

Office
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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-5191

Form C-103
Revised July 18, 2013

WELL API NO. 30-045-09439
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. NMSF029148
7. Lease Name or Unit Agreement Name Pubco Federal Gas Com
8. Well Number 1
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5971'

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 [x]
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 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 - 4106' - 5060'; DK - 6801' - 7010' These perforations are in TVD.

Notification of the intent to commingle the subject well was sent to all interest owners via certified mail on 1/20/2022. No objections were received.

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 Kandis Roland TITLE Operations/Regulatory Technician Sr, DATE 2/21/2022

Type or print name Kandis Roland E-mail address: kroland@hilcorp.com PHONE: 713-757-5246

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.

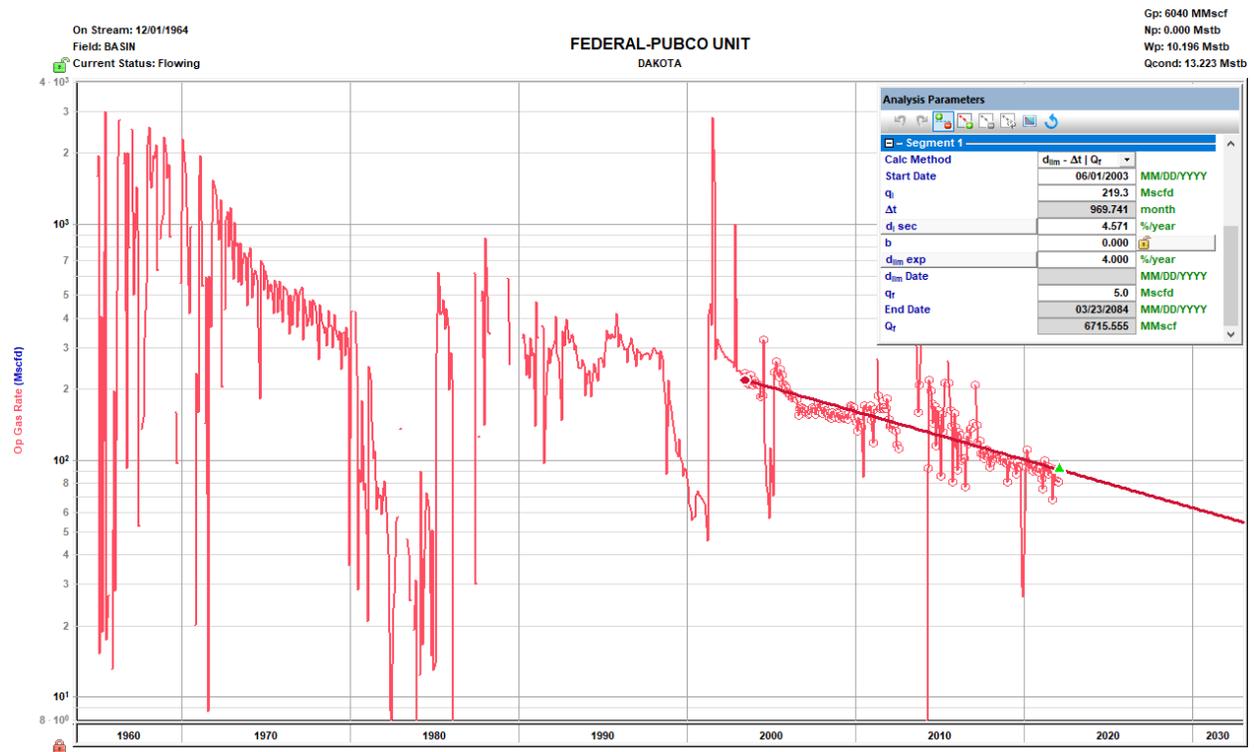
The Operator shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools ("fixed percentage allocation plan"). No later 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.

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.



