

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**

|  |   |                                       |
|--|---|---------------------------------------|
| <sup>1</sup> Operator Name and Address<br>Hilcorp Energy Company<br>382 Road 3100<br>Aztec, NM 87410 |   | <sup>2</sup> OGRID Number<br>372171   |
|  |   | <sup>3</sup> API Number<br>3003921614 |
| <sup>4</sup> Property Code<br>318713   | <sup>5</sup> Property Name<br>SAN JUAN 29-6 | <sup>6</sup> Well No.<br>64A          |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County     |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|------------|
| J        | 11      | 29N      | 07W   |         | 1590'     | SOUTH    | 1655'     | EAST     | 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     |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|------------|
| J        | 11      | 29N      | 07W   |         | 1590'     | SOUTH    | 1655'     | EAST     | RIO ARRIBA |

**9. Pool Information**

|                                   |                    |
|-----------------------------------|--------------------|
| Pool Name<br>BASIN FRUITLAND COAL | Pool Code<br>71629 |
|-----------------------------------|--------------------|

**Additional Well Information**

|  |  |                                      |                                   |   |
|--|--|--------------------------------------|-----------------------------------|---|
| <sup>11</sup> Work Type<br><b>RECOMPLETE</b> | <sup>12</sup> Well Type<br>COMMINGLE   | <sup>13</sup> Cable/Rotary           | <sup>14</sup> Lease Type<br>STATE | <sup>15</sup> Ground Level Elevation<br><b>6389' GL</b> |
| <sup>16</sup> Multiple<br>COMMINGLE          | <sup>17</sup> Proposed Depth           | <sup>18</sup> Formation<br>BASIN FRC | <sup>19</sup> Contractor          | <sup>20</sup> 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 |
|------|------------------|---------------|--------------|
|      |                  |               |              |

<sup>23</sup> 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 ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature: *Dawn Nash Deal*

Printed name: DAWN NASH-DEAL

Title: REGULATORY TECHNICIAN

E-mail Address: DNASH@HILCORP.COM

Date: 05/27/2025

Phone: 505-324-5132

**OIL CONSERVATION DIVISION**

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached



**HILCORP ENERGY COMPANY**  
**San Juan 29-7 Unit 64A**  
**RECOMPLETION SUNDRY**

|                          |              |
|--------------------------|--------------|
| <b>Prepared by:</b>      | Matthew Esz  |
| <b>Preparation Date:</b> | May 13, 2025 |

| WELL INFORMATION  |                        |                   |    |
|-------------------|------------------------|-------------------|----|
| <b>Well Name:</b> | San Juan 29-7 Unit 64A | <b>State:</b>     | NM |
| <b>API #:</b>     | 3003921614             | <b>County:</b>    |    |
| <b>Area:</b>      | 10                     | <b>Location:</b>  |    |
| <b>Route:</b>     | 1002                   | <b>Latitude:</b>  |    |
| <b>Spud Date:</b> | November 7, 1978       | <b>Longitude:</b> |    |

| PROJECT DESCRIPTION   |
|---|
| Perforate, fracture, and comingle the Fruitland Coal with the existing Mesa Verde zone. |

| CONTACTS             |             |                |              |
|----------------------|-------------|----------------|--------------|
| Title                | Name        | Office Phone # | Cell Phone # |
| Engineer             | Matthew Esz |                | 770-843-9226 |
| Area Foreman         |             |                |              |
| Lead                 |             |                |              |
| Artificial Lift Tech |             |                |              |
| Operator             |             |                |              |



