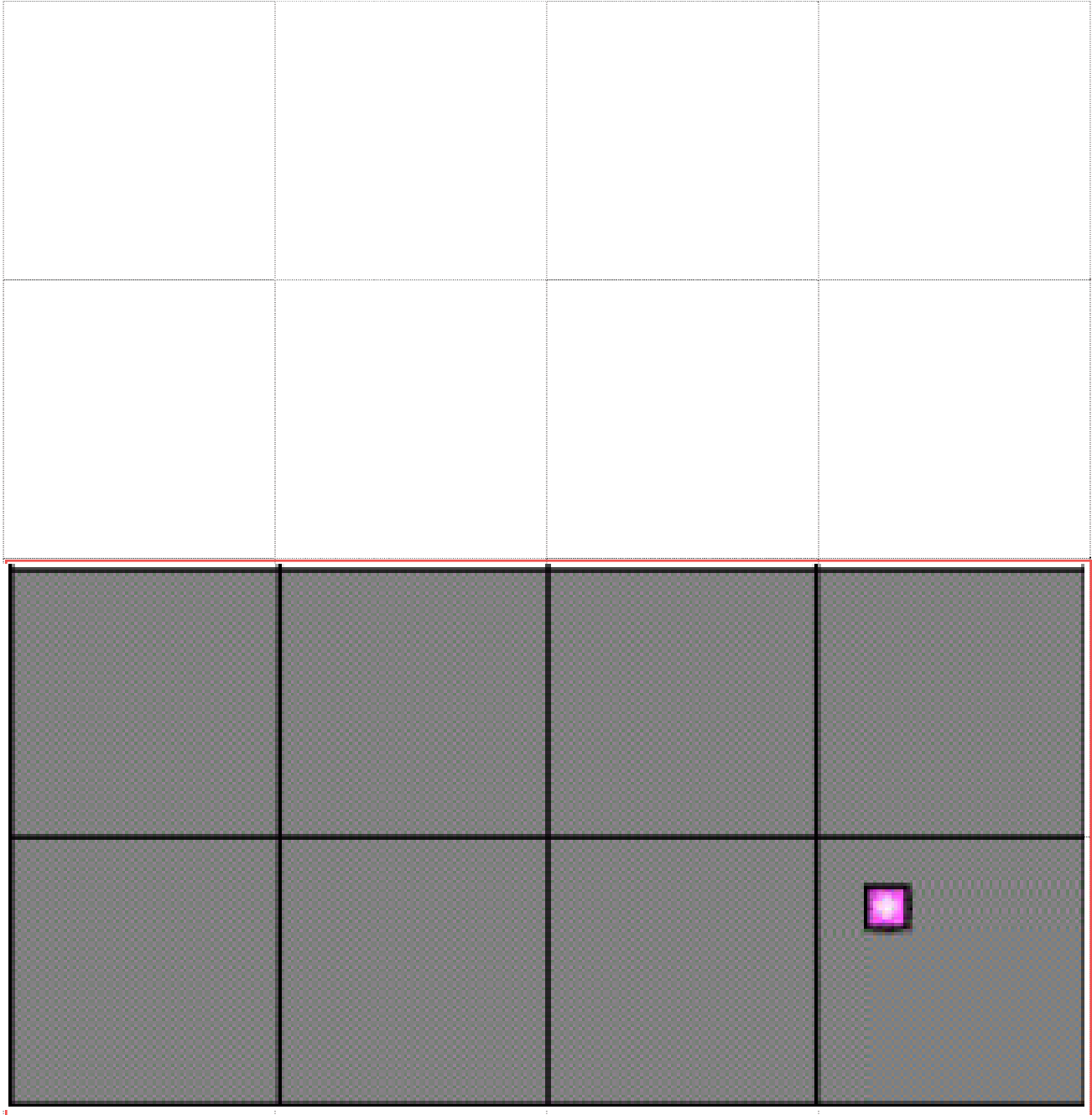
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6010'
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OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> Cherylene Weston 10/1/2024 Signature Date Cherylene Weston, Operations/Regulatory Tech-Sr. Printed Name cweston@hilcorp.com Email Address		SURVEYOR CERTIFICATIONS <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> <div style="text-align: center;">  This is to certify that the well location shown on the plat in Section 8 was plotted from field notes or actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief. Date Surveyed Feb. 28, 1960 Ernest V. Behonaw Registered Land Surveyor. Certificate No. 1545 </div> Signature and Seal of Professional Surveyor Certificate Number Date of Survey 1545 2/28/1960	
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Note: 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.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

