

ID NO. 332966

DHC - 5579

RECEIVED: 04/12/24	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Hilcorp Energy Company **OGRID Number:** 372171
Well Name: Allen Com 1A **API:** 30-045-23572
Pool: Basin Fruitland Coal **Pool Code:** 71629

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

FOR OCD ONLY
<input type="checkbox"/> Notice Complete
<input type="checkbox"/> Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Amanda Walker

Print or Type Name

Signature

4/12/2024
Date

346-237-2177
Phone Number

mwalker@hilcorp.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 Road 3100, Aztec, NM 87410
Operator Address

Allen Com 1A E, 16, 31N, 09W San Juan
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 318443 API No. 30-045-23572 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal	Blanco Pictured Cliffs	Blanco Mesaverde
Pool Code	71629	72359	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Est. 3026' - 3376'	3380' - 3449'	5196' - 5996'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>	22 psi	78 psi	130 psi
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>	847 BTU	1170 BTU	1122 BTU
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Rates: Oil: Gas: Water:	Date: 12/1/2023 Rates: Oil: 0 Gas: 894 Water: 15	Date: 12/1/2023 Rates: Oil: 165 Gas: 7233 Water: 74
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas % %	Oil Gas % %	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
 Are all produced fluids from all commingled zones compatible with each other? Yes No
 Will commingling decrease the value of production? Yes No
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:


- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE  TITLE Operations/Regulatory Technician Sr. DATE 4/12/2024

TYPE OR PRINT NAME Amanda Walker TELEPHONE NO. (346) 237-2177

E-MAIL ADDRESS mwalker@hilcorp.com

The near wellbore shut-in bottom hole pressures of the above reservoirs are much lower than the calculated far-field stabilized reservoir pressured due to the low permeability of the reservoirs. Based on pressure transient analysis performed in the San Juan Basin, it would take 7-25 years for shut-in bottom hole pressures to build up to the calculated far-field reservoir pressure. Our observation is that even for areas of high static reservoir pressures, the low permeability of the reservoir rock results in rapid depletion of the near-fracture region, quickly enough that the wells are unable to produce without the aid of a plunger. Given low permeabilities and low wellbore flowing pressures in the above reservoirs, loss of reserves due to cross-flow is not an issue during producing or shut-in periods. Given low shut-in bottom hole pressures, commingling the above reservoirs in this well will not result in shut-in or flowing wellbore pressures in excess of any commingled pool's fracture parting pressure. The pressures provided in the C-107A are based on shut-in bottom hole pressures of offset standalone wells which match expected near-wellbore shut-in bottom hole pressures of this proposed commingled completion.

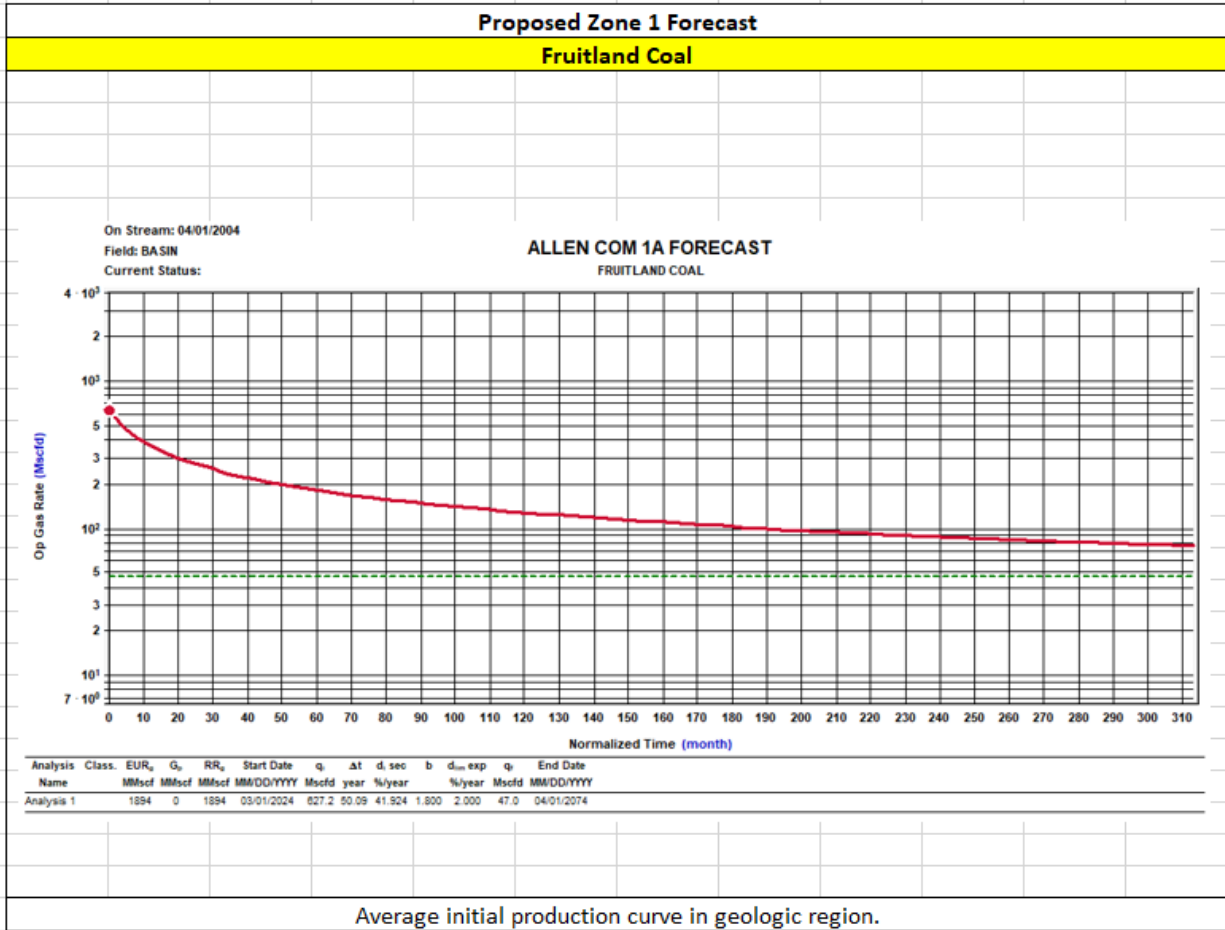
Shut in pressures were calculated for operated offset standalone wells in each of the zones being commingled in the well in question via the following process:

- 1) Wells were shut in for 24 hours
- 2) Echometer was used to obtain a fluid level
- 3) Shut in BHP was calculated for the proposed commingled completion

List of wells used to calculate BHPs for the Project:		
3004533362	SAN JUAN 32-9 UNIT 260S	FRC
3004530790	ALLEN COM 1B	MV
3004533885	SUNRAY G 4	DK

I believe each of the reservoirs to be continuous and in a similar state of depletion at this well and at each of the wells from which the pressures are being derived.

Note: BTU Data taken from standalone completions in the zone of interest within a 2 mile radius of the well.
A farther radius is used if there is not enough data for a proper statistical analysis.



HEC Comments

These zones are proposed to be commingled because the application of dual completions impedes the ability to produce the shallow zone without artificial lift and the deeper zones with reduced artificial lift efficiency. All horizons will require artificial lift due to low bottomhole pressure (BHP) and permeability.

The BHPs of all zones, producing and non-producing, were estimated based upon basinwide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin. These models were constructed incorporating reservoir dynamics and physics, historic production, and observed pressure data. Historic commingling operations have proven reservoir fluids are compatible.