**HILCORP ENERGY COMPANY**  
**San Juan 29-7 Unit 64A**  
**RECOMPLETION SUNDRY**

| JOB PROCEDURES  |
|---|
| <ol style="list-style-type: none"> <li>MIRU service rig and associated equipment; test BOP.</li> <li>TOOH with <b>2-3/8"</b> tubing set at <b>5,746'</b>.</li> <li>Set a <b>4-1/2"</b> plug at +/- <b>3,988'</b> to isolate the <b>Mesa Verde</b>.</li> <li>RU Wireline. Run CBL. Record Top of Cement.</li> <li>Load the hole and pressure test the casing.</li> <li>N/D BOP, N/U frac stack and pressure test frac stack.</li> <li>Perforate and frac the <b>Fruitland Coal</b> from <b>2962'-3246'</b>.</li> <li>Nipple down frac stack, nipple up BOP and test.</li> <li>TIH with a mill and drill out top isolation plug and <b>Fruitland Coal</b> frac plugs.</li> <li>Clean out to <b>Mesa Verde</b> isolation plug.</li> <li>Drill out <b>Mesa Verde</b> isolation plug and cleanout to PBTD of <b>5,853'</b>. TOOH.</li> <li>TIH and land production tubing. Get a commingled <b>Fruitland Coal/Mesa Verde</b> flow rate.</li> </ol> |



