| Office | M - 5468 State of New M | Mexico pLE | L2506360462 | Form C-103 ⁹ | | | |
|--|--|--|---------------------------|-------------------------|--|--|--|
| <u>District I</u> – (575) 393-6161 | Energy, Minerals and Na | | I | Revised July 18, 2013 | | | |
| 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283 | | | WELL API NO. 30-045-33 | 8420 | | | |
| 811 S. First St., Artesia, NM 88210 | OIL CONSERVATION | | 5. Indicate Type of Leas | | | | |
| <u>District III</u> – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410 | 1220 South St. F. | | STATE | FEE 🛛 | | | |
| <u>District IV</u> – (505) 476-3460 | Santa Fe, NM | 87505 | 6. State Oil & Gas Leas | e No. | | | |
| 1220 S. St. Francis Dr., Santa Fe, NM 87505 | ID NO. 42414 | 8 | | | | | |
| | ES AND REPORTS ON WEL | | 7. Lease Name or Unit A | Agreement Name | | | |
| (DO NOT USE THIS FORM FOR PROPOSA DIFFERENT RESERVOIR. USE "APPLICA | | | HAZAN | II C | | | |
| PROPOSALS.) | <u></u> | , | 8. Well Number 2P | IE . | | | |
| 1. Type of Well: Oil Well 2. Name of Operator | Gas Well 🛛 Other | | 9. OGRID Number | | | | |
| Hilcorp Energy Company | | | 37217 | 1 | | | |
| 3. Address of Operator | | | 10. Pool name or Wildo | | | | |
| 382 Road 3100, Aztec, NM | 87410 | | Blanco Mesaverde | Basin Dakota | | | |
| 4. Well Location | | | | | | | |
| | from the <u>North</u> line and <u>22</u> | | | | | | |
| Section 4 To | wnship 030N Range 011W | | County SAN JUAN | | | | |
| UPDATED 03/05/25 | 11. Elevation (Show whether I | DR, RKB, RT, GR, etc. _. 88' GL | | | | | |
| | 310 | OO OL | | | | | |
| 12 Check An | propriate Box to Indicate 1 | Nature of Notice 1 | Report or Other Data | | | | |
| • | • | | • | | | | |
| NOTICE OF INT | | | SEQUENT REPORT | | | | |
| PERFORM REMEDIAL WORK | PLUG AND ABANDON | REMEDIAL WOR | | RING CASING | | | |
| TEMPORARILY ABANDON DULL OR ALTER CASING | CHANGE PLANS MULTIPLE COMPL | COMMENCE DRI | | | | | |
| DOWNHOLE COMMINGLE | MOLTH LL COMI L | CASING/CLIVILIN | 1 30B | | | | |
| CLOSED-LOOP SYSTEM | | | | | | | |
| | SIDETRACK | OTHER: | | | | | |
| 13. Describe proposed or complete | | | | | | | |
| proposed completion or recom |). SEE RULE 19.15.7.14 NMA | AC. For Multiple Com | pletions: Attach Wellbore | diagram of | | | |
| proposed completion of recom | pretton. | | | | | | |
| It is intended to drill and complete t | he subject well in the Blanco | o Mesaverde (pool 7 | 2319) and Basin Dakota | (pool 71599). | | | |
| The production will be commingled | per Oil Conservation Divisi | ion Order Number 1 | 1363. Commingling will | not reduce the | | | |
| value of the production. | | | | | | | |
| Duemogad manfavations and MX | 4.0502 4.0201. DIV. (|) (070) These re | onfonations and in TVD | | | | |
| Proposed perforations are: ~MV | 4,050' - 4,920'; ~DK 0,080 | 7 – 6,970°. These pe | eriorations are in 1 v D. | | | | |
| Hilcorp Energy will use a spinner m | nethod using the attached pro | ocedure. We will run | this procedure after init | ial completion, 3 | | | |
| months, 6 months and 12 months to | | | | | | | |
| stabilized, at which point a fixed all | | | | | | | |
| T / / / / / / / / / / / / / / / / / / / | • | | | | | | |
| Interest is common, no notification | n is necessary. | | | | | | |
| | | | | | | | |
| Spud Date: | Rig Release I | Date: | | | | | |
| | | | | | | | |
| I hereby certify that the information abo | ove is true and complete to the | hast of my knowledge | and haliaf | | | | |
| Thereby certify that the information abo | We is true and complete to the | best of my knowledge | and benef. | | | | |
| Chamalana Mastan | | | | | | | |
| SIGNATURE Cherylene Wes | Ston TITLE (| Operations/Regulatory | Tech-Sr. DATE | 1/23/2025 | | | |
| | | | | | | | |
| Type or print name Cherylene Wester | on E-mail addre | ss: _cweston@hilcorp. | .com PHONE: 713 | 3-289-2615 | | | |
| For State Use Only | | | | | | | |
| ADDROVED BY: | THE P | etroleum Eng | iineer Dame (| 03/05/25 | | | |
| APPROVED BY: | TITLE P | Su Sisuiti Elle | ineer DATE | 00100120 | | | |