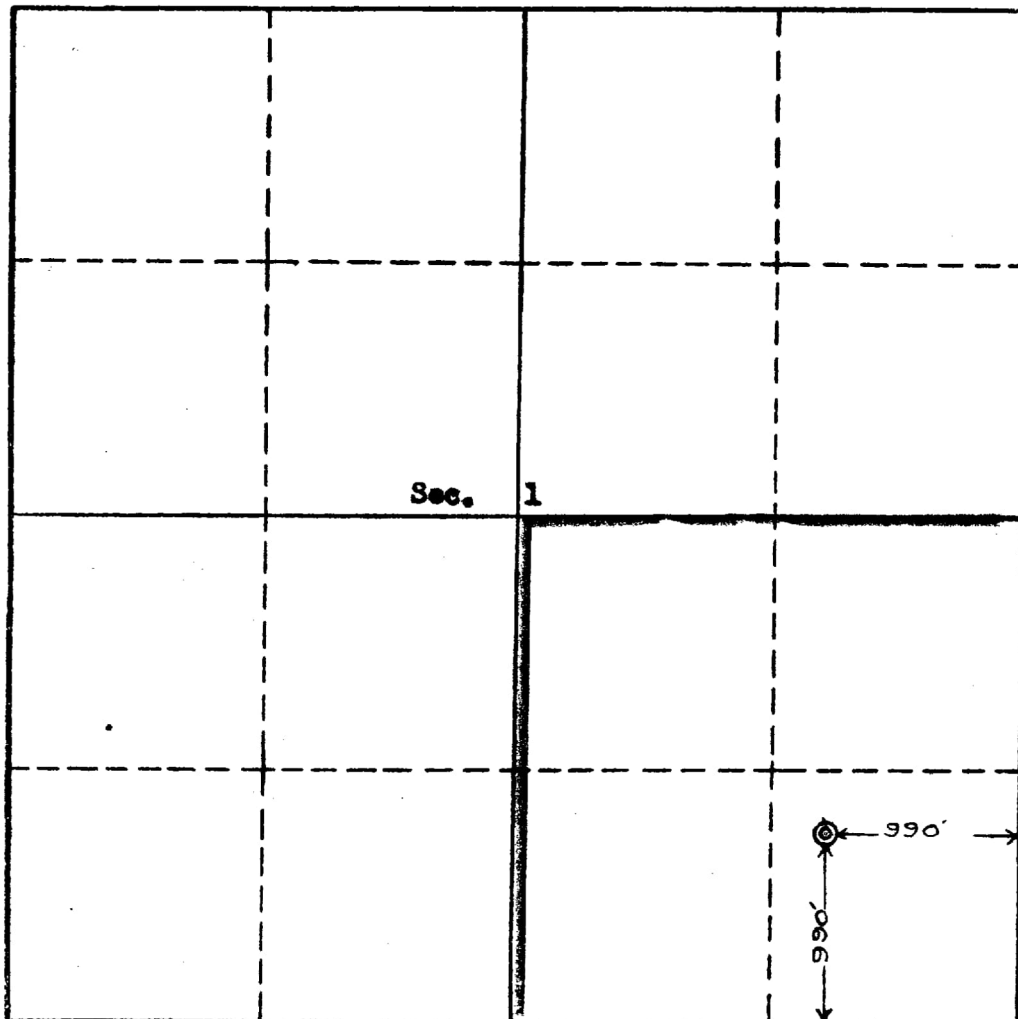
Date March 1, 1960

Operator AZTEC OIL AND GAS COMPANY Lease NYE
 Well No. 8 Unit Letter P Section 1 Township 30N Range 11W NMPM
 Located 990 Feet From South Line, 990 Feet From East Line
 County San Juan G. L. Elevation 6010' Dedicated Acreage 160 Acres
 Name of Producing Formation Pictured Cliffs Pool Astec, Pictured Cliffs

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
 Yes XX No _____
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes,"
 Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

OwnerLand Description

Section. B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Astec Oil & Gas Company
 (Operator)

ORIGINAL SIGNED BY JOE C. SALMON
 (Representative)

Box 786, Farmington, N.M.
 Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes or actual survey made by me under my supervision and that the same is correct to the best of my knowledge and belief.

