

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

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-07410
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 NMSF077107B
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name MICHENER LS
4. Well Location Unit Letter <u>M</u> : <u>1090</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>West</u> line Section <u>15</u> Township <u>028N</u> Range <u>009W</u> NMPM County <u>SAN JUAN</u>		8. Well Number <u>3</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6023' GL		9. OGRID Number 372171
		10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

It is intended to downhole commingle the subject well in the Blanco Mesaverde (pool 72319) and Basin Dakota (pool 71599). The production will be commingled per Oil Conservation Division Order Number R-11363. The allocation methodology is attached. Commingling will not reduce the value of the production. The Bureau of Land Management has been notified in writing of this application.

Existing perforations are: MV 3,965' – 4,563'; DK 6,673' – 6,864'. **These perforations are in TVD.**

Interest is common, no notification is necessary.

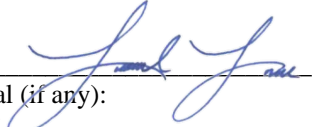
Spud Date: Rig Release Date:

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 11/14/2024

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

For State Use Only

APPROVED BY:  TITLE Petroleum Engineer DATE 07/19/25
 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.

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

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30045 07410		Pool Code 72319	Pool Name Blanco Mesa Verde
Property Code	Property Name Michener LS		Well Number 3
OGRID No. 000778	Operator Name Amoco Production Company		Elevation 6023' GL

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	23N	9 W	M	1090'	South	990'	West	San Juan

11 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

12 Dedicated Acres	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

	16		17 OPERATOR CERTIFICATION	
			I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
			 Signature Lois Raeburn Printed Name Business Assistant Title Nov 29, 1994 Date	
			18 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. 7 July 1960 Date of Survey Signature and Seal of Professional Surveyor: On File 1463 Certificate Number	