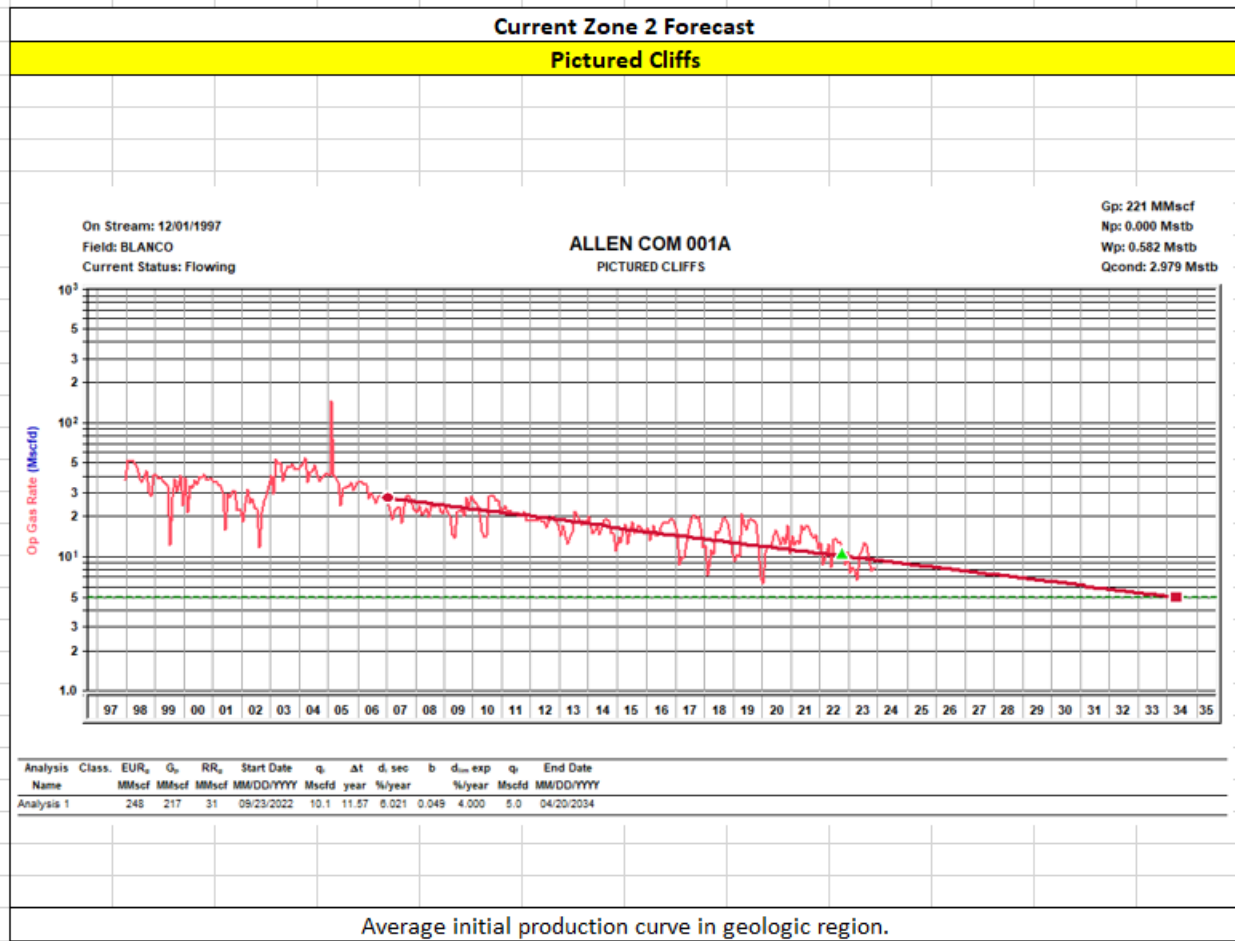
Production Allocation Method - Subtraction

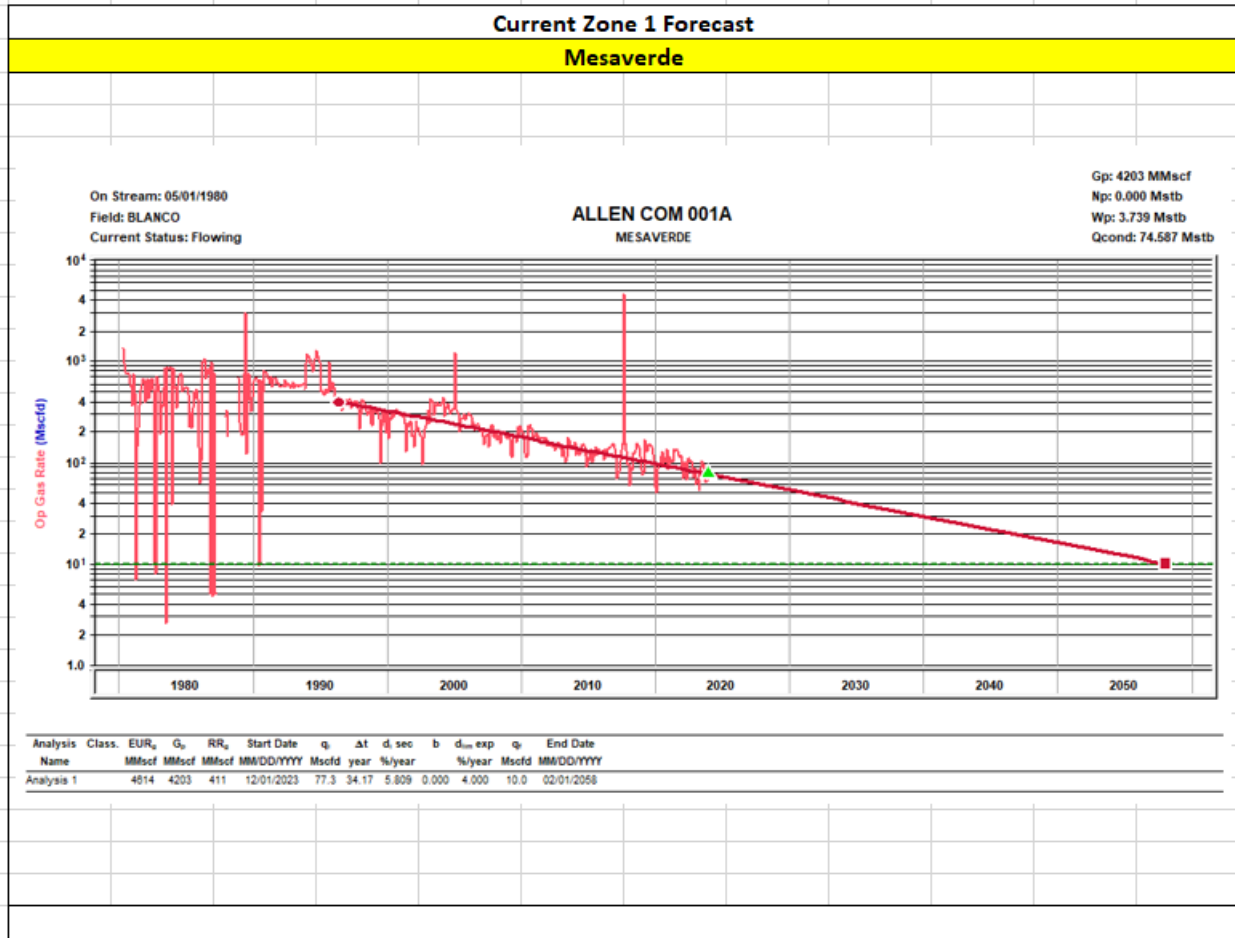
Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Pictured Cliffs/Mesaverde and the added formation to be commingled is the Fruitland Coal. 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.

Hilcorp intends to continue to allocate the projected base production on the same fixed percentages to the following pools 11% (PC) 89% (MV) while the subtraction method is being used to determine the allocation to the new zone.