**HILCORP ENERGY COMPANY**  
**San Juan 29-7 Unit 64A**  
**RECOMPLETION SUNDRY**

**San Juan 29-7 Unit 64A - CURRENT WELLBORE SCHEMATIC**

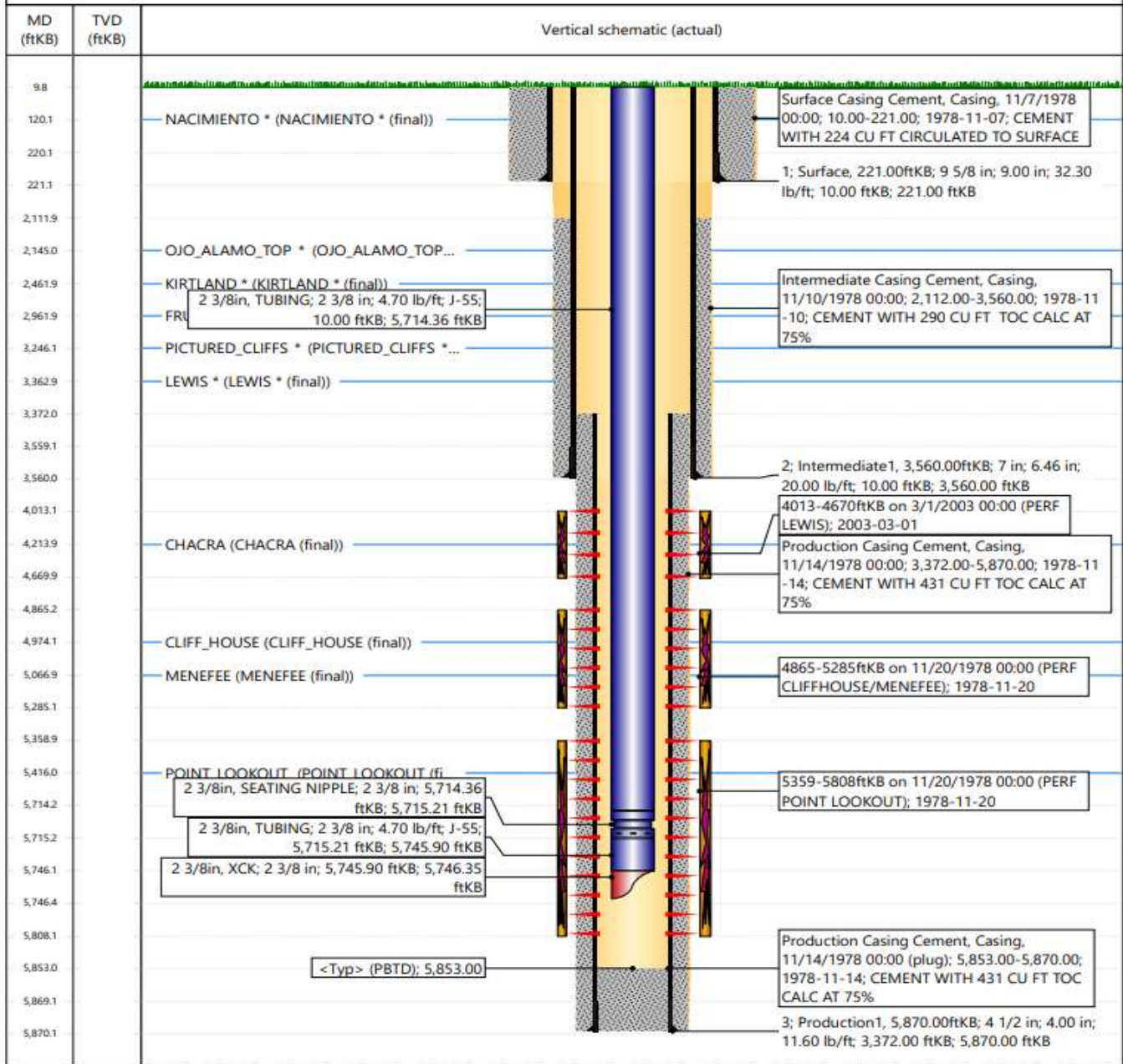
**Well Name: SAN JUAN 29-7 UNIT #64A**

|                                   |   |                                     |                         |                                |                                     |
|-----------------------------------|---|-------------------------------------|-------------------------|--------------------------------|-------------------------------------|
| API / UWI<br>3003921614           | Surface Legal Location<br>011-029N-007W-J | Field Name<br>BLANCO MV (PRO) #0078 | Route<br>1002           | State/Province<br>NEW MEXICO   | Well Configuration Type<br>VERTICAL |
| Ground Elevation (ft)<br>6,389.00 | Original KB/RT Elevation (ft)<br>6,399.00 | Tubing Hanger Elevation (ft)        | RKB to GL (ft)<br>10.00 | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft)      |

**Tubing Strings**

|                             |                              |                                     |                                    |                               |                                       |
|-----------------------------|------------------------------|-------------------------------------|------------------------------------|-------------------------------|---------------------------------------|
| Run Date<br>3/10/2003 00:00 | Set Depth (ftKB)<br>5,746.35 | String Max Nominal OD (in)<br>2 3/8 | String Min Nominal ID (in)<br>2.00 | Weight/Length (lb/ft)<br>4.70 | Original Spud Date<br>11/7/1978 00:00 |
|-----------------------------|------------------------------|-------------------------------------|------------------------------------|-------------------------------|---------------------------------------|

