

ID NO. 311970

DHC - 5591

Revised March 23, 2017

RECEIVED: 02/06/24	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: Albright 6 **API:** 30-045-08101
Pool: Basin Fruitland Coal / Basin Dakota **Pool Code:** 71629, 71599

**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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ 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.

2/6/2024

Date

Cherylene Weston

Print or Type Name

713-289-2614

Phone Number

Cherylene Weston

Signature

cweston@hilcorp.com

e-mail Address

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised August 1, 2011

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

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company

382 Road 3100, Aztec, NM 87410

Operator

Address

Albright

6

A-22-T29N-R10W

San Juan County, NM

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 372171 Property Code 318442 API No. 30-045-08101 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal		Basin Dakota
Pool Code	71629		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1608' - 1956'		6349' - 6534'
Method of Production (Flowing or 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)	44 psi		100 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1122 BTU		1204 BTU
Producing, Shut-In or New Zone	New Zone		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:	Date: Rates:	Date: 11/1/2023 Rates: Oil - 7 bbl Gas - 1,372 mcf Water - 11 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 % %

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 Cherylene Weston

TITLE Operations/Regulatory Tech-Sr.

DATE 1/17/2024

TYPE OR PRINT NAME Cherylene Weston

TELEPHONE NO. (713) 289-2615

E-MAIL ADDRESS cweston@hilcorp.com

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 357830

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-08101	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 318442	5. Property Name ALBRIGHT	6. Well No. 006
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5599

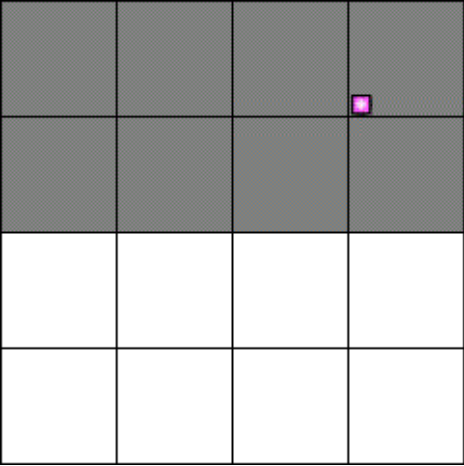
10. Surface Location

UL - Lot A	Section 22	Township 29N	Range 10W	Lot Idn	Feet From 1160	N/S Line N	Feet From 1190	E/W Line E	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 N/2				13. Joint or Infill	14. Consolidation Code	15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <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> E-Signed By: Cherylene Weston Title: Operations/Regulatory Tech-Sr. Date: 01/16/2024 SURVEYOR CERTIFICATION <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> Surveyed By: James P. Leese Date of Survey: 11/21/1964 Certificate Number: 1463
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Form C-128 (8-57)

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date November 21, 1964

Operator SOUTHERN UNION PRODUCTION COMPANY Lease ALBRIGHT
 Well No. #6 Unit Letter A Section 22 Township 29 NORTH Range 10 WEST NMPM
 Located 1160 Feet From NORTH Line, 1190 Feet From EAST Line
 County SAN JUAN G. L. Elevation 5599.5 Dedicated Acreage 320 Acres
 Name of Producing Formation _____ Pool Sagin Bayona

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes _____ No XX
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "yes", Type of Consolidation _____

3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

RECEIVED

NOV 30 1964

OIL CON. COM.
DIST. 3

RECEIVED

NOV 25 1964

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

Section B.

Note: All distances must be from outer boundaries of section.

This is to certify that the information
 in Section A above is true and complete
 to the best of my knowledge and belief.

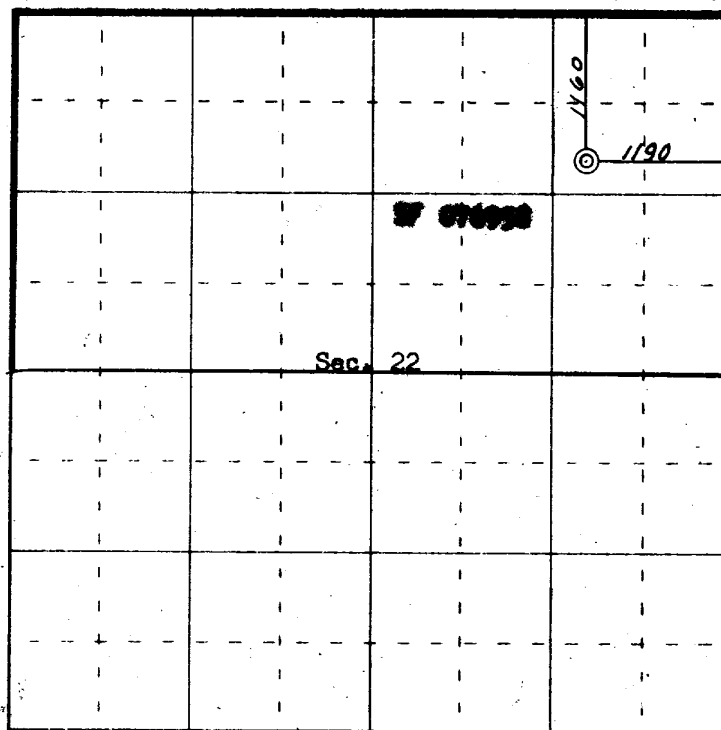
SOUTHERN UNION PRODUCTION COMPANY

(Operator)

(Representative)

GILBERT D. NOLAND, JR.

