

# Additional Information Revised BHP

## McMillan, Michael, EMNRD

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**From:** Priscilla Shorty <pshorty@hilcorp.com>  
**Sent:** Tuesday, August 6, 2019 1:57 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Mandi Walker; Jones, William V, EMNRD  
**Subject:** RE: [EXTERNAL] RE: Lambe 3M (30-045-33680)\_C107A Requested Data  
**Attachments:** Lambe 3M\_C107A Application (Amended).pdf

Michael,

Please see amended C107A packet for the subject well. The affected parties were re-notified. Thank you.

*Priscilla A. Shorty*

San Juan North Regulatory Technician

**Hilcorp Energy Company**

505-324-5188

[pshorty@hilcorp.com](mailto:pshorty@hilcorp.com)

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**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Wednesday, July 31, 2019 3:52 PM  
**To:** Priscilla Shorty <pshorty@hilcorp.com>  
**Cc:** Mandi Walker <mwalker@hilcorp.com>; Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>  
**Subject:** RE: [EXTERNAL] RE: Lambe 3M (30-045-33680)\_C107A Requested Data

Priscilla:

After reviewing the updated pressures for the three formations, the OCD is going to require to renote the affected parties with the signed statement from the engineer, and an updated Form c-107 that shows the revised pressures.

As a result, your application will be suspended until you provide proof of notice to the affected parties.

Mike

Michael McMillan  
1220 South St. Francis  
Santa Fe, New Mexico  
505-476-3448  
[Michael.mcmillan@state.nm.us](mailto:Michael.mcmillan@state.nm.us)

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**From:** Priscilla Shorty <pshorty@hilcorp.com>  
**Sent:** Tuesday, July 30, 2019 7:25 AM  
**To:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Cc:** Mandi Walker <mwalker@hilcorp.com>  
**Subject:** [EXT] RE: [EXTERNAL] RE: Lambe 3M (30-045-33680)\_C107A Requested Data

Please see attached.

Priscilla

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**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Monday, July 29, 2019 12:57 PM  
**To:** Priscilla Shorty <[pshorty@hilcorp.com](mailto:pshorty@hilcorp.com)>  
**Cc:** Mandi Walker <[mwalker@hilcorp.com](mailto:mwalker@hilcorp.com)>  
**Subject:** [EXTERNAL] RE: Lambe 3M (30-045-33680)\_C107A Requested Data

Get an engineer to sign it

Michael McMillan  
1220 South St. Francis  
Santa Fe, New Mexico  
505-476-3448  
[Michael.mcmillan@state.nm.us](mailto:Michael.mcmillan@state.nm.us)

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**From:** Priscilla Shorty <[pshorty@hilcorp.com](mailto:pshorty@hilcorp.com)>  
**Sent:** Monday, July 29, 2019 10:05 AM  
**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>  
**Cc:** Mandi Walker <[mwalker@hilcorp.com](mailto:mwalker@hilcorp.com)>  
**Subject:** [EXT] Lambe 3M (30-045-33680)\_C107A Requested Data  
**Importance:** High

Michael,

Please see attached additional data for the Lambe 3M (30-045-33680) C107A application.

Let me know if you have any questions or concerns.

Thank you,

*Priscilla A. Shorty*  
San Juan North Regulatory Technician  
**Hilcorp Energy Company**  
505-324-5188  
[pshorty@hilcorp.com](mailto:pshorty@hilcorp.com)

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The information contained in this e-mail message is confidential information intended only for the use of the recipient(s) named above. In addition, this communication may be legally privileged. If the reader of this e-mail is not an intended recipient, you have received this e-mail in error and any review, dissemination, distribution or copying is strictly prohibited. If you have received this e-mail in error, please notify the sender immediately by return e-mail and permanently delete the copy you received.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

RECEIVED:	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:** Lambe 3M **API:** 30-045-33680  
**Pool:** Basin Fruitland Coal / Blanco Mesaverde / Basin Dakota **Pool Code:** 71629/72319/71599

**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 holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**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.**

Thomas Jacques

Print or Type Name

  
 Signature

8/6/2019

