

Santa Fe Main Office
Phone: (505) 476-3441
General Information
Phone: (505) 629-6116

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

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

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (IDENTICAL OWNERSHIP)

OPERATOR NAME: Hilcorp Energy Company
OPERATOR ADDRESS: 1111 Travis Street, Houston, TX 77002
APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PC-1407
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Blanco Mesaverde - 72319	1068 BTU	1013 BTU		\$2.6506/MMBtu (price realization Q1 2026)	104 mcf/d
Blanco Pictured Cliffs - 72359	1186 BTU				172 mcf/d PC/FRC
Basin Fruitland Coal - 71629	Anticipated 827 BTU				DHC Split 73 mcf/d PC 99 mcf/d FRC

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☒ No. Not required for Identical Ownership
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: _____ TITLE: L48W Regulatory Advisor DATE: 6/23/2026

TYPE OR PRINT NAME Jamie Olivarez TELEPHONE NO.: 713-289-2838

E-MAIL ADDRESS: jolivarez@hilcorp.com

Commingling Project Summary

Hilcorp Energy Company requests permission to add the Basin Fruitland Coal – 71629 pool to the existing surface commingle of gas produced from the Sunray G 2 (3004510584-Blanco Mesaverde - 72319) and the Sunray G 4 (3004533885-Blanco Pictured Cliffs - 72359). PC-1407 was approved April 9, 2025, and the surface commingling commenced May 1, 2025. The Sunray G 4 will soon be recompleted to add the Basin Fruitland Coal – 71629 and downhole commingled with the existing Blanco Pictured Cliffs - 72359 per Oil Conservation Division Order Number 11363. This surface commingle will continue to utilize a single compressor, which will provide both wells extended economic life and lessen environmental impacts versus utilizing two separate compressors on the well pad.

All interest types in the three pools are identical. Notification to owners is not required, and a letter attesting to the identical interest is attached. BLM has also been notified of this proposal by sundry.

API	Well Name	Pools	Lease
3004510584	SUNRAY G 2	Blanco Mesaverde - 72319	NMSF0078386A
3004533885	SUNRAY G 4	Blanco Pictured Cliffs - 72359	NMSF0078386A
3004533885	SUNRAY G 4	Basin Fruitland Coal - 71629	NMSF0078386A

Proposed Gas Allocation Methodology

Gas production from each well will be individually measured by an allocation meter. The MMBTU at the CDP meter will be allocated back to each well based on the MMBTU of the well's respective allocation meter. Additionally, fuel used at the CDP and any produced water recovered at the CDP will also be allocated back to each contributing well in proportion to each well's allocated gas MMBTU. This surface commingle excludes oil or condensate production.