Conditions of Approval (if any)

Released to Imaging: 3/5/2025 9:52:07 AM

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 utilize production logs to allocate gas production from the Well to each of the Pools. Once the gas allocation is determined, the Operator shall then consider the gas oil ratio for each pool to allocate oil production from the Well to each of the Pools. The Operator shall conduct a production log:

- a. following the initial completion;
- b. three (3) months after the initial completion;
- c. six (6) months after the initial completion;
- d. twelve (12) months after the initial completion;
- e. annually thereafter until the allocation has stabilized; and
- f. additionally, as directed by OCD.

No later than ninety (90) days after conducting each production log, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the results of the production log and the oil and gas allocations for each of the Pools. Upon request from OCD, the Operator shall provide documentation supporting the allocations and if OCD determines that the allocations are inaccurate, the Operator shall proceed as directed by OCD.

Once the allocations have stabilized, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes a tabulation of the oil and gas allocation following each of the conducted production logs and a proposed fixed percentage for allocating the oil and gas production from the Well to each of the Pools. If OCD approves the proposed fixed percentage, then the Operator shall allocate accordingly. If OCD denies the proposed fixed percentage, then the Operator shall continue conducting annual production logs.

A production log shall consist of either using a turbine/spinner flowmeter to determine the stabilized flow rate from each of the Pools under normal operating conditions or by another method OCD has specifically approved.



January 30, 2025

Mailed Certified with Electronic Return Receipt

To: All Interest Owners

RE: Application to Downhole Commingle Production

Well: Pubco Federal Gas Com #1N

API: 30-045-38423

Section 14, Township 30 North, Range 11 West

San Juan County, New Mexico

Ladies and Gentlemen:

Hilcorp Energy Company ("Hilcorp"), as Operator of the subject well, has filed application with the New Mexico Oil Conservation Division ("NMOCD") for approval to downhole commingle production from the **Basin Dakota** and **Blanco Mesaverde**, formations Hilcorp soon intends to drill and complete. This letter and the application copy enclosed serve to provide you, an owner in one or more of the aforementioned formations, with written notice as prescribed by Subsection C of 19.15.12.11 New Mexico Administrative Code.

No action is required by you unless you wish to pursue a formal protest.

Any objections or requests for hearing must be submitted to the NMOCD's Santa Fe office, in writing, within twenty (20) days from the date the NMOCD receives the subject application.