**Original Hole, 30039216140000 [VERTICAL]**





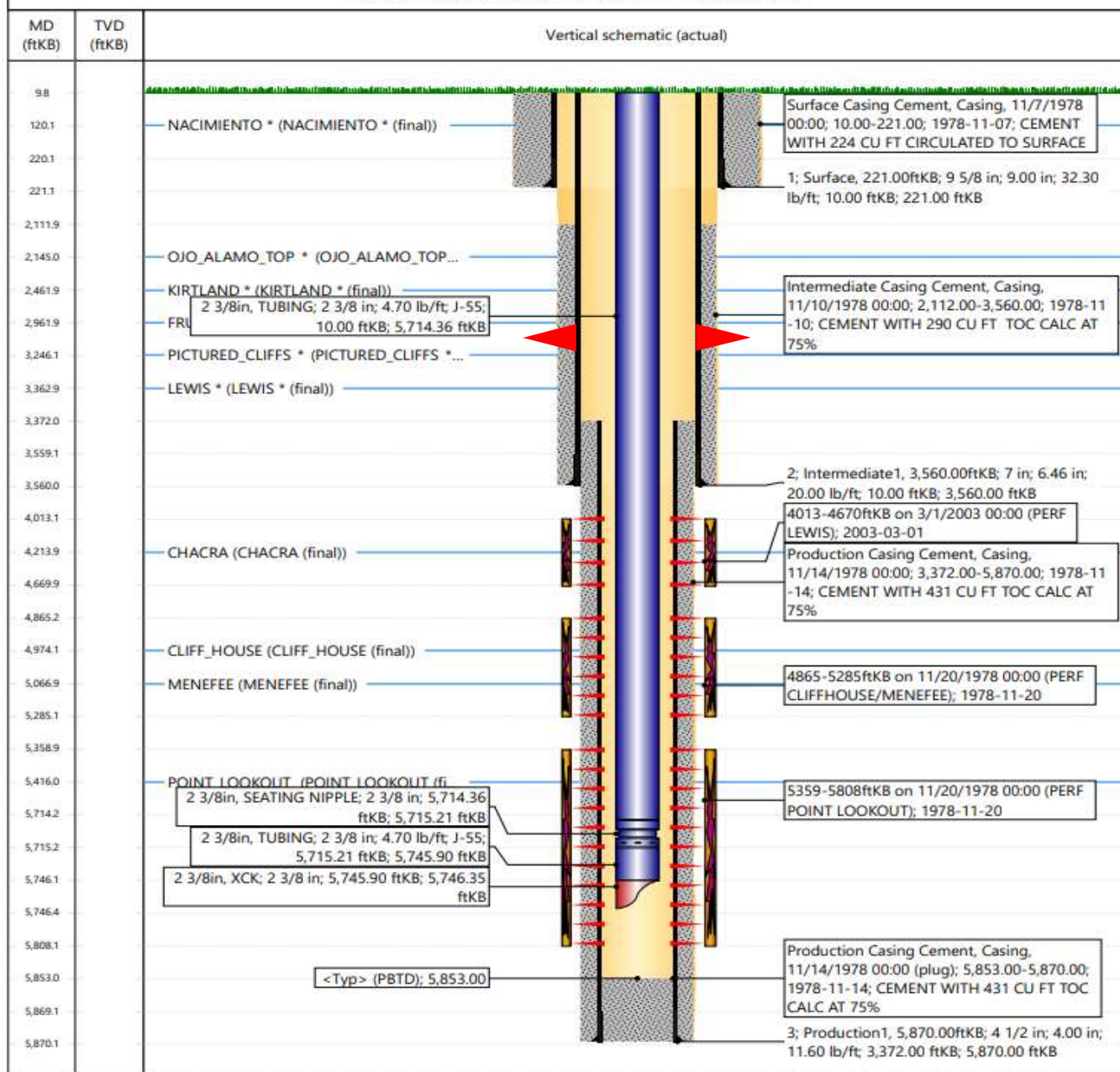
**HILCORP ENERGY COMPANY**  
**San Juan 29-7 Unit 64A**  
**RECOMPLETION SUNDRY**

**San Juan 29-7 Unit 64A - Proposed Schematic**

**Well Name: SAN JUAN 29-7 UNIT #64A**

|                                   |   |                                     |                                    |                                |                                       |
|-----------------------------------|---|-------------------------------------|------------------------------------|--------------------------------|---------------------------------------|
| API / UWI<br>3003921614           | Surface Legal Location<br>011-029N-007W-J | Field Name<br>BLANCO MV (PRO) #0078 | Route<br>1002                      | State/Province<br>NEW MEXICO   | Well Configuration Type<br>VERTICAL   |
| Ground Elevation (ft)<br>6,389.00 | Original KB/RT Elevation (ft)<br>6,399.00 | Tubing Hanger Elevation (ft)        | RKB to GL (ft)<br>10.00            | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft)        |
| <b>Tubing Strings</b>             |   |                                     |                                    |                                |                                       |
| Run Date<br>3/10/2003 00:00       | Set Depth (ftKB)<br>5,746.35              | String Max Nominal OD (in)<br>2 3/8 | String Min Nominal ID (in)<br>2.00 | Weights/Length (lb/ft)<br>4.70 | Original Spud Date<br>11/7/1978 00:00 |