Calculation of Ratio of CDP gas to each well

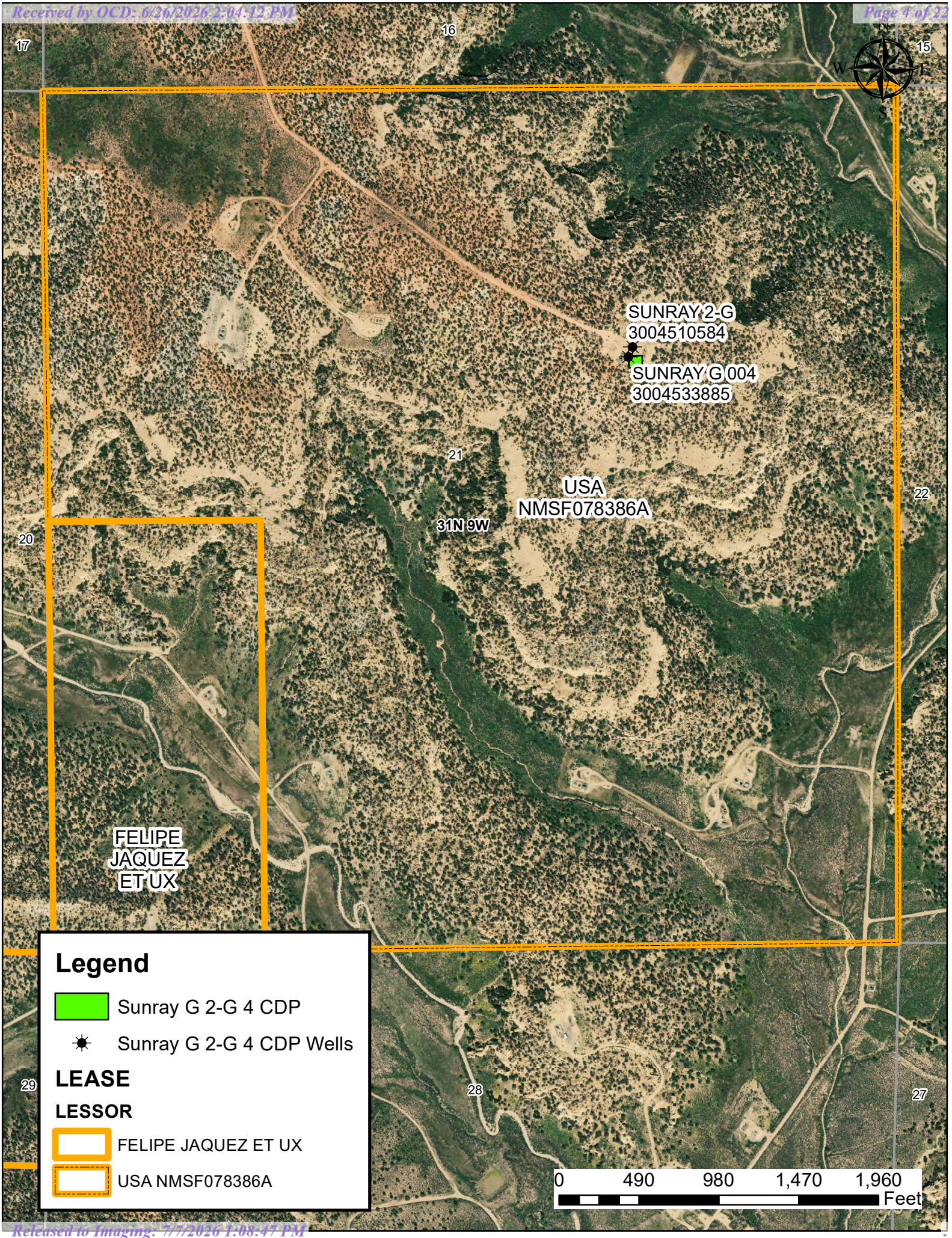
$$\frac{\text{Each individual well's allocation meter MMBTU}}{\text{CDP/FMP Meter MMBTU}} = \text{Percentage of gas to allocate to well}$$

Calculation of Ratio of CDP fuel gas to each well

$$\frac{\text{Each individual well's allocation meter MMBTU}}{\text{CDP Fuel Use (Upstream of FMP meter) MMBTU}} = \text{Percentage of fuel to allocate to well}$$

Hilcorp Energy requests the CDP meter (operated by Enterprise Products) to remain the FMP, and the use between the well site allocation meters and the CDP meter approved as beneficial use. Metering will be maintained per NMOCD rules and the federal 43 CFR Part 3170 - Subpart 3175 Measurement of Gas Regulations.

API	Well Name	Pools	Meters
3004510584	SUNRAY G 2	Blanco Mesaverde - 72319	31933002
3004533885	SUNRAY G 4	Blanco Pictured Cliffs - 72359 Basin Fruitland Coal - 71629	31933004
SUNRAY G 2/4 CDP		Blanco Mesaverde - 72319 Blanco Pictured Cliffs - 72359 Basin Fruitland Coal - 71629	86-989-01