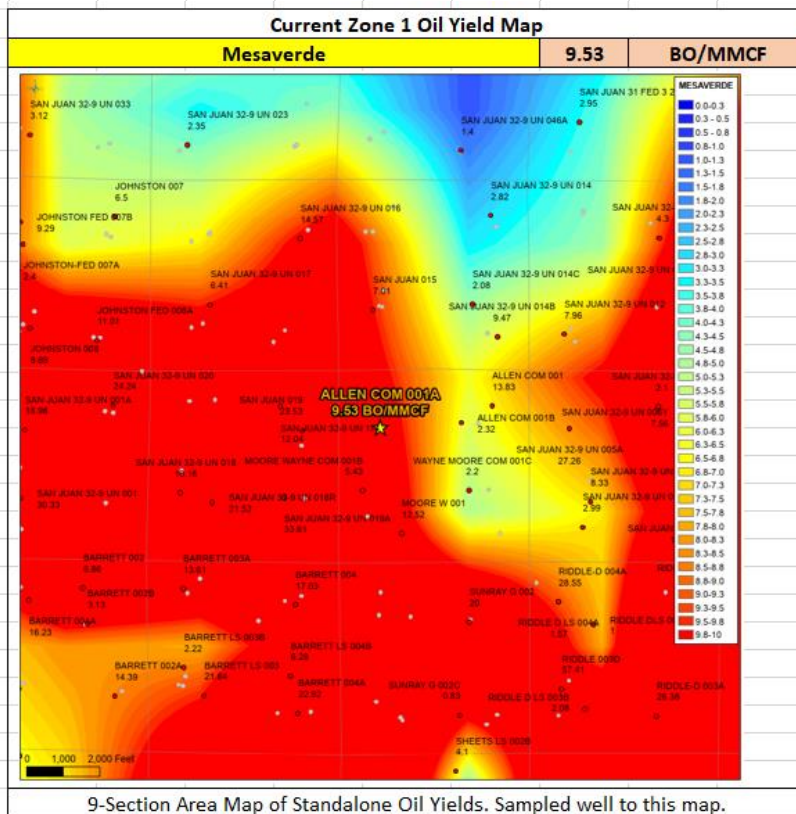
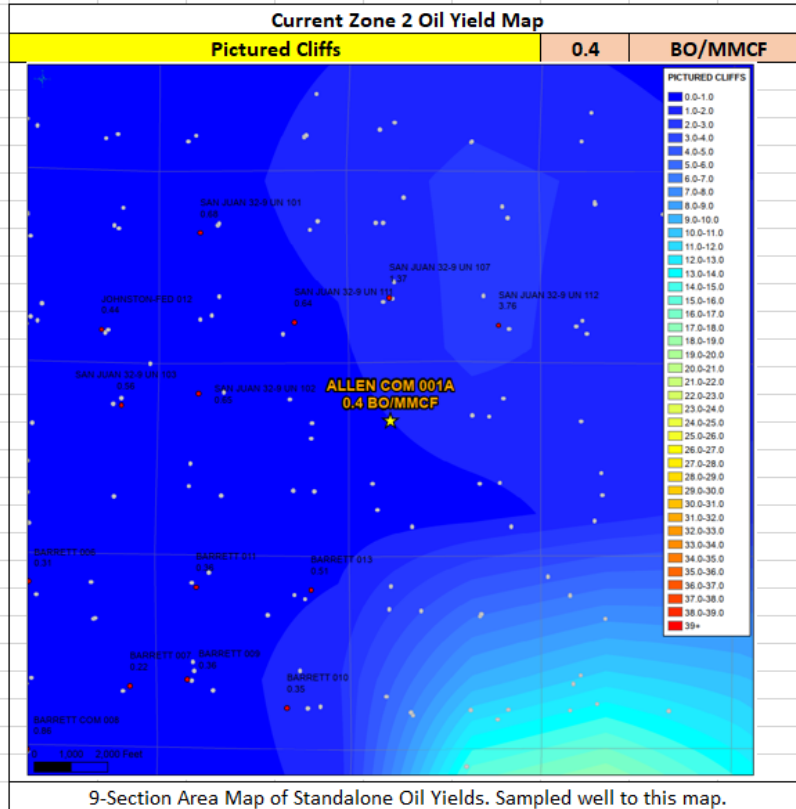
Oil Allocation:

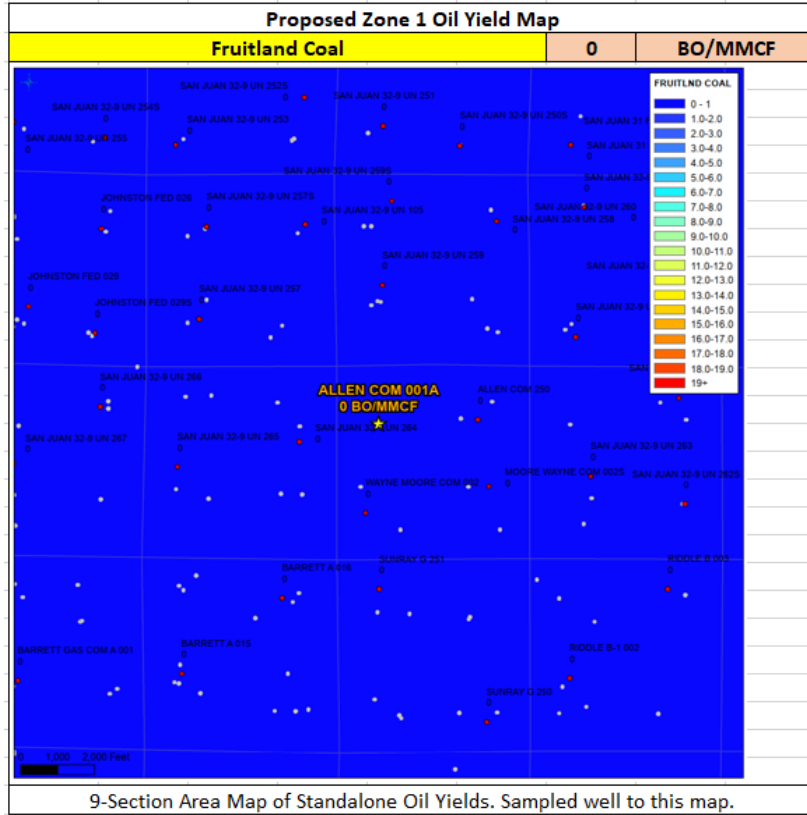
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

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
MV	9.53	411	100%
PC	0.4	31	0%
FRC	0	1894	0%
			100%

All documentation will be submitted to NMOCD.





Water Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Pictured Cliffs, Blanco Mesaverde, Basin Dakota, etc.) and a productive coalbed methane reservoir (Basin Fruitland Coal).
- These siliciclastic and coalbed methane reservoirs are commingled extensively throughout the basin in many different combinations with no observed damage from clay swelling due to differing formation waters.
- The samples below all show fresh water with low TDS.