**Original Hole, 30039216140000 [VERTICAL]**





NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLATPage 5 of 14  
Form C-122  
Supersedes C-128  
Effective 1-1-65

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

|  |  |                                    |  |  |                        |
|--|--|------------------------------------|--|--|------------------------|
| Operator<br><b>EL PASO NATURAL GAS COMPANY</b>   |  |                                    | Lease<br><b>SAN JUAN 29-7 UNIT (FEE)</b> |  | Well No.<br><b>64A</b> |
| Unit Letter<br><b>J</b>  | Section<br><b>11</b>                     | Township<br><b>29-N</b>            | Range<br><b>7-W</b>                      | County<br><b>RIO ARriba</b>              |                        |
| Actual Footage Location of Well:<br><b>1590</b> feet from the <b>SOUTH</b> line and <b>1655</b> feet from the <b>EAST</b> line |  |                                    |  |  |                        |
| Ground Level Elev.<br><b>6389</b>  | Producing Formation<br><b>MESA VERDE</b> | Pool<br><b>BLANCO MESA VERDE /</b> |  | Dedicated Acreage<br><b>320.00</b> Acres |                        |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

|  |   |
|--|---|
|  | <p align="center"><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>D. G. Luce</i><br/>Name<br/>Drilling Clerk<br/>Position<br/>El Paso Natural Gas<br/>Company<br/>January 12, 1978<br/>Date</p>   |
|  | <p>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.</p> <p align="right"> <br/>         Date Surveyed<br/> <b>OCTOBER 20, 1977</b><br/>         Registered Professional Engineer<br/>         and/or Land Surveyor<br/>         Certificate No. <b>1760</b> </p> |
|  |   |
|  |   |

|  |  |  |                 |  |   |                                     |
|--|--|--|-----------------|--|---|-------------------------------------|
| <b>Santa Fe Main Office</b><br>Phone: (505) 476-3441 Fax: (55) 476-3462<br><b>General Information</b><br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | <b>State of New Mexico</b><br><b>Energy, Minerals &amp; Natural Resources</b><br><b>Department</b><br><b>OIL CONSERVATION DIVISION</b> | <b>C-102</b><br><br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting<br><br><table border="1" style="width: 100%;"><tr><td rowspan="3" style="width: 20%;">Submittal Type:</td><td><input type="checkbox"/> Initial Submittal</td></tr><tr><td><input type="checkbox"/> Amended Report</td></tr><tr><td><input type="checkbox"/> As Drilled</td></tr></table> | Submittal Type: | <input type="checkbox"/> Initial Submittal | <input type="checkbox"/> Amended Report | <input type="checkbox"/> As Drilled |
| Submittal Type:  | <input type="checkbox"/> Initial Submittal   |  |                 |  |   |                                     |
|  | <input type="checkbox"/> Amended Report  |  |                 |  |   |                                     |
|  | <input type="checkbox"/> As Drilled  |  |                 |  |   |                                     |

**WELL LOCATION INFORMATION**

|  |   |  |
|--|---|--|
| API Number<br>30-039-21614   | Pool Code<br>71629                      | Pool Name<br>BASIN FRUITLAND COAL  |
| Property Code<br>318713  | Property Name<br>SAN JUAN 29-7 UNIT     | Well Number<br>64A   |
| OGRID No.<br>372171  | Operator Name<br>Hilcorp Energy Company | Ground Level Elevation<br>6389'  |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |   | Mineral Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

**Surface Location**

|         |               |                 |              |     |                           |                           |                        |                           |                      |
|---------|---------------|-----------------|--------------|-----|---------------------------|---------------------------|------------------------|---------------------------|----------------------|
| UL<br>J | Section<br>11 | Township<br>29N | Range<br>07W | Lot | Ft. from N/S<br>1590' FSL | Ft. from E/W<br>1655' FEL | Latitude<br>36.7373619 | Longitude<br>-107.5369797 | County<br>RIO ARriba |
|---------|---------------|-----------------|--------------|-----|---------------------------|---------------------------|------------------------|---------------------------|----------------------|

