

ID NO. 578887

DHC - 5581

Revised March 23, 2017

RECEIVED: 04/24/26	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: SAN JUAN 29-7 UNIT 106M **API:** 30-039-23940
Pool: BASIN FRUITLAND COAL, SOUTH BLANCO PICTURED CLIFFS **Pool Code:** 71629, 72439

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

- 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

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

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.

DAWN NASH-DEAL

Print or Type Name

Dawn Nash Deal

Signature

04/22/2026
Date

346-237-2143
Phone Number

DNASH@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 Operator 382 Road 3100, Aztec, NM 87410 Address

SAN JUAN 29-7 UNIT 106M C,36,29N,07W RIO ARRIBA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 318713 API No. 30-039-23940 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL (GAS POOL)	SOUTH BLANCO PICTURED CLIFFS (PRORATED GAS)	BLANCO MESAVERDE (PRORATED GAS)	BASIN DAKOTA (PRORATED GAS)
Pool Code	71629	72439	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~3,232'-3,527'	~3,527'-3,605'	4,427'-6,034'	7,767'-7,956'
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT	ARTIFICIAL LIFT	ARTIFICIAL LIFT	ARTIFICIAL LIFT
Bottomhole Pressure (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)	261 BHP	230 BHP	417 BHP	1179 BHP
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1159 BTU	1215 BTU	1275 BTU	1140 BTU
Producing, Shut-In or New Zone	NEW ZONE	NEW ZONE	PRODUCING	PRODUCING
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: Oil: Gas: Water:	Date: Rates: Oil: Gas: Water:	Date: 2/1/2026 Rates: Oil: 4 BBL Gas: 1,984 MCF Water: 0 BBL	Date: 2/1/2026 Rates: Oil: 1 BBL Gas: 1,268 MCF Water: 0 BBL
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas %	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

NMOC Reference Case No. applicable to this well: R-10697

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 Dawn Nash Deal TITLE Operations/Regulatory Technician DATE 04/22/2026

TYPE OR PRINT NAME DAWN NASH-DEAL TELEPHONE NO. (346) 237-2143

E-MAIL ADDRESS DNASH@HILCORP.COM

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

WELL API NO.
30-039-23940
5. Indicate Type of Lease
STATE [X] FEE []
6. State Oil & Gas Lease No.
E-5111-7
7. Lease Name or Unit Agreement Name
SAN JUAN 29-7 UNIT
8. Well Number
160M
9. OGRID Number
372171
10. Pool name or Wildcat
BASIN FRUITLAND COAL, SOUTH
BLANCO PICTURED CLIFFS

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.)
1. Type of Well: Oil Well [] Gas Well [X] Other []
2. Name of Operator
HILCORP ENERGY COMPANY
3. Address of Operator
382 Road 3100, Aztec, NM 87410
4. Well Location
Unit Letter C : 990' feet from the NORTH line and 1650' feet from the WEST line
Section 36 Township 29N Range 07W NMPM County RIO ARRIBA
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6716'

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE [X]
CLOSED-LOOP SYSTEM []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

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 recomplete the subject well in the Basin Fruitland Coal (pool 71629) and South Blanco Pictured Cliffs (pool 72439) and downhole commingle the existing with the Mesaverde and Dakota. The production will be commingled per Oil Conservation Division Order Number 11363. See the attached allocation methodology. 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: FRC ~3,232'-3,527' PC ~3,527'-3,605'. These perforations are in TVD.

As referenced in Order # R- 10697 interest owners were not re-notified.

Hilcorp Energy is requesting to add the following formations: Basin Fruitland Coal and the South Blanco Pictured Cliffs. We request to amend DHC-1933 to supersede an existing order from the well. I have included a copy of the OCD approved NOI (Action ID 570759) that included the additional formations.

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 Dawn Nash Deal TITLE Operations/Regulatory Technician DATE 04/22/2026

Type or print name Dawn Nash-Deal E-mail address: DNASH@hilcorp.com PHONE: (346) 237-2143

For State Use Only

APPROVED BY: [] TITLE [] DATE []

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-85

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

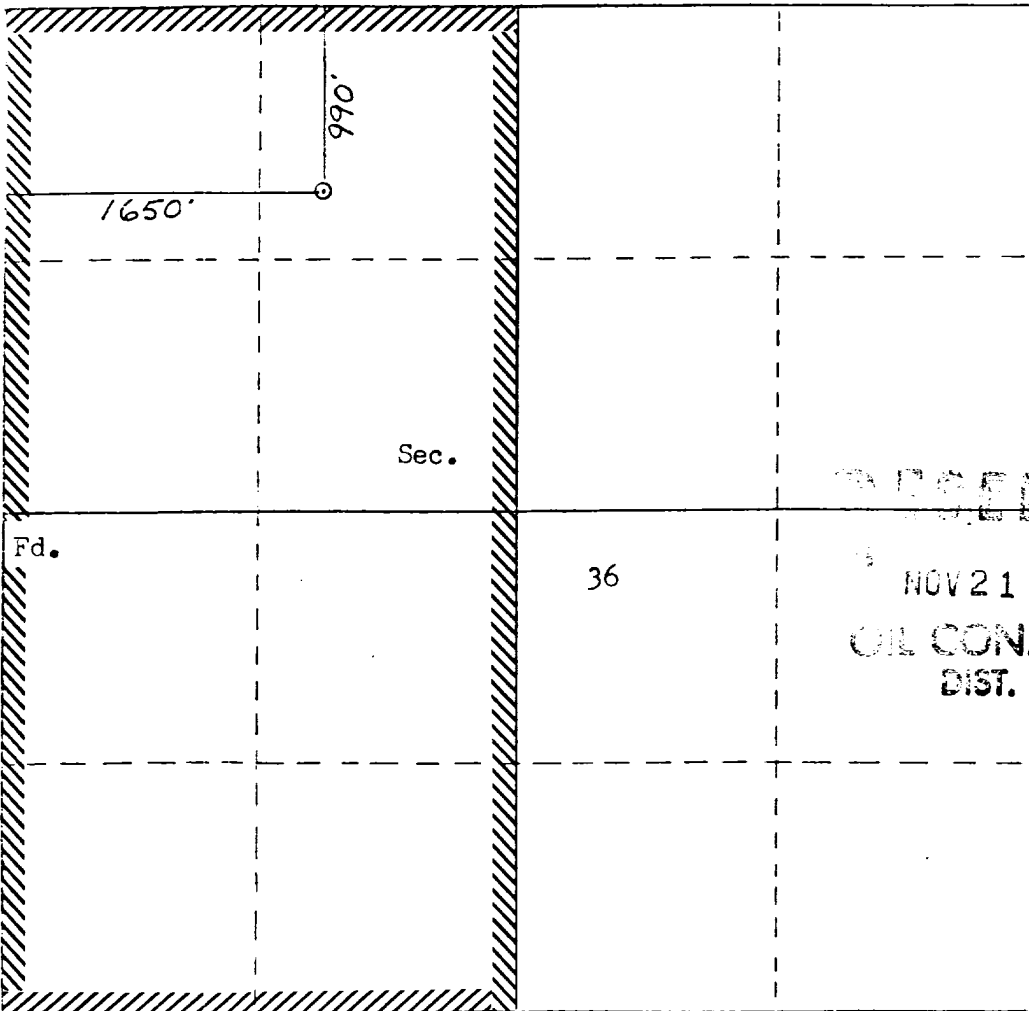
Operator EL PASO NATURAL GAS COMPANY			Lease SAN JUAN 29-7 UNIT (E-5111-4)		Well No. 106M
Unit Letter C	Section 36	Township 29N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 990 feet from the North line and 1650 feet from the West line					
Ground Level Elev. 6716'	Producing Formation Mesa Verde/Dakota		Pool Blanco/Basin	Dedicated Acreage: 320/320 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.



CERTIFICATION

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

William E. Mahnke

Name
Drilling Clerk

Position
El Paso Natural Gas

Company
11-15-85

Date

RECEIVED
NOV 21 1985
OIL CON. DIV.
DIST. 8

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 **9-26-85**
William E. Mahnke

Registered Professional Engineer and Land Surveyor

William E. Mahnke

Certificate No. **8466**

Scale: 1"=1000'

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.
 - 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.