Legend

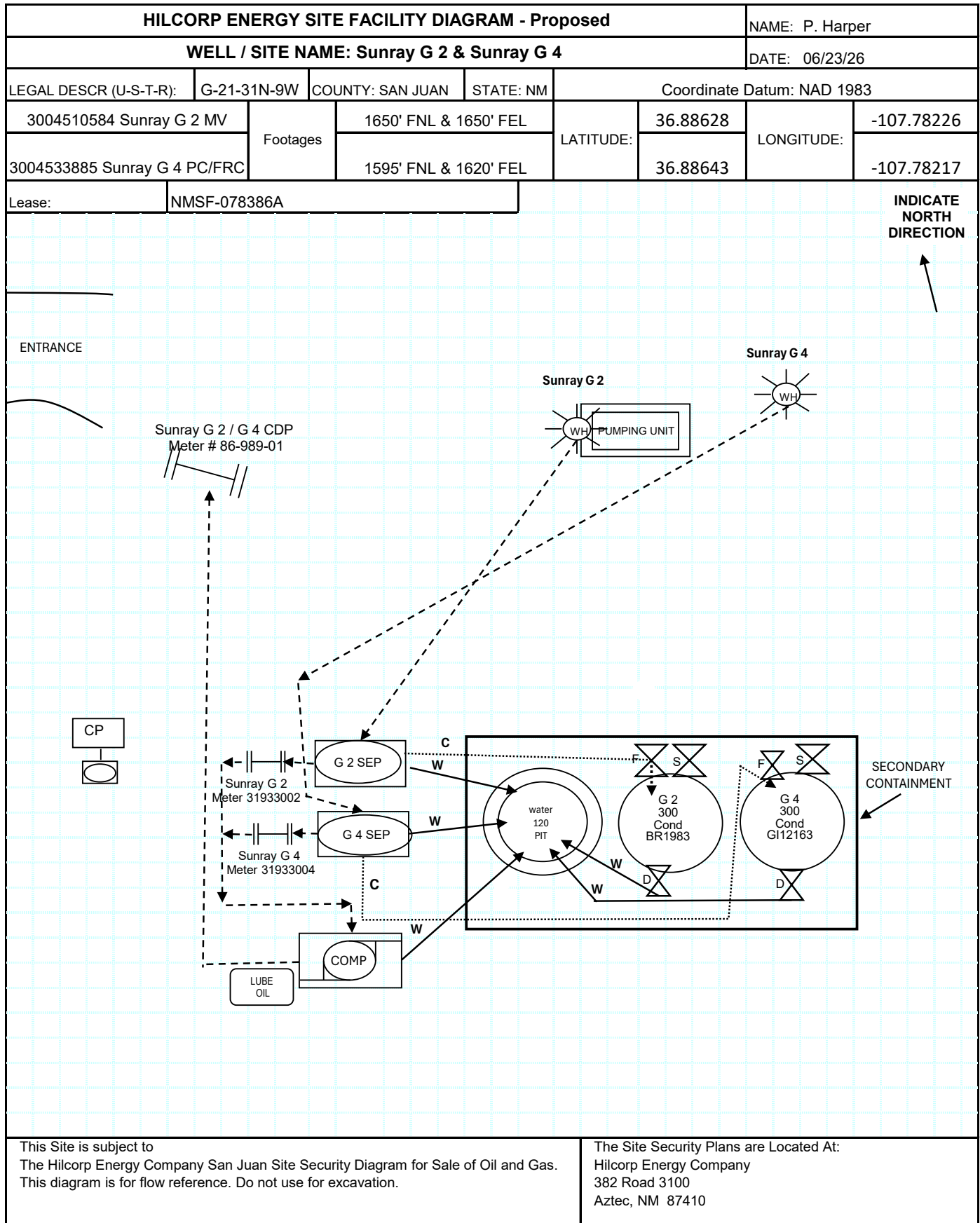
- Sunray G 2-G 4 CDP
- Sunray G 2-G 4 CDP Wells

LEASE

LESSOR

- FELIPE JAQUEZ ET UX
- USA NMSF078386A

0 490 980 1,470 1,960 Feet



This Site is subject to
The Hilcorp Energy Company San Juan Site Security Diagram for Sale of Oil and Gas.
This diagram is for flow reference. Do not use for excavation.

