

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

DHC-5170

Form C-103
 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. 30-039-22447 |
| 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 – NMSF078739 |
| 3. Address of Operator 382 Road 3100, Aztec NM 87410 | | 7. Lease Name or Unit Agreement Name San Juan 30-5 Unit |
| 4. Well Location Unit Letter <u>B</u> <u>1000</u> feet from the <u>North</u> line and <u>1800</u> feet from the <u>East</u> line Section <u>21</u> Township <u>30N</u> Range <u>05W</u> NMPM Rio Arriba County | | 8. Well Number 51 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6414' GR | | 9. OGRID Number 372171 |
| | | 10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota |

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

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 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 - 4945' – 6020'; DK - 7764' - 7790' These perforations are in TVD.

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

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 5/3/2022

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

For State Use Only

APPROVED BY: Dean R. McClure TITLE Petroleum Engineer DATE 10/14/2022
 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.

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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

Form C-102
August 1, 2011

Permit 296431

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|---|
| 1. API Number 30-039-22447 | 2. Pool Code 72319 | 3. Pool Name BLANCO-MESAVERDE (PRORATED GAS) |
| 4. Property Code 318433 | 5. Property Name SAN JUAN 30 5 UNIT | 6. Well No. 051 |
| 7. OGRID No. 372171 | 8. Operator Name HILCORP ENERGY COMPANY | 9. Elevation 6414 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|-------------------------|
| UL - Lot B | Section 21 | Township 30N | Range 05W | Lot Idn | Feet From 1000 | N/S Line N | Feet From 1800 | E/W Line E | County RIO ARRIBA |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|-------------------------|

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 E/2 | 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

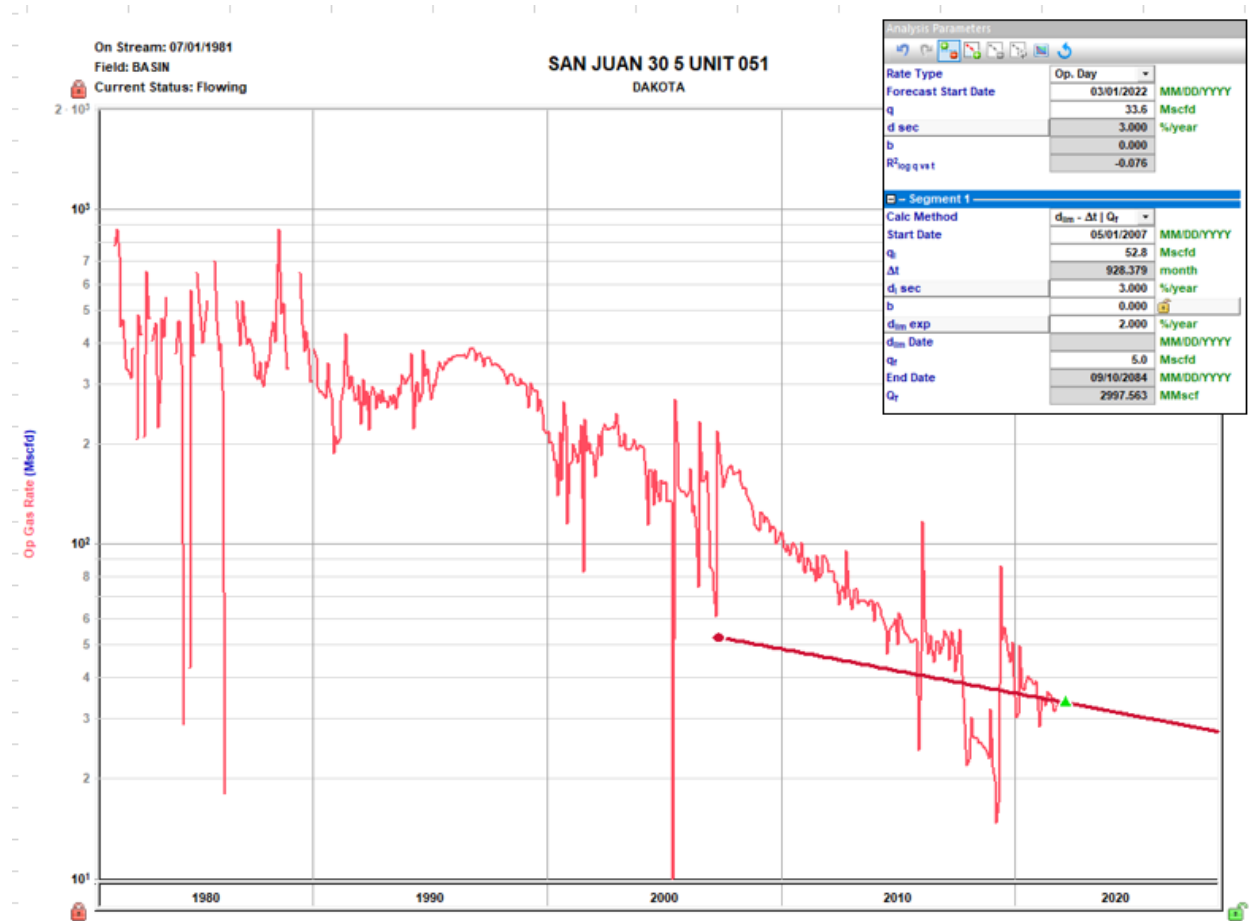
| | | |
|--|---|--|
| | OPERATOR CERTIFICATION | |
| | <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom 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> | |
| | E-Signed By: Kandis Roland Title: Regulatory Tech Date: 5/20/2021 | |
| | SURVEYOR CERTIFICATION | |
| <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> | | |
| Surveyed By: Fred B Kerr Jr. Date of Survey: 4/23/1980 Certificate Number: 3950 | | |