Well Name	API
SAN JUAN 29-7 UNIT 106M	3003923940

FRC Offset (1.68 MILES)		PC Offset (2.15 MILES)		MV Offset (2.86 MILES)		DK Offset (3.93 MILES)	
API	3003925112	API	3003925897	API	3003926806	API	3003927006
Property	SAN JUAN 28-7 UNIT 403	Property	SAN JUAN 29-7 UNIT 166	Property	SAN JUAN 29-7 UNIT 66B	Property	SAN JUAN 28-7 UNIT 241F
CationBarium	0	CationBarium	0.00	CationBarium	0.1	CationBarium	0.12
CationBoron	0	CationBoron	0	CationBoron	0	CationBoron	0
CationCalcium	2.2	CationCalcium	80.00	CationCalcium	3.4	CationCalcium	1.9
CationIron	5.2	CationIron	62.10	CationIron	31.4	CationIron	116
CationMagnesium	0.32	CationMagnesium	19.50	CationMagnesium	0.43	CationMagnesium	0.35
CationManganese	0.1	CationManganese	1.98	CationManganese	0.75	CationManganese	1.64
CationPhosphorus	0	CationPhosphorus	0	CationPhosphorus	0	CationPhosphorus	0
CationPotassium	0	CationPotassium	0	CationPotassium	10	CationPotassium	10
CationStrontium	0	CationStrontium	0.00	CationStrontium	1	CationStrontium	1
CationSodium	1164.2	CationSodium	762.80	CationSodium	10	CationSodium	10
CationSilica	0	CationSilica	0	CationSilica	7.38	CationSilica	10.7
CationZinc	0	CationZinc	0	CationZinc	0.5	CationZinc	0.5
CationAluminum	0	CationAluminum	0	CationAluminum	0	CationAluminum	0
CationCopper	0	CationCopper	0	CationCopper	0	CationCopper	0
CationLead	0	CationLead	0	CationLead	1.00	CationLead	1
CationLithium	0	CationLithium	0	CationLithium	0	CationLithium	0
CationNickel	0	CationNickel	0	CationNickel	0	CationNickel	0
CationCobalt	0	CationCobalt	0	CationCobalt	0	CationCobalt	0
CationChromium	0	CationChromium	0	CationChromium	0	CationChromium	0
CationSilicon	0	CationSilicon	0	CationSilicon	5.00	CationSilicon	5
CationMolybdenum	0	CationMolybdenum	0	CationMolybdenum	0	CationMolybdenum	0
AnionChloride	1700	AnionChloride	1200.00	AnionChloride	10	AnionChloride	48
AnionCarbonate	0	AnionCarbonate	0.00	AnionCarbonate	10	AnionCarbonate	10
AnionBicarbonate	183	AnionBicarbonate	427	AnionBicarbonate	72	AnionBicarbonate	137
AnionBromide	0	AnionBromide	0	AnionBromide	0	AnionBromide	0
AnionFluoride	0	AnionFluoride	0	AnionFluoride	0	AnionFluoride	0
AnionHydroxyl	0	AnionHydroxyl	0	AnionHydroxyl	10	AnionHydroxyl	10
AnionNitrate	0	AnionNitrate	0	AnionNitrate	0	AnionNitrate	0
AnionPhosphate	925.6	AnionPhosphate	0	AnionPhosphate	0	AnionPhosphate	0
AnionSulfate	10	AnionSulfate	80.00	AnionSulfate	8	AnionSulfate	3
phField	6.73	phField	0	phField	6.26	phField	5.36
phCalculated	7.01	phCalculated	6.83	phCalculated	6.70	phCalculated	5.61
TempField	0	TempField	0	TempField	72.00	TempField	60
TempLab	0	TempLab	0	TempLab	0	TempLab	0
OtherFieldAlkalinity	7991.88	OtherFieldAlkalinity	342.16	OtherFieldAlkalinity	171	OtherFieldAlkalinity	366
OtherSpecificGravity	1	OtherSpecificGravity	0	OtherSpecificGravity	1	OtherSpecificGravity	1
OtherTDS	2962	OtherTDS	2435.00	OtherTDS	370	OtherTDS	225
OtherCaCO3	12113.31	OtherCaCO3	0	OtherCaCO3	10.3	OtherCaCO3	66.2
OtherConductivity	0	OtherConductivity	0	OtherConductivity	202	OtherConductivity	863
DissolvedCO2	360	DissolvedCO2	0	DissolvedCO2	110.00	DissolvedCO2	280
DissolvedO2	0	DissolvedO2	0	DissolvedO2	0	DissolvedO2	0
DissolvedH2S	40	DissolvedH2S	13.00	DissolvedH2S	0.00	DissolvedH2S	0
GasPressure	0	GasPressure	0	GasPressure	0	GasPressure	0
GasCO2	8	GasCO2	4.00	GasCO2	0	GasCO2	0
GasCO2PP	0	GasCO2PP	0	GasCO2PP	0	GasCO2PP	0
GasH2S	0	GasH2S	0.00	GasH2S	0	GasH2S	0
GasH2SPP	0	GasH2SPP	0	GasH2SPP	0	GasH2SPP	0
PitzerCaCO3_70	0	PitzerCaCO3_70	0	PitzerCaCO3_70	0	PitzerCaCO3_70	0
PitzerBaSO4_70	0	PitzerBaSO4_70	0	PitzerBaSO4_70	0	PitzerBaSO4_70	0
PitzerCaSO4_70	0	PitzerCaSO4_70	0	PitzerCaSO4_70	0	PitzerCaSO4_70	0
PitzerSrSO4_70	0	PitzerSrSO4_70	0	PitzerSrSO4_70	0	PitzerSrSO4_70	0
PitzerFeCO3_70	0	PitzerFeCO3_70	0	PitzerFeCO3_70	0	PitzerFeCO3_70	0
PitzerCaCO3_220	0	PitzerCaCO3_220	0	PitzerCaCO3_220	0	PitzerCaCO3_220	0
PitzerBaSO4_220	0	PitzerBaSO4_220	0	PitzerBaSO4_220	0	PitzerBaSO4_220	0
PitzerCaSO4_220	0	PitzerCaSO4_220	0	PitzerCaSO4_220	0	PitzerCaSO4_220	0
PitzerSrSO4_220	0	PitzerSrSO4_220	0	PitzerSrSO4_220	0	PitzerSrSO4_220	0
PitzerFeCO3_220	0	PitzerFeCO3_220	0	PitzerFeCO3_220	0	PitzerFeCO3_220	0

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.
 - 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.

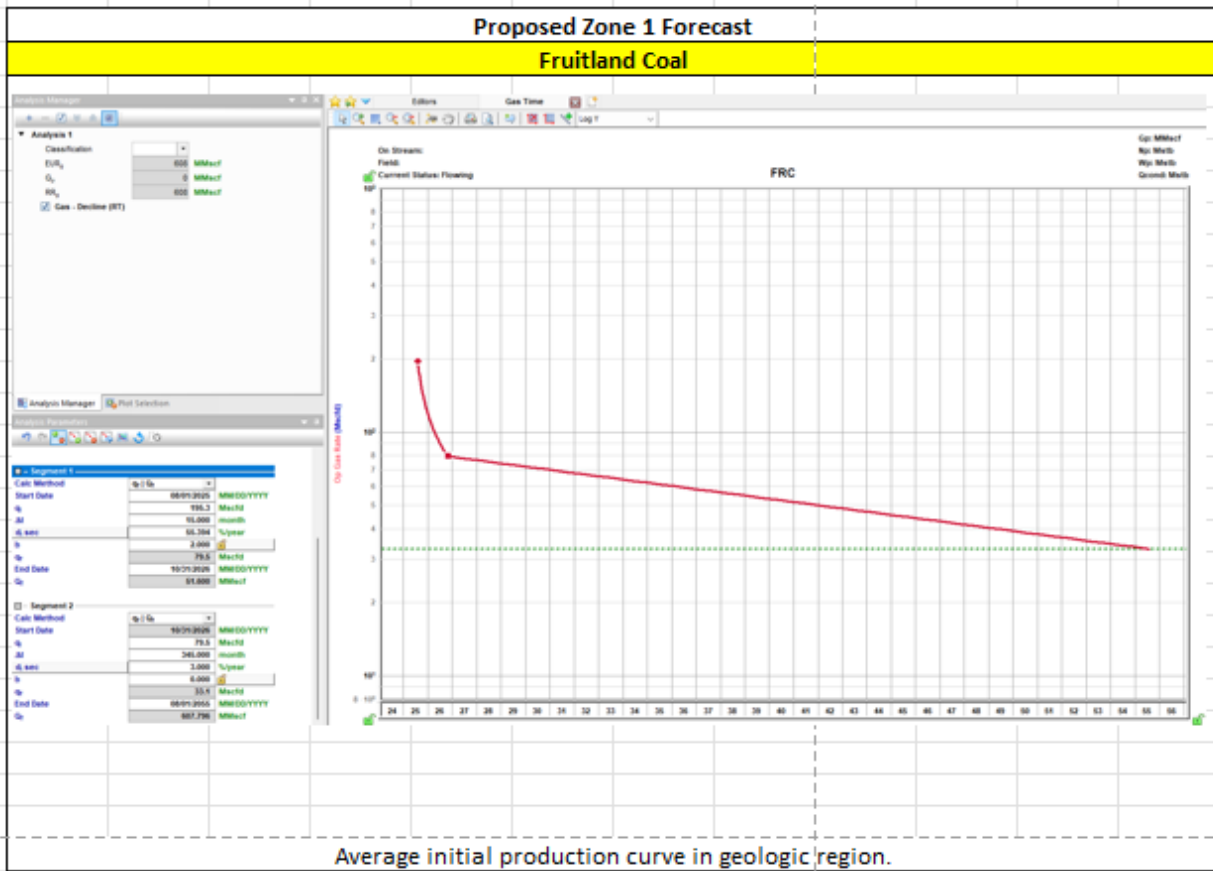
Well Name	API
SAN JUAN 29-7 UNIT 106M	3003923940

