eceized by QCD i 5/2/2024 1 i 32ri 04 P.	M State of New Me Energy, Minerals and Natu		DHC-5391	Form C-103
<u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240	Dhergy, withertas and reach	nai Resources	WELL API NO.	Ţ.
<u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210	OIL CONSERVATION		30-039-20 5. Indicate Type of Leas	
<u>District III</u> – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Fran		STATE	FEE
<u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Fe, NM 87	/505	6. State Oil & Gas Leas STATE ST	
SUNDRY NOT (DO NOT USE THIS FORM FOR PROPO	ICES AND REPORTS ON WELLS SALS TO DRILL OR TO DEEPEN OR PLI CATION FOR PERMIT" (FORM C-101) FO	UG BACK TO A	7. Lease Name or Unit A	
PROPOSALS.)	, ,	жысп	SAN JUAN 28 8. Well Number 129F	3-7 UNIT
Type of Well: Oil Well     Name of Operator	Gas Well Other		9. OGRID Number	
Hilcorp Energy Company			37217	1
3. Address of Operator 382 Road 3100, Aztec, N			10. Pool name or Wildo Blanco Mesaverde	
4. Well Location				
Unit Letter A: 770 fee	t from the North line and 545 fee	et from the <u>East</u>	ine	
Section 02	Township 027N Range 007W I		County RIO ARRIBA	
	11. Elevation (Show whether DR) 6132'		<i>c.)</i>	
	0132	GL		
12. Check A	ppropriate Box to Indicate Na	ture of Notice,	Report or Other Data	
NOTICE OF IN		911	BSEQUENT REPOR	T OE:
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WO		RING CASING 🗌
TEMPORARILY ABANDON	CHANGE PLANS		RILLING OPNS. P ANI	
PULL OR ALTER CASING	MULTIPLE COMPL ☐	CASING/CEMEI	NT JOB	
DOWNHOLE COMMINGLE				
CLOSED-LOOP SYSTEM  OTHER:	RECOMPLETE	OTHER:		
13. Describe proposed or comple	eted operations. (Clearly state all pek). SEE RULE 19.15.7.14 NMAC.	ertinent details, an		
It is intended to complete the subjudges Basin Dakota (pool 71599). The particular Allocation and methodology will production. The State of New Me	production will be commingled poe provided after the well is com	per Oil Conserva pleted. Commir	tion Division Order Number Number 1 will not reduce the	ber 11363.
Proposed perforations are: MV 44	408' - 5504'; DK 7032' - 7244'. '	These perforati	ons are in TVD.	
A C 1. C 1 UD 10476	D:			
As referred to in Order # R-10476	-B interest owners were not re-n	otified.		
Spud Date:	Rig Release Dat	e:		
I hereby certify that the information a	bove is true and complete to the bes	st of my knowledg	e and belief.	
SIGNATURE Cherylene W	eston TITLE Ope	erations/Regulator	y Tech-Sr. DATE	4/23/2024
Type or print name Cherylene Western State Use Only	E-mail address:	cweston@hilcor	p.com PHONE: 713	3-289-2615
APPROVED BY: No. 12 (if any):	Mollure TITLE Petrole	eum Engineer	DATE_06/	06/2024