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 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 4th year and will be utilized to create a fixed percentage based allocation.

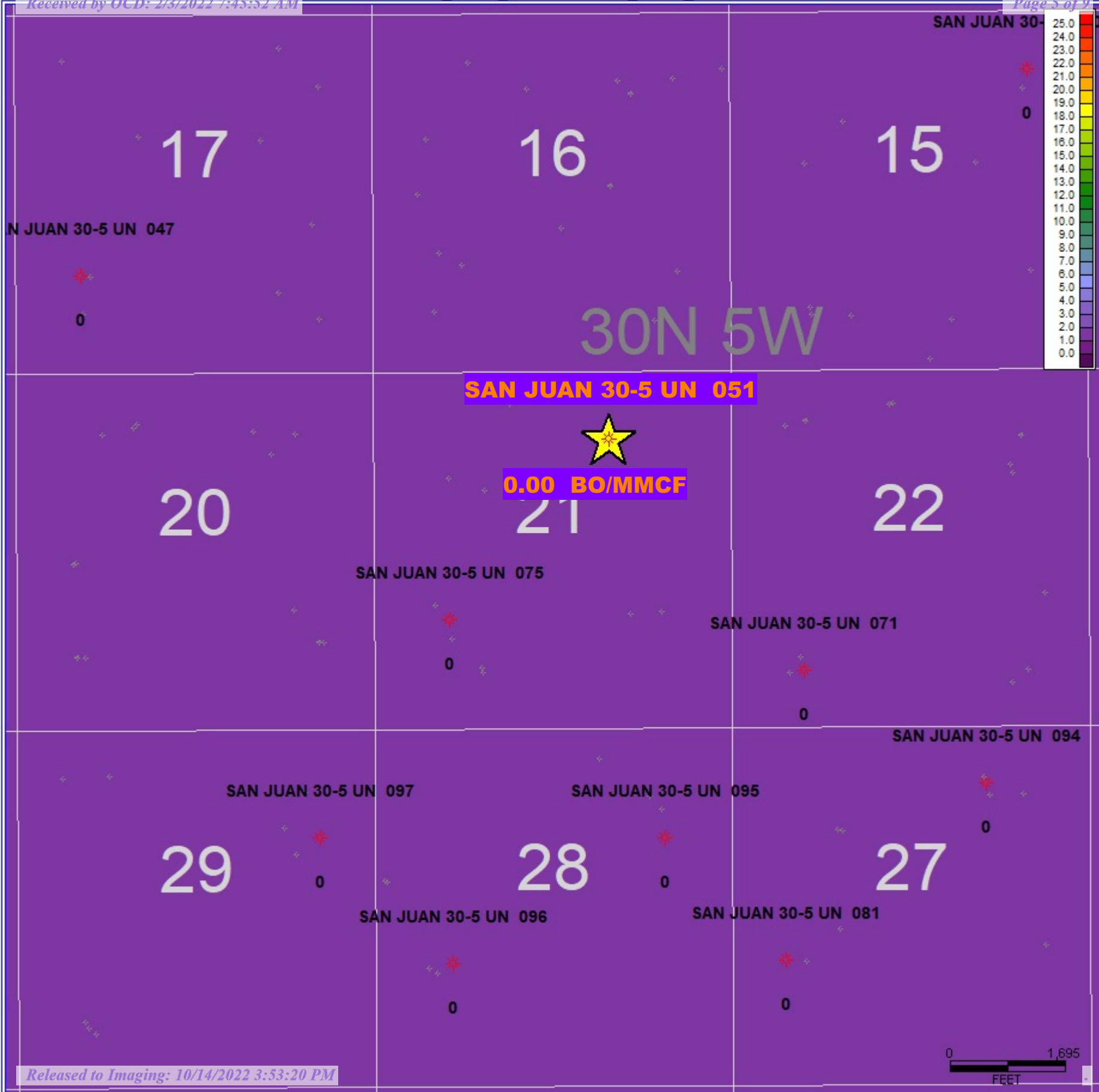