(Address)

P. O. Box 828FARMINGTON, NEW MEXICO

0 330 660 990 1320 1650 1980 2310 2640 2000 1800 1600 1400 1200 1000 800 600 400 200 0

Scale 4 inches equal 1 mile

Ref: GLO plat dated April 19, 1881



Farmington, New Mexico

This is to certify that the above plat was prepared from field notes of actual surveys
 made by me or under my supervision and that the same are true and correct to the best
 of my knowledge and belief.

Date Surveyed November 21, 1964

James P. Leese
 Registered Professional Engineer and/or Land Surveyor
 James P. Leese, N. Mex. Reg. No. 1463
 San Juan Engineering Company

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.

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.

Albright 6 Allocation

The forecast for Fruitland Coal production has 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 basin wide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin, in conjunction with shut-in pressure build-ups. These models were constructed incorporating reservoir dynamics and physics, historic production, and observed pressure data. Historic commingling operations have proven reservoir fluids are compatible.

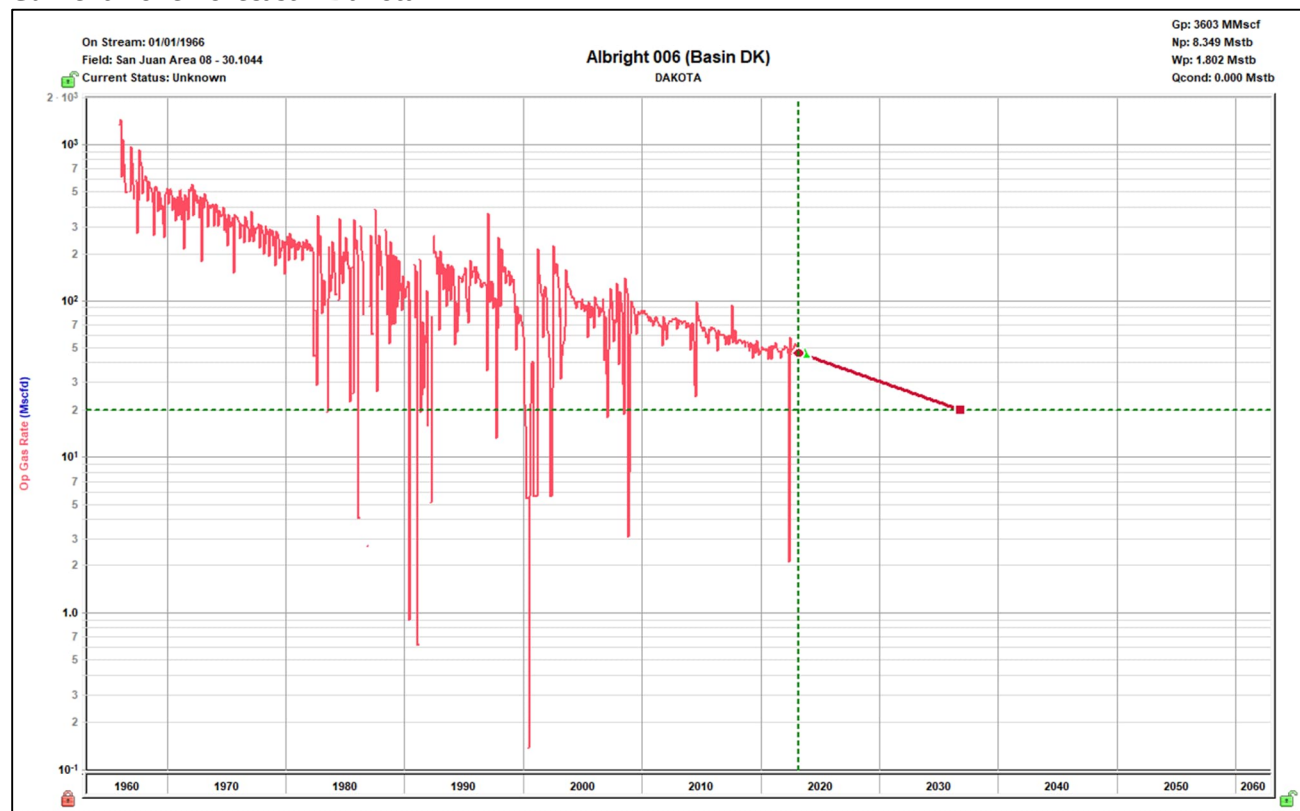
Production Allocation Method – Subtraction

Gas Allocation:

