

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 - 5476

Form C-103  
 Revised July 18, 2013

<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.)		WELL API NO. 30-039-23747
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 NMSF079290A
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name SAN JUAN 28-7 UNIT
4. Well Location Unit Letter <u>P</u> : <u>1180</u> feet from the <u>South</u> line and <u>1160</u> feet from the <u>East</u> line Section <u>24</u> Township <u>028N</u> Range <u>007W</u> NMPM County <u>RIO ARRIBA</u>		8. Well Number 187E
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6249' GL		9. OGRID Number 372171
10. Pool name or Wildcat Basin Mancos / Blanco Mesaverde		

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"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/> RECOMPLETE		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 complete the subject well in the Basin Mancos (pool 97232) and the Blanco Mesaverde (pool 72319) and downhole commingle the existing Basin Dakota (pool 71599) with the Mancos and Mesaverde. The production will be commingled per Oil Conservation Division Order Number 12984-B. Allocation and methodology will be provided after the well is completed. 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 3,920' - 5,638'; MC 5,638' - 7,101'; DK 7,204' - 7,402'. These perforations are in TVD.**

As referred to in Order # R-13681 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 Cherylene Weston TITLE Operations/Regulatory Tech-Sr. DATE 6/17/2024

Type or print name Cherylene Weston E-mail address: cweston@hilcorp.com PHONE: 713-289-2615

**For State Use Only**

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

Conditions of Approval (if any)

**District I**

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**District IV**

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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 364982

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-039-23747	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. 187E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6249

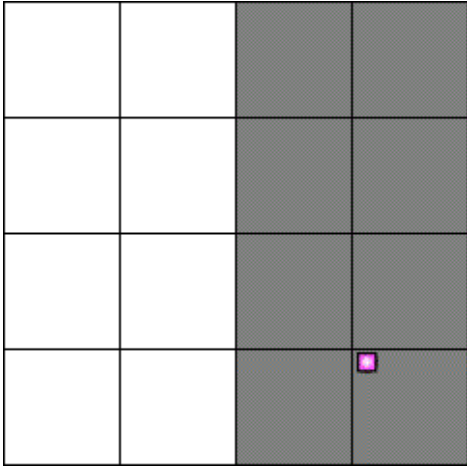
**10. Surface Location**

UL - Lot P	Section 24	Township 28N	Range 07W	Lot Idn	Feet From 1180	N/S Line S	Feet From 1160	E/W Line E	County RIO ARRIBA
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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 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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By: <b>Cherylene Weston</b>  Title: Operations/Regulatory Tech-Sr.  Date: 5/6/2024</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Fred B. Kerr, Jr.  Date of Survey: 5/20/1985  Certificate Number: 3950</p>
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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 364982

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-039-23747	2. Pool Code 97232	3. Pool Name BASIN MANCOS
4. Property Code 318432	5. Property Name SAN JUAN 28 7 UNIT	6. Well No. 187E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6249

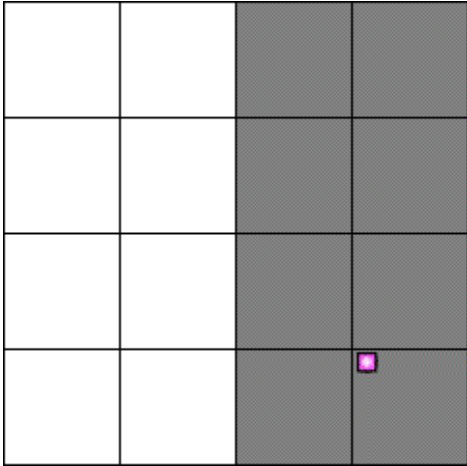
**10. Surface Location**

UL - Lot P	Section 24	Township 28N	Range 07W	Lot Idn	Feet From 1180	N/S Line S	Feet From 1160	E/W Line E	County RIO ARRIBA
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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 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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By: <b>Cherylene Weston</b> Title: Operations/Regulatory Tech-Sr. Date: 5/6/2024</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Fred B. Kerr, Jr. Date of Survey: 5/20/1985 Certificate Number: 3950</p>
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NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-55