Date Surveyed Feb. 28, 1960

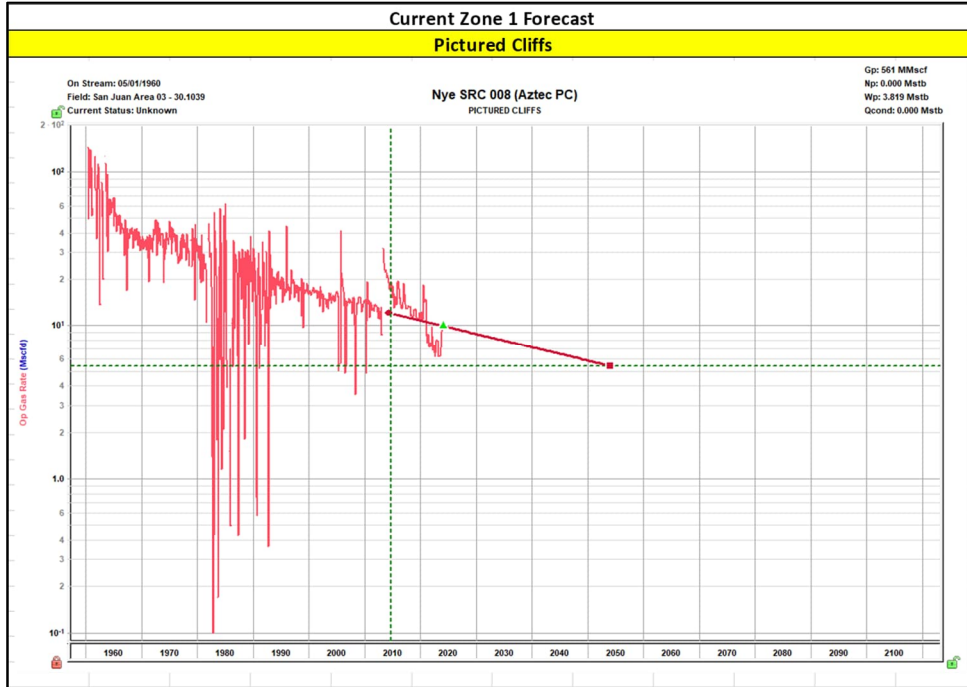
Ernest V. Echohawk
 Ernest V. Echohawk
 Registered Land Surveyor.

Certificate No. 1545

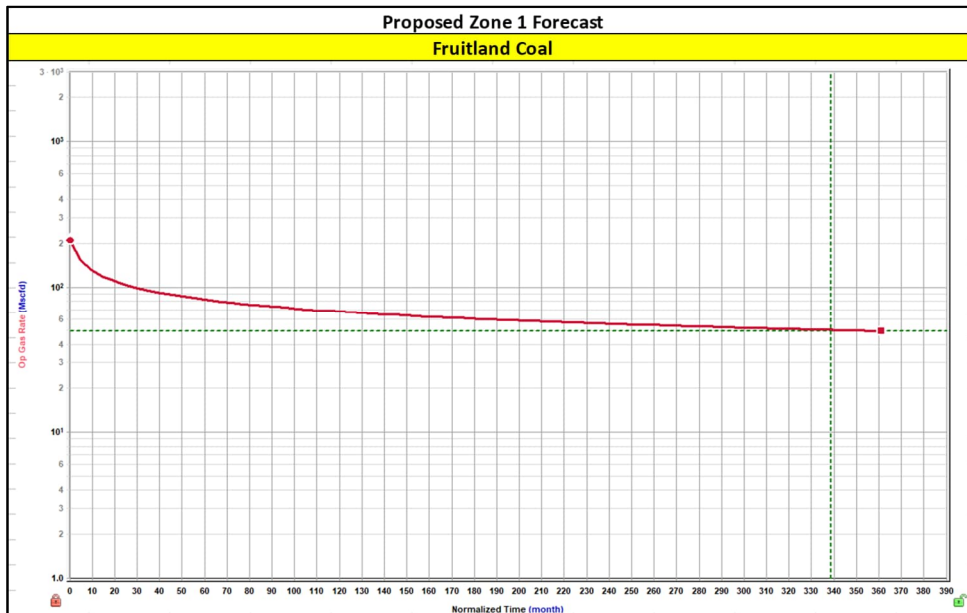
Nye SRC 8 Subtraction Allocation Method

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the **Pictured Cliffs** and the added formation to be commingled is the **Fruitland Coal**. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the base formations forecast will be allocated to the new formation. After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage-based allocation.