The Site Security Plans are Located At:
Hilcorp Energy Company
382 Road 3100
Aztec, NM 87410

Hilcorp Energy / BLM Site Security

API No.	Well Name	Well Num	Legals
3004510584	SUNRAY G 2		031N-009W-21-G

API Number3004510584Location TypeWELL

Well NameSUNRAY G 2

Operator NameJames WayneOperator Phone575.740.0959

Lease NumberNMSF078386ALease TypeFederal

CA Agmt NumNMSF078386A

Latitude36.88625Twinned location?No

Longitude-107.78163H2S on location?No

Location (TRSU)031N-009W-21-G

Legal Footage1650' FNL & 1650' FEL

Water Disp PriSAN JUAN 32-9 UNIT 5 SWD

Water Disp SecVASALY 2 SWD

Sales / Allocation Meter

Meter ID	Meter Name	Gatherer	BLM Meter ID
71-054-01	SUNRAY G 2 MV	ENT	71-054-01

SearchReload DataHEC InfoQuit

Installed Equipment

Pumping Unit -- Serial #: L1394332-106895; Driver type: Electric Motor
No Fuel consumed (Electric Motor).

Separator -- Serial Number: 3127
Description: SEP,HORI,3PH :: Separator burner pilot operated year-round while well is flowing
Separator burner pilot rated at 0.005 mcf/h

Pit Tank -- Serial #: 7043; Capacity: 120 BBL
Description:TANK,PIT,120BBL
Above/Below Grade: BELOW

Condensate Tank -- Serial Number: 1605; Tank #: BR1983; Height: 15 feet; Capacity: 300 BBL
Description: TANK,CONDENSATE,300BBL :: Tank heater pilot operated between October and March while well is flowing
Tank heater pilot rated at 0.005 mcf/h

Hilcorp Energy / BLM Site Security

API No.	Well Name	Well Num	Legals
3004533885	SUNRAY G 4	4	031N-009W-21-G

API Number3004533885Location TypeWELL

Well NameSUNRAY G 4

Operator NameKyle CandelariaOperator Phone505-215-6141

Lease NumberNMSF078386ALease TypeFederal

CA Agmt NumNMSF078386A

Latitude36.88641Twinned location?No

Longitude-107.7815H2S on location?No

Location (TRSU)031N-009W-21-G

Legal Footage1595' FNL & 1620' FEL

Water Disp PriSAN JUAN 32-9 UNIT 5 SWD

Water Disp SecVASALY 2 SWD

Sales / Allocation Meter

Meter ID	Meter Name	Gatherer	BLM Meter ID
31933004	SUNRAY G 4 PC	HEC	86-989-01

SearchReload DataHEC InfoQuit

Installed Equipment

Separator -- Serial Number: EL8G23401-04
Description: SEP,HORI,3PH :: Separator burner pilot operated between October and March while well is flowing
Separator burner pilot rated at 0.005 mcf/h

Condensate Tank -- Serial Number: 8Y09401-01; Tank #: BRG12163; H:
Description: TANK,CONDENSATE,300BBL ::
No heater specified for tank

Hilcorp Energy / BLM Site Security

API No.	Well Name	Well Num	Legals
30FAC01168	SUNRAY G 2/4 CDP		031N-009W-21-G

API Number30FAC01168Location TypeCDP

Well NameSUNRAY G 2/4 CDP

Operator NameKyle CandelariaOperator Phone505-215-6141

Lease NumberNMSF078386ALease TypeFederal

CA Agmt Num

Latitude36.88658Twinned location?Yes

Longitude-107.782093H2S on location?No

Location (TRSU)031N-009W-21-G

Legal Footage1670' FNL & 1710' FEL

Water Disp Pri

Water Disp Sec

Sales / Allocation Meter

Meter ID	Meter Name	Gatherer	BLM Meter ID
86-989-01	SUNRAY G 2/4 CDP (NON-OP)	ENT	86-989-01

SearchReload DataHEC InfoQuit

Installed Equipment

Compressor Package -- Serial Number: 810417; Driver type: Engine
Manufacturer fuel use when operated at 70% of rated maximum, 0.47574 MCF/hr * operated hours.