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

Operator <b>EL PASO NATURAL GAS COMPANY</b>			Lease <b>San Juan 28-7 UNIT (SF 079290A)</b>		Well No. <b>187E</b>
Unit Letter <b>P</b>	Section <b>24</b>	Township <b>28N</b>	Range <b>7W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>1180</b> feet from the <b>South</b> line and <b>1160</b> feet from the <b>East</b> line					
Ground Level Elev: <b>6249</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin</b>	Dedicated Acreage: <b>320</b> 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

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.

<p><b>RECEIVED</b> <b>JUN 05 1985</b> BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA</p>		
<p>Sec.</p>		

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Reggie L. Oak*

Name

Drilling Clerk

Position

El Paso Natural Gas Co.

Company

Date

*June 4, 1985*

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

*May 20, 1985*

Registered Professional Engineer  
and Land Surveyor

*Fred B. Kerr Jr.*  
Fred B. Kerr Jr.

Certificate No.

## San Juan 28-7 Unit 187E Production Allocation Method – Subtraction

### Gas Allocation:

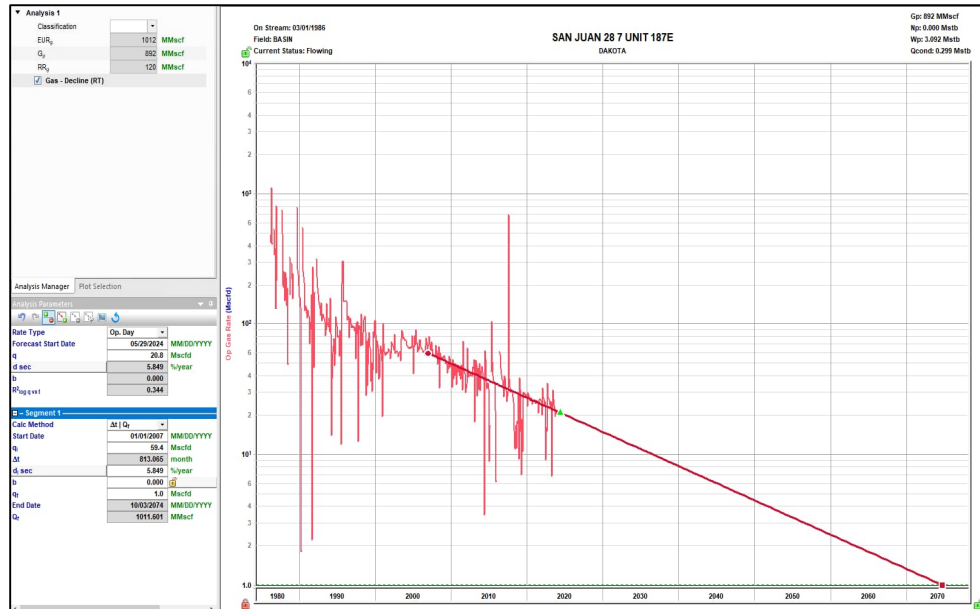
Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formations to be commingled are the Mesaverde and Mancos. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the base formation forecasts will be allocated to the new formations.

New zones will be allocated using a fixed allocation. Forecasted rates for MV/MC are based on offsets type curve. The maps show the standalone offsets that were used for type-curves. The split between MV/MC is based on the ratio of forecasted reserves as shown in the table below.