Sincerely,

Carson Parker Rice

Landman 713.757.7108

carice@hilcorp.com

CPR:dpk Enclosures

| ceived by QCD to Appropriate 12:15:34 PM | State of New Mo | exico | | Form C-103 |
|---|-----------------------------------|---------------------|---------------------------|-------------------------|
| Office District I – (575) 393-6161 | Energy, Minerals and Nati | ural Resources | | Revised July 18, 2013 |
| 1625 N. French Dr., Hobbs, NM 88240 | | | WELL API NO. | 15.00.400 |
| <u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210 | OIL CONSERVATION | N DIVISION | | 15-38423 |
| <u>District III</u> – (505) 334-6178 | 1220 South St. Fra | ncis Dr. | 5. Indicate Type of STATE | FEE 🖂 |
| 1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> – (505) 476-3460 | Santa Fe, NM 8 | 7505 | 6. State Oil & Gas | |
| 1220 S. St. Francis Dr., Santa Fe, NM 87505 | | | o. State on & day | Double 110. |
| SUNDRY NOTICE | ES AND REPORTS ON WELLS | | 7. Lease Name or U | Jnit Agreement Name |
| (DO NOT USE THIS FORM FOR PROPOSAL DIFFERENT RESERVOIR. USE "APPLICAT | | | | |
| PROPOSALS.) | | OKSCCII | | leral Gas Com |
| | as Well 🛛 Other | | 8. Well Number 1 | |
| 2. Name of Operator Hilcorp Energy Company | | | 9. OGRID Number | 72171 |
| 3. Address of Operator | | | 10. Pool name or W | |
| 382 Road 3100, Aztec, NM | 87410 | | | erde / Basin Dakota |
| 4. Well Location | | | 1 | |
| Unit Letter <u>I</u> : <u>1745</u> feet fr | om the North line and 1132 | feet from the East | _ line | |
| Section 14 Tow | rnship 030N Range 011W I | NMPM (| County SAN JUAN | |
| | 1. Elevation (Show whether DR | | .) | |
| | 6027 | " GL | | |
| 10 (1 1 4 | ' A D A T I' A NI | . CNI .: I | D 4 04 D | 4 |
| 12. Check App | ropriate Box to Indicate Na | ature of Notice, I | Report or Other Da | та |
| NOTICE OF INTE | ENTION TO: | SUB | SEQUENT REP | ORT OF: |
| | PLUG AND ABANDON 🔲 | REMEDIAL WOR | | LTERING CASING |
| | CHANGE PLANS | | | AND A |
| | MULTIPLE COMPL | CASING/CEMEN | IT JOB | |
| DOWNHOLE COMMINGLE | | | | |
| CLOSED-LOOP SYSTEM SII | DETRACK | OTHER: | | |
| 13. Describe proposed or completed | | | oive pertinent dates, i | ncluding estimated date |
| of starting any proposed work). | | | | |
| proposed completion or recomp | | <u>r</u> | I | |
| | | | | |
| t is intended to drill and complete th | | | | |
| The production will be commingled j | | | 0 0 | |
| alue of the production. The Bureau | of Land Management has l | been notified in w | riting of this applica | tion. |
| Proposed perforations are: ~MV 4 | .200' = 5.200': ~DK 6.850' | – 7.200'. These po | erforations are in T | 'VD. |
| Toposed periorations are: 1717 | ,200 5,200 , D11 0,000 | 7,200 . These p | | , 2, |
| Hilcorp Energy will use a spinner me | thod using the attached proce | edure. We will rur | n this procedure after | initial completion, 3 |
| nonths, 6 months and 12 months to e | | ing. Annual spinn | ers will be ran until | the allocations have |
| tabilized, at which point a fixed allo | cation will provided. | | | |
| hig notice is being nuceided to | s by contified most as an i | anat arma | Andan Mumban 110 | 62 Dlogge medit |
| This notice is being provided to you NMOCD within twenty (20) days if | | erest owner het (| Fruer Muniber 1130 | os. Trease notify |
| (20) udys ii | . j ca mare objections: | | | |
| | | | | |
| pud Date: | Rig Release Da | te: | | |
| | | | | ı |
| haraby cartify that the information above | va is true and complete to the be | et of my knowledge | and baliaf | |
| hereby certify that the information above | te is true and complete to the be | st of my knowledge | and bellet. | |
| Charylana Macta | ın | | | |
| signature Cherylene Westo | OD TITLE OP | erations/Regulatory | Tech-Sr. DAT | E <u>1/29/2025</u> |
| | | | | |
| Type or print name <u>Cherylene Weston</u> | E-mail address: | : cweston@hilcorp | .com PHONE: | 713-289-2615 |
| or State Use Only | | | | |
| DDD OVED DV. | TITLE | | DATE | |

C - 102Submit Electronically Via OCD Permitting

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

| | Revised July 9, 2024 |
|-------------------|----------------------|
| | ☑ Initial Submittal |
| Submittal Type | ☐ Amended Report |
| . , , , | ☐ As Drilled |

| | | | | | WELL | LOCATION | INFORM | MATION | | | | |
|---------------------------------------|--|-----------------|--------------|----------|-----------------------------------|--------------------------|--------------|--------------------------------|------------------|------------------------|---------|--------------------|
| API Number 30-045-38423 Pool Code 723 | | | | | | Pool Name | | | BLANCO MESAVERDE | | | |
| Proper | ty Code 3 | 19061 | | Prop | erty Name PL | JBCO FEDER | AL GAS (| COM | | Well Number | 1N | |
| OGRID | No. | 372171 | | Open | ator Name HI | LCORP ENER | RGY COMF | PANY | | Ground Level Elevatio | on 60 | 027 ' |
| Surfac | e Owner: | ☐ State | ⊠ Fee □ | Tribal | □ Federal | | Mineral Ov | wner: □ State 🛛 Fee | _ T | ribal □ Federal | | |
| | | | | | | Surface L | ocation. | | | | | |
| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W L | Line | Latitude | | Longitude | | County |
| Ι | 14 | 30N | 11W | | 1745' SOUTH | 1132 ' | EAST | 36.809563 | *N | -107.9554 | 60 °W | SAN JUAN |
| Bottom Hole Location | | | | | | | | | | | | |
| uL I | Section 14 | Township 30N | Range 11W | Lot | Feet from N/S Line 1838' SOUTH | Feet from E/W l 1299' | Line EAST | Latitude 36.809829 | °N | Langitude -107.9560 | 31°W | County SAN JUAN |
| | | | | | | | | | | | | |
| Dedicat | ted Acres | | Pene | trated : | Spacing Unit: | Infill or Def | fining Well | Defining Well API | Over: | lapping Spacing Unit | Consoli | dation Code |
| 313 | 313.81 S/2 - Section 14, T30N, R11W Infill 30-045-35165 ☐ Yes 🛛 No C | | | | | | | С | | | | |
| Order | Numbers | | | | | | Well setba | L ncks are under Common Own | nership | o: ☐ Yes [| X No | |
| | | | | | κ | ick Off Po | oint (KO | P) | | | | |
| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W L | _ine | Latitude | | Longitude | | County |
| | | | | | Fi | rst Take P | Point (F | 'TP) | | | | |
| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W L | _ine | Latitude | | Longitude | | County |
| Last Take Point (LTP) | | | | | | | | | | | | |
| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W L | Line | Latitude | | Longitude | | County |
| | <u> </u> | I | | | | | | 1 | | I | | 1 |
| Unitize | ed Area or | Area of Ur | iform Intere | st | Spacing Unit Type | zontal 🗆 | Vertical | l ⊠ Directional | 1 | Ground Floor Elevat | ion | |
| | | | | | | | | | | | | |
| T. beer | aby contif | | | | RTIFICATION | to to the heat | 7.6 | SURVE | | Recation shown on th | | was plotted from |

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.