Released to Imaging: 7/7/2026 1:08:47 PM

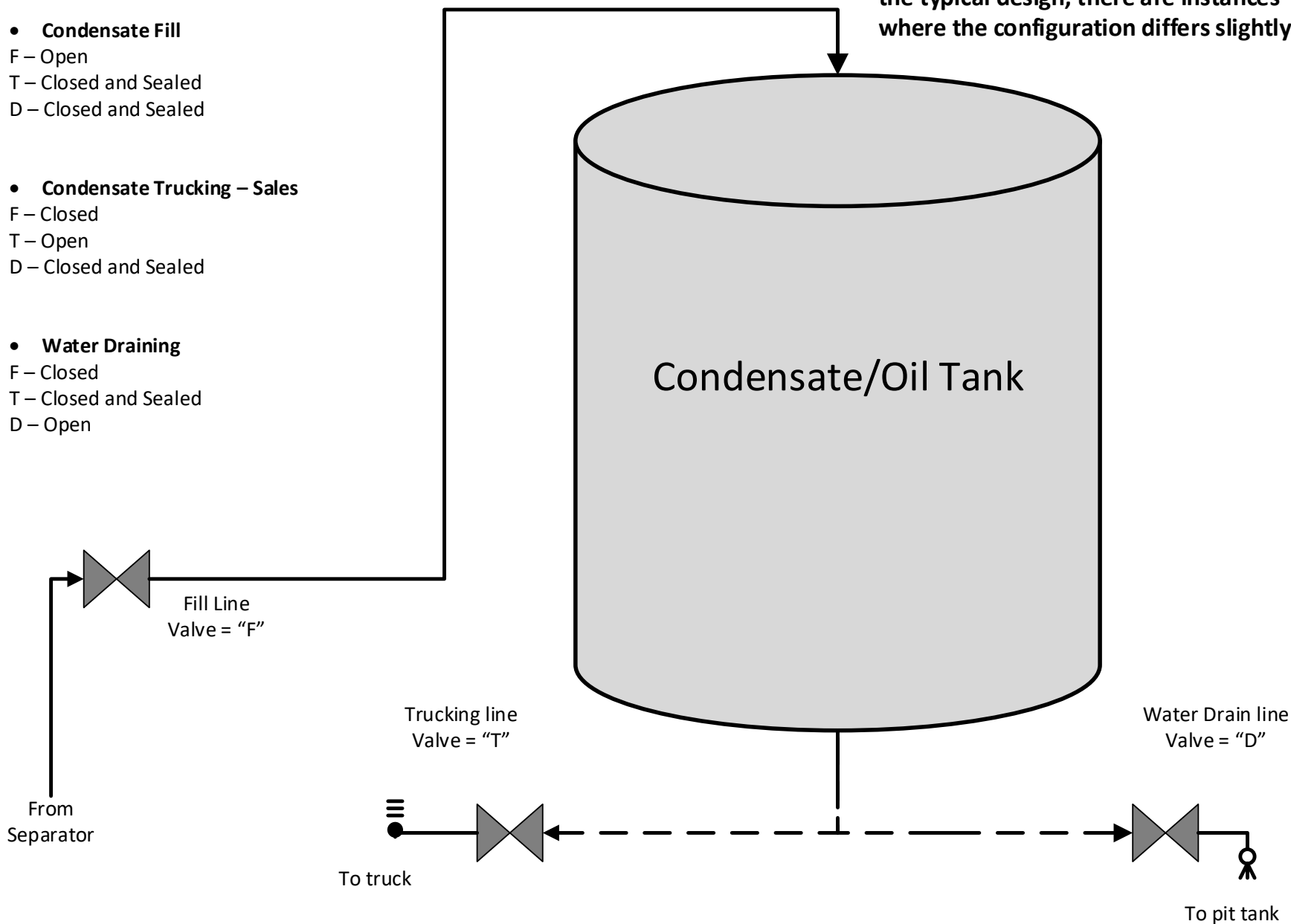
2 of 3

- **Condensate Fill**
F – Open
T – Closed and Sealed
D – Closed and Sealed

- **Condensate Trucking – Sales**
F – Closed
T – Open
D – Closed and Sealed

- **Water Draining**
F – Closed
T – Closed and Sealed
D – Open

This configuration is a representation of the typical design, there are instances where the configuration differs slightly.





June 24, 2026

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application for Surface Commingling
Well(s): SUNRAY G #002 & SUNRAY G #004
API(s): 3004510584 & 3004533885
T31N - R09W - Section 21
San Juan County, NM

Ladies and Gentlemen:

Concerning Hilcorp Energy Company's application to surface commingle production in the subject wells, this letter serves to confirm that all working, royalty and overriding royalty interests are identical between the **Blanco Mesaverde (72319)**, as such relates to the prescribed E/314.96 spacing unit in the Sunray G #002 well, the **Basin Fruitland Coal (71629)**, as such relates to the prescribed E/314.96 spacing unit in the Sunray G #004 well, and the **Blanco Pictured Cliffs (72359)**, as such relates to the prescribed NE/157.88 spacing unit in the Sunray G #004 well.