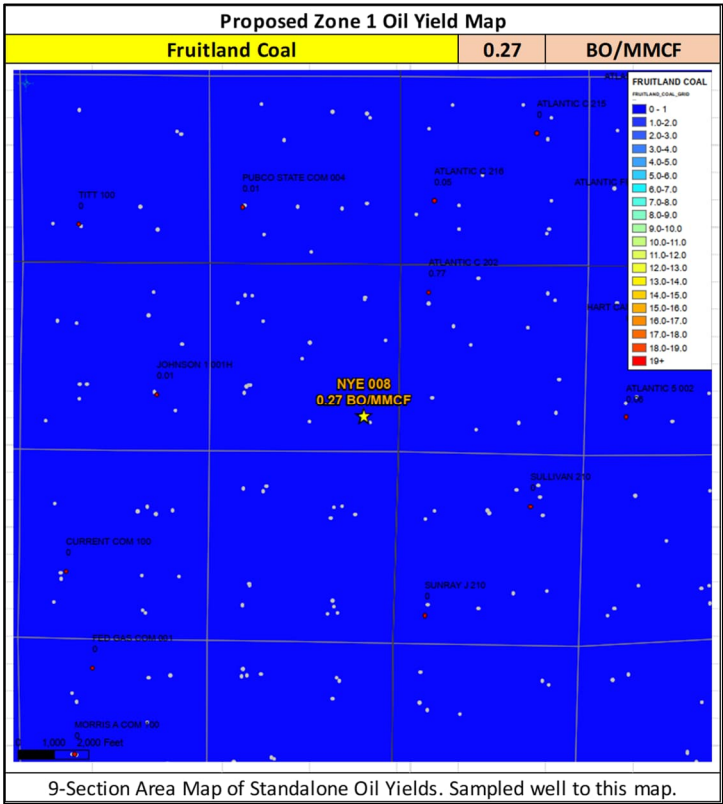
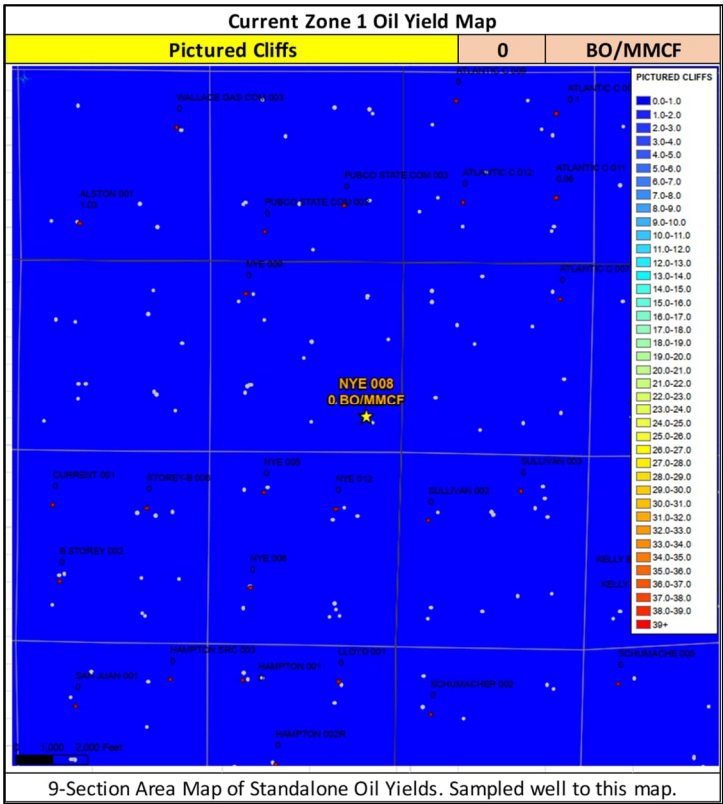
Proposed Zone Forecast



Oil Allocation:

The Pictured Cliffs has never produced condensate, therefore 100% condensate will be allocated to the Fruitland Coal.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
PC	0	82	0%
FRC	0.27	747	100%



Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 388965

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 388965
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	Second page of DHC signed C-103	7/23/2025