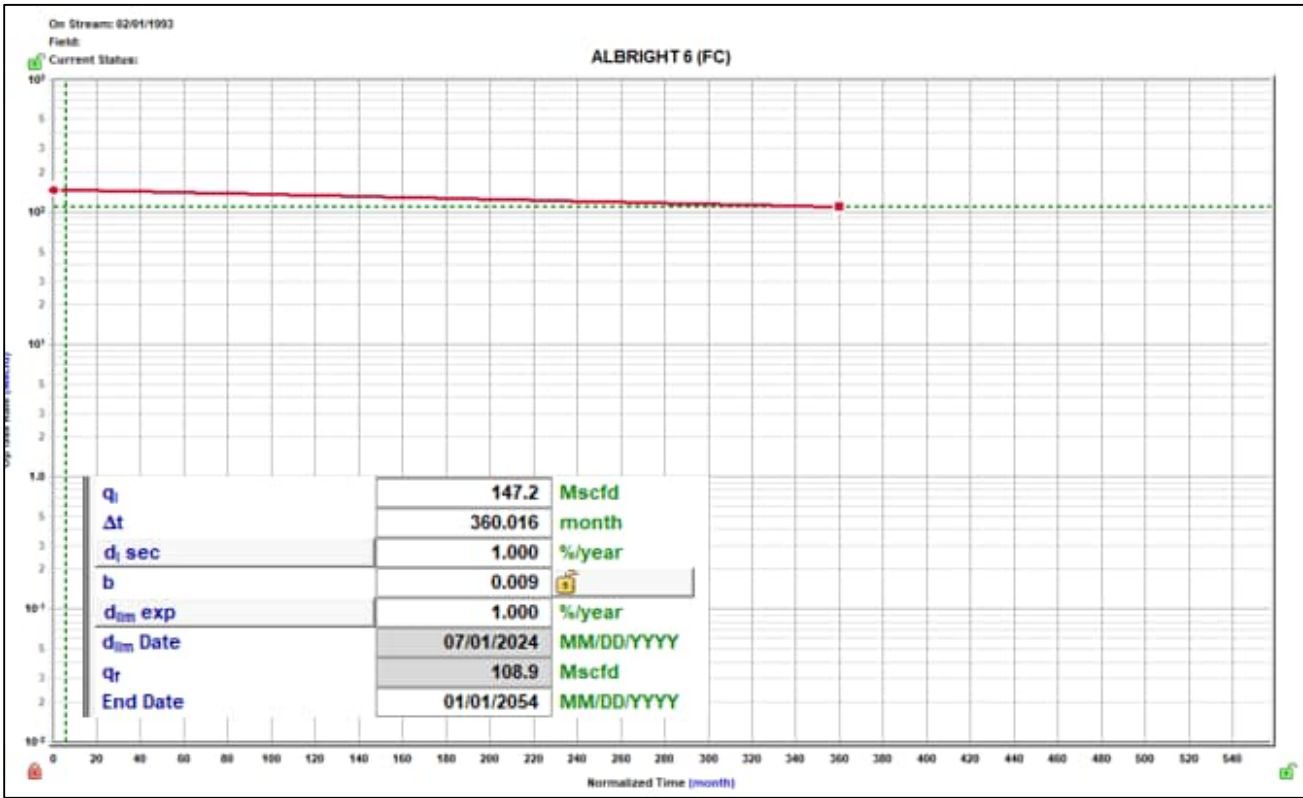
Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formation to be commingled is the Fruitland Coal. The subtraction method applies an average monthly production forecast to the base formation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

Current Zone Forecast – Dakota



Proposed Zone Forecast – Fruitland Coal



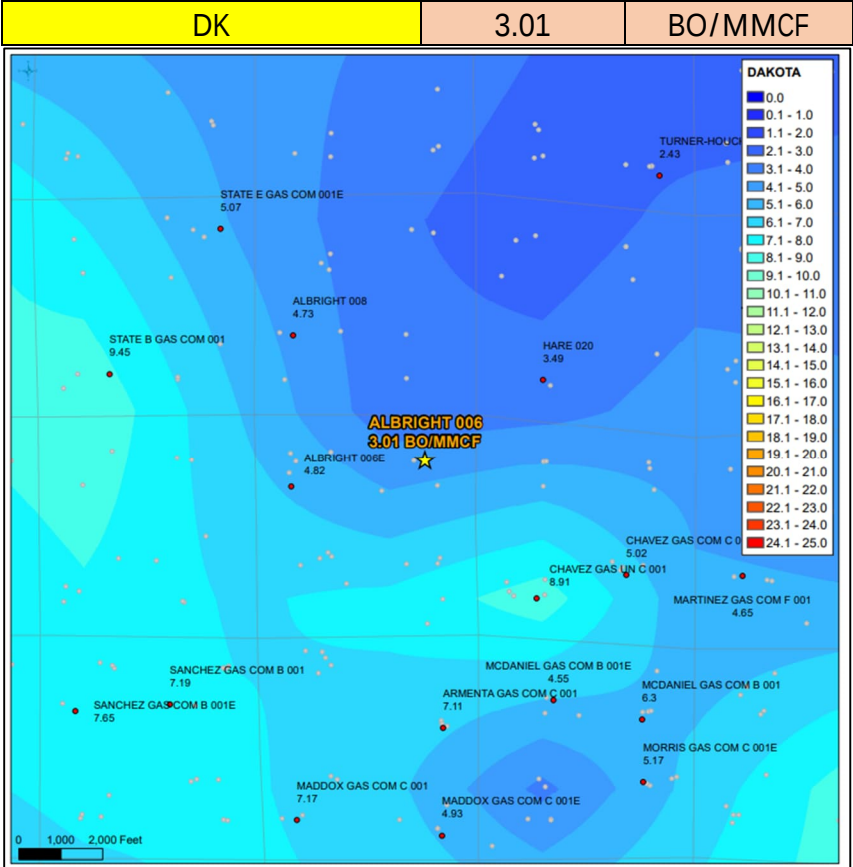
Average initial production curve in geologic region.