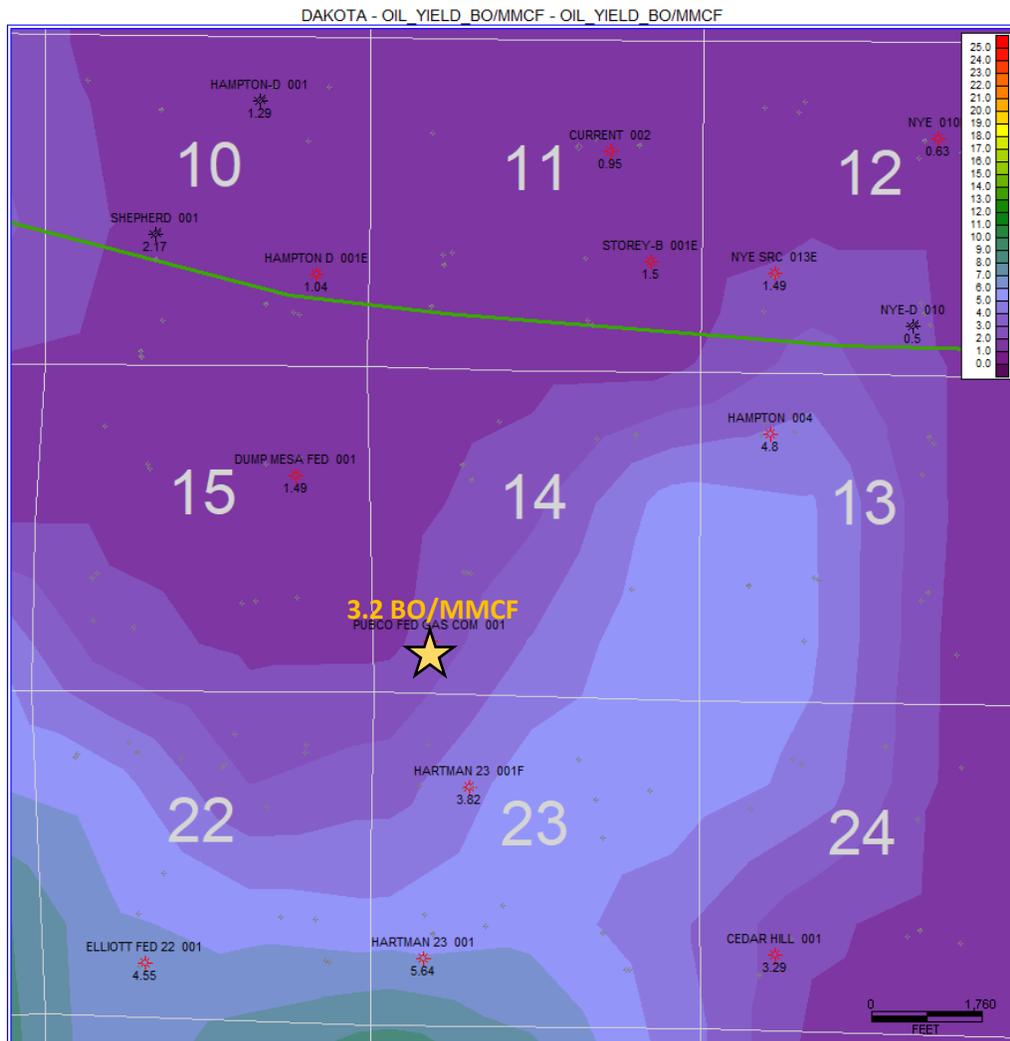
Oil Allocation:

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

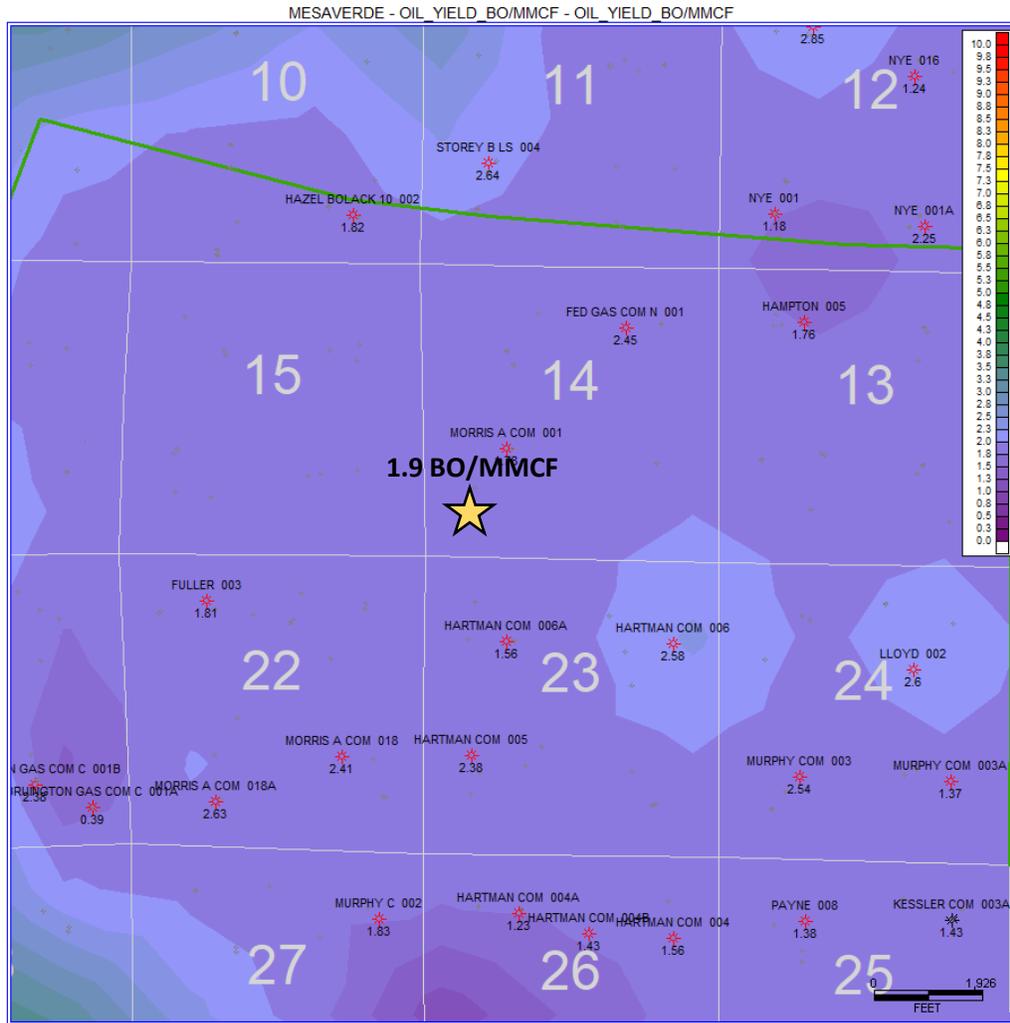
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.

Dakota Oil Yield Map

Well is Dakota only producer - used actual oil yield



Mesaverde Oil Yield Map Well sampled to oil yield map of MV standalone producers



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 Phone:(505) 476-3470 Fax:(505) 476-3462

Form C-102
 August 1, 2011
 Permit 306827

**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 30-045-09439	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 319061	5. Property Name PUBCO FEDERAL GAS COM	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5971

10. Surface Location

UL - Lot M	Section 14	Township 30N	Range 11W	Lot Idn	Feet From 830	N/S Line S	Feet From 925	E/W Line W	County SAN JUAN
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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 313.81 S/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: 1/17/2022	
	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: James P. Leese Date of Survey: 7/6/1964 Certificate Number: 1463		

Pubco Fedreal Gas Com 1

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	3.2	675	53%
MV	1.9	1008	47%

Form C-128 (8-57)

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Date July 15, 1964

Section A.