Well Name	API
ALLEN COM 1A	3004523572

FRC Offset		MV Offset		PC Offset	
API	3004527518	API	3004530790	API	3004528095
Property	SAN JUAN 32-9 UNIT 105	Property	ALLEN COM 1B	Property	SAN JUAN 32-9 UNIT 106
CationBarium	0	CationBarium	0	CationBarium	3.2
CationBoron		CationBoron		CationBoron	
CationCalcium	9.41	CationCalcium	4	CationCalcium	9.89
CationIron	20.91	CationIron	64.5	CationIron	116.5
CationMagnesium	4.54	CationMagnesium	12.2	CationMagnesium	17.52
CationManganese	0.26	CationManganese	1.21	CationManganese	1.12
CationPhosphorus		CationPhosphorus		CationPhosphorus	
CationPotassium		CationPotassium		CationPotassium	
CationStrontium	0.14	CationStrontium	0	CationStrontium	0.99
CationSodium	672.28	CationSodium	296.3	CationSodium	796.49
CationSilica		CationSilica		CationSilica	
CationZinc		CationZinc		CationZinc	
CationAluminum		CationAluminum		CationAluminum	
CationCopper		CationCopper		CationCopper	
CationLead		CationLead		CationLead	
CationLithium		CationLithium		CationLithium	
CationNickel		CationNickel		CationNickel	
CationCobalt		CationCobalt		CationCobalt	
CationChromium		CationChromium		CationChromium	
CationSilicon		CationSilicon		CationSilicon	
CationMolybdenum		CationMolybdenum		CationMolybdenum	
AnionChloride	474.52	AnionChloride	400	AnionChloride	441.49
AnionCarbonate	0	AnionCarbonate	0	AnionCarbonate	0
AnionBicarbonate	562.12	AnionBicarbonate	366	AnionBicarbonate	501.02
AnionBromide		AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride		AnionFluoride	
AnionHydroxyl		AnionHydroxyl		AnionHydroxyl	
AnionNitrate		AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate	84.9	AnionPhosphate	
AnionSulfate	0	AnionSulfate	10	AnionSulfate	0
phField		phField		phField	
phCalculated	7.97	phCalculated	5.83	phCalculated	6.93
TempField		TempField		TempField	
TempLab		TempLab		TempLab	
OtherFieldAlkalinity	684.32	OtherFieldAlkalinity	4008.16	OtherFieldAlkalinity	439.92
OtherSpecificGravity	1	OtherSpecificGravity		OtherSpecificGravity	1
OtherTDS	1934.04	OtherTDS	976	OtherTDS	2377.23
OtherCaCO3	42.14	OtherCaCO3		OtherCaCO3	96.56
OtherConductivity		OtherConductivity		OtherConductivity	
DissolvedCO2	190	DissolvedCO2		DissolvedCO2	490
DissolvedO2		DissolvedO2		DissolvedO2	
DissolvedH2S	0	DissolvedH2S	2	DissolvedH2S	0
GasPressure		GasPressure		GasPressure	
GasCO2	8	GasCO2		GasCO2	8
GasCO2PP		GasCO2PP		GasCO2PP	
GasH2S	0	GasH2S	0	GasH2S	0
GasH2SPP		GasH2SPP		GasH2SPP	
PitzerCaCO3_70		PitzerCaCO3_70		PitzerCaCO3_70	
PitzerBaSO4_70		PitzerBaSO4_70		PitzerBaSO4_70	
PitzerCaSO4_70		PitzerCaSO4_70		PitzerCaSO4_70	
PitzerSrSO4_70		PitzerSrSO4_70		PitzerSrSO4_70	
PitzerFeCO3_70		PitzerFeCO3_70		PitzerFeCO3_70	
PitzerCaCO3_220		PitzerCaCO3_220		PitzerCaCO3_220	
PitzerBaSO4_220		PitzerBaSO4_220		PitzerBaSO4_220	
PitzerCaSO4_220		PitzerCaSO4_220		PitzerCaSO4_220	
PitzerSrSO4_220		PitzerSrSO4_220		PitzerSrSO4_220	
PitzerFeCO3_220		PitzerFeCO3_220		PitzerFeCO3_220	

Gas Compatibility in the San Juan Basin
 - The San Juan basin has productive siliciclastic reservoirs (Pictured Cliffs, Blanco Mesaverde, Basin Dakota, etc.) and a productive coalbed methane reservoir (Basin Fruitland Coal).
 - These siliciclastic and coalbed methane reservoirs are commingled extensively throughout the basin in many different combinations with no observed damage from clay swelling due to differing formation waters or gas composition.
 - The samples below all show offset gas analysis variability by formation is low.

Well Name	API
ALLEN COM 1A	3004523572

FRC Offset		MV Offset		PC Offset	
AssetCode	3004531993	AssetCode	3004530790	AssetCode	3004528572
AssetName	WAYNE MOORE COM 2S	AssetName	ALLEN COM 1B	AssetName	SAN JUAN 32-9 UNIT 111
CO2	0.14	CO2	0.03	CO2	0.03
N2	0	N2	0	N2	0
C1	0.81	C1	0.88	C1	0.83
C2	0.03	C2	0.06	C2	0.07
C3	0.02	C3	0.02	C3	0.03
ISOC4	0	ISOC4	0	ISOC4	0.01
NC4	0	NC4	0.01	NC4	0.01
ISOC5	0	ISOC5	0	ISOC5	0
NC5	0	NC5	0	NC5	0
NEOC5		NEOC5		NEOC5	
C6	0	C6		C6	
C6_PLUS		C6_PLUS	0.01	C6_PLUS	0.01
C7		C7		C7	
C8		C8		C8	
C9		C9		C9	
C10		C10		C10	
AR		AR		AR	
CO		CO		CO	
H2		H2		H2	
O2		O2		O2	
H2O		H2O		H2O	
H2S		H2S	0	H2S	
HE		HE		HE	
C_O_S		C_O_S		C_O_S	
CH3SH		CH3SH		CH3SH	
C2H5SH		C2H5SH		C2H5SH	
CH2S3_2CH3S		CH2S3_2CH3S		CH2S3_2CH3S	
CH2S		CH2S		CH2S	
C6HV		C6HV		C6HV	
CO2GPM		CO2GPM	0	CO2GPM	0
N2GPM		N2GPM	0	N2GPM	0
C1GPM		C1GPM	0	C1GPM	0
C2GPM		C2GPM	1.57	C2GPM	1.98
C3GPM		C3GPM	0.57	C3GPM	0.93
ISOC4GPM		ISOC4GPM	0.12	ISOC4GPM	0.2
NC4GPM		NC4GPM	0.18	NC4GPM	0.3
ISOC5GPM		ISOC5GPM	0.08	ISOC5GPM	0.14
NC5GPM		NC5GPM	0.06	NC5GPM	0.11
C6_PLUSGPM		C6_PLUSGPM	0.23	C6_PLUSGPM	0.38

WELL LOCATION AND ACREAGE DEDICATION PLAT

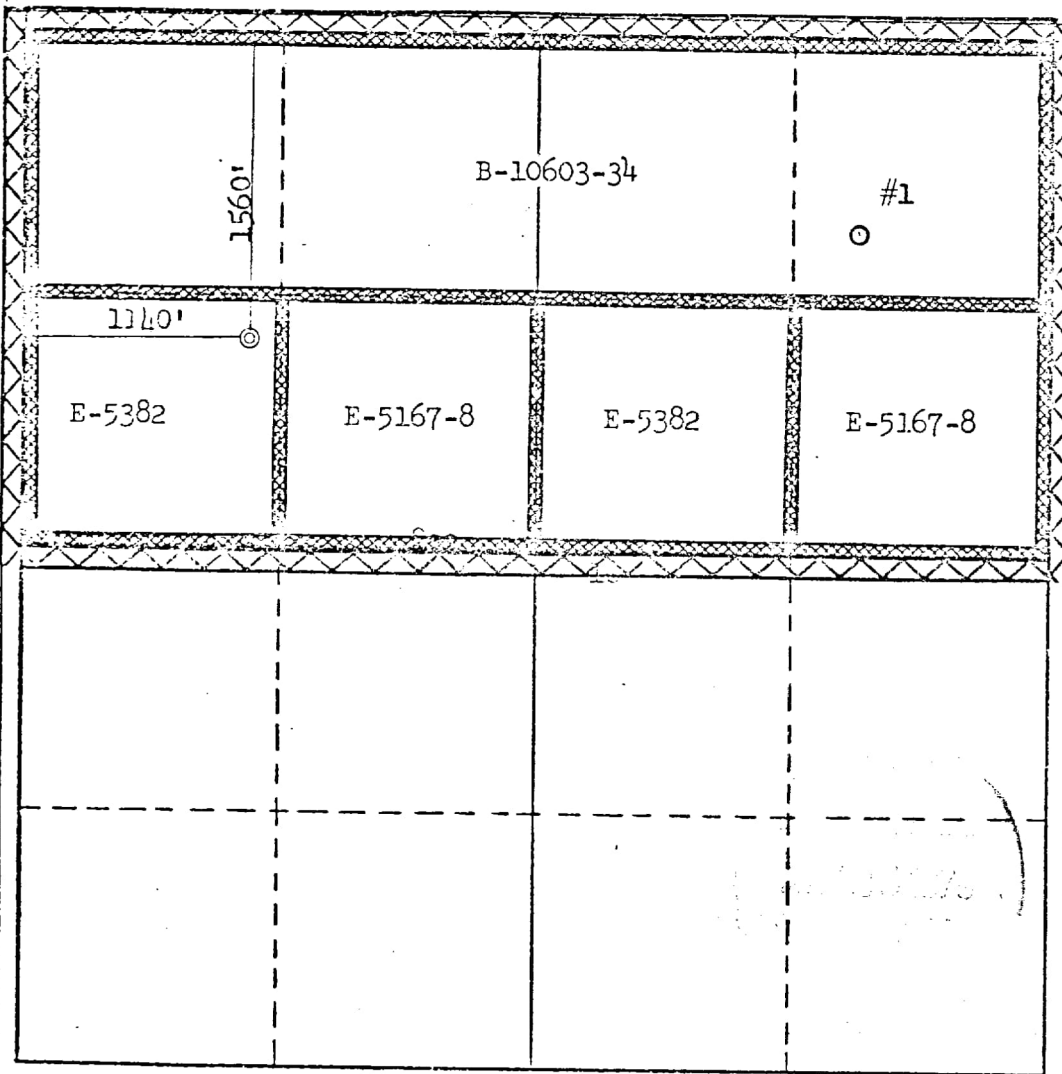
All distances must be from the outer boundaries of the Section.