The aforementioned spacing units are comprised of a federal lease. Thus, pursuant to Section 19.15.12.10 of the New Mexico Administrative Code, a copy of this letter and application have also been sent to the Bureau of Land Management.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at the email or number provided below.

Regards,

Hilcorp Energy Company

A handwritten signature in blue ink, appearing to read 'R. Carlson'.

Robert T. Carlson
Sr. Landman
(832) 839-4596
rcarlson@hilcorp.com

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

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
SUNRAY G	2	3004510584	NMSF078386A	NMSF078386A	HILCORP
SUNRAY G	4	3004533885	NMSF078386A	NMSF078386A	HILCORP

Notice of Intent

Sundry ID: 2918445

Type of Submission: Notice of Intent

Date Sundry Submitted: 06/24/2026

Date proposed operation will begin: 06/24/2026

Type of Action: Commingling (Surface)

Time Sundry Submitted: 11:51

Procedure Description:

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Sunray_G2_4_CDP_Revision_20260624115114.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: PAMELA HARPER

Signed on: JUN 24, 2026 11:51 AM

Name: HILCORP ENERGY COMPANY

Title: Senior Business Analyst Measurement

Street Address: 382 COUNTY ROAD 3100

City: AZTEC**State:** NM

Phone: (505) 324-5154

Email address: PHARPER@HILCORP.COM

Field

Representative Name:

Street Address:

City:**State:****Zip:**

Phone:

Email address:

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date May 20, 1955
El Paso Natural Gas Company Sunray 2-G
Operator Lease Well No.
Name of Producing Formation Mesa Verde Pool Blanco

No. Acres Dedicated to the Well 320Indicate land status and show ownership FederalSECTION 21 TOWNSHIP 31N RANGE 9W

		S F. 078386-A	



I hereby certify that the information given above is true and complete to the best of my knowledge.

Name E. S. Olney
Position Petroleum Engineer
Representing El Paso Natural Gas Co
Address Box 997, Farmington, N.M.

(over)

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045- 33885		*Pool Code 72359	*Pool Name Blanco Pictured Cliffs
*Property Code 7569	*Property Name SUNRAY G		*Well Number 4
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP		*Elevation 6495'

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
G	21	31N	9W	(7)	1595	NORTH	1620	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
12 Dedicated Acres NE/4 157.88 ac.					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

16 LOT 4 LOT 3 LOT 2 LOT 5 LOT 6 LOT 7 LOT 11 LOT 10 LOT 9 LOT 12 LOT 13 LOT 14 5291.88' 5233.80' 1595' 975' 1620' 1035' 5260.20' 5182.32' 21 LAT: 36°53.1855'N LONG: 107°46.8908'W DATUM: NAD27 LAT: 36.88643°N LONG: 107.78213°W DATUM: NAD83 LOT 1 LEASE SF-078386 A				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Joni Clark</i> Signature Joni Clark Printed Name Title 6/7/06 Date 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. Date of Survey: MARCH 13, 2006 Signature and Seal of Professional Surveyor JASON C. EDWARDS NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 15269 JASON C. EDWARDS Certificate Number 15269	
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Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	☐ Initial Submittal
			☐ Amended Report
			☐ As Drilled

WELL LOCATION INFORMATION

API Number 30-045-	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 318748	Property Name Sunray G	Well Number 4
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6495'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
G	21	31N	09W	7	1595' N	1620' E	36.886432	-	San Juan

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
G	21	31N	09W	7	1595' N	1620' E	36.886432	-	San Juan

Dedicated Acres 314.96	Infill or Defining Well Infill	Defining Well API 30-045-	Overlapping Spacing Unit (Y/N) No	Consolidation Code N/A
Order Numbers. N/A			Well setbacks are under Common Ownership: ☐ Yes ☐ No N/A	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