FRC Offset (5.03 MILES)		PC Offset (5.01 MILES)		MV Offset (2.60 MILES)		DK Offset (5.41 MILES)	
AssetCode	3003924298	AssetCode	3003920509	AssetCode	3003927250	AssetCode	3003926938
AssetName	SAN JUAN 29-7 UNIT NP 513	AssetName	SAN JUAN 29-7 UNIT 103	AssetName	SAN JUAN 28-7 UNIT 61B	AssetName	SAN JUAN 28-7 UNIT 230F
CO2	0.004735	CO2	0.002269	CO2	0.00932	CO2	0.008434
N2	0.003974	N2	0.005198	N2	0.002537	N2	0.003343
C1	0.865605	C1	0.82752	C1	0.781186	C1	0.819665
C2	0.060088	C2	0.07061	C2	0.110063	C2	0.087053
C3	0.039999	C3	0.054778	C3	0.055017	C3	0.045647
ISOC4	0.008179	ISOC4	0.01174	ISOC4	0.009261	ISOC4	0.009007
NC4	0.008865	NC4	0.014186	NC4	0.015693	NC4	0.012044
ISOC5	0.003009	ISOC5	0.004943	ISOC5	0.004703	ISOC5	0.004521
NC5	0.001949	NC5	0.003414	NC5	0.003486	NC5	0.003087
NEOC5	0	NEOC5	0	NEOC5	0	NEOC5	0
C6	0	C6	0	C6	0	C6	0
C6_PLUS	0.003597	C6_PLUS	0.005342	C6_PLUS	0.008734	C6_PLUS	0.007199
C7	0	C7	0	C7	0	C7	0
C8	0	C8	0	C8	0	C8	0
C9	0	C9	0	C9	0	C9	0
C10	0	C10	0	C10	0	C10	0
AR	0	AR	0	AR	0	AR	0
CO	0	CO	0	CO	0	CO	0
H2	0	H2	0	H2	0	H2	0
O2	0	O2	0	O2	0	O2	0
H2O	0	H2O	0	H2O	0	H2O	0
H2S	0	H2S	0	H2S	0	H2S	0.00
HE	0	HE	0	HE	0	HE	0
C_O_S	0	C_O_S	0	C_O_S	0	C_O_S	0
CH3SH	0	CH3SH	0	CH3SH	0	CH3SH	0
C2H5SH	0	C2H5SH	0	C2H5SH	0	C2H5SH	0
CH2S3_2CH3S	0	CH2S3_2CH3S	0	CH2S3_2CH3S	0	CH2S3_2CH3S	0
CH2S	0	CH2S	0	CH2S	0	CH2S	0
C6HV	0	C6HV	0	C6HV	0	C6HV	0
CO2GPM	0	CO2GPM	0	CO2GPM	0	CO2GPM	0
N2GPM	0	N2GPM	0	N2GPM	0	N2GPM	0
C1GPM	0	C1GPM	0	C1GPM	0	C1GPM	0
C2GPM	1.6115	C2GPM	1.8945	C2GPM	2.9542	C2GPM	2.3357
C3GPM	1.105	C3GPM	1.514	C3GPM	1.5212	C3GPM	1.2617
ISOC4GPM	0.2684	ISOC4GPM	0.3854	ISOC4GPM	0.3042	ISOC4GPM	0.2957
NC4GPM	0.2803	NC4GPM	0.4487	NC4GPM	0.4965	NC4GPM	0.3809
ISOC5GPM	0.1104	ISOC5GPM	0.1814	ISOC5GPM	0.1726	ISOC5GPM	0.1659
NC5GPM	0.0708	NC5GPM	0.1242	NC5GPM	0.1268	NC5GPM	0.1123
C6_PLUSGPM	0.161	C6_PLUSGPM	0.2392	C6_PLUSGPM	0.3912	C6_PLUSGPM	0.3224

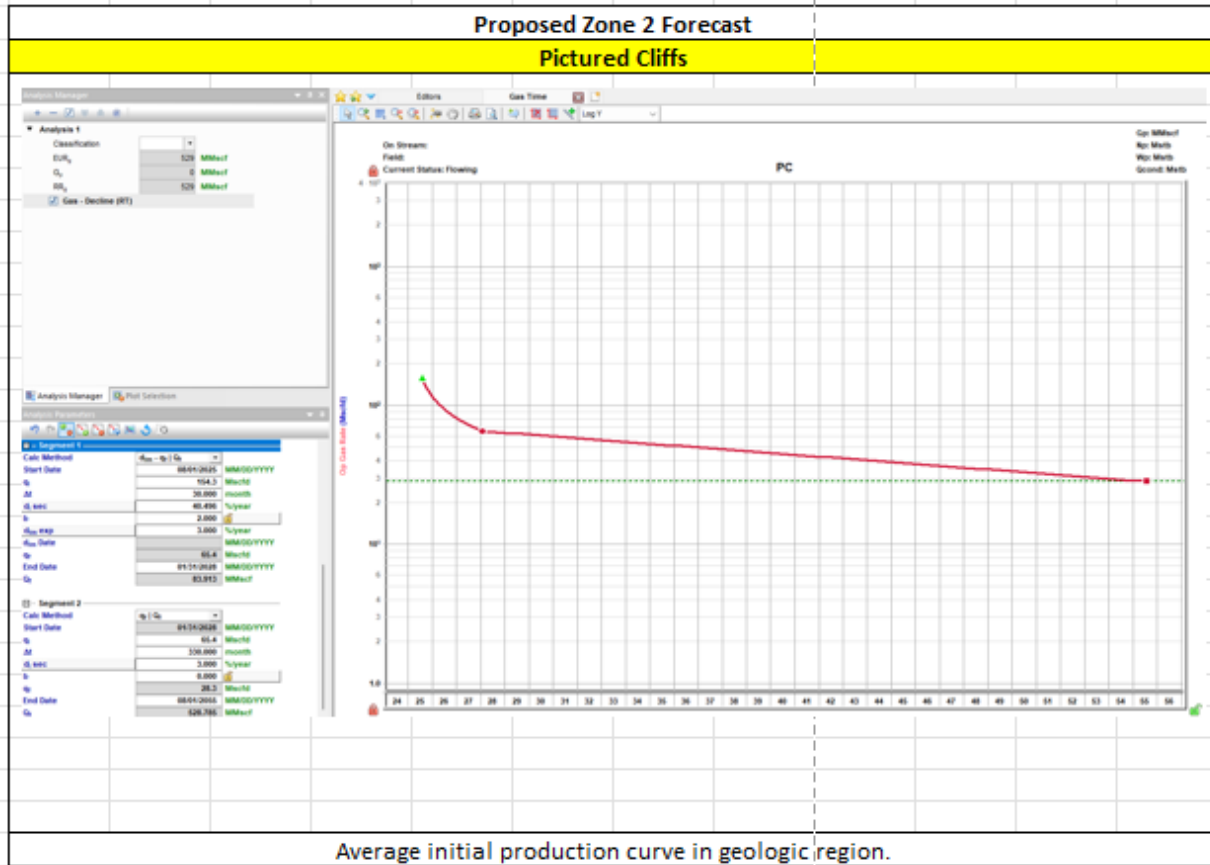
The near wellbore shut-in bottom hole pressures of the above reservoirs are much lower than the calculated far-field stabilized reservoir pressured due to the low permeability of the reservoirs. Based on pressure transient analysis performed in the San Juan Basin, it would take 7-25 years for shut-in 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.

<p>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:</p> <p>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</p>		
API	Well Name	Formation
List of wells used to calculate BHPs for the Project:		
3003925240	San Juan 29-7 Unit 534	FRC
3003926995	San Juan 29-7 Unit 181	PC
3003925859	San Juan 29-7 Unit 40B	MV
3003921330	San Juan 29-7 Unit 109	DK
<p>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.</p>		

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.



Average initial production curve in geologic region.



HEC Comments

The production forecasts have been generated using type curves of production in the surrounding trend.

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.