Operator EL PASO NATURAL GAS COMPANY		Lease ALLEN COM (E-5382)		Well No. 1A
Unit Letter E	Section 16	Township 31N	Range 9W	County San Juan
Actual Footage Location of Well: 1560 feet from the North line and 1140 feet from the West line				
Ground Level Elev. 6501	Producing Formation Mesa Verde	Pool Blanco Mesa Verde	Dedicated Acreage: 320.00 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 Communitization

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.



CERTIFICATION

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

M. G. Busch

Name
Drilling Clerk

Position
El Paso Natural Gas Co.

Company
5-10-79

Date

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
October 2, 1979

Registered Professional Engineer and/or Land Surveyor
[Signature]

Certificate No.
3950

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Hilcorp Energy Company 382 Road 3100 Aztec, NM 87410		² OGRID Number 372171
		³ API Number 30-045-23572
⁴ Property Code 318443	⁵ Property Name Allen Com	⁶ Well No. 1A

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
E	16	31N	09W		1560	N	1140	W	San Juan

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name Basin Fruitland Coal	Pool Code 71629
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Additional Well Information

¹¹ Work Type Recomplete	¹² Well Type Commingle	¹³ Cable/Rotary	¹⁴ Lease Type State	¹⁵ Ground Level Elevation 6501' GR
¹⁶ Multiple	¹⁷ Proposed Depth	¹⁸ Formation Basin Fruitland Coal	¹⁹ Contractor	²⁰ Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program


Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC

Casing/Cement Program: Additional Comments

--

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/>, if applicable. Signature:  Printed name: Amanda Walker Title: Operations Regulatory Tech Sr. E-mail Address: mwalker@hilcorp.com Date: 4/2/2024	OIL CONSERVATION DIVISION	
	Approved By:	
	Title:	
	Approved Date:	Expiration Date:
	Conditions of Approval Attached	



**HILCORP ENERGY COMPANY
ALLEN COM 1A
FRUITLAND COAL RECOMPLETION SUNDRY**

Prepared by:	Scott Anderson
Preparation Date:	February 9, 2024

WELL INFORMATION			
Well Name:	ALLEN COM 1A	State:	NM
API #:	3004523572	County:	SAN JUAN
Area:	4	Location:	1560' FNL & 1140' FWL - Unit E - Section 16 - T 031N - R 009W
Route:	0405	Latitude:	36.901 N
Spud Date:	8/20/1979	Longitude:	-107.79012 W

PROJECT DESCRIPTION
Isolate the Pictured Cliffs and Mesaverde, perforate and stimulate the UPE Fruitland Coal in 1-2 stages via Frac String frac. Commingle the Fruitland Coal production with the existing Mesa Verde and Pictured Cliffs production. Strip facilities if necessary; repair production eqmt as needed, upgrade automation

CONTACTS			
Title	Name	Office Phone #	Cell Phone #
Engineer	Scott Anderson		248-761-3965
Area Foreman	Colter Faverino		326-9758
Lead	Ramon Florez		599-3479
Artificial Lift Tech	Jesse McDowell		386-8062
Operator	Dylan Crane		801-7282



HILCORP ENERGY COMPANY
ALLEN COM 1A
FRUITLAND COAL RECOMPLETION SUNDRY

JOB PROCEDURES

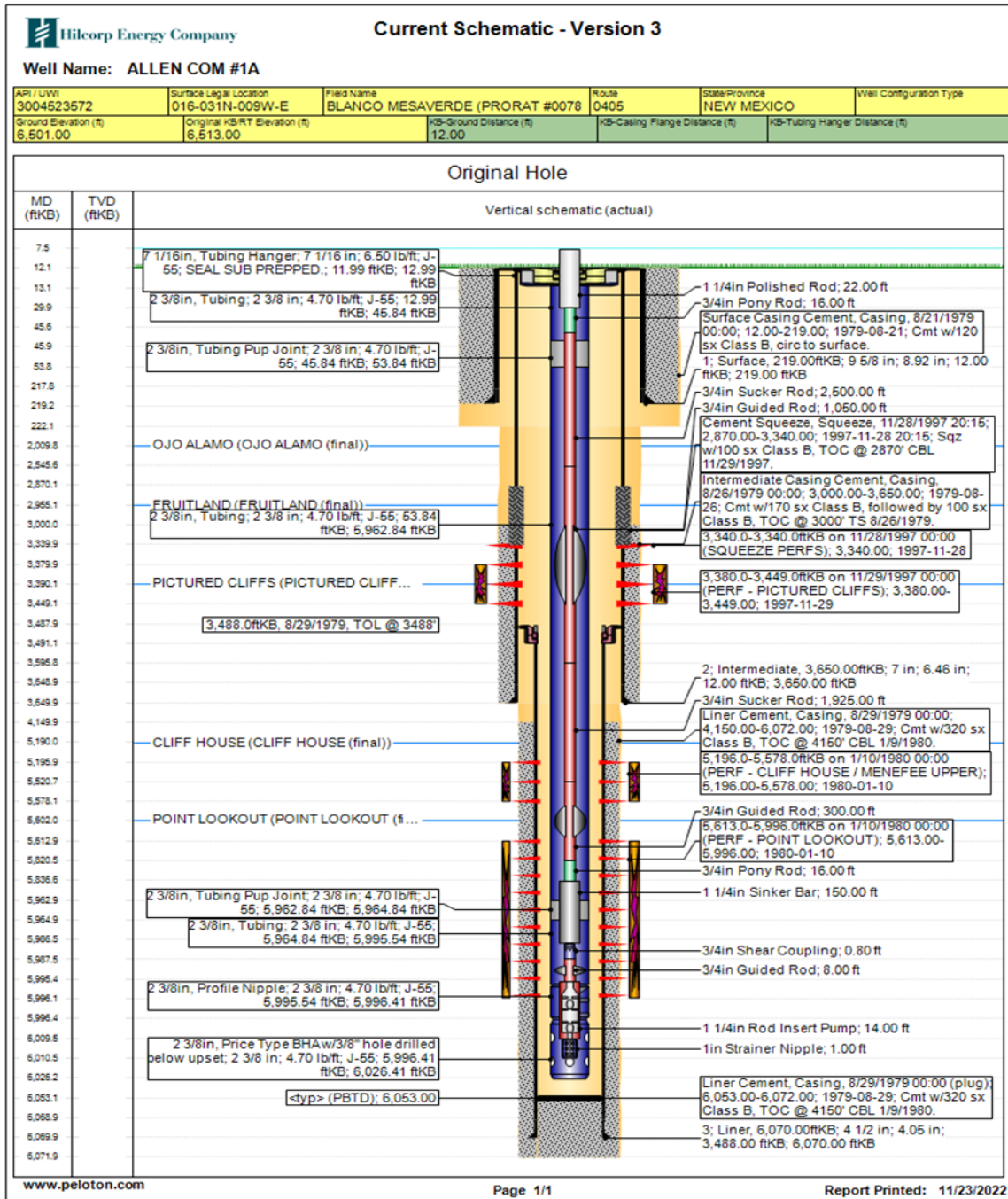
- NMOCD **Contact OCD 24 hrs prior to MIRU. Record and document all casing pressures daily, including BH, IC (if present) and**
 BLM **PC. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.**