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.

Cherylene Weston 1/6/2025 Cherylene Weston, Operations/Regulatory Tech-Sr. Printed Name

cweston@hilcorp.com

E-mail Address

I nereby 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.



Signature and Seal of Professional Surveyor

Certificate Number 15269

Date of Survey NOVEMBER 21, 2024

BOTTOM-HOLE LOCATION (B) 1838 ' FSL 1299 ' FEL SECTION 14, T30N, R11W LAT 36.809825°N LONG -107.955409 °W DATUM: NAD1927

> LAT 36.809829°N LONG -107.956031°W DATUM: NAD1983

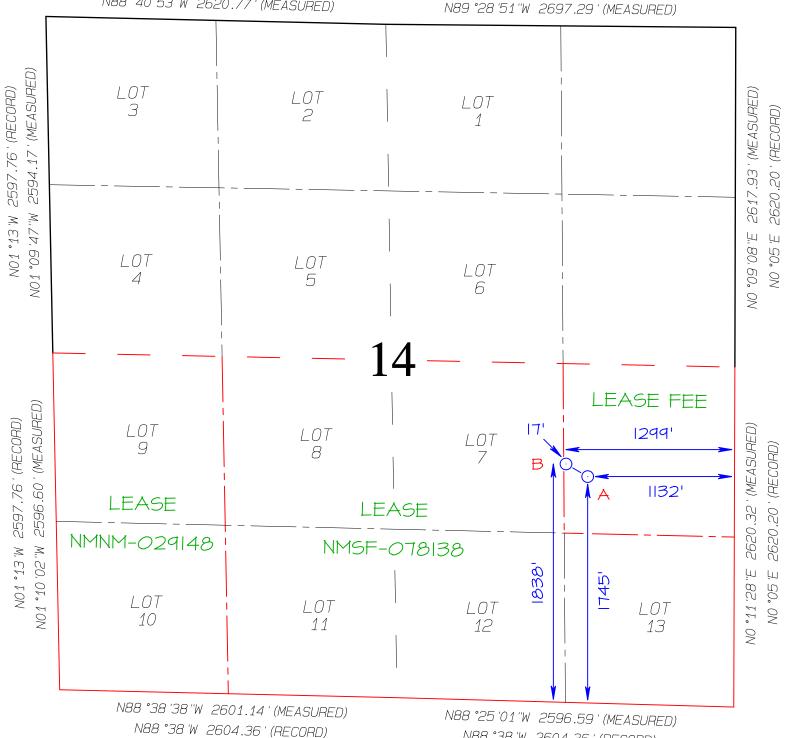
SURFACE LOCATION (A) 1745' FSL 1132' FEL SECTION 14, T30N, R11W LAT 36.809559 N LONG -107.954837°W DATUM: NAD1927 N59°52.2'W

> LAT 36.809563°N LONG -107.955460°W DATUM: NAD1983

N88°43'W 2621.52' (RECORD) N88°40'53"W 2620.77' (MEASURED)

N89 °30 W 2700.06 '(RECORD)

N88 °38 'W 2604.36 ' (RECORD)



193.31

C - 102Submit Electronically Via OCD Permitting

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

| | Revised July 9, 2024 |
|-------------------|----------------------|
| | ☑ Initial Submittal |
| Submittal Type | ☐ Amended Report |
| . , , , | ☐ As Drilled |