Operator BETA DEVELOPMENT COMPANY **Federal Pubco Unit**
 Well No. 1 Unit Letter H Section 14 Township 30 NORTH Range 11 WEST NMPM
 Located 830 Feet From the SOUTH Line 925 Feet From the WEST Line
 County SAN JUAN G. L. Elevation 5971' Dedicated Acreage S/320 Acres
 Name of Producing Formation Dakota Pool Basin Dakota

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes _____ No **X**
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.
Pubco, El Paso Natural Gas Co. and Beta Development Co., have agreed to communitization.
 If the answer to question two is "no", list all the owners and their respective interests below:

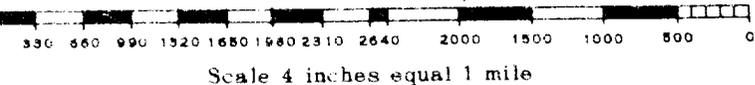
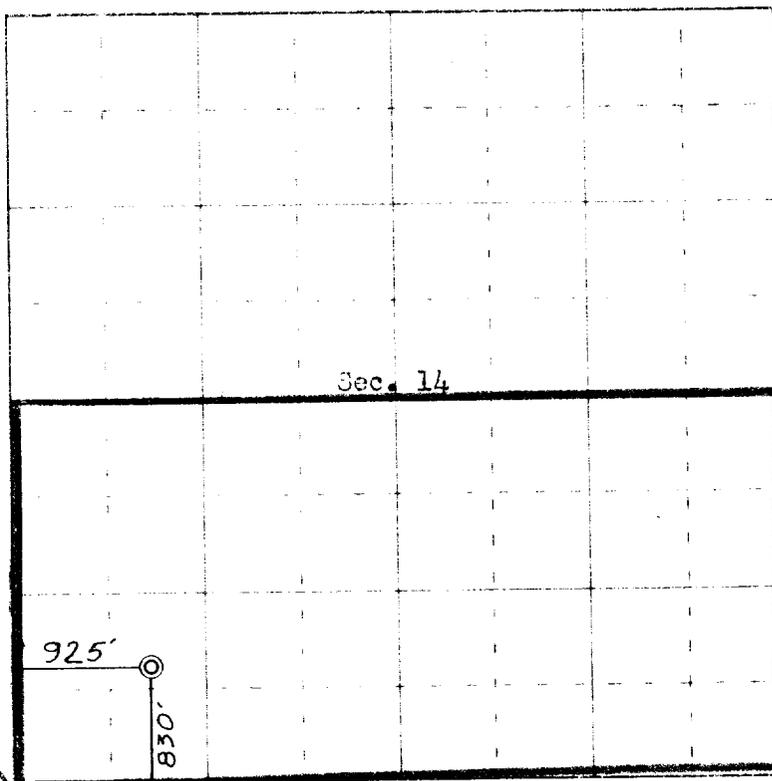
Owner	Land Description
El Paso Natural Gas Company	NE/4 SE/4
Pubco Petroleum Corporation	W/2 of SW/4
Beta Development Co.	E/2 of SW/4, W/2 of SE/4, SE/4 of SE/4

Section B.

Note: All distances must be from outer boundaries of section.

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

Beta Development Co.
 Original signed by
JOHN T. HAMPTON **Manager**
 (Representative)
234 Petr. Club Plaza
 (Address)
Farmington, New Mexico



Ref: GLO plat dated 7 April 1881



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief

Date Surveyed July 6, 1964

James P. Leese
 Registered Professional Engineer and/or Land Surveyor
 James P. Leese, N. Mex. Reg. No. 1463
 San Juan Engineering Company

From: [Kandis Roland](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Kandis Roland](#); [Mandi Walker](#)
Subject: [EXTERNAL] Pubco Federal Gas Com 1 (30-045-09439) - C-103 DHC
Date: Wednesday, April 20, 2022 10:12:50 AM
Attachments: [Pubco Federal Gas Com 1 DHC.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

Please see the attached revised DHC application for the subject well. DHC was filed 2/21/22 Action ID: 82913. Please let me know if you need anything further to process this application.

Thanks,

Kandis Roland
HILCORP ENERGY
San Juan East/South Regulatory
713.757.5246
kroland@hilcorp.com

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CONDITIONS

Action 82913

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 82913
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclosure	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
dmcclosure	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
dmcclosure	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.	10/14/2022
dmcclosure	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.	10/14/2022