1. MIRU service rig and associated equipment. Pull insert pump and rods
2. Nipple down wellhead, nipple up and test BOPs per HEC, State, and Federal guidelines.
3. TOOH with 2-3/8" tubing
4. **Set a 7" bridge plug at 3,376' to isolate the Pictured Cliffs formation.**
5. RU pressure test truck. Perform a Mechanical Integrity Test on the wellbore above the plug at 3,376'. Chart record the MIT test (Notify BLM and NMOCD +24hr before actual test).
6. **RU E-line crew. Perforate the Fruitland Coal. (Top perforation @ 3,026', Bottom perforation @ 3,376').**
 NOTE: A CBL on the 7" was run on 11/29/97 and submitted to the BLM and NMOCD
7. Hydrotest and RIH with frac string and packer, land packer ~50' above the top perf.
8. N/D BOP, N/U 10K frac stack and test frac stack to frac pressure. PT frac string to 8000-9000 psi, PT backside to 1500 psi
9. RU stimulation crew. Frac the Fruitland Coal in one or two stages.
10. MIRU service rig. Nipple down frac stack, nipple up BOP and test. Kill well with fluid, if necessary
11. POOH w/ frac string and packer.
12. Pending C107A approval, drill out the Pictured Cliffs/Mesaverde Isolation plug. Clean out to PBTD at **6,053'**
13. TIH and land 2-3/8" production tubing.
14. **Flowback well thru flowback separator and sand trap. Get a commingled Fruitland Coal / Mesa Verde flow rate.**



HILCORP ENERGY COMPANY
ALLEN COM 1A
FRUITLAND COAL RECOMPLETION SUNDRY

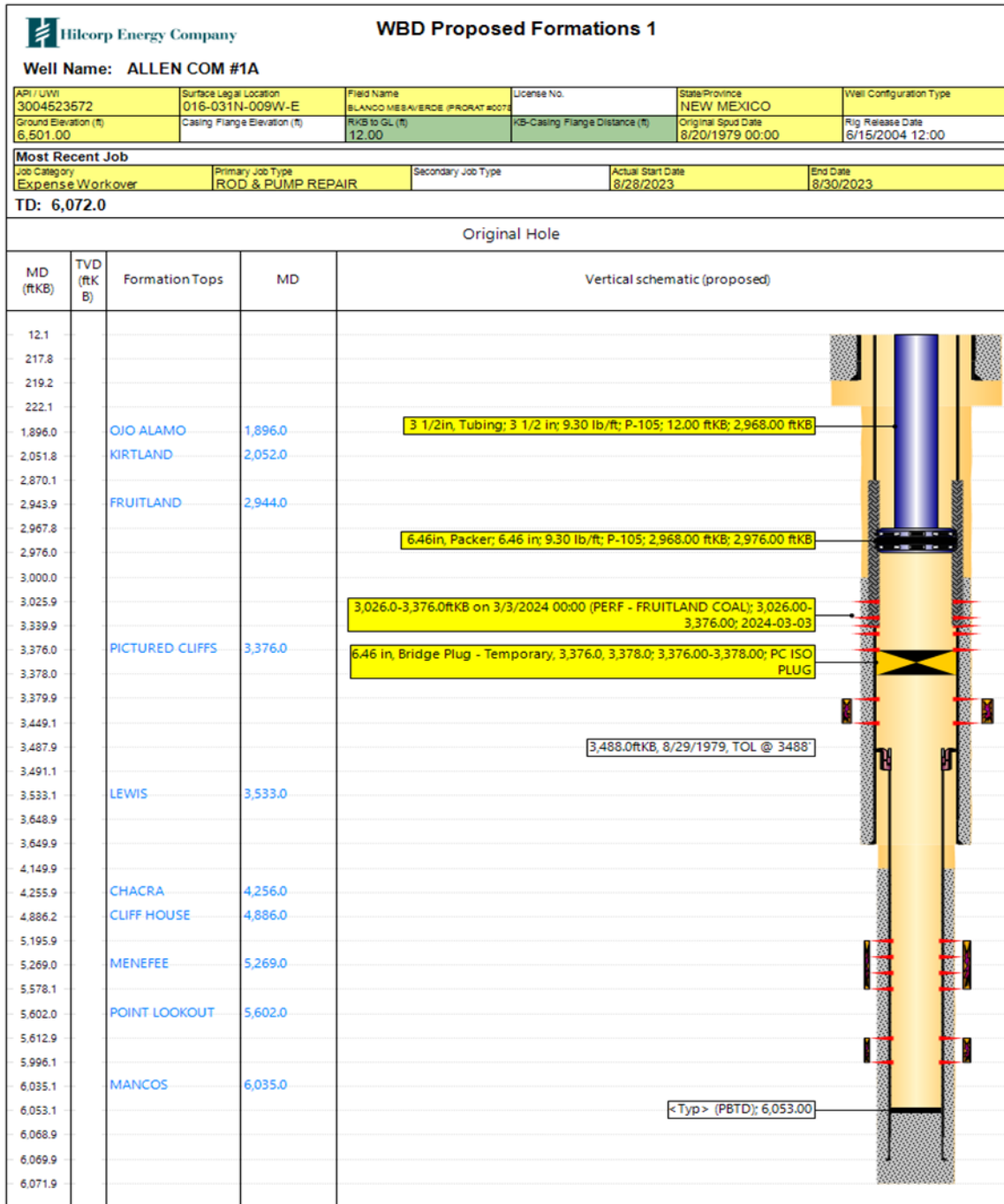
ALLEN COM 1A - CURRENT WELLBORE SCHEMATIC





HILCORP ENERGY COMPANY
ALLEN COM 1A
FRUITLAND COAL RECOMPLETION SUNDRY

ALLEN COM 1A - PROPOSED WELLBORE SCHEMATIC (PRIOR TO DRILLOUT/COMMINGLING)



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

Form C-102
August 1, 2011
Permit 359783

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-23572	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 318443	5. Property Name ALLEN COM	6. Well No. 001A
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6501

10. Surface Location

UL - Lot E	Section 16	Township 31N	Range 09W	Lot Idn	Feet From 1560	N/S Line N	Feet From 1140	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	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>OPERATOR CERTIFICATION</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: </p> <p>Title: Operations Regulatory Tech Sr.</p> <p>Date: 02/15/2024</p>
	<p>SURVEYOR CERTIFICATION</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: Neale Edwards</p> <p>Date of Survey: 4/24/1997</p> <p>Certificate Number: 6857</p>

State of New Mexico
 Energy, Minerals and Natural Resources Department

Submit Electronically
 Via E-permitting

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description Effective May 25, 2021

I. Operator: Hilcorp Energy Company **OGRID:** 372171 **Date:** 02/15/2024

II. Type: Original Amendment due to 19.15.27.9.D(6)(a) NMAC 19.15.27.9.D(6)(b) NMAC Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Allen Com 1A	30-045-23572	E-16-31N-09W	1560 FNL & 1140 FWL	0	500	1

IV. Central Delivery Point Name: Chaco Blanco Processing Plant [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
<u>Allen Com 1A</u>	<u>30-045-23572</u>					

VI. Separation Equipment: Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: Attach a complete description of Operator’s best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system will will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator does does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

Attach Operator’s plan to manage production in response to the increased line pressure.

XIV. Confidentiality: Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices


1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: 
Printed Name: Amanda Walker
Title: Operation Regulatory Tech Sr.
E-mail Address: mwalker@hilcorp.com
Date: 2/15/2024
Phone: 346-237-2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. Separation Equipment:

Hilcorp Energy Company (HEC or Operator) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our recomplete project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomplete to optimize gas capture and send gas to sales or flare based on analytical composition. HEC operates facilities that are typically one-well facilities. Production separation equipment is upgraded prior to well being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the recomplete operations.

VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas
 - o HEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
2. Subsection (B) Venting and Flaring during drilling operations
 - o This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompletion
 - o Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
 - o At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
4. Subsection (D) Venting and flaring during production operations
 - o At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
 - o Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
 - o HEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 1-4.
5. Subsection (E) Performance standards
 - o All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - o If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
 - o At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

6. Subsection (F) Measurement or estimation of vented and flared natural gas
 - o Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - o When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

1. Operator has adequate storage and takeaway capacity for wells it chooses to recomplete as the flowlines at the sites are already in place and tied into a gathering system.
2. Operator will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
3. Operator combusts natural gas that would otherwise be vented or flared, when technically feasible.
4. Operator will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.



February 21, 2024
Mailed Certified / Return Receipt Requested

To: ALL INTEREST OWNERS

RE: Application to Downhole Commingle Production
Well: ALLEN COM #001A
API: 30-045-23572
Township 31 North, Range 9 West, Section 16
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 for approval to downhole commingle production from the **Fruitland Coal**, a formation Hilcorp soon intends to perforate, with existing production from the **Mesaverde** and **Pictured Cliffs** formations. 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 (see details italicized below).

If you no longer own an interest in this well or need to make changes to your address, etc., please email ownerrelations@hilcorp.com. For those without email access, please call (713) 209-2457.

Hilcorp is eager to explore this potential opportunity to enhance production. Thank you for your support.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R Carlson'.

Robert Carlson
Sr. Landman
(832) 839-4596
rcarlson@hilcorp.com

RTC:dkp
Enclosures

Protesting:

Protests must be in writing and received within twenty (20) days from the date of this letter. In your response, please include your contact information, details referenced herein and the specific concerns and/or reasoning behind your decision. You are encouraged to email me an electronic copy and, subsequently, mailing (overnight) a hard copy to my attention at the address in the footer below. Upon receipt, I will follow up by phone to discuss your concerns. Should we be unable to resolve them, a formal protest will be set for hearing with the New Mexico Oil & Conservation Division in Santa Fe, NM, wherein your attendance and testimony will be required.

1111 Travis Street Houston, TX 77002
Phone: 713/209-2400 Fax 713/209-2420

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 Road 3100, Aztec, NM 87410
Operator Address

Allen Com 1A E, 16, 31N, 09W San Juan
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 318443 API No. 30-045-23572 Lease Type: Federal State Fee

Table with 4 columns: DATA ELEMENT, UPPER ZONE, INTERMEDIATE ZONE, LOWER ZONE. Rows include Pool Name, Pool Code, Top and Bottom of Pay Section, Method of Production, Bottomhole Pressure, Oil Gravity or Gas BTU, Producing, Shut-In or New Zone, Date and Oil/Gas/Water Rates of Last Production, and Fixed Allocation Percentage.

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes _____ No _____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes _____ No _____
Are all produced fluids from all commingled zones compatible with each other? Yes _____ No _____
Will commingling decrease the value of production? Yes _____ No _____
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes _____ No _____

NMOCD Reference Case No. applicable to this well: _____

- Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE _____ TITLE Operations/Regulatory Technician Sr. DATE 2/20/2024

TYPE OR PRINT NAME Amanda Walker TELEPHONE NO. (346) 237-2177

E-MAIL ADDRESS mwalker@hilcorp.com

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901833230616	Brenda Guzman	, ELSR LP, C/O PETROLEDGER FINANCIAL SERV, FORT WORTH, TX, 76107 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230623	Brenda Guzman	, GROVER FAMILY LP, , MIDLAND, TX, 79702- 3666 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230630	Brenda Guzman	, HDHC INVESTMENTS LTD, A TEXAS LTD PTRSHP, DALLAS, TX, 75225 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230647	Brenda Guzman	, MULLIGAN LP, , RICHARDSON, TX, 75080-4611 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230654	Brenda Guzman	, TEXAS ROYALTIES, , MIDLAND, TX, 79702- 3579 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230661	Brenda Guzman	, CHEROKEE LEGACY MINERALS LTD, , ALBANY, TX, 76430 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230678	Brenda Guzman	, KENEBREW MINERALS LP, , IDALOU, TX, 79329 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230685	Brenda Guzman	, HENRY J KENNEDY, , STATEN ISLAND, NY, 10301 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230692	Brenda Guzman	, ELIZABETH LOUISE KENNEDY ARTS, , OAK BROOK, IL, 60523 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230708	Brenda Guzman	, ELIZABETH K ARTS TRUST, ELIZABETH K ARTS TRUSTEE, OAK BROOK, IL, 60523 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230715	Brenda Guzman	, KEVIN RICHARD GISH, , DAVENPORT, IA, 52806 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230722	Brenda Guzman	, GREGORY J GISH, , GRAPEVINE, TX, 76051 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230739	Brenda Guzman	, GIA RENA GISH, , NAVARRE, FL, 32566-8508 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230746	Brenda Guzman	, THOMAS PAUL, , DECATUR, MI, 49045 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230753	Brenda Guzman	, MARY R SMITH, , OSWEGO, IL, 60543 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230760	Brenda Guzman	, ANNICE KENNEDY HANLON, , LA GRANGE, IL, 60525-6411 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230777	Brenda Guzman	, ELIZABETH ANN MATERA, , DAVENPORT, IA, 52807 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230784	Brenda Guzman	, LAURA LYNN QUALLS, , GRAPEVINE, TX, 76051-8249 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230791	Brenda Guzman	, TRACY L ROGERS, , DAVENPORT, IA, 52807 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230807	Brenda Guzman	, ROBERT M TAYLOR, EILLEN M TAYLOR POA, ASHBURN, VA, 20147-6127 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230814	Brenda Guzman	, KATHRYN TREVOR, , DAVENPORT, IA, 52804 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230821	Brenda Guzman	, EILEEN M DEMPSEY, , DOWNERS GROVE, IL, 60515 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230838	Brenda Guzman	, CLARE GADIANT, , MADISON, WI, 53711 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230845	Brenda Guzman	, ISOBEL KATHERINE KENNEDY, , SOUTHAMPTON, NY, 11968 Code: Allen Com 1A DHC	2/21/2024	Signature Pending

92148969009997901833230852	Brenda Guzman	, W D KENNEDY PROPERTIES LTD, , MIDLAND, TX, 79701 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230869	Brenda Guzman	, KATERI T KENNEDY, , NEW YORK, NY, 10013 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230876	Brenda Guzman	, MIRIAM TAVEGIA, , OSWEGO, IL, 60543 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230883	Brenda Guzman	, WARREN W CLINGMAN TRUST, WARREN W CLINGMAN TRUSTEE, MILWAUKIE, OR, 97267 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230890	Brenda Guzman	, ANABEL FLAHERTY, , BETTENDORF, IA, 52722 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230906	Brenda Guzman	, CATHLEEN MCCARTHY, MICHAEL J MCCARTHY GUARDIAN, DAVENPORT, IA, 52801-1220 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230913	Brenda Guzman	, MARTIN MCCARTHY, , WHEATON, IL, 60189-6480 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230920	Brenda Guzman	, GEORGE J MCCARTHY, , PRESCOTT VALLEY, AZ, 86314 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230937	Brenda Guzman	, MAUREEN A MCCARTHY, , PRESCOTT, AZ, 86305 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230944	Brenda Guzman	, MICHAEL J MCCARTHY, , BETTENDORF, IA, 52722 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230951	Brenda Guzman	, SHANNON MCCARTHY, , CHICAGO, IL, 60640 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230968	Brenda Guzman	, BRENDA SCHENDEL, , PEWAUKEE, WI, 53072-5474 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230975	Brenda Guzman	, LIBBIE M STAFFORD TRUST, WELLS FARGO OGM C7300 07D TTEE, AUSTIN, TX, 78704 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230982	Brenda Guzman	, MARY STASIA STAFFORD, , AUSTIN, TX, 78704 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833230999	Brenda Guzman	, MARY F TAYLOR SELF DECLARATION, TRUST DTD 6-2-2002, FREEPORT, IL, 61032 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231002	Brenda Guzman	, CATHY PAUL, , DECATUR, MI, 49045 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231019	Brenda Guzman	, MARY SIMON, , BETTENDORF, IA, 52722 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231026	Brenda Guzman	, SISTERS OF CHARITY OF THE BLESSED, VIRGIN MARY, DUBUQUE, IA, 52003-7991 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231033	Brenda Guzman	, ENDURING RESOURCES IV, LLC, , CENTENNIAL, CO, 80111 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231040	Brenda Guzman	, HARRIET A CLINGMAN TRUST, WARREN W CLINGMAN TRUSTEE, MILWAUKIE, OR, 97267 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231057	Brenda Guzman	, JOHN B TOHER TRUST, JOHN B TOHER TRUSTEE, ARLINGTON HEIGHTS, IL, 60004-2700 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231064	Brenda Guzman	, WAGNER FAMILY TRUST DTD 6/11/2018, FRANK A WAGNER and JEAN J JAEGGI TTEE, NORTH PORT, FL, 34286 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231071	Brenda Guzman	, MARGARET E LEONARD TR OF 2000, RAY KARNES TTEE, HEMET, CA, 92545 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
92148969009997901833231088	Brenda Guzman	, TAYLOR FAMILY TRUST, NANCY TAYLOR TRUSTEE, EVANSTON, IL, 60201 Code: Allen Com 1A DHC	2/21/2024	Signature Pending