WELL LOCATION THEODINATION

| | WELL LOCATION INFORMATION | | | | | | | | | | | |
|---|---------------------------|-----------------|--------------|--------|-----------------------------------|-----------------------------|------------|-------------------------------|----------------------|-------------------------|------------------|--------------------|
| API Nu | mber 30- | 045-38 | 423 | Pool | Pool Code 71599 | | | Pool Name BASIN DAKOTA | | | | |
| Proper | ty Code 3 | 19061 | | Prope | erty Name P | UBCO FEDERA | L GAS (| COM | | Well Number | 1N | |
| OGRID | No. | 372171 | | Opera | ator Name Hi | ILCORP ENER(| SY COMP | ANY | | Ground Level Elevatio | on 60 |)27 ' |
| Surfac | e Owner: | ☐ State | ⊠ Fee □ | Tribal | □ Federal | | Mineral Ow | ner: □ State 🏿 Fee | <u> </u> | 「ribal ☐ Federal | | |
| | | | | | | Surface Lo | cation | | | | | |
| u. I | Section 14 | Township 30N | Range 11W | Lot | Feet from N/S Line 1745' SOUTH | Feet from E/W Li 1132' E | ne EAST | Latitu de 36.809563 | ° N | Langitude -107.95546 | 50 °W | County SAN JUAN |
| | | | | | L | Bottom Hole | Locatio | חס | | | | |
| UL I | Section 14 | Township 30N | Range 11W | Lot | Feet from N/S Line 1838' SOUTH | Feet from E/W Li 1299' E | ne EAST | Latitude 36.809829 | °N | Langitude -107.95603 | 31°W | County SAN JUAN |
| Dedicated Acres Penetrated Spacing Unit 313.81 S/2 - Section 14, T30 | | | | · = | Infill or Defi | | | | lapping Spacing Unit | Consoli | dation Code C | |
| Order | Numbers | | | | | | Well setba | cks are under Common Own | nershi | o: ☐ Yes [|] No | |
| | | | | | 1 | Kick Off Poi | nt (KO | P) | | | | |
| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W Li | ne | Latitude | | Longitude | | County |
| | | | | | F: | irst Take Po | int (F | TP) | | | | |
| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W Li | ne | Latitude | | Longitude | | County |
| Last Take Point (LTP) | | | | | | | | | | | | |
| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W Li | ne | Latitude | | Longitude | | County |
| | | | | | | I | | | | I | | |
| Unitize | d Area or | Area of Un | iform Inter | est | Spacing Unit Type | izontal 🗆 ' | /ertical | ⊠ Directional | l | Ground Floor Elevat | | |
| | | | | | • | | | | | | | |
| | | | | | | | 1 | | | | | |

OPERATOR CERTIFICATION

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.

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.

Cherylene Weston 1/6/2025 Cherylene Weston, Operations/Regulatory Tech-Sr. Printed Name

cweston@hilcorp.com

E-mail Address

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.



L DWARDS

Signature and Seal of Professional Surveyor

Certificate Number 15269

Date of Survey NOVEMBER 21, 2024

BOTTOM-HOLE LOCATION (B) 1838 ' FSL 1299 ' FEL SECTION 14, T30N, R11W LAT 36.809825°N LONG -107.955409 °W DATUM: NAD1927

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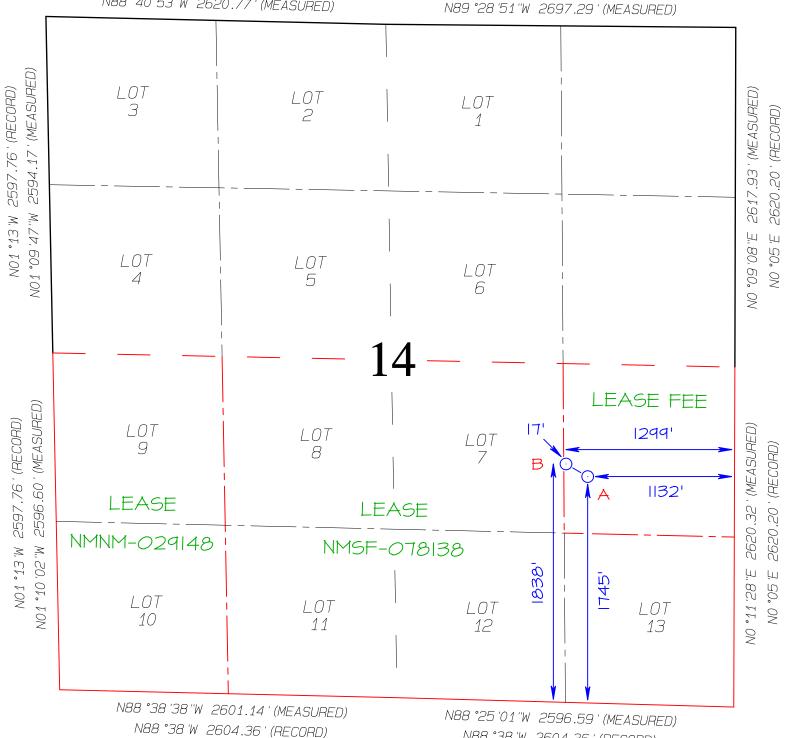
SURFACE LOCATION (A) 1745' FSL 1132' FEL SECTION 14, T30N, R11W LAT 36.809559 N LONG -107.954837°W DATUM: NAD1927 N59°52.2'W

> LAT 36.809563°N LONG -107.955460°W DATUM: NAD1983

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N89 °30 W 2700.06 '(RECORD)

N88 °38 'W 2604.36 ' (RECORD)



193.31

REVENUE ALLOCATION PROCEDURE

DAKOTA/MESAVERDE WELLS

- 1.) Frac and flowback the Dakota formation
- 2.) Frac and flowback and clean up Mesaverde formation
- 3.) Stabilize MV flow up casing against area line pressure
- 4.) Record a MV flow rate through a choke using an orifice meter
- 5.) Drill out bridge plug over DK formation
- 6.) Cleanup DK formation
- 7.) Run Spinner production profile across Dakota formation
- 8.) Add MV flow rate from previous test to DK flow rate from spinner to get total flow
- 9.) Allocation is based upon MV or DK rates as a percentage of total flow

Once allocation is established, it will be used for the life of the well. Below is a summary of how the testing is performed.