**Bottom Hole Location**

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

|                 |                                     |                   |   |                            |
|-----------------|-------------------------------------|-------------------|---|----------------------------|
| Dedicated Acres | Infill or Defining Well<br>DEFINING | Defining Well API | Overlapping Spacing Unit (Y/N)<br>NO  | Consolidation Code<br>UNIT |
| Order Numbers.  |                                     |                   | 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 |
|----|---------|----------|-------|-----|--------------|--------------|----------|-----------|--------|

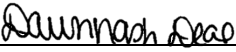
**First Take Point (FTP)**

|    |         |          |       |     |              |              |          |           |        |
|----|---------|----------|-------|-----|--------------|--------------|----------|-----------|--------|
| 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 |
|----|---------|----------|-------|-----|--------------|--------------|----------|-----------|--------|

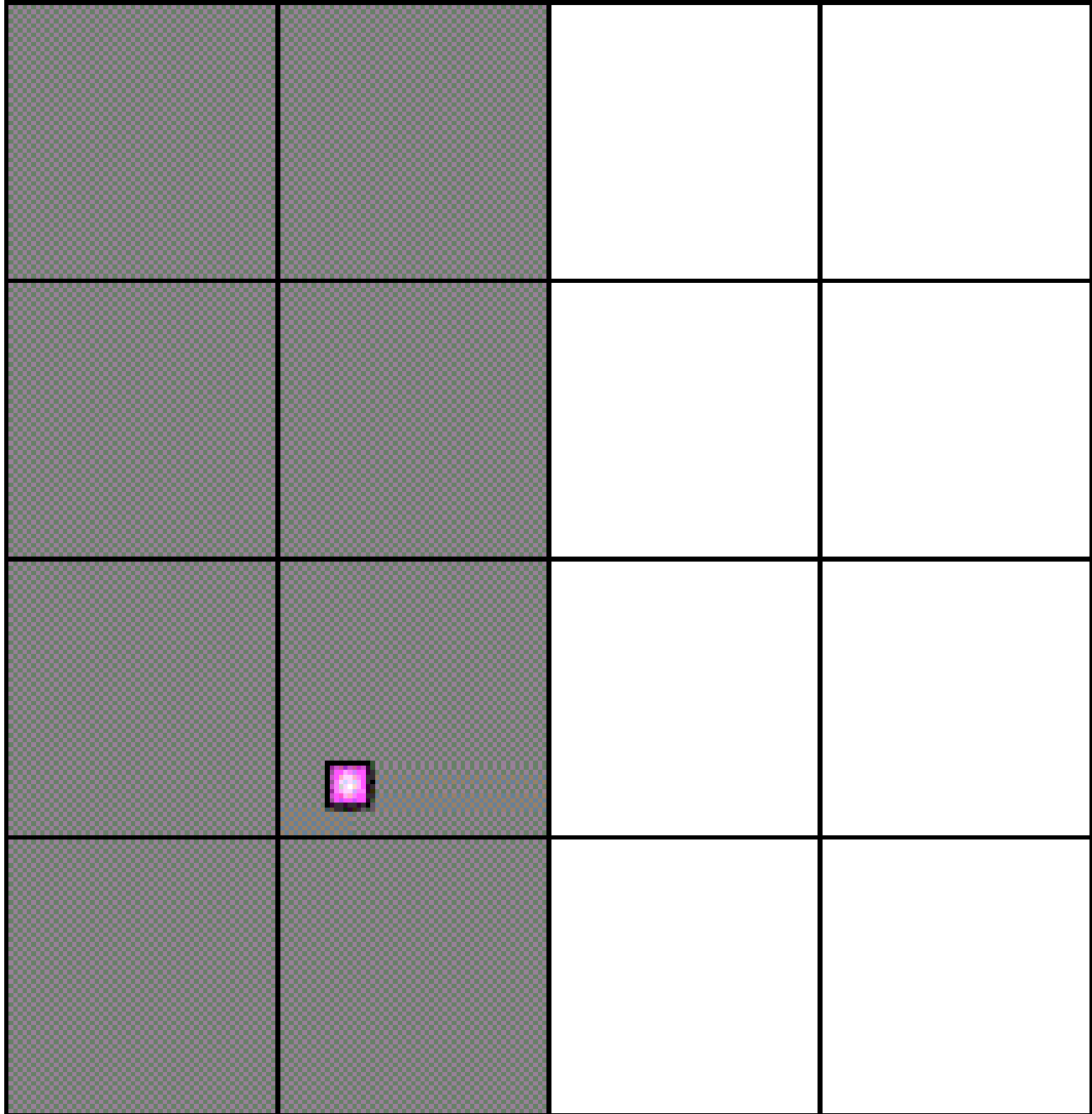
|   |   |                         |
|---|---|-------------------------|
| Unitized Area or Area of Uniform Interest | Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation: |
|---|---|-------------------------|