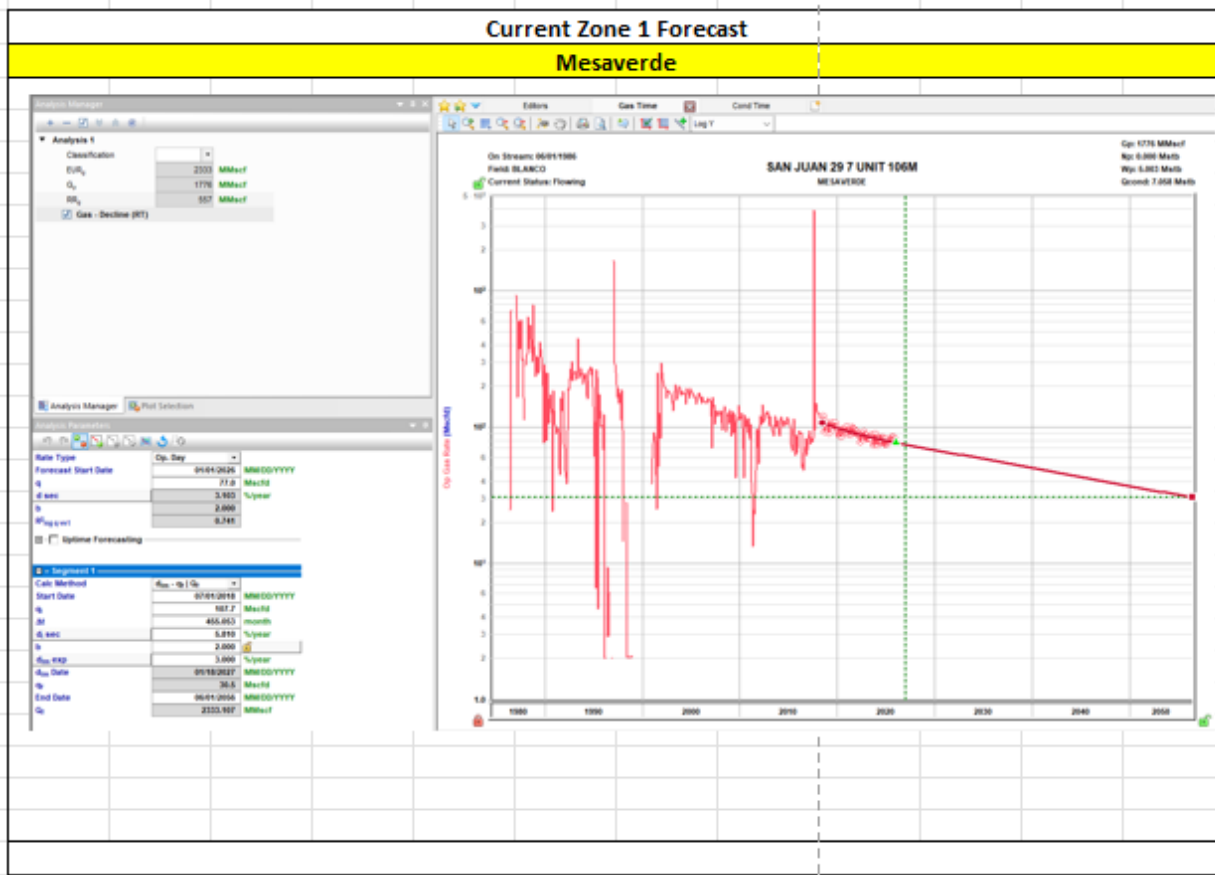
The BHPs of all zones, producing and non-producing, were estimated based upon basinwide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin. These models were constructed incorporating reservoir dynamics and physics,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

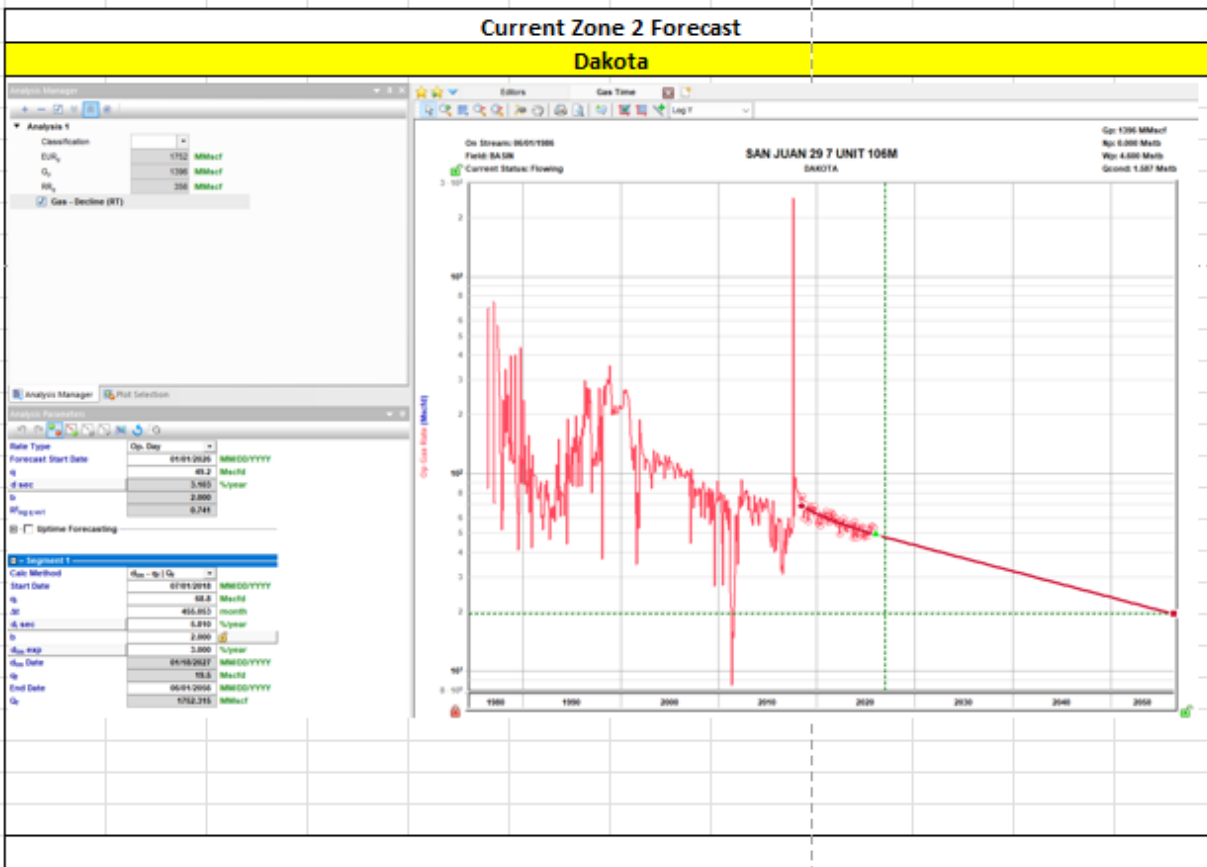
Production Allocation Method - Subtraction

Gas Allocation:

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

Formation	Remaining Reserves (MMcf)	% Gas Allocation
FRC	608	53%
PC	529	47%





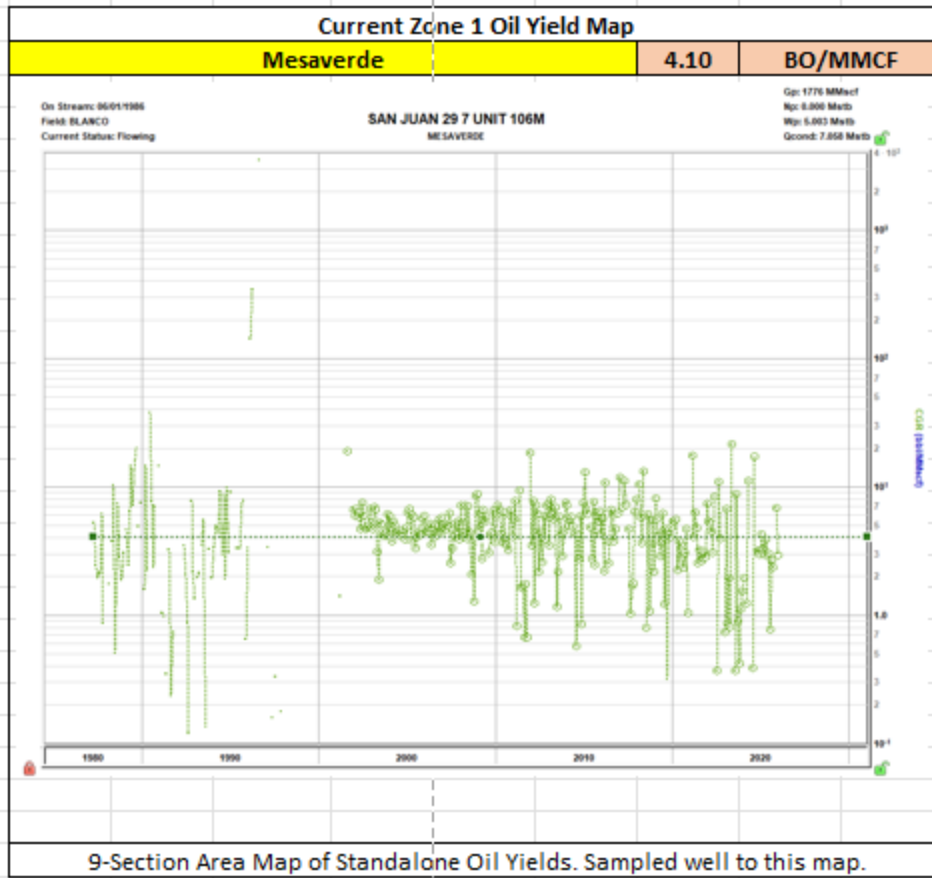
Oil Allocation:

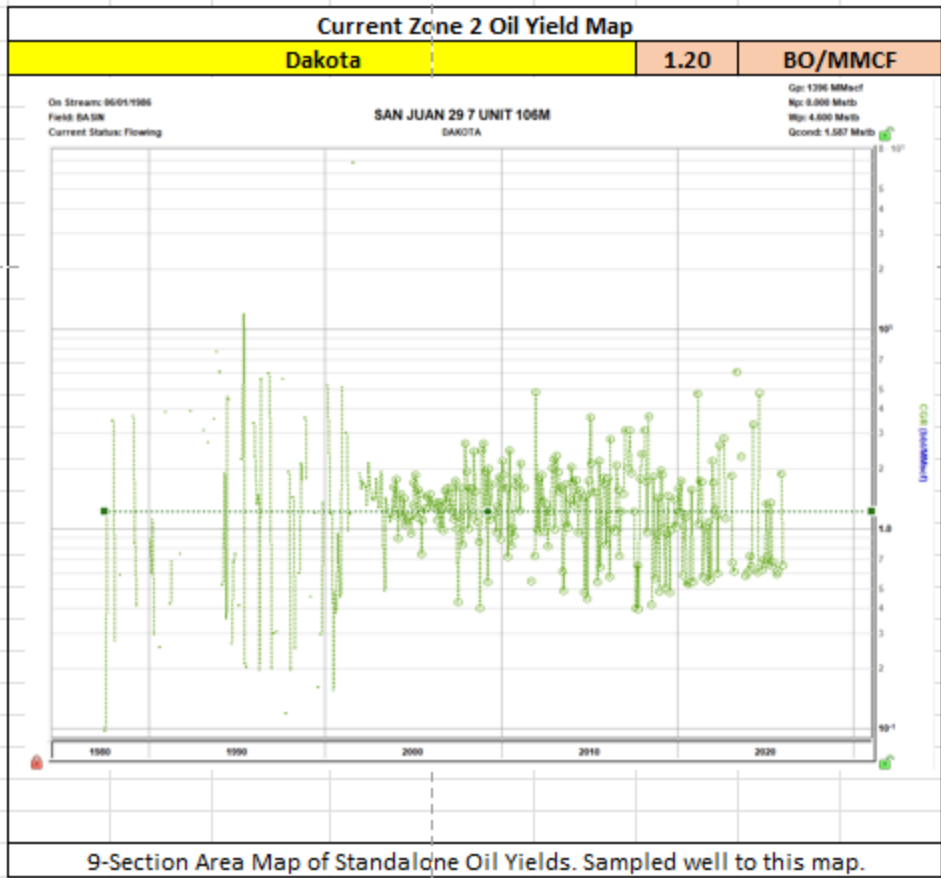
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

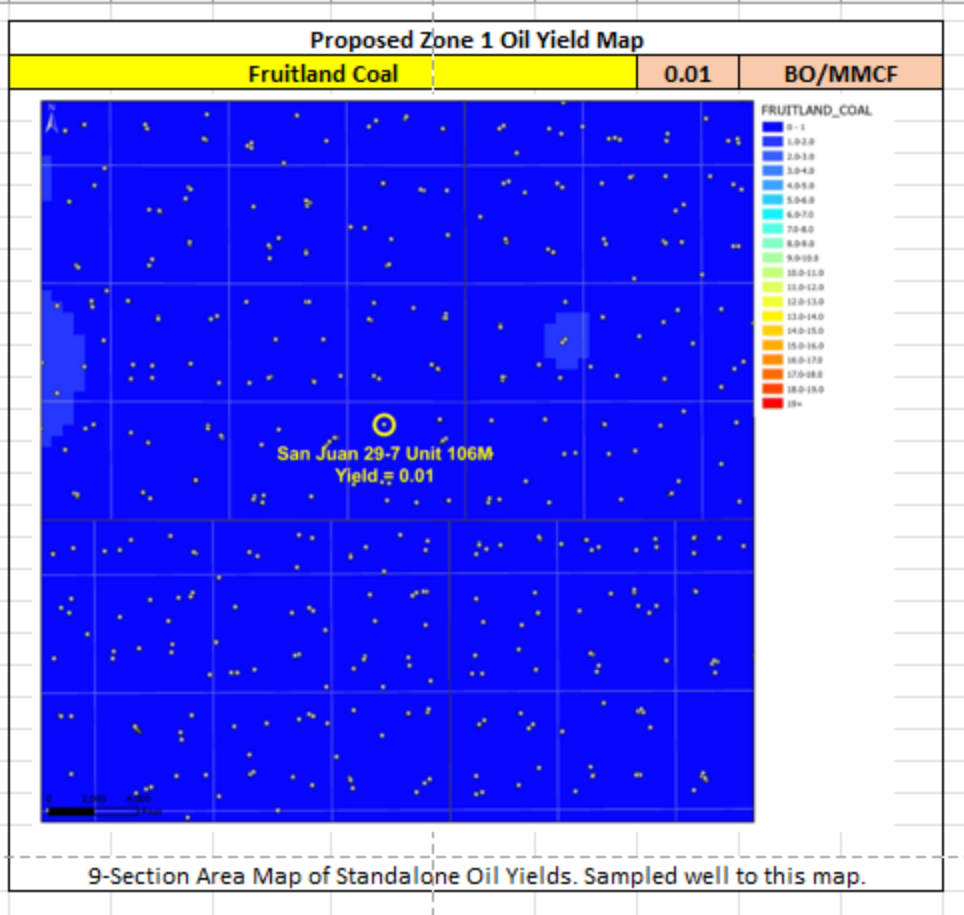
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.

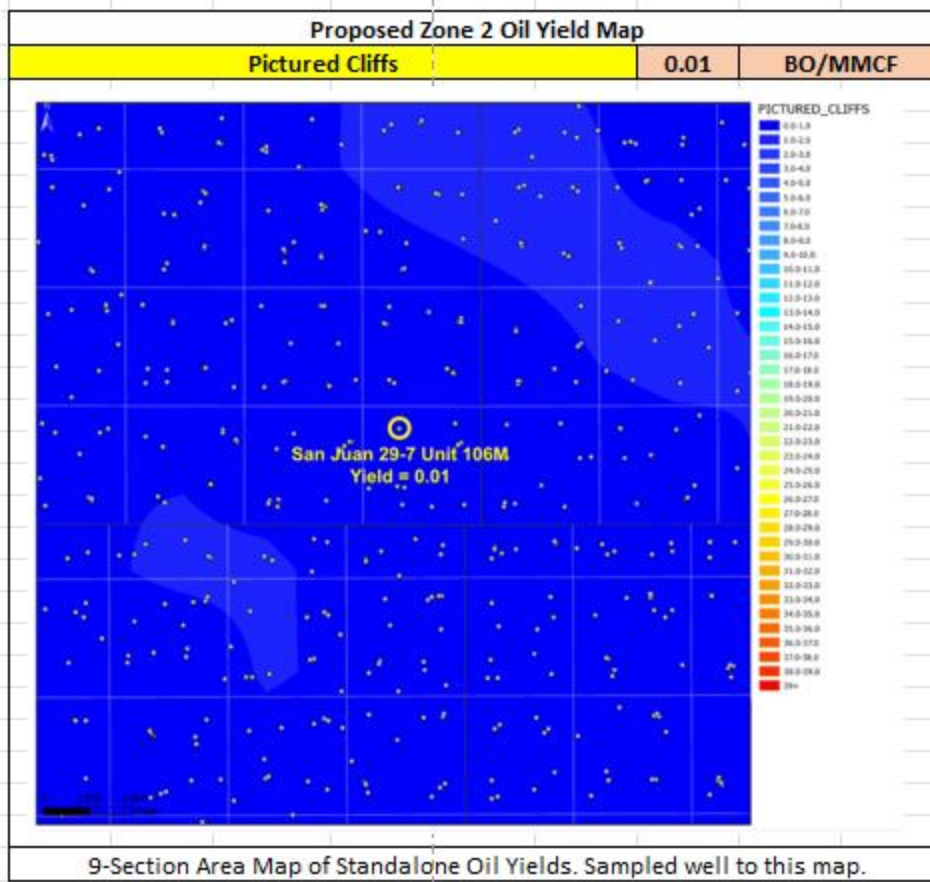
All documentation will be submitted to NMOCD.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	4.10	557	84%
DK	1.20	356	16%
FRC	0.01	608	0%
PC	0.01	529	0%
			100%









Santa Fe Main Office
 Phone: (505) 476-3441
 General Information
 Phone: (505) 629-6116