Oil Allocation:

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

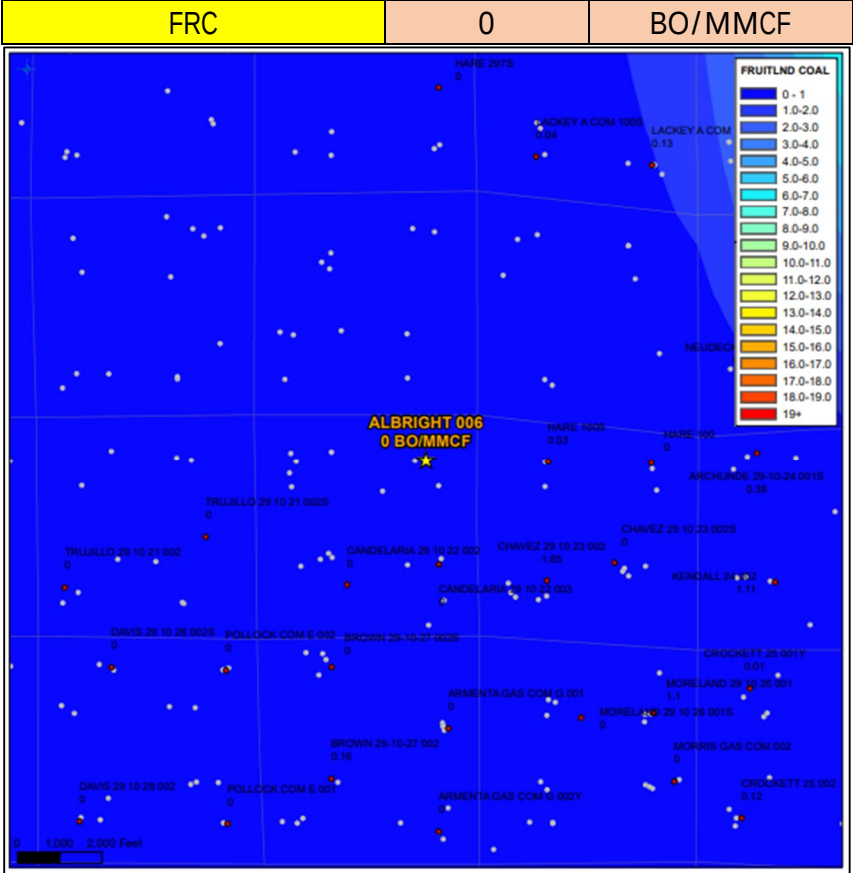
Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	3.01	3749	100%
FRC	0	1393	0%

Current Zone – Dakota Oil Yield Map



9-Section Area Map of Standalone Oil Yields. Sampled well to this map.

Proposed Zone – Fruitland Coal Oil Yield Map



9-Section Area Map of Standalone Oil Yields. Sampled well to this map.

Supplemental Information:

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:

3004508231	HARE 20	DK
3004534349	HARE 100S	FC

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.

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
Albright 6	3004508101

FRC Offset		DK Offset	
API	3004530549	API	3004508101
Property	NEUDECKER COM 291	Property	ALBRIGHT 6
CationBarium	0	CationBarium	0
CationBoron		CationBoron	
CationCalcium	17.04	CationCalcium	3.3
CationIron	209.4	CationIron	38.8
CationMagnesium	0.73	CationMagnesium	0.24
CationManganese	2.41	CationManganese	0.21
CationPhosphorus		CationPhosphorus	
CationPotassium		CationPotassium	
CationStrontium	0.13	CationStrontium	0
CationSodium	68.55	CationSodium	9.52
CationSilica		CationSilica	
CationZinc		CationZinc	
CationAluminum		CationAluminum	
CationCopper		CationCopper	
CationLead		CationLead	
CationLithium		CationLithium	
CationNickel		CationNickel	
CationCobalt		CationCobalt	
CationChromium		CationChromium	
CationSilicon		CationSilicon	
CationMolybdenum		CationMolybdenum	
AnionChloride	20.02	AnionChloride	30.03
AnionCarbonate	0	AnionCarbonate	0
AnionBicarbonate		AnionBicarbonate	
AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride	
AnionHydroxyl	0	AnionHydroxyl	0
AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate	
AnionSulfate	0	AnionSulfate	0
phField	6.65	phField	6.32
phCalculated		phCalculated	
TempField	74.8	TempField	
TempLab		TempLab	
OtherFieldAlkalinity	109.98	OtherFieldAlkalinity	79.43
OtherSpecificGravity	1	OtherSpecificGravity	1
OtherTDS	580.72	OtherTDS	173.74
OtherCaCO3	45.59	OtherCaCO3	9.23
OtherConductivity	172	OtherConductivity	170
DissolvedCO2	152	DissolvedCO2	12
DissolvedO2		DissolvedO2	
DissolvedH2S	0.58	DissolvedH2S	0.21
GasPressure	150	GasPressure	
GasCO2	1	GasCO2	
GasCO2PP	1.5	GasCO2PP	
GasH2S	0	GasH2S	
GasH2SPP	0	GasH2SPP	
PitzerCaCO3_70		PitzerCaCO3_70	
PitzerBaSO4_70		PitzerBaSO4_70	
PitzerCaSO4_70		PitzerCaSO4_70	
PitzerSrSO4_70		PitzerSrSO4_70	
PitzerFeCO3_70		PitzerFeCO3_70	
PitzerCaCO3_220		PitzerCaCO3_220	2.59
PitzerBaSO4_220		PitzerBaSO4_220	
PitzerCaSO4_220		PitzerCaSO4_220	
PitzerSrSO4_220		PitzerSrSO4_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
Albright 6	3004508101