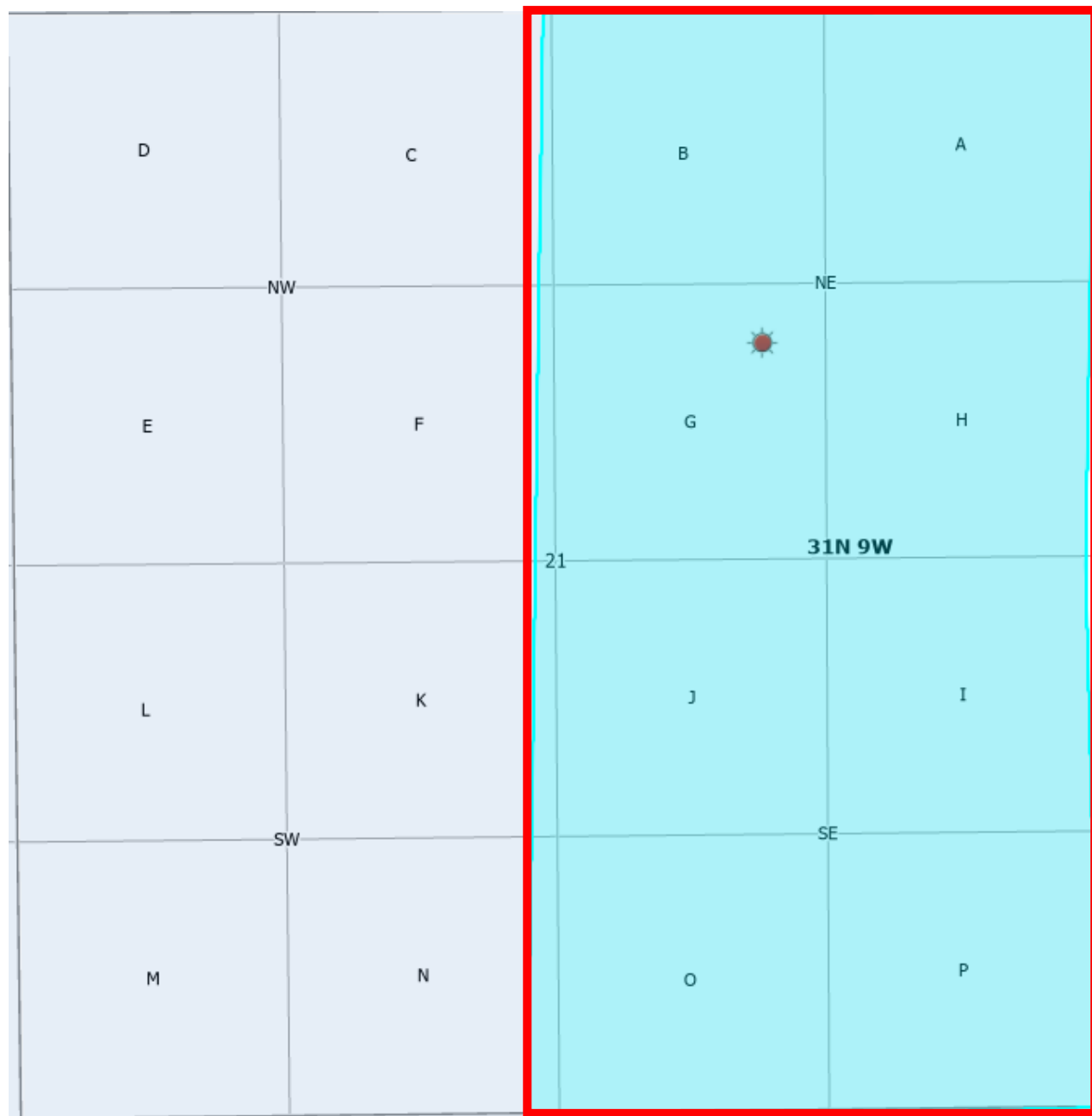
Unitized Area or Area of Uniform Interest N/A	Spacing Unit Type ☐ Horizontal ☒ Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, 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>  Signature 3/27/2020 Date Amanda Walker Printed Name mwalker@hilcorp.co 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> Jason Signature and Seal of Professional Surveyor 15269 Certificate Number March 13, Date of Survey
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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.