Field Test (Spinner Method)

Summary

This example covers the procedure used to allocate production using the spinner method with field tests. This method was used by ConocoPhillips prior to the Burlington Resources acquisition and has been chosen as the preferred allocation method on all future Mesaverde/ Dakota commingled wells. The allocation is based on two separate tests. The first is a stabilized rate test on the Mesaverde up the casing-tubing annulus with line pressure simulated by a choke at the surface. The second test is performed by running a production log over the Dakota interval. The rate from each layer is used in a simple calculation to determine the contribution percentage.

Procedure

Allocation testing is performed after the well has been completed. A composite bridge plug is normally located above the DK and a composite frac plug is sometimes located within the MV.

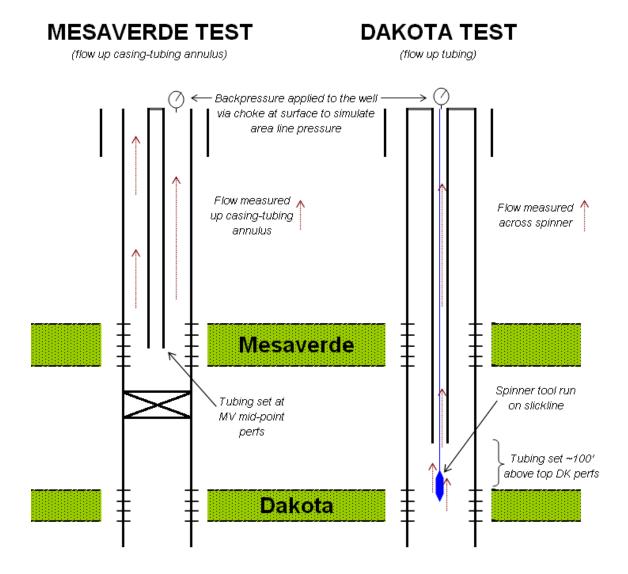
The first step in testing the MV is drilling out the plugs and cleaning out the well. Once water and sand volumes reach acceptable levels (less than 5 bph), the tubing is set at the mid-point of MV perfs. The well is then opened to flow up the casing-tubing annulus with a positive choke at the surface to simulate a back-pressure on the well. The MV is tested for a minimum of 4 hours or until pressure stabilizes. Tubing and casing pressures are reported every 15 minutes and when pressure is the same three times then it is considered stabilized. Metered gas, water, and condensate rates and volumes are all documented as well as testing conditions (tubing location, choke size, pressures).

After the MV has been tested, the composite drill plug over the DK is drilled out and the well is cleaned out to PBTD. Once the water and sand volumes reach acceptable levels (less than 5

bph), the bottom-hole assembly is configured and the tubing is landed approximately 100 feet above the DK perfs. A slickline or wireline unit is used to run the production loggings tools. The logging tools are lowered to the bottom perfs and the DK interval is logged while the well is producing up the tubing against a choke. Once again, the well is tested for a minimum or 4 hours or until the pressure has stabilized. The log is run across the entire DK interval to 50 feet above the top DK perforation. The log data is interpreted by the service company and returned to the completions group within a few days.

The stabilized MV rate is combined with the stabilized DK rate to come up with a total well production rate. The ratio of the MV rate to the total rate is used as the MV allocation percentage and the same is done for the DK. An example test and corresponding calculations are included in the report.

Diagram



Example- San Juan 31-6 Unit 40G

After the MV has been cleaned up and the well has stabilized, the MV is tested at 1,306 Mcfd (see report below). The test was performed up the tubing-casing annulus (4.5" casing/ 2.38" tubing) with a ½" choke at surface. The stabilized flowing casing pressure was 198 psi, which is similar to line pressure in the area.

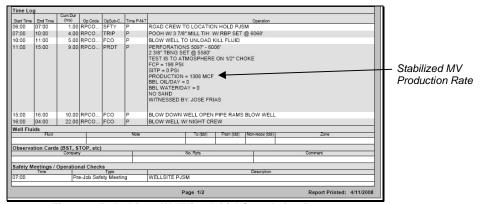


Figure 1: Pulled from WellView Initial Completion Report

The DK is then cleaned up and the logging tools are run. The reports from ProTechnics show a total rate from the DK equal to 584 Mcfd (see report below). The test was performed at a flowing tubing pressure of 125 psi with a ½" choke at surface.