State of New Mexico
 Energy Minerals and Natural Resources

Form C-101
 Revised July 18, 2013

Oil Conservation Division

AMENDED REPORT

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

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 30-039-23940
⁴ Property Code 318713	⁵ Property Name SAN JUAN 29-7 UNIT	⁶ Well No. 106M

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	36	29N	07W		990'	N	1650'	W	RIO ARRIBA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	36	29N	07W		990'	N	1650'	W	RIO ARRIBA

9. Pool Information

Pool Name	Pool Code
BASIN FRUITLAND COAL, SOUTH BLANCO PICTURED CLIFFS	71629, 72439

Additional Well Information

¹¹ Work Type A	¹² Well Type G	¹³ Cable/Rotary	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 6716'
¹⁶ Multiple Y	¹⁷ Proposed Depth ~3232'-3527' ~3527'-3605'	¹⁸ Formation BASIN FRUITLAND COAL, SOUTH BLANCO PICTURED CLIFFS	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 checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: <i>Dawn Nash Deal</i>	OIL CONSERVATION DIVISION	
	Approved By:	
Printed name: DAWN NASH-DEAL	Title:	
Title: OPERATIONS REGULATORY TECH	Approved Date:	Expiration Date:
E-mail Address: DNASH@HILCORP.COM		
Date: 04/02/2026	Phone: 346-237-2143	Conditions of Approval Attached



HILCORP ENERGY COMPANY
San Juan 29-7 Unit 106M
RECOMPLETION SUNDRY

Prepared by:	Shammy Hisham
Preparation Date:	March 31, 2026

WELL INFORMATION			
Well Name:	San Juan 29-7 Unit 106M	State:	NM
API #:	3003923940	County:	
Area:	10	Location:	
Route:	1008	Latitude:	36.68676
Spud Date:	December 11, 1985	Longitude:	-107.52494

PROJECT DESCRIPTION
Perforate, fracture, and comingle the Fruitland Coal and Pictured Cliffs formations with the existing zones.

CONTACTS			
Title	Name	Office Phone #	Cell Phone #
Engineer	Shammy Hisham		832-672-1170
Area Foreman			
Lead			
Artificial Lift Tech			
Operator			



HILCORP ENERGY COMPANY
San Juan 29-7 Unit 106M
RECOMPLETION SUNDRY

JOB PROCEDURES
<ol style="list-style-type: none"> 1. MIRU service rig and associated equipment; test BOP. 2. TOOH with 2-3/8" tubing set at 7810'. 3. Set a 4-1/2" plug at +/- 4402' to isolate the Dakota and Mesa verde. 4. RU Wireline. Pull CBL. Record Top of Cement and submit to agencies. 5. Load the hole and pressure test the casing. 6. N/D BOP, N/U frac stack and pressure test frac stack. 7. Perforate and frac the Fruitland Coal from 3232-3527' and the Pictured Cliffs from 3527-3605'. 8. Nipple down frac stack, nipple up BOP and test. 9. TIH with a mill and drill out top isolation plug and Fruitland Coal/Pictured Cliffs frac plugs. 10. Clean out to Dakota/Mesa Verde isolation plug. 11. Drill out Dakota/Mesa Verde isolation plug and cleanout to PBTD of 7982'. TOOH. 12. TIH and land production tubing. Get a comingled Dakota/Mesa Verde/Pictured Cliffs/Fruitland Coal flow rate.



HILCORP ENERGY COMPANY
San Juan 29-7 Unit 106M
RECOMPLETION SUNDRY

San Juan 29-7 Unit 106M - CURRENT WELLBORE SCHEMATIC



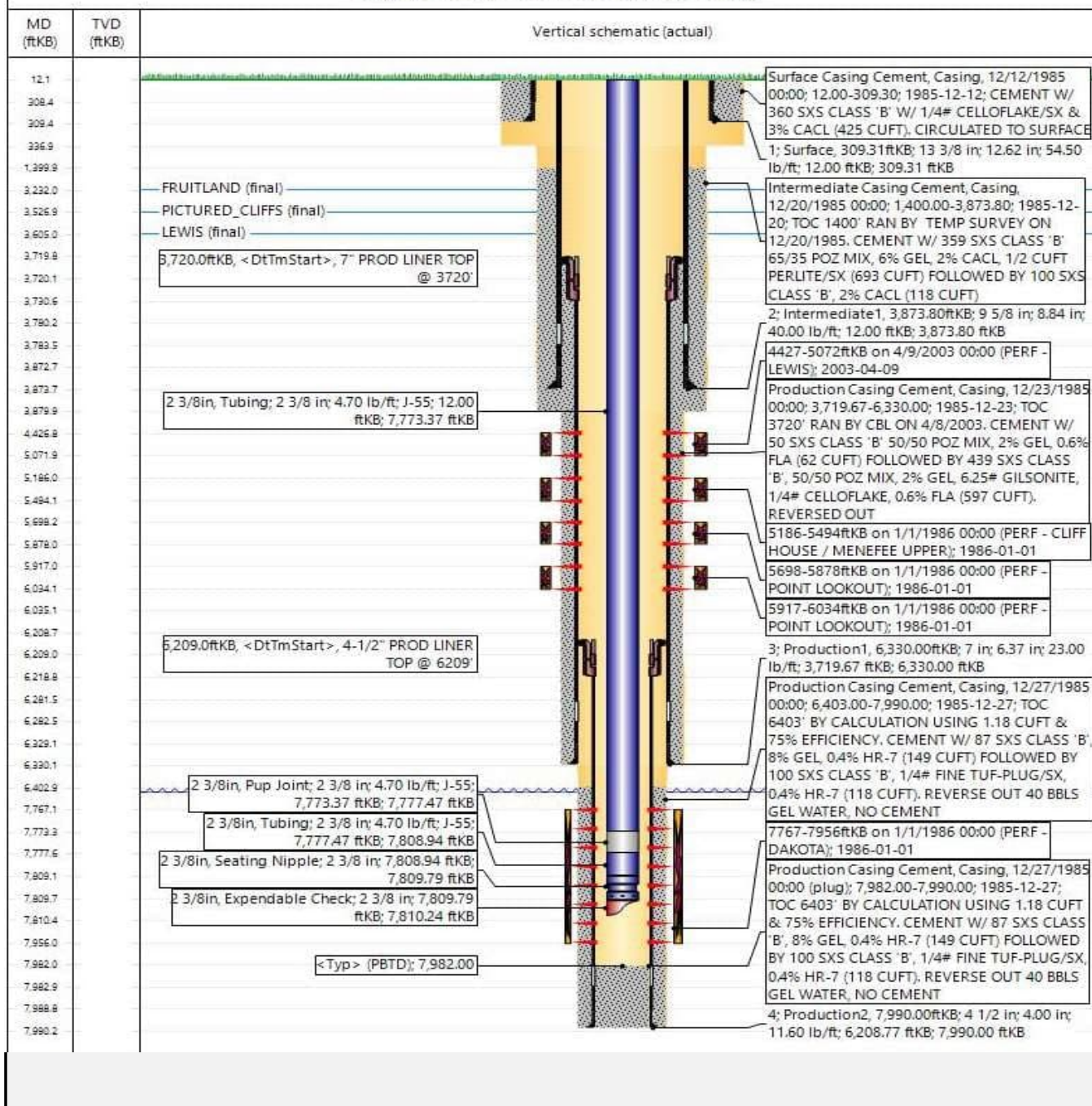
Hilcorp Energy Company

Current Schematic - Version 3

Well Name: **SAN JUAN 29-7 UNIT #106M**

API / UWI 3003923940	Surface Legal Location 036-029N-007W-C	Field Name Blanco Mesa Verde	Route 1008	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,716.00	Original KB/RT Elevation (ft) 6,728.00	Tubing Hanger Elevation (ft)	R/KB to GL (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
Tubing Strings					
Run Date 4/10/2003 00:00	Set Depth (ftKB) 7,810.24	String Max Nominal OD (in) 2 3/8	String Min Nominal ID (in) 2.00	Weight/Length (lb/ft) 4.70	Original Spud Date 12/11/1985 00:00

Original Hole, 30039239400000 [Vertical]