|   |   |
|---|---|
| <b>OPERATOR CERTIFICATIONS</b><br><br><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><br><br><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><br><br><div style="display: flex; justify-content: space-between;"><div></div><div>05/27/2025</div></div> <div style="display: flex; justify-content: space-between;"><div>Signature</div><div>Date</div></div> <div>DAWN NASH-DEAL</div> <div>Printed Name</div> <div>DNASH@HILCORP.COM</div> <div>Email Address</div> | <b>SURVEYOR CERTIFICATIONS</b><br><br><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><br><br>DAVID KILVEN<br><div style="display: flex; justify-content: space-between;"><div>Signature and Seal of Professional Surveyor</div><div></div></div> <div style="display: flex; justify-content: space-between;"><div>1760</div><div>10/20/77</div></div> <div style="display: flex; justify-content: space-between;"><div>Certificate Number</div><div>Date of Survey</div></div> |
|---|---|

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.



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:** 05/18/2025

**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 | Anticipated Gas MCF/D | Anticipated Produced Water |
|------------------------|--------------|--------------|-----------------------|-----------------|-----------------------|----------------------------|
| SAN JUAN 29-7 UNIT 64A | 30-039-21614 | J,11,29N,07W | 1590' FSL & 1655' FEL | 0 BBL           | 350 MCF               | 5 BBL                      |
|                        |              |              |                       |                 |                       |                            |

**IV. Central Delivery Point Name:** \_\_\_\_\_ [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 64A | 30-039-21614 |           |                 |                              |                        |                       |
|                        |              |           |                 |                              |                        |                       |

**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**

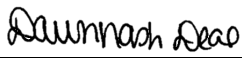
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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: REGULATORY TECHNICIAN   |
| E-mail Address: DNASH@HILCORP.COM  |
| Date: 05/18/2025   |
| Phone: 505-324-5132  |
| <b>OIL CONSERVATION DIVISION</b><br><b>(Only applicable when submitted as a standalone form)</b> |
| 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
  - o Measurement equipment is installed to measure the volume of natural gas flared from process piping.
  - o When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

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



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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 467648

CONDITIONS

|  |   |
|--|---|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171  |
|  | Action Number:<br>467648                                  |
|  | Action Type:<br>[C-101] Drilling Non-Federal/Indian (APD) |

CONDITIONS

| Created By  | Condition  | Condition Date |
|-------------|--|----------------|
| ward.rikala | Notify the OCD 24 hours prior to casing & cement.                | 6/4/2025       |
| ward.rikala | All logs ran must be submitted to OCD.                           | 6/4/2025       |
| ward.rikala | New C-104 packet must be submitted.                              | 6/4/2025       |
| ward.rikala | Production can not be commingled until a DHC permit is approved. | 6/4/2025       |