RECEIVED
JAN 12 1965
OIL CON. DIV.
DIST. 4

ACCEPTED FOR RECORD
DEC 08 1994
FARMINGTON DISTRICT OFFICE
BY 24-4

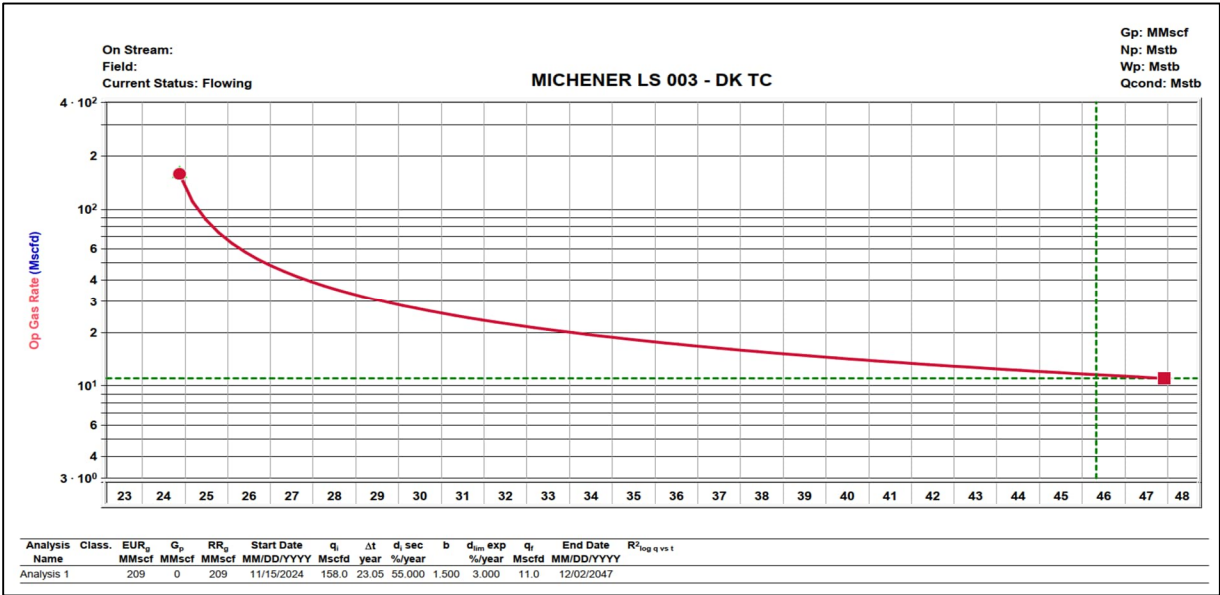
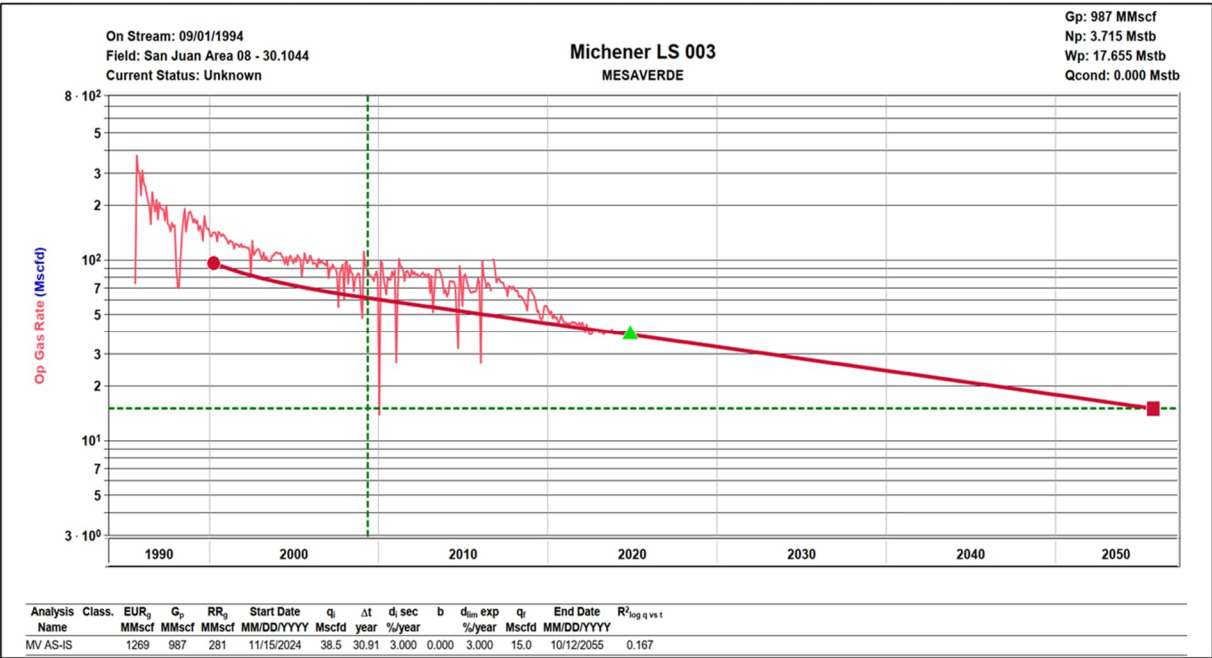
NEW MEXICO OIL CONSERVATION COMMISSION						FORM C-128 Revised 5/1/57
WELL LOCATION AND ACREAGE DEDICATION PLAT						
SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE						
SECTION A						
Operator DELHI TAYLOR OIL CORPORATION			Lease MICHENER		Well No. 1	
Unit Letter M	Section 15	Township 28 NORTH	Range 9 WEST	County SAN JUAN		
Actual Footage Location of Well: 1090 feet from the SOUTH line and 990 feet from the WEST line						
Ground Level Elev. 6023.0	Producing Formation DAKOTA		Pool Undesignated	Dedicated Acreage: 320 W/2 Sec. 15 Acres		
<p style="text-align: center;">Ref: GLO plat dated 23 June 1919</p> <p>1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)</p> <p>2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If answer is "yes," Type of Consolidation _____</p> <p>3. If the answer to question two is "no," list all the owners and their respective interests below:</p>						
Owner			Land Description			
SECTION B						
CERTIFICATION						
<p>I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: right;"><i>J. B. Howell</i> Name J. B. Howell</p> <p>Position Dist. Supt.</p> <p>Company Delhi-Taylor Oil Corp.</p> <p>Date 7-14-60</p>						
<p>I hereby certify that the well location shown on the plat in SECTION B 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.</p>						
<p>Date Surveyed 7 July 1960</p> <p>Registered Professional Engineer and/or Land Surveyor <i>James P. Leese</i> James P. Leese</p> <p>Certificate No. 1463</p>						

Michener LS 3 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 **Mesaverde** and the added formation to be commingled is the **Dakota**. 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.