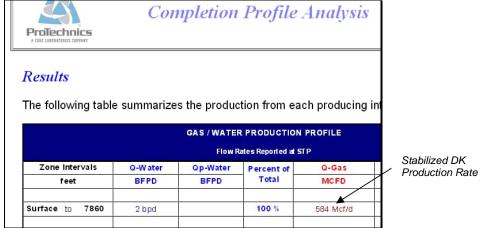


Figure 2: Pulled from Protechnics Report, pg. 6

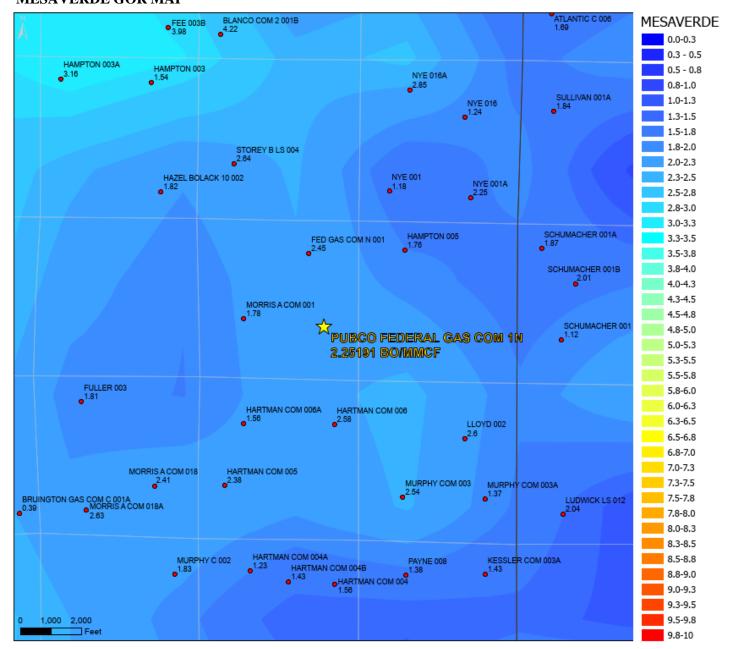
The allocation is calculated as follows and an allocation form is completed for the well. See Appendix for allocation form, WellView report, and ProTechnics report including production logs.

| MV Rate | 1306 | % MV= 1306/1890= | 69% |
|------------|------|------------------|-----|
| DK Rate | 584 | % DK= 584/1890= | 31% |
| Total Rate | 1890 | | |

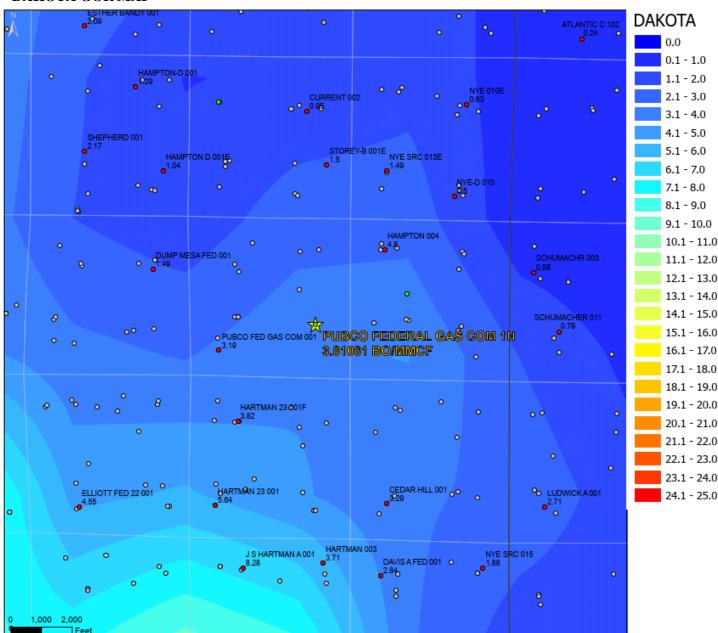
Oil Allocation:

Oil production will be allocated utilizing GOR in terms of oil yield based on actual production from offset Dakota and Mesaverde wells. Once gas allocation split is obtained from spinner, oil yield values will be applied to get final oil allocation split.