FRC Offset		DK Offset	
AssetCode	3004532964	AssetCode	3004525145
AssetName	ARMENTA GAS COM G 2Y	AssetName	STATE E GAS COM 1E
N2	0	N2	0
CO2	0.01	CO2	0.01
C1	0.86	C1	0.8
C2	0.1	C2	0.1
C3	0.03	C3	0.05
ISOC4	0	ISOC4	0.01
NC4	0	NC4	0.01
ISOC5	0	ISOC5	0
NC5	0	NC5	0
C6_PLUS		C6_PLUS	0.01
C7	0	C7	
C8	0	C8	
C9	0	C9	
C10		C10	
AR		AR	
CO		CO	
H2		H2	
O2	0	O2	
H2O		H2O	
H2S	0	H2S	
HE		HE	
C_O_S		C_O_S	
CH3SH		CH3SH	
C2H5SH		C2H5SH	
CH2S3_2CH3S		CH2S3_2CH3S	
CH2S		CH2S	
C6HV		C6HV	
CO2GPM		CO2GPM	0
N2GPM		N2GPM	0
C1GPM		C1GPM	0
C2GPM		C2GPM	2.78
C3GPM		C3GPM	1.32
ISOC4GPM		ISOC4GPM	0.24
NC4GPM		NC4GPM	0.42
ISOC5GPM		ISOC5GPM	0.16
NC5GPM		NC5GPM	0.14
C6_PLUSGPM		C6_PLUSGPM	0.28

Well Name: ALBRIGHT	Well Location: T29N / R10W / SEC 22 / NENE / 36.716141 / -107.866776	County or Parish/State: SAN JUAN / NM
Well Number: 6	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF076958	Unit or CA Name: ALBRIGHT	Unit or CA Number: NMNM73881
US Well Number: 3004508101	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2770128

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 01/16/2024

Time Sundry Submitted: 04:41

Date proposed operation will begin: 04/01/2024

Procedure Description: Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal formation and downhole commingle with the existing Dakota formation. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. Hilcorp will contact the FFO Surface group within 90 days after the well has been recompleted, before any interim reclamation work, to conduct the onsite. A reclamation plan will be submitted after the onsite.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Albright_6_FRC_RC_NOI_20240116164039.pdf

Well Name: ALBRIGHT

Well Location: T29N / R10W / SEC 22 /
NENE / 36.716141 / -107.866776County or Parish/State: SAN
JUAN / NM

Well Number: 6

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMSF076958

Unit or CA Name: ALBRIGHT

Unit or CA Number:
NMNM73881

US Well Number: 3004508101

Well Status: Producing Gas Well

Operator: HILCORP ENERGY
COMPANY**Operator**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: CHERYLENE WESTON

Signed on: JAN 16, 2024 04:40 PM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Tech - Sr

Street Address: 1111 TRAVIS STREET

City: HOUSTON

State: TX

Phone: (713) 289-2615

Email address: CWESTON@HILCORP.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 01/17/2024

Signature: Matthew Kade



HILCORP ENERGY COMPANY
ALBRIGHT 6
FRUITLAND COAL RECOMPLETE SUNDRY
API 3004508101

JOB PROCEDURES

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with tubing.
3. Set a plug within 50' of the top **Dakota** perforation (**6,349'**) for zonal isolation.
4. Load hole with fluid, RU WL and run CBL to verify TOC. Review results with operations engineer and regulatory agencies.
5. **Perform MIT on casing with NMOCD witness** (notify NMOCD 24+ hours before test) and submit results to regulatory group.
6. **If frac'ing down casing:** pressure test casing to frac pressure.
7. RU WL. Perforate the **Fruitland Coal**. Top perforation @ **1,608'**, bottom perforation @ **1,956'**.
8. **If frac'ing down frac string:** RIH w/ frac string and packer.
9. ND BOP, NU frac stack. Pressure test frac stack to frac pressure. Pressure test frac string (if applicable) to frac pressure. RDMO.
10. RU stimulation crew. Frac the **Fruitland Coal** in one or more stages. Set plugs in between stages, if necessary.
11. MIRU workover rig and associated equipment; NU and test BOP.
12. **If frac was performed down frac string:** POOH w/ frac string and packer.
13. TIH with mill and clean out to isolation plug.
14. Mill out isolation plug. Cleanout to PBTD. TOOH with cleanout assembly.
15. TIH and land production tubing. Flowback the well. Return well to production as a **Fruitland Coal/Dakota Producer**.