92148969009997901833231095	Brenda Guzman	, BANKS LIVING TRUST, GERALDINE D BANKS TTEE, RENO, NV, 89519 Code: Allen Com 1A DHC	2/21/2024	Signature Pending
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LocalIQ

Texas/New Mexico
GANNETT

PO Box 631667 Cincinnati, OH 45263-1667

PROOF OF PUBLICATION

Hilcorp Energy
Hilcorp Energy
382 Rd 3100
Aztec NM 87410

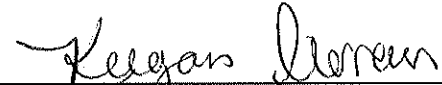
STATE OF WISCONSIN, COUNTY OF BROWN

The Farmington Daily Times, a daily newspaper published in the city of Farmington, San Juan County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

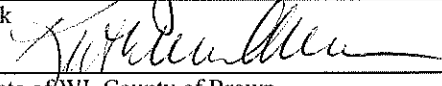
03/01/2024

and that the fees charged are legal.
Sworn to and subscribed before on 03/01/2024

Notice by Hilcorp Energy Company for Downhole Commingling, San Juan County, New Mexico. Pursuant to Paragraph (2) of Subsection C of 19.15.12.11 NMAC, Hilcorp Energy Company, as Operator, has filed form C-107-A with the New Mexico Energy, Minerals and Natural Resources Department - Oil Conservation Division (NMOCD) seeking administrative approval to downhole commingle new production from the Basin-Fruitland Coal Gas Pool (71629) with existing production from the Blanco-Mesaverde Gas Pool (72319) and Blanco Pictured Cliffs Gas Pool (72359) in the ALLEN COM #001A well (API No. 30-045-23572) located in Unit E, Section 16, Township 31 North, Range 9 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, you must notify the NMOCD in writing within twenty (20) days from the date of this publication. Thereafter, the matter may be set for hearing with the NMOCD in Santa Fe, NM, wherein your attendance and testimony would be required.
#9885255, Daily Times, March 1, 2024



Legal Clerk



Notary, State of WI, County of Brown
1-7-25

My commission expires

Publication Cost: \$88.60
Order No: 9885255 # of Copies: 1
Customer No: 1366050
PO #: ALLEN COM #001A

THIS IS NOT AN INVOICE!

Please do not use this form for payment remittance.

KATHLEEN ALLEN
Notary Public
State of Wisconsin



APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Hilcorp Energy Company OGRID #: 372171

Well Name: Allen Com 1A API #: 30-045-23572

Pool: Basin Fruitland Coal

OPERATOR NAME: Hilcorp Energy Company

Please mail approved DHC to the attention of:

OPERATOR ADDRESS: Hilcorp Energy Company

Mandi Walker #12.215
1111 Travis St. Houston, TX 77002

APPLICATION REQUIREMENTS - SUBMIT:

- 1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
The information submitted with this application is accurate and complete, and
No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that no action will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Amanda Walker

Print or Type Name

[Handwritten Signature]

Signature

346-237-2177

Phone Number

04/10/2024

Date

mwalker@hilcorp.com

e-mail Address

Submit application to:
Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.



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Label Created

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WE HAVE YOUR PACKAGE

HOUSTON, TX

4/10/24 3:25 PM

ON THE WAY

SANTA FE, NM

4/12/24 8:03 AM

OUT FOR DELIVERY

SANTA FE, NM

4/12/24 8:51 AM

DELIVERED

SANTA FE, NM US

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4/12/24 at 9:32 AM

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Shipment facts



 Shipment overview

TRACKING NUMBER 1001908771520008750400728423360085

DELIVERED TO Receptionist/Front Desk

SHIP DATE  4/10/24

STANDARD TRANSIT  4/12/24 before 5:00 PM

DELIVERED 4/12/24 at 9:32 AM

 Services

SERVICE FedEx 2Day

TERMS Shipper

SPECIAL HANDLING SECTION Deliver Weekday

 Package details

WEIGHT 0.5 lbs / 0.23 kgs

TOTAL PIECES 1

TOTAL SHIPMENT WEIGHT 0.5 lbs / 0.23 kgs

PACKAGING FedEx Envelope

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Travel history



Ascending



Local Scan Time





10:07 AM
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HOUSTON, TX

3:28 PM
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HOUSTON, TX

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HOUSTON, TX

Thursday, 4/11/24

9:13 AM
Arrived at FedEx hub
MEMPHIS, TN

4:02 PM
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MEMPHIS, TN

5:24 PM
At destination sort facility
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8:50 PM
At local FedEx facility
ALBUQUERQUE, NM

Friday, 4/12/24

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8:51 AM
On FedEx vehicle for delivery
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SANTA FE, NM

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

**APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY HILCORP ENERGY COMPANY**

ORDER NO. DHC-5579

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 Company (“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. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
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. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
12. 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. This Order supersedes Order DHC-1637.
3. 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. zero percent (0%) shall be allocated to the Basin Fruitland Coal pool (pool ID: 71629);
 - b. zero percent (0%) shall be allocated to the Blanco Pictured Cliffs pool (pool ID: 72359); and
 - c. one hundred percent (100%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319).

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 Basin Fruitland Coal pool (pool ID: 71629)

The current pool(s) are:

- a. the Blanco Pictured Cliffs pool (pool ID: 72359); and
- b. the Blanco Mesaverde pool (pool ID: 72319).

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

- a. eleven percent (11%) shall be allocated to the Blanco Pictured Cliffs pool (pool ID: 72359); and
- b. eighty nine percent (89%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319).

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.

4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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).
10. 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**

Albert Chang

**ALBERT CHANG
DIVISION DIRECTOR**

DATE: 5-18-26

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5579**

Operator: **Hilcorp Energy Company**

Well Name: **Allen Com Well No. 1A**

Well API: **30-045-23572**

Pool Name: **Basin Fruitland Coal**

Upper Zone

Pool ID: **71629**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **0.0%**

Gas: **FIX**

Top: **3,026** Bottom: **3,376**

Pool Name: **Blanco Pictured Cliffs**

Intermediate Zone

Pool ID: **72359**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **0.0%**

Gas: **11.0%**

Top: **3,380** Bottom: **3,449**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**

Pool Name: **Blanco Mesaverde**

Lower Zone

Pool ID: **72319**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **100.0%**

Gas: **89.0%**

Top: **5,196** Bottom: **5,996**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **NO**

Top of Queen Formation:

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 332966

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 332966
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	4/29/2026