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

 Date

 Phone Number

 Signature

 e-mail Address



Hilcorp Energy Company
382 Road 3100
Aztec, NM 87410

Sarah Clelland
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Application of Hilcorp Energy Company for amendment to the administrative approval, PC-1407, a pool surface commingle of the Sunray G 2 and Sunray G 4, located in Township 31 North, Range 9 West, Section 21, Unit G, San Juan County, NM

6/24/2026

Dear Ms. Clelland,

Hilcorp Energy Company (HEC) requests an amendment to the administrative approval PC-1407 for a pool surface commingle of natural gas for the following wells: Sunray G 2 and Sunray G 4. The original pools approved were the Blanco Mesaverde – 72319 and Blanco Pictured Cliffs – 72359. This amendment requests the addition of the Basin Fruitland Coal - 71629. The Sunray G 4 will be recompleted to add this pool and downhole commingle with the existing Pictured Cliffs zone.

The following attachments are included with this application:

- 1) Administrative Application Checklist
- 2) State form C-107-B application for surface pool commingling with identical ownership
- 3) Schematic flow diagram of proposed surface commingled pad
- 4) Form C-102 for each well (plats)
- 5) Table of wells with pool and lease information
- 6) Commingling Project Summary
- 7) Details of allocation methodology
- 8) Lease Map
- 9) Letter from certified landman attesting to identical ownership in the wells
- 10) Copy of notification to the Farmington BLM Office

Please feel free to contact me with any questions.

Sincerely,

Pamela Harper

Pamela Harper
Sr. Measurement Business Analyst
pharper@hilcorp.com
Office: 505-324-5154

Support Document for Form C-107-B - Section E - Additional Information - (3)

Lease Names, Lease and Well Numbers, and API Numbers			
API	Well Name	Pools	Federal Lease Number
3004510584	SUNRAY G 2	Blanco Mesaverde - 72319	NMSF078386A
3004533885	SUNRAY G 4	Blanco Pictured Cliffs - 72359	NMSF078386A
3004533885	SUNRAY G 4	Basin Fruitland Coal - 71629	NMSF078386A

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

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

ORDER NO. PC-1407-A

ORDER

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

FINDINGS OF FACT

1. Hilcorp Energy Company (“Applicant”) submitted a complete application to surface commingle the gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the gas production to the pools, leases, and wells to be commingled.
4. Applicant certified the commingling of gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the gas production to less than if it had remained segregated.
5. Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
6. 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

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2) NMAC, 19.15.12.10(C)(4)(c) NMAC, and 19.15.12.10(C)(4)(e) NMAC, as applicable.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC and 19.15.23.9(A)(6) NMAC, as applicable.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) NMAC or 19.15.12.10(C)(1) NMAC, as applicable.
11. Commingling of gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) NMAC and 19.15.12.10(C)(4)(h) NMAC.
12. 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 surface commingle gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure gas production off-lease, as applicable, from the pools and leases as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order PC-1407.
3. The gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. If Applicant recovers gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
5. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
7. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure gas production.

9. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled 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 surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose gas production 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.
10. Applicant shall not commence commingling gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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).
12. 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**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 07/02/2026

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PC-1407-A
Operator: Hilcorp Energy Company (372171)
Central Tank Battery: Sunray G 2 and G 4 (GAS ONLY)
Central Tank Battery Location: UL G, Section 21, Township 31 North, Range 9 West
Gas Title Transfer Meter Location: UL G, Section 21, Township 31 North, Range 9 West

Pools

Pool Name	Pool Code
BASIN FRUITLAND COAL (GAS)	71629
BLANCO-MESAVERDE (PRORATED GAS)	72319
BLANCO PICTURED CLIFFS (GAS)	72359

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
BLM Lease NMNM 105320178 (NMSF 0078386A)	All Minus L, M	21-31N-09W

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-045-10584	SUNRAY G #002	E2	21-31N-09W	72319
30-045-33885	SUNRAY G #004	E2	21-31N-09W	71629
		NE4	21-31N-09W	72359

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/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 599881

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 599881
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	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 OCD.Engineer@emnrd.nm.gov .	7/7/2026