**HILCORP ENERGY COMPANY
ALBRIGHT 6
FRUITLAND COAL RECOMPLETE SUNDRY**

ALBRIGHT 6 - CURRENT WELLBORE SCHEMATIC

Schematic - Current

Well Name: ALBRIGHT #6

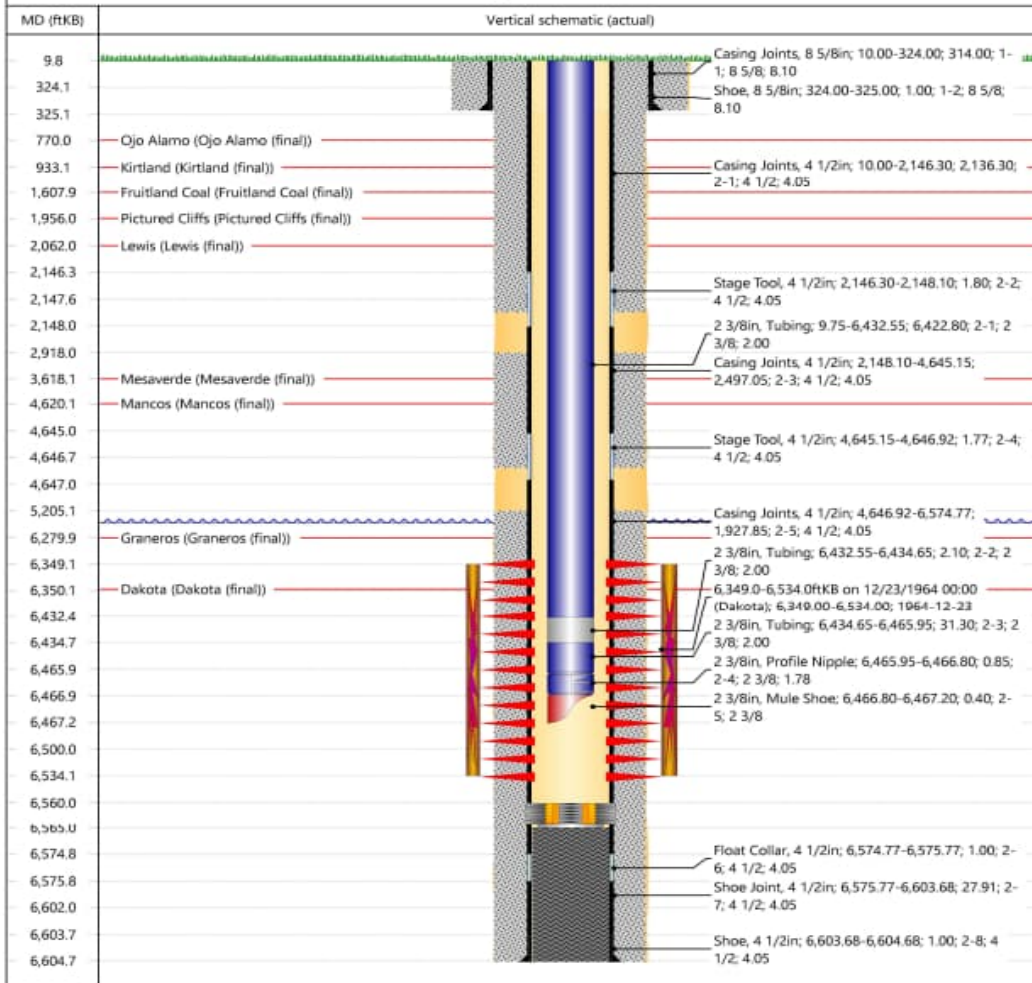
API / UWI 3004508101	Surface Legal Location 022-023N-010W-A	Field Name BASIN DAKOTA (PRODUCED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Original KBRT Elevation (ft) 5,613.00	RKB to GL (ft) 10.00	Original Spud Date 11/27/1964 00:00	Rig Release Date 6/24/2002 08:30	RTD (ft) Original Hole - 6,560.0	Total Depth (ft) (TVG)

Most Recent Job

Job Category WELL INTERVENTION	Primary Job Type TURNING REPAIR	Secondary Job Type	Actual Start Date 1/17/2008	End Date 1/22/2008
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TD: 6,604.7