## 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.

eceived by QCD i 5/4/2024 1 i32:04 Ph	M State of New Me	exico	Form C-103
<u>District I</u> – (575) 393-6161	Energy, Minerals and Natu	ral Resources	Revised July 18, 2013
1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283			WELL API NO. 30-039-26966
811 S. First St., Artesia, NM 88210	OIL CONSERVATION		5. Indicate Type of Lease
District III – (505) 334-6178	1220 South St. Frar	ncis Dr.	STATE FEE
1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> – (505) 476-3460	Santa Fe, NM 87	7505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505			STATE STATE
	CES AND REPORTS ON WELLS		7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOS DIFFERENT RESERVOIR. USE "APPLIC			SAN JUAN 28-7 UNIT
PROPOSALS.)	Gas Well 🛛 Other		8. Well Number 129F
<ol> <li>Type of Well: Oil Well</li> <li>Name of Operator</li> </ol>	Gas Well 🖂 Other		9. OGRID Number
Hilcorp Energy Company			372171
3. Address of Operator			10. Pool name or Wildcat
382 Road 3100, Aztec, NN	И 87410		Blanco Mesaverde / Basin Dakota
4. Well Location			
Unit Letter A: 770 feet	from the North line and 545 fee	et from the <u>East</u> line	e
Section 02 T	Township 027N Range 007W I		ounty RIO ARRIBA
	11. Elevation (Show whether DR,		
	6132'	GL	
12 (1 1 1		CNI D	
12. Check Ap	ppropriate Box to Indicate Na	ture of Notice, Re	eport or Other Data
NOTICE OF IN	TENTION TO:	SUBS	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WORK	
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRIL	<del>_</del>
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMENT	<del></del>
DOWNHOLE COMMINGLE	_		_
CLOSED-LOOP SYSTEM			
OTHER:	RECOMPLETE	OTHER:	
of starting any proposed world	k). SEE RULE 19.15.7.14 NMAC.		tive pertinent dates, including estimated date eletions: Attach wellbore diagram of
proposed completion or recor	mpletion.		
It is intended to complete the subje	ect well in the Blanco Mesaverd	e (nool 72319) and	downhole commingle with the existing
Basin Dakota (pool 71599). The p			
			ing will not reduce the value of the
production. The State of New Mex			C
		11	
Proposed perforations are: MV 44	.08' - 3171'; DK 7032' - 7244'. '	These perforation	s are in TVD.
A 6 1 1 0 1 11 D 10456	<b>D</b>		
As referred to in Order # R-10476-	-B interest owners were not re-no	otified.	
Spud Date:	Rig Release Date	e:	
I hereby certify that the information al	bove is true and complete to the bes	t of my knowledge a	and belief.
	•	,	
Charylana M	octon		
SIGNATURE Cherylene W	TITLE Ope	erations/Regulatory 1	<u>Fech-Sr.</u> DATE <u>4/23/2024</u>
Type or print name <u>Cherylene Wes</u>	ston E-mail address:	cweston@hilcorn.c	om PHONE: 713-289-2615
For State Use Only			110101 110 20/ 2010
APPROVED BY:	TITLE		DATE
Conditions of Approval (if any):			

Form C-102

August 1, 2011 Permit 364228

### District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 **District III** 

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 **District IV** 

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

# 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 30-039-26966	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318432	5. Property Name SAN JUAN 28 7 UNIT	6. Well No. 129F
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6132

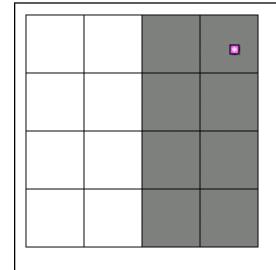
#### 10. Surface Location

Г	UL - Lot	Section	Township	Range	Lot ldn	Feet From	N/S Line	Feet From	E/W Line	County
	Α	2	27N	07W	1	770	N	545	E	RIO ARRIBA

#### 11. Bottom Hole Location If Different From Surface

UL - Lo	ot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. De	12. Dedicated Acres 319.12 E/2		13. Joint or Infill	13. Joint or Infill		n 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 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.

E-Signed By: Cherylene Weston

Title: Operations/Regulatory Tech-Sr.

Date: 4/22/2024

# 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.

Surveyed By:

Jason C. Edwards

Date of Survey:

12/10/2001

Certificate Number:

15269

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

¹API Number	°Pool Code	³Pool i	Name
	71599	BASIN D	DAKOTA
Property Code 016608		operty Name AN 28-7 UNIT	*Well Number
70GRID No. 005073	°Operator Name CONOCO, INC.		°Elevation 5132'
	<sup>10</sup> Surfa	ace Location	

UL or lot no. Section Township Lot Idn Feet from the Range North/South line Feet from the East/West line County RIO 2 Α 27N 7W 770 NORTH 545 EAST ARRIBA <sup>11</sup> 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 <sup>12</sup> Dedicated Acres <sup>13</sup> Joint or Infill <sup>15</sup> Order No. <sup>14</sup> Consolidation Code 319.12 Acres - (E/2)