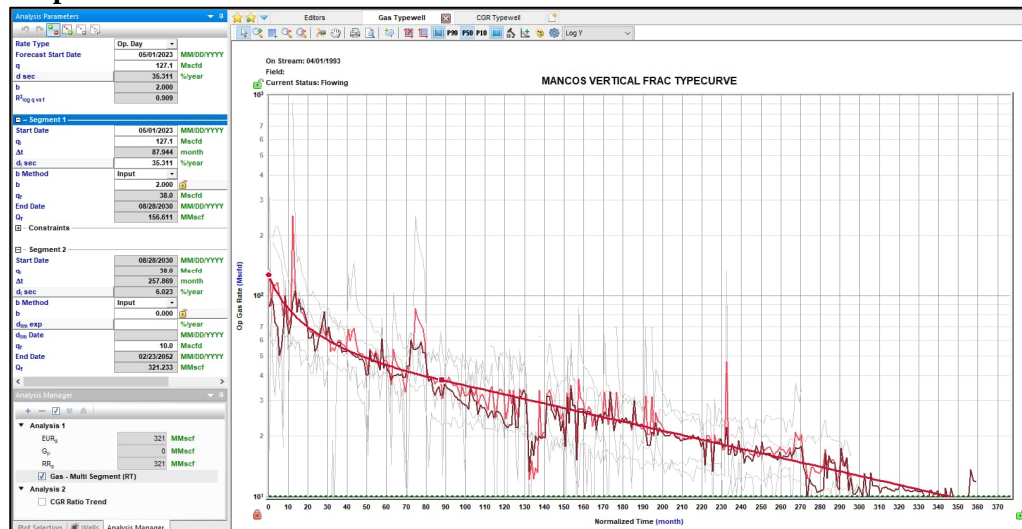
Formation	Remaining Reserves (MMcf)	% Gas Allocation
Mancos	321	42%
Mesaverde	436	58%

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 Forecast – Dakota

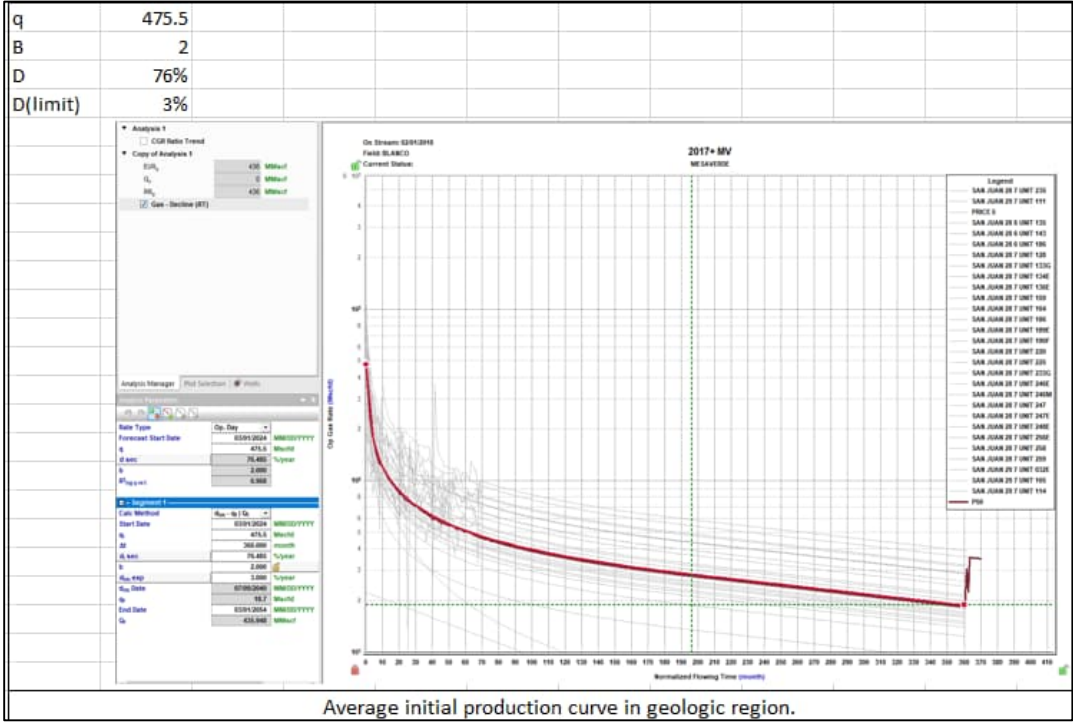


### Proposed Zone 1 Forecast - Mancos





Proposed Zone 2 Forecast - Mesaverde



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.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	1.00	120	3%
MC	10.00	321	75%
MV	2.18	436	22%