Original Hole





**HILCORP ENERGY COMPANY
ALBRIGHT 6
FRUITLAND COAL RECOMPLETE SUNDRY**

ALBRIGHT 6 - PROPOSED WELLBORE SCHEMATIC

PROPOSED SCHEMATIC

Well Name: ALBRIGHT #6

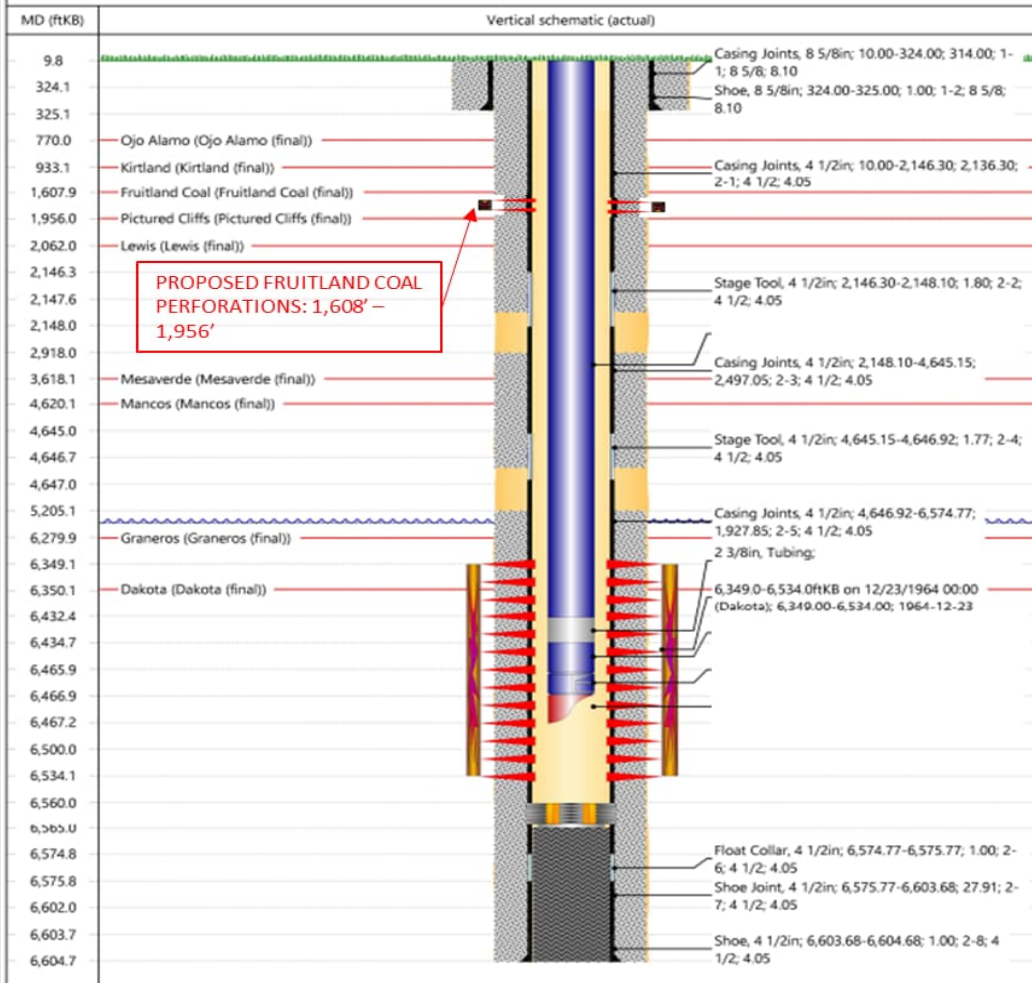
API / UWI 3004508101	Surface Legal Location 022-029N-010W-A	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Original KBRT Elevation (ft) 5,613.00	RKB to GL (ft) 10.00	Original Spud Date 11/27/1964 00:00	Rig Release Date 6/24/2002 08:30	FBTD (ft) Original Hole - 6,560.0	Total Depth All (TVD)

Most Recent Job

Job Category WELL INTERVENTION	Primary Job Type TURNING REPAIR	Secondary Job Type	Actual Start Date 1/17/2008	End Date 1/22/2008
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TD: 6,604.7

Original Hole



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 357830

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-08101	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 318442	5. Property Name ALBRIGHT	6. Well No. 006
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5599

10. Surface Location

UL - Lot A	Section 22	Township 29N	Range 10W	Lot Idn	Feet From 1160	N/S Line N	Feet From 1190	E/W Line E	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 N/2				13. Joint or Infill	14. Consolidation Code			15. Order No.	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

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.

E-Signed By: *Cherylene Weston*

Title: Operations/Regulatory Tech-Sr.

Date: 01/16/2024

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: James P. Leese

Date of Survey: 11/21/1964

Certificate Number: 1463

State of New Mexico
Energy, Minerals and Natural Resources DepartmentSubmit Electronically
Via E-permittingOil 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:** 01 / 16 / 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
Albright 6	3004508101	A-22-29N-10W	1160 FNL, 1190 FEL	0 bbl/d	147 mcf/d	1 bbl/d

IV. Central Delivery Point Name: Chaco-Blanco 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>Albright 6</u>	<u>3004508101</u>					<u>2024</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:	<i>Cherylene Weston</i>
Printed Name:	Cherylene Weston
Title:	Operations/Regulatory Tech-Sr.
E-mail Address:	cweston@hilcorp.com
Date:	01/16/2024
Phone:	713-289-2615
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 recomple project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomple 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 recomple 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.



January 17, 2024

Mailed Certified / Electronic Return Receipt Requested

To: ALL INTEREST OWNERS

RE: Application to Downhole Commingle Production
Well: Albright 006
API: 30-045-08101
Section 22, Township 29 North, Range 10 West
San Juan County, New Mexico

Ladies and Gentlemen:

Hilcorp Energy Company ("Hilcorp"), as Operator of the subject well, has filed application with the New Mexico Oil Conservation Division for approval to downhole commingle production from the **Fruitland Coal**, a formation Hilcorp soon intends to perforate, with existing production from the **Dakota** formation. 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 'Carson Rice'.

Carson Rice
Landman – San Juan North
(713) 757-7108
carice@hilcorp.com

cc:bmj 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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised August 1, 2011

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

X

 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company

382 Road 3100, Aztec, NM 87410

Operator

Address

Albright

6

A-22-T29N-R10W

San Juan County, NM

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 372171 Property Code 318442 API No. 30-045-08101 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal		Basin Dakota
Pool Code	71629		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1608' - 1956'		6349' - 6534'
Method of Production (Flowing or 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)	44 psi		100 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1122 BTU		1204 BTU
Producing, Shut-In or New Zone	New Zone		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:	Date: Rates:	Date: 11/1/2023 Rates: Oil - 7 bbl Gas - 1,372 mcf Water - 11 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 % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes No X

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes X No

Are all produced fluids from all commingled zones compatible with each other?

Yes X No

Will commingling decrease the value of production?