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

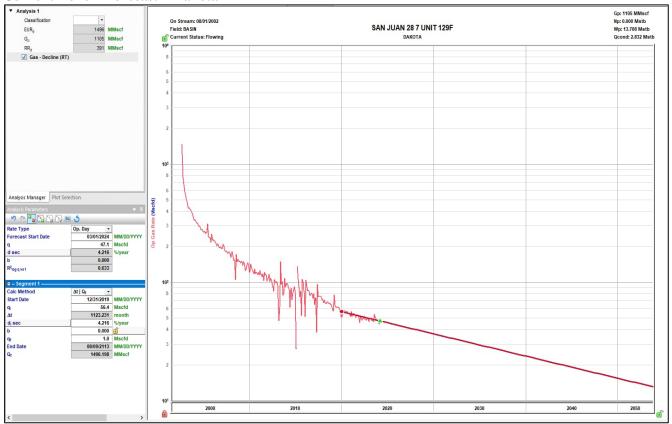
16	2629	9.44'	26:	34.72'		<sup>17</sup> OPERATOR CERTIFICATION
5.68	LOT 4	LOT 3	LOT 2	LOT	<b>770'</b> 1263.90	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
128		,		1 (	⊙ <del></del>	Signature
						Vicki R. Westby
		 	<u> </u>	- <del> </del>		Printed Name
				1		Sr. Title Analyst
16	i			;   	10	Title
) 4 .					. 7.	Date
130		 	18		127	18 SURVEYOR CERTIFICATION
		$\frac{1}{1}$ 2				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.
			F_2	90-28	:	Survey Date: DECEMBER 10, 2001
		 		10 20		Signature and Seal of Professional Surveyor
. 32 .			•	1	. 54 '	SECON C. EDWARDS
2608					2553	15269 B
		     5264	.82'			JASON C. EDWARDS Certificate Number 15269

## San Juan 28-7 Unit 129F 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 formations using historic production. All production from this well exceeding the base formation forecast will be allocated to the new formation. After 3 years production will stabilize. A production average will be gathered during the 4<sup>th</sup> year and will be utilized to create a fixed percentage-based allocation.

# Current Zone 1 Forecast - Dakota

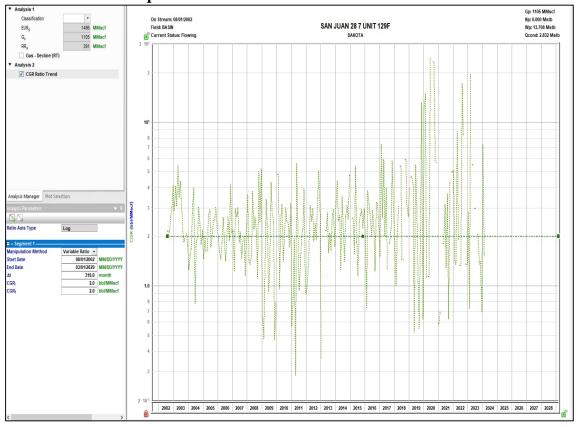


# Oil Allocation:

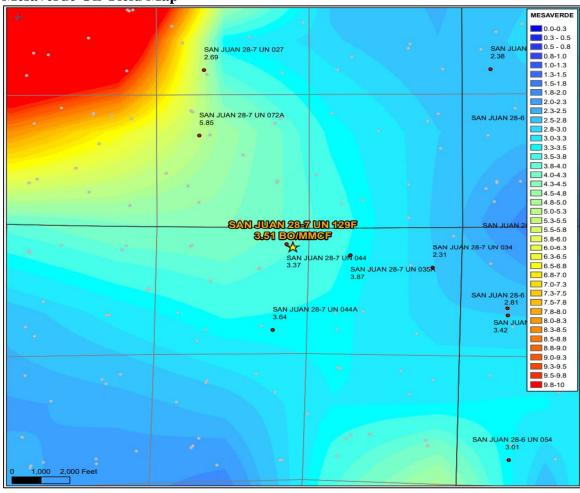
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation. All documentation will be submitted to NMOCD.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	2.00	391	34%
MV	3.51	436	66%

# **Dakota Oil Yield Map**







# **Cheryl Weston**

From: Cheryl Weston

Sent: Tuesday, April 23, 2024 10:59 AM

To: Baylen Lamkin

Subject: San Juan 28-7 Unit 129F DHC C-103 Attachments: SJ 28-7 Unit 129F DHC C-103.pdf

Baylen,

Good morning. Please see the attached DHC C-103 for the San Juan 28-7 Unit 129F, API 30-039-26966, on State of NM lease and surface.