HILCORP ENERGY COMPANY
San Juan 29-7 Unit 106M
RECOMPLETION SUNDRY

San Juan 29-7 Unit 106M - Proposed Schematic



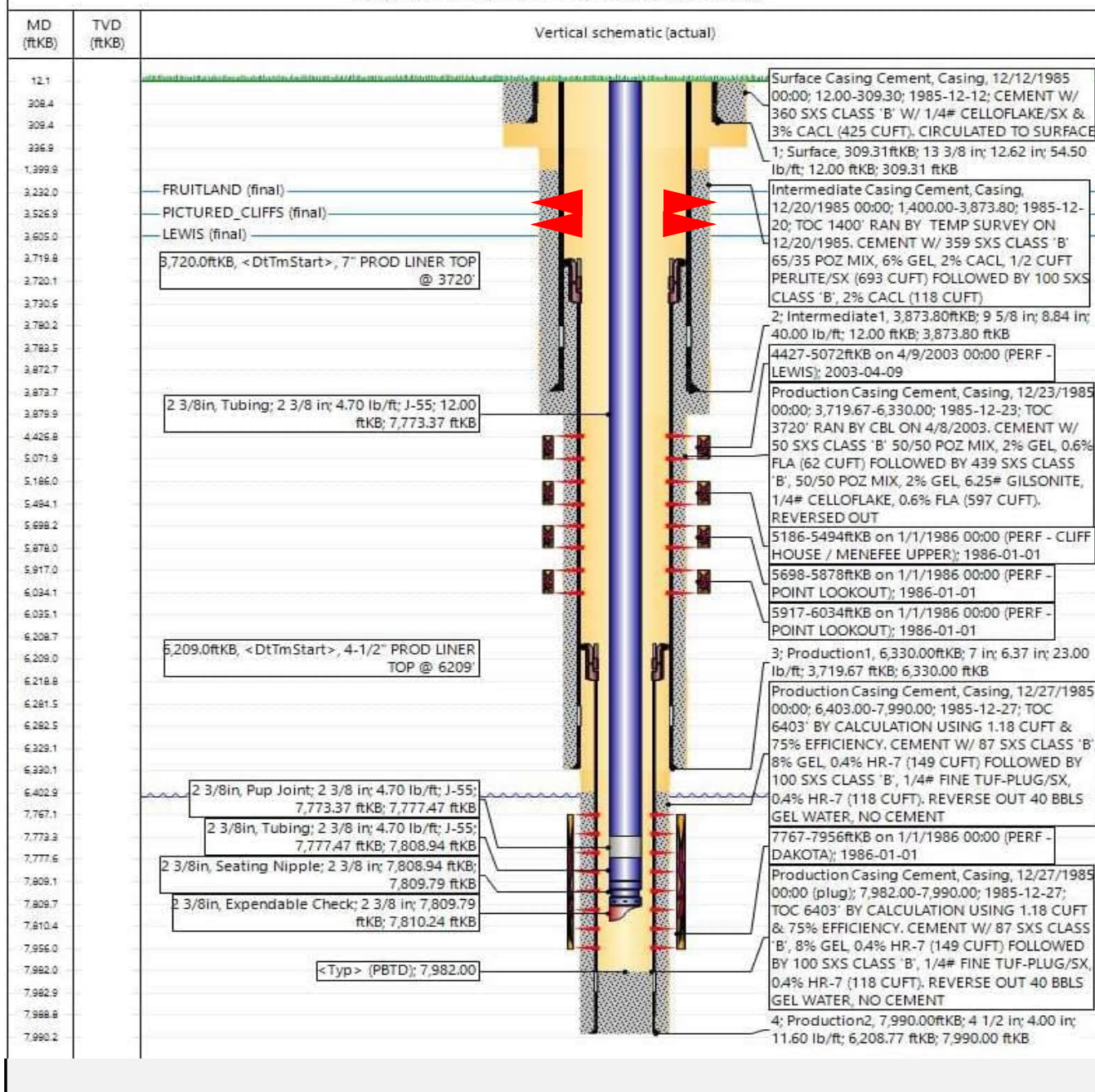
Current Schematic - Version 3

Well Name: **SAN JUAN 29-7 UNIT #106M**

API / UWI: 3003923940	Surface Legal Location 036-029N-007W-C	Field Name Blanco Mesa Verde	Route 1008	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,716.00	Original KB/RT Elevation (ft) 6,728.00	Tubing Hanger Elevation (ft)	RTKB to GL (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)

Tubing Strings					
Run Date 4/10/2003 00:00	Set Depth (ftKB) 7,810.24	String Max Nominal OD (in) 2 3/8	String Min Nominal ID (in) 2.00	Weight/Length (lb/ft) 4.70	Original Spud Date 12/11/1985 00:00

Original Hole, 30039239400000 [Vertical]



Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting
		Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-039-23940	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 318713	Property Name SAN JUAN 29-7 UNIT	Well Number 106M
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6716'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	36	29N	07W		990' FNL	1650' FWL	36.6867638	-107.5256958	RIO ARRIBA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	36	29N	07W		990' FNL	1650' FWL	36.6867638	-107.5256958	RIO ARRIBA

Dedicated Acres 320.00	Infill or Defining Well INFILL	Defining Well API 30-039-24315	Overlapping Spacing Unit (Y/N) N	Consolidation Code U
Order Numbers. N/A			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

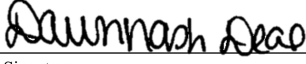
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

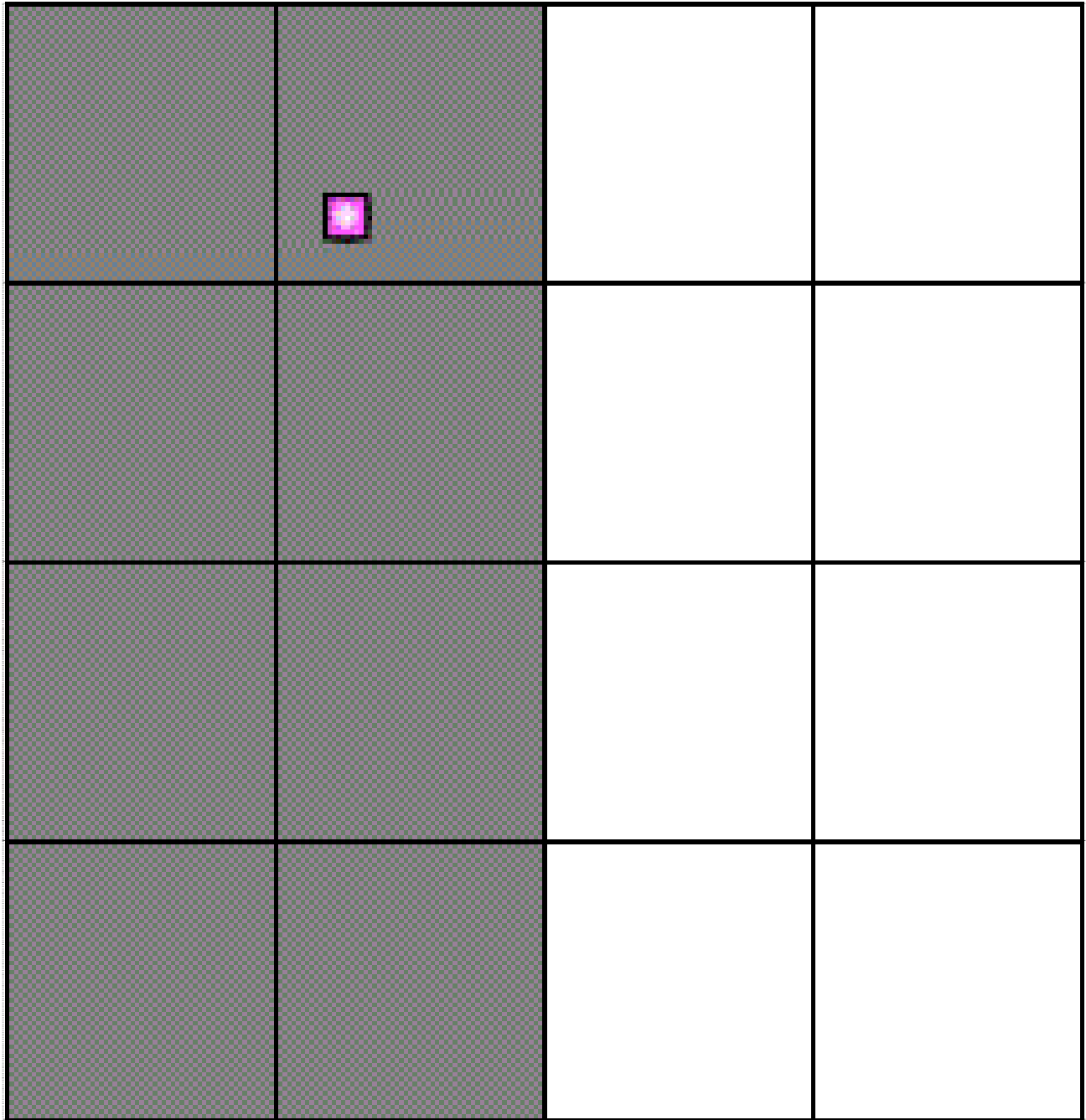
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6716'
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<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p> 4/1/2026 Signature Date</p> <p>DAWN NASH-DEAL Printed Name</p> <p>DNASH@HILCORP.COM Email Address</p>	<p>SURVEYOR CERTIFICATIONS</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>WILLIAM MAHNKE Signature and Seal of Professional Surveyor</p> <p>8466 9/26/85 Certificate Number Date of Survey</p>
---	---