Yes No X

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 X 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

Cherylene Weston

TITLE

Operations/Regulatory Tech-Sr.

DATE

1/17/2024

TYPE OR PRINT NAME

Cherylene Weston

TELEPHONE NO. (713)

289-2615

E-MAIL ADDRESS

cweston@hilcorp.com

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901832282074	Brenda Guzman	, OFFICE OF NATURAL RESOURCES REVENUE, LAKEWOOD ACCTG CENT ONSHORE, DENVER, CO, 80225-0627 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282081	Brenda Guzman	, JEANNE A DAVIS TRUST, JEANNE A DAVIS TRUSTEE, TYLER, TX, 75710-1461 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282098	Brenda Guzman	, CEJA ROYALTIES LTD, , TYLER, TX, 75710- 1360 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282104	Brenda Guzman	, LAURA LYNN BOND, , DALLAS, TX, 75214 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282111	Brenda Guzman	, RONALD S DAVIS, , SAN ANTONIO, TX, 78209 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282128	Brenda Guzman	, JOSHUA HAUSER, , WESTFIELD, IN, 46074 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282135	Brenda Guzman	, PHILIP G DEMEREE, , SCOTTSDALE, AZ, 85258 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282142	Brenda Guzman	, STEVE JACOB HOUSTON, , CLYDE HILL, WA, 98004 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282159	Brenda Guzman	, MADISON CAPITAL ENERGY INCOME FUND, III LP, MADISON, WI, 53719 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282166	Brenda Guzman	, LINDA STROBEL LIFE TENANT, , POWAY, CA, 92064 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282173	Brenda Guzman	, SAM ZACHRY ALBRIGHT, , INDIO, CA, 92203 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282180	Brenda Guzman	, TERA ELIZABETH JEFFRIES, , KIRBYVILLE, MO, 65676 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282197	Brenda Guzman	, ASHTON N KOONS IRREV TR, ZIA TRUST INC TTEE, ALBUQUERQUE, NM, 87190 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282203	Brenda Guzman	, THOMAS E KOONS IRREV TR, ZIA TRUST INC TTEE, ALBUQUERQUE, NM, 87190 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282210	Brenda Guzman	, JAY GOTTSTEIN TRUST NOV 11 1992, J JOSEPH MORRIS TRUSTEE, LEES SUMMIT, MO, 64064-1445 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282227	Brenda Guzman	, GRAHAM L GOTTSTEIN, , CLYDE HILL, WA, 98004 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282234	Brenda Guzman	, ALISON A GOTTSTEIN, , CLYDE HILL, WA, 98004 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282241	Brenda Guzman	, HARE PRODUCTION CO LLC, , FARMINGTON, NM, 87499 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282258	Brenda Guzman	, MANSFIELD FAMILY 2001 REV TR, DTD 10 12 01 BENJAMIN J MANSFIELD and, RENO, NV, 89503 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282265	Brenda Guzman	, KIRSTEN KOONS REHORN IRREV TR, ZIA TRUST INC TTEE, ALBUQUERQUE, NM, 87190 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282272	Brenda Guzman	, SCOTT BRIGHTBILL, , SAN DIEGO, CA, 92128 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282289	Brenda Guzman	, LISA DANIELLE KUHN, , POWAY, CA, 92064 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282296	Brenda Guzman	, STEPHEN BRIGHTBILL, , MERIDIAN, ID, 83646 Code: Albright 6 DHC	1/17/2024	

				Signature Pending
92148969009997901832282302	Brenda Guzman	, EDWIN R DEGENHARDT, and DAWN C DEGENHARDT, MADISON, WI, 53719 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282319	Brenda Guzman	, METINA INVESTMENTS LLC, , AUSTIN, TX, 78746 Code: Albright 6 DHC	1/17/2024	Signature Pending
92148969009997901832282326	Brenda Guzman	, SAN JUAN BASIN TRUST, , BARTLESVILLE, OK, 74006-7500 Code: Albright 6 DHC	1/17/2024	Signature Pending

**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-5591

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. 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 (0.0%) shall be allocated to the Basin Fruitland Coal pool (pool ID: 71629); and
 - b. one hundred percent (100%) 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);

The current pool(s) are:

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

Applicant shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools ("fixed percentage allocation plan"). No later than ninety (90) days after the fourth year, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. If Applicant fails to do so, this Order shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Order shall terminate on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.

3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate,

then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.

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

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT CHANG
DIVISION DIRECTOR**

DATE: 7/17/26

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: DHC-5591				
Operator: Hilcorp Energy Company				
Well Name: Albright Well No. 6				
Well API: 30-045-08101				
Upper Zone	Pool Name: Basin Fruitland Coal			
	Pool ID: 71629	Current:	New:	X
	Allocation: Subtraction	Oil: 0.0%	Gas:	SUBT
		Top: 1,608	Bottom:	1,956
Intermediate Zone	Pool Name:			
	Pool ID:	Current:	New:	
	Allocation:	Oil:	Gas:	
		Top:	Bottom:	
Bottom of Interval within 150% of Upper Zone's Top of Interval:				
Lower Zone	Pool Name: Basin Dakota			
	Pool ID: 71599	Current:	X	New:
	Allocation: Fixed Percent	Oil: 100.0%	Gas:	
		Top: 6,349	Bottom:	6,534
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 311970

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 311970
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	7/16/2026