Thank you,

Cheryl Weston
San Juan Operations/Regulatory Tech-Sr.
1111 Travis Street | Houston, TX 77002
Ofc: 713.289.2615 | cweston@hilcorp.com





# Stephanie Garcia Richard COMMISSIONER

# State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

Released to Imaging: 6/6/2024 1:45:35 PM

May 16, 2024

Hilcorp Energy Company ATTN: Ms. Cherylene Weston 1111 Travis St. Houston, TX 77002

Re: Application for Downhole Commingling

Wells approved for Downhole Commingling San Juan 28 7 Unit #129F (30-039-26966) POOLS: [71599] Basin Dakota (Prorated Gas)

[72319] Blanco-Mesaverde (Prorated Gas)

Rio Arriba County, New Mexico

Dear Ms. Weston,

We have received your \$150 application fee and request for downhole commingling for the above-captioned well(s).

Since it appears that all the rules and regulations for the New Mexico Oil Conservation Division and the State Land Office have been complied with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved.

### Our approval

- is subject to approval from all relevant agencies,
- does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

If you have any questions or if we may be if further assistance, please contact Baylen Lamkin at 505.827.6628 or blamkin@slo.state.nm.us.

Respectfully,

Stephanie Garcia Richard

Commissioner of Public Lands

SGR/bl

cc: OCD – Mr. Dean McClure

BLM - Mr. Kyle Paradis, Ms. Maureen Joe

OGMD and Units Reader Files

From: <u>Cheryl Weston</u>

To: McClure, Dean, EMNRD; Mandi Walker

Cc: Lowe, Leonard, EMNRD

Subject: RE: [EXTERNAL] RE: Application ID: 340306; 30-039-26966 SAN JUAN 28 7 UNIT #129F

**Date:** Wednesday, June 5, 2024 4:02:53 PM

**Attachments:** SJ 28-7 Unit 129F DHC C-103 SLO Notice Proof of Delivery.pdf

30039269660000 SJ 28-7 Unit 129F SLO DHC Appvd.pdf

Dean,

That's odd, my copy of the submittal has the SLO delivery receipt. SLO has also approved the DHC.

Cheryl

From: McClure, Dean, EMNRD < Dean. McClure@emnrd.nm.gov>

Sent: Wednesday, June 5, 2024 4:58 PM

To: Cheryl Weston <cweston@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>

Cc: Lowe, Leonard, EMNRD < Leonard.Lowe@emnrd.nm.gov>

Subject: [EXTERNAL] RE: Application ID: 340306; 30-039-26966 SAN JUAN 28 7 UNIT #129F

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Additionally, either provide Baylen's response to your email to him or else the certified tracking number for notification to the SLO.

Dean McClure

Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

From: McClure, Dean, EMNRD

Sent: Wednesday, June 5, 2024 3:50 PM

To: Cheryl Weston <<u>cweston@hilcorp.com</u>>; Mandi Walker <<u>mwalker@hilcorp.com</u>>

**Cc:** Lowe, Leonard, EMNRD < Leonard.Lowe@emnrd.nm.gov>

Subject: Application ID: 340306; 30-039-26966 SAN JUAN 28 7 UNIT #129F

Cheryl,

I am reviewing the DHC application referenced in the subject line of this email.

It appears that the perforation range for the MV formation has a typo in it. Please provide an amended application.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

DOCUMENTS

Department Number

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	4	g	J	)

Dear Customer,

The following is the proof-of-delivery for tracking number: 1001899980310008750100 740202996610

Startun:	Delivered	Delivered To:	Shipping/Receiving
Signed for by:	S.SANCHEZ	Delivery Location:	
Service type:	FedEx Priority Overnight		
Special Handling:	Deliver Weekday		SANTA FE, NM,
		Delivery date:	May 3, 2024 09:48
Shipping Information:			
Tracking number:	100189998031000875010074020: Ship Date:	0. Ship Date:	May 2, 2024
		Weight	1.0 LB/0.45 KG
Recipient		Shipper:	
SANTA FE, NM, US,		Houston, TX, US,	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 340306

# **CONDITIONS**

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	340306
	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.	6/6/2024
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.	6/6/2024
dmcclure	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.	6/6/2024
dmcclure	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.	6/6/2024