Current Zone – Dakota Oil Yield Map



**Mancos**

10 BO/MMCF

Analysis Parameters

Ratio Axis Type: Log

Segment 1

Manipulation Method: Variable Ratio

Start Date: 04/01/1993

End Date: 03/01/2028

At: 419.0 month

CGR: 10.0 bbl/MMacf

CGR<sub>p</sub>: 10.0 bbl/MMacf

Analysis Manager

Analysis 1

EUR<sub>p</sub>: 321 MMacf

G<sub>p</sub>: 0 MMacf

R<sub>p</sub>: 321 MMacf

Analysis 2

CGR Ratio Trend: ☒

Mancos VERTICAL FRAC TYPECURVE

On Stream: 04/01/1993

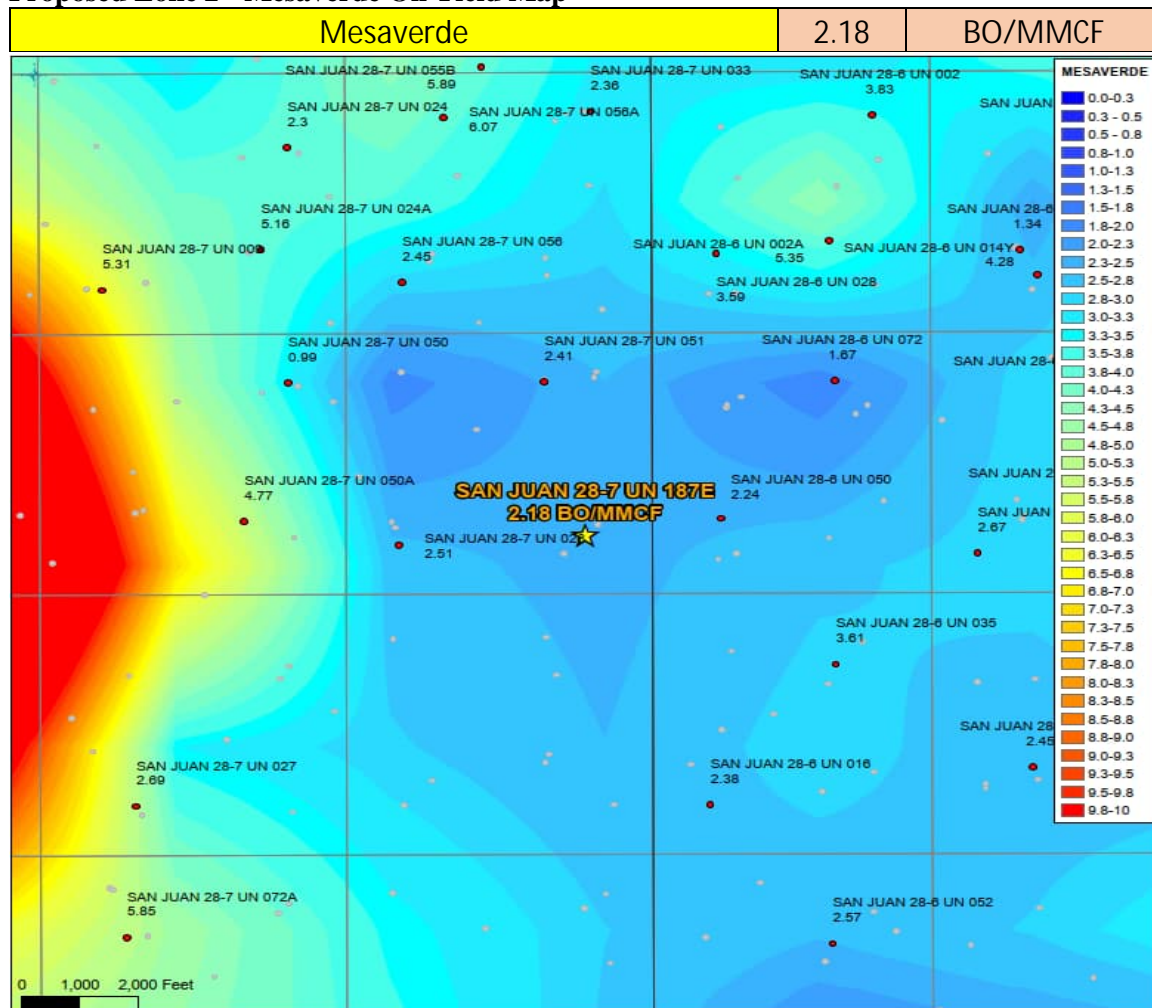
Field:

Current Status: Flowing

Normalized Time (month)

CGR (bbl/MMacf)

## Proposed Zone 2 - Mesaverde Oil Yield Map



Released to Imaging: 4/2/2025 8:57:42 AM

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR DOWNHOLE COMMINGLING  
SUBMITTED BY HILCORP ENERGY CO.**

**ORDER NO. DHC-5476**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Hilcorp Energy Corporation ("Applicant") submitted a complete application ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. An exception to the notification requirements within 19.15.12.11(C)(1)(b) NMAC was granted by the Division within Order R-13681.
6. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
8. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
9. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.



10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil production from the Well to each of the Pools until a different plan to allocate oil production is approved by OCD. Of the oil production from the Well:
  - a. twenty - two percent (22.0%) shall be allocated to the Blanco-Mesaverde pool (pool ID: 72319);
  - b. seventy - five percent (75.0%) shall be allocated to the Basin Mancos pool (pool ID: 97232);
  - c. three percent (3.0%) shall be allocated to the Basin Dakota (pool ID: 71599)

Applicant shall allocate gas production to the new pool(s) equal to the total gas production from the Well minus the projected gas production from the current pool(s) until a different plan to allocate gas production is approved by OCD. The new pool(s) are:

- a. the Blanco-Mesaverde pool (pool ID: 72319); and
- b. the Basin Mancos pool (pool ID: 97232).

The current pool(s) are:

- a. the Basin Dakota pool (pool ID: 71599)

Until a different plan to allocate gas production is approved by OCD, of the gas production allocated to the new pools:

- a. fifty - eight percent (58.0%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319); and
- b. forty - two percent (42.0%) shall be allocated to the Basin Mancos pool (pool ID: 97232).

Applicant 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, Applicant 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 Applicant fails to do so, this Order shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Order 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.

3. 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 Order to become inaccurate, then no later than sixty (60) days after that event, Applicant 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 Order shall terminate on the date of such action.
4. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
5. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. 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 Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.
8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS  
DIRECTOR (ACTING)**

**DATE:** 4/2/2025

State of New Mexico  
Energy, Minerals and Natural Resources Department

Exhibit A

Order: DHC - 5476			
Operator: Hilcorp Energy Company (372171)			
Well Name: San Juan 28 7 Unit Well No. 187E			
Well API: 30-039-23747			
Upper Zone	Pool Name:	Blanco - MesaVerde (Prorated Gas)	
	Pool ID:	72319	Current: New: X
	Allocation:	Oil: 22.00%	Gas: 58.0%
		Top: 3,920	Bottom: 5,638
Intermediate Zone	Pool Name:	Basin Mancos	
	Pool ID:	97232	Current: New: X
	Allocation:	Oil: 75.00%	Gas: 42.0%
		Top: 5,638	Bottom: 7,101
Bottom of Interval within 150% of Upper Zone's Top of Interval: NO			
Lower Zone	Pool Name:	Basin Dakota	
	Pool ID:	71599	Current: X New:
	Allocation:	Oil: 3.00%	Gas: SUBT
		Top: 7,204	Bottom: 7,402
Bottom of Interval within 150% of Upper Zone's Top of Interval: NO			

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

CONDITIONS

Action 355037

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 355037
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	3/28/2025