Note: 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.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting
		Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-039-23940	Pool Code 72439	Pool Name SOUTH BLANCO PICTURED CLIFFS
Property Code 318713	Property Name SAN JUAN 29-7 UNIT	Well Number 106M
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6716'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL C	Section 36	Township 29N	Range 07W	Lot	Ft. from N/S 990' FNL	Ft. from E/W 1650' FWL	Latitude 36.6867638	Longitude -107.5256958	County RIO ARRIBA
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Bottom Hole Location

UL C	Section 36	Township 29N	Range 07W	Lot	Ft. from N/S 990' FNL	Ft. from E/W 1650' FWL	Latitude 36.6867638	Longitude -107.5256958	County RIO ARRIBA
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Dedicated Acres 160.00	Infill or Defining Well DEFINING	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code U
Order Numbers. N/A			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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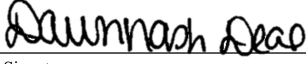
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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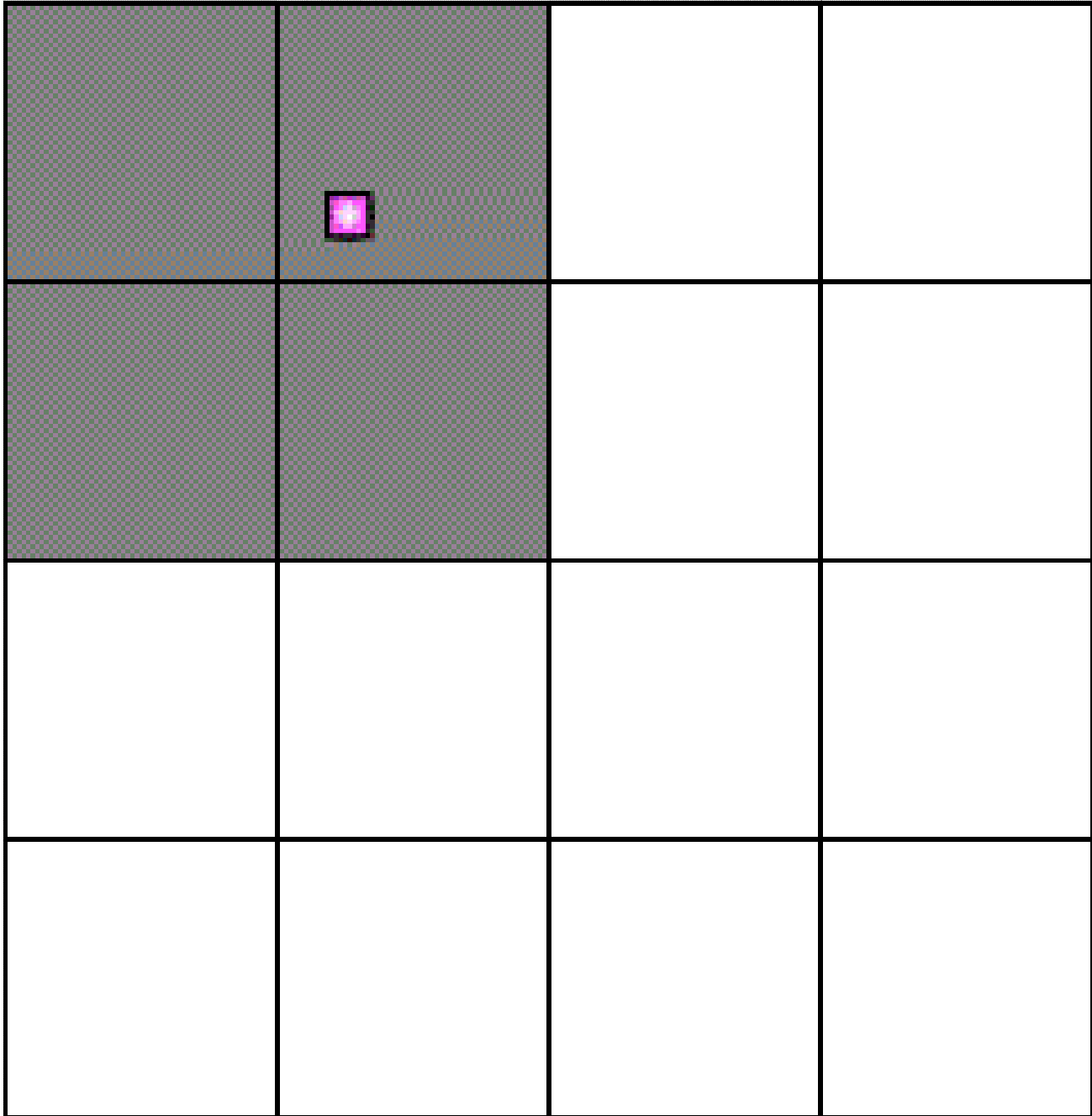
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6716'
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---	---

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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:** 03/19/2026

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
SAN JUAN 29-7 UNIT 106M	30-039-23940	C,36,29N,07W	990' FNL & 1650' FWL	0 BBL	350 MCF	5 BBL

IV. Central Delivery Point Name: CHACO-BLANCO PROC PLANTS [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
SAN JUAN 29-7 UNIT 106M	30-039-23940					

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

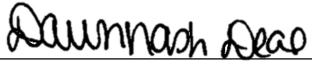
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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: DAWN NASH-DEAL	
Title: OPERATIONS REGULATORY TECHNICIAN	
E-mail Address: Dnash@hilcorp.com	
Date: 03/19/2026	
Phone: 346-237-2143	
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
 - 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
 - This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompletion
 - 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.
 - 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
 - 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.
 - 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.
 - 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
 - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - 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.
 - 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
 - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - 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.

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

ACKNOWLEDGMENTS

Action 570759

ACKNOWLEDGMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 570759
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well.
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 570759

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 570759
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify OCD Inspector 24 hrs prior to commencing operations.	4/13/2026
ward.rikala	All conducted logs must be submitted to OCD log portal.	4/13/2026
ward.rikala	If zonal isolation is not sufficient prior to perforating additional intervals, the remedial work must be performed to achieve isolation.	4/13/2026
ward.rikala	New C-104 form is required for additional intervals.	4/13/2026
ward.rikala	DHC order must be approved prior to the downhole comingling of production from this well.	4/13/2026



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: SAN JUAN 29-7 UNIT 106M API #: 30-039-23940

Pool: BASIN FRUITLAND COAL, SOUTH BLANCO PICTURED CLIFFS

OPERATOR NAME: Hilcorp Energy Company
Attn:

OPERATOR ADDRESS: 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.

DAWN NASH-DEAL
Print or Type Name

Signature

04/22/2026
Date

346-237-2143
Phone Number

DNASH@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:
505.827.6628

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

Tracking ID: 515193445985  

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Signed for by: G.Garcia

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April 24, 2026

Dear Customer,

The following is the proof-of-delivery for tracking number: 515193445985

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		Weight:	0.5 LB/0.23 KG
Recipient:		Shipper:	
SANTA FE, NM, US,		Houston, TX, US,	

Department Number DOCUMENTS

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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-5581

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. An exception to the notification requirements within 19.15.12.11(C)(1)(b) NMAC was granted by the Division within Order R-10697.
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. This Order supersedes Order DHC-1933.
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 P.C. South pool (pool ID: 72439);
 - c. eighty four percent (84%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319); and
 - d. sixteen percent (16%) shall be allocated to the Basin Dakota pool (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 Basin Fruitland Coal pool (pool ID: 71629); and
- b. the Blanco P.C. South pool (pool ID: 72439).

The current pool(s) are:

- a. the Blanco Mesaverde pool (pool ID: 72319); and
- b. 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 three percent (53%) shall be allocated to the Basin Fruitland Coal pool (pool ID: 71629); and
- b. forty seven percent (47%) shall be allocated to the Blanco P.C. South pool (pool ID: 72439).

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-5581**

Operator: **Hilcorp Energy Company**

Well Name: **San Juan 29 7 Unit Well No. 106M**

Well API: **30-039-23940**

Pool Name: **Basin Fruitland Coal**

Upper Zone

Pool ID: **71629**

Allocation:

Current:		New:	X
Oil:	0.0%	Gas:	53.0%
Top:	3,232	Bottom:	3,527

Pool Name: **Blanco P.C. South**

Intermediate Zone

Pool ID: **72439**

Allocation:

Current:		New:	X
Oil:	0.0%	Gas:	47.0%
Top:	3,527	Bottom:	3,605

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

Pool Name: **Blanco Mesaverde**

Intermediate Zone 2

Pool ID: **72319**

Allocation:

Current:	X	New:	
Oil:	84.0%	Gas:	SUBT
Top:	4,427	Bottom:	6,034

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

Pool Name: **Basin Dakota**

Lower Zone

Pool ID: **71599**

Allocation:

Current:	X	New:	
Oil:	16.0%	Gas:	SUBT
Top:	7,767	Bottom:	7,956

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 578887

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 578887
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

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