MESAVERDE GOR MAP



DAKOTA GOR MAP



| 92148969009997901843159860 | Dani Kuzma | , OFFICE OF NATURAL RESOURCES REVENUE, LAKEWOOD ACCTG CENT ONSHORE, DENVER, CO, 80225-0627 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
|----------------------------|---------------|--|-----------|----------------------|
| 92148969009997901843159877 | Dani Kuzma | , SILVERADO OIL and GAS LLP, , TULSA, OK, 74152-0308 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159884 | Dani Kuzma | , PIONEER NATURAL RES USA INC, KATHY NAVARRETE, MIDLAND, TX, 79702 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159891 | Dani Kuzma | , CROSS TIMBERS ENERGY LLC, C/O DRILLINGINFO MAIL, FORT WORTH, TX, 76102 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159907 | Dani Kuzma | , DOROTHY H MULLINS TRUST, U/T/A DTD APRIL 28 1983, ST MARIES, ID, 83861 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159914 | Dani Kuzma | , KAREN H MENZ, , AGUANGA, CA, 92536 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159921 | Dani Kuzma | , VIVIAN SWANN, , CASTLE ROCK, WA, 98611 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159938 | Dani Kuzma | , GAYLE H LARSON, , MERIDIAN, ID, 83646 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159945 | Dani Kuzma | , LANCE LYSTER, , FALLON, NV, 89406 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159952 | Dani Kuzma | , ELLIOTT-HALL COMPANY, , OGDEN, UT, 84415 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159969 | Dani Kuzma | , ELLIOTT INDUSTRIES, , SANTA FE, NM, 87504 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159976 | Dani Kuzma | , ELLIOTT ENERGY LLC, , BUELLTON, CA, 93427 Code: PUBCO FED GC 1N DHC | 1/30/2025 | 1 |

| | | | | Signature Pending |
|----------------------------|---------------|--|-----------|----------------------|
| 92148969009997901843159983 | Dani Kuzma | , MESA ROYALTY TRUST, ATTN NEW MEXICO PROPERTIES, BARTLESVILLE, OK, 74004 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843159990 | Dani Kuzma | , JO ANNE MOSS TRELOAR, , SANTA BARBARA, CA, 93105-9708 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843160002 | Dani Kuzma | , BRONCO OIL COMPANY, , OKLAHOMA CITY, OK, 73189 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843160019 | Dani Kuzma | , EDWARD FORGOTSON SR MINTRDTD7/25/17, ANN Y M FORGOTSON ELIZABETH FORGOTS, MIAMI, FL, 33139 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |
| 92148969009997901843160026 | Dani Kuzma | , SIMCOE, LLC, ATTN MICHELLE BLANKENSHIP, DURANGO, CO, 81301 Code: PUBCO FED GC 1N DHC | 1/30/2025 | Signature Pending |



AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of San Juan

Odolo Town of the University Record, on oath states that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Law of 1937, that payment therefore has been made of assessed as court cost; and that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

2/3/2025

Sworn and subscribed before me, a notary public in and for the county of La Plata and the State of Colorado, 2/10/2025.

Notary Public

PRICE: \$93

Statement to come at the end of the month.

ACCOUNT NUMBER: 109863

SHELLY CORWIN
Notary Public
State of Colorado
Notary ID # 20244040709
My Commission Expires 11-06-2028

COPY OF ADVERTISEMENT

26574 Notice bv Hilcorp Energy Downhole Company for Commingling, San Juan County, New Mexico. Pursuant to Paragraph (2) of Subsection C of 19.15.12.11 NMAC. Hilcorp Energy Company. as Operator, filed form C-103 with the New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division (NMOCD) seeking approval administrative downhole commingle new production from the Basin Dakota (71599)with new production from the Blanco Mesaverde (72319)the Pubco Federal Gas Com #1N well. located in Section Township 30 North, Range 11 West. NMPM. San Juan County, New Mexico. Commingling will not reduce the value of production. Allocation method to be determined upon completion of this project. This notice is intended for certain unlocatable royalty interest owners in the aforementioned well for which certified mail delivery is not possible. Should you (the interest owner for which this notice is intended) have an objection. VOU

required to respond within twenty (20) days from the date of this publication. Please mail your objection letter, referencing the well details above, to the New Mexico Oil Conservation Division's Santa Fe office.

Published in Tri-City Record February 3, 2025

SHELLY CORWIN
Notary Public
State of Colorado
Notary ID # 20244040709
Iv Commission Expires 11-08-2028

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

General Information Phone: (505) 629-6116

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

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

COMMENTS

Action 424148

COMMENTS

| Operator: | OGRID: |
|------------------------|--------------------------------------|
| HILCORP ENERGY COMPANY | 372171 |
| 1111 Travis Street | Action Number: |
| Houston, TX 77002 | 424148 |
| | Action Type: |
| | [C-107] Down Hole Commingle (C-107A) |

COMMENTS

| | Created | Comment | Comment |
|---|---------|---|----------|
| | Ву | | Date |
| Ī | llowe | Emailed Hilcorp about maps in the DHC application. Needed updated. Threatened them to cancel this application. 03/04/25 | 3/4/2025 |

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

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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

CONDITIONS

Action 424148

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| HILCORP ENERGY COMPANY | 372171 |
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| | Action Type: |
| | [C-107] Down Hole Commingle (C-107A) |

CONDITIONS

| Created | Condition | Condition |
|---------|-----------|-----------|
| Ву | | Date |
| llowe | None | 3/4/2025 |