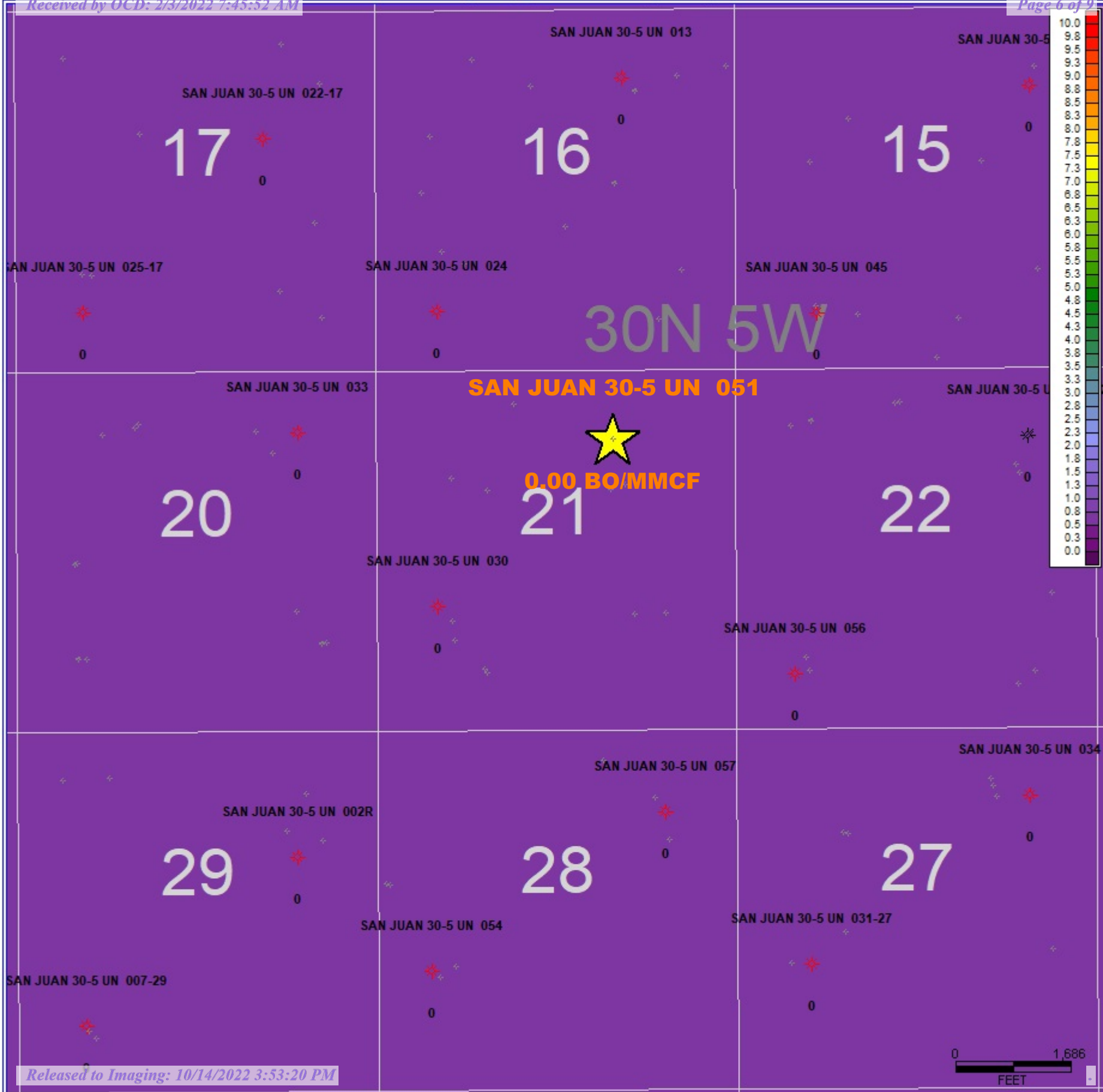
Oil Allocation:

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

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

All documentation will be submitted to NMOCD.