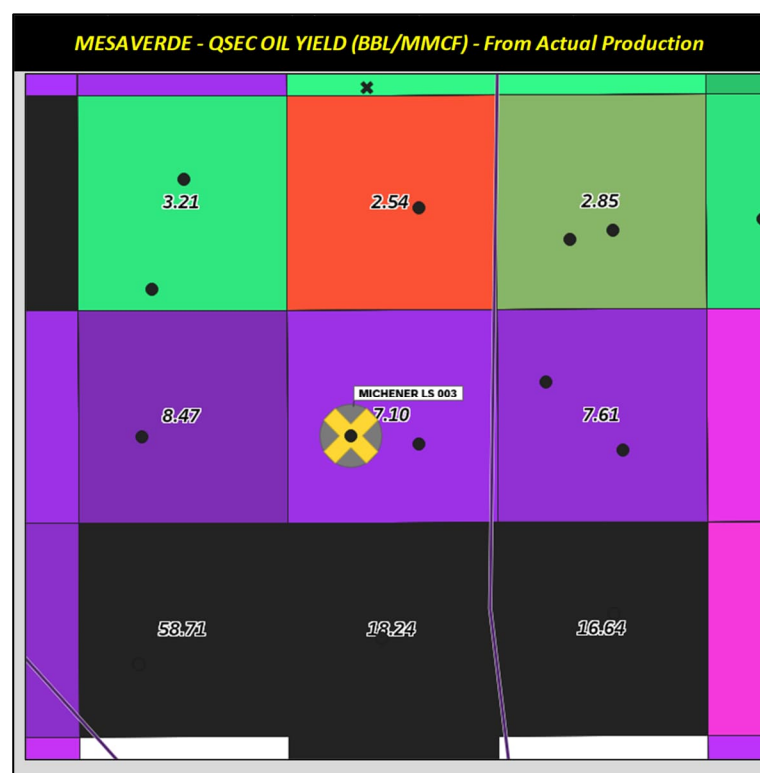
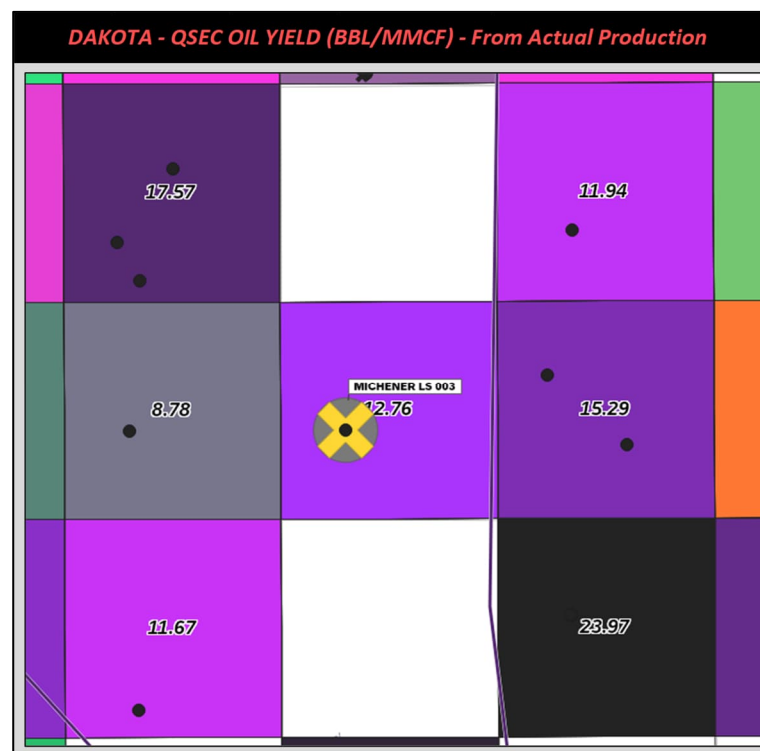
After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.



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.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	12.76	207	48%
MV	7.1	396	52%





November 14, 2024

**New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505**

**Re: C-103 (Downhole Commingle)
Michener LS #3
API No. 30-045-07410
M-15, T28N-R09W
San Juan County, NM**

Gentlemen:

Concerning Hilcorp Energy Company's C-103 application to downhole commingle production in the subject well, this letter serves to confirm the following:

All working, royalty and overriding royalty interests are identical between the Basin Dakota (Pool Code: 71599), and Blanco Mesaverde (Pool Code: 72319) in the spacing units dedicated to these formations. Therefore, no notice to interest owners is required.

The spacing unit is comprised of a Federal Lease. Therefore, pursuant to Subsection C.(1) of 19.15.12.11 NMAC, written notice has been sent to the Bureau of Land Management as of the date of this letter.

If you have any questions or concerns, please contact the undersigned using the information provided below.

Sincerely,

By: HILCORP ENERGY COMPANY,
Its General Partner

A handwritten signature in blue ink, appearing to read 'Carson Parker Rice', is written over a light blue circular stamp.

Carson Parker Rice
Landman – San Juan Basin
Hilcorp Energy Company
1111 Travis Street
Houston, Texas 77002
713-757-7108 Direct
Email: carice@hilcorp.com

From: [Lowe, Leonard, EMNRD](#)
To: [Cheryl Weston](#)
Subject: DHC Approved Michener LS Well No. 3
Date: Saturday, July 19, 2025 5:06:00 PM
Attachments: [DHC-5511 C-103 Hilcorp MICHENER LS WELL NO. 3 07.19.25.pdf](#)
Importance: High

Cheryl Weston,

Please see attached document.

Leonard R. Lowe

Engineering Bureau
OCD/EMNRD
5400 Oakland Ave.
Albuquerque, N.M 87113
Cell/Office Phone: 505-584-8351
E-mail: Leonard.Lowe@emnrd.nm.gov

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 486759

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 486759
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	7/19/2025