

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

WELL API NO. 30-045-30175
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Stedje Gas Com
8. Well Number 2R
9. OGRID Number 372171
10. Pool name or Wildcat Fruitland Coal

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator HILCORP ENERGY COMPANY	
3. Address of Operator 382 Road 3100, Aztec, NM 87410	
4. Well Location Unit Letter <u>A</u> : <u>1085</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>27</u> Township <u>30N</u> Range <u>12W</u> NMPM <u>San Juan</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5476' GR	

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: <input type="checkbox"/>		OTHER: <input checked="" type="checkbox"/> Amend Surface Commingle	

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.


As of 7/7/2021, the surface commingle allocation method for of the Stedje Gas Com 1E (3004525560) and Stedje Gas Com 2R (3004530175) has changed from a subtraction CDP methodology to allocation meter measurement. Each well is now equipped with an allocation meter. The MMBTU of the CDP meter will be allocated back to each well according to the well's individual MMBTU volume. Liquid production will remain uncommingled.

The original Order # is PC-1002, 1<sup>st</sup> Amendment Order # PC-1002, 2<sup>nd</sup> Amendment PC-1002-B.

See attached methodology.

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  TITLE Operations/Regulatory Technician – Sr. DATE 8/13/2021

Type or print name Amanda Walker E-mail address: mwalker@hilcorp.com PHONE: (346) 237-2177

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_

### Proposed Allocation Methodology

Each month the following measurement will be conducted, and then calculations performed on an MMBTU basis.

Each well will be individually measured by its own allocation meter, and a sales meter at the CDP will measure the combined wells' gas volume.

The ratio of gas to allocate volume to each meter will be calculated as follows:

Well ratio = Well / (Well #1 + Well #2...)

Each well ratio will be multiplied by the CDP meter volume to determine production to each well.

CDP sales x well ratio = allocated well production

Each well ratio will be multiplied by the CDP fuel use volume to determine the fuel to allocate to each well.

CDP fuel x well ratio = allocated CDP fuel

Total Gas production and fuel for each well as follows:

Allocated Well Production + Allocated CDP Fuel + Individual Wellsite Fuel