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

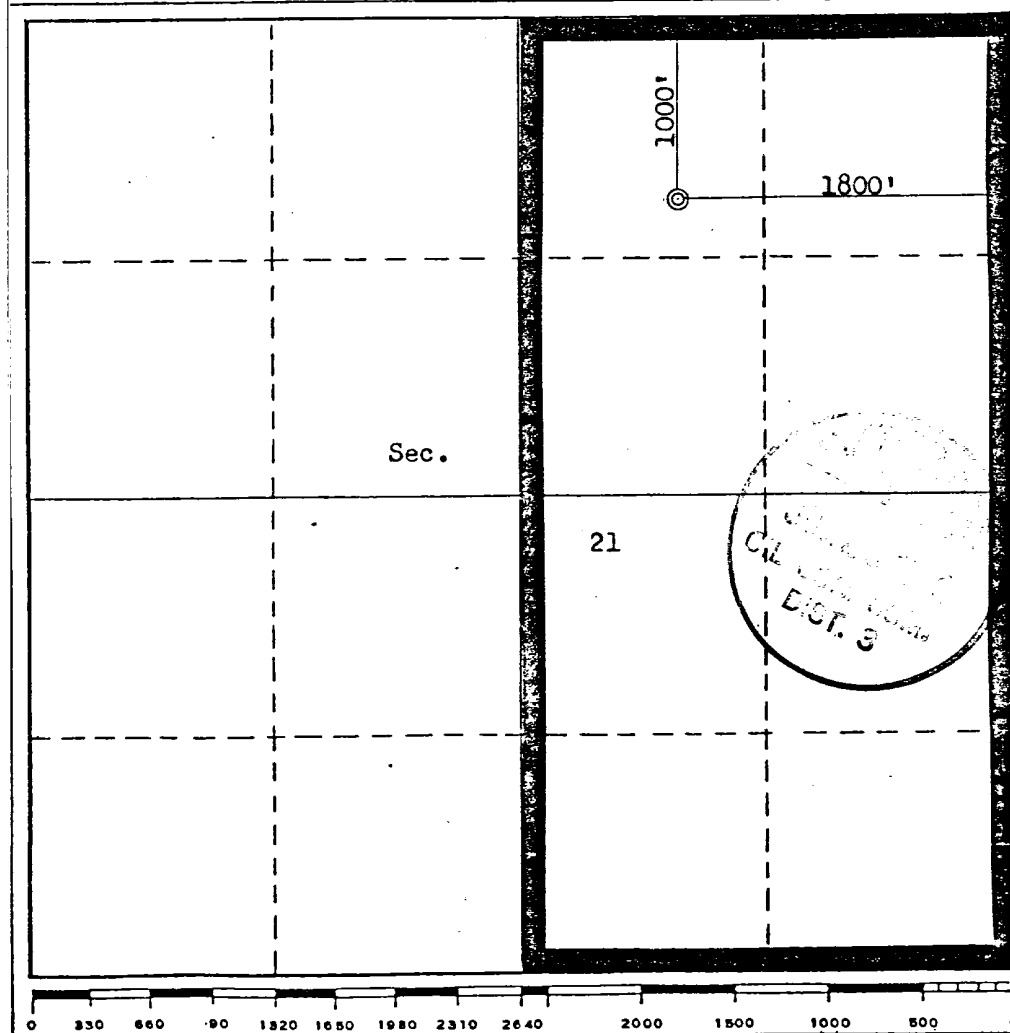
| | | | | | |
|--|--------------------------------------|------------------------|------------------------------------|-----------------------------|--|
| Operator NORTHWEST PIPELINE CORPORATION | | | Lease SAN JUAN 30-5 UNIT | | Well No. 51 |
| Unit Letter B | Section 21 | Township 30N | Range 5W | County Rio Arriba | |
| Actual Footage Location of Well: 1000 feet from the North line and 1800 feet from the East line | | | | | |
| Ground Level Elev. 6414 | Producing Formation Dakota | | Pool Basin Dakota | | Dedicated Acreage: 320 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 **PRODUCTION AND DRILLING**

If answer is "no," list the owners and tract descriptions which have actually been 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.

Paul C. Thompson
Name

Paul C. Thompson
Position
Drilling Engineer

Company
Northwest Pipeline Corp.

Date
April 29, 1980

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.

Date Surveyed **APR 29 1980**
REGISTERED LAND SURVEYOR
and/or Land Surveyor

Fred B. Kerr Jr.
Certificate **3950**
F. B. KERR, JR.

San Juan 30-5 Unit 51

Historically the Dakota has never produced oil therefore any oil production will be allocated to the Mesaverde.

| Formation | Yield (bbl/MM) | Remaining Reserves (MMcf) | % Oil Allocation |
|-----------|-------------------|---------------------------------|---------------------|
| DK | 0.000 | 164 | 0% |
| MV | 0.000 | 880 | 100% |

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Energy, Minerals and Natural Resources
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CONDITIONS

Action 78001

CONDITIONS

| | |
|--|--|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 78001 |
| | 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 OCD denies the revised allocation plan, this Permit shall terminate on the date of such action. | 10/14/2022 |
| 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 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. | 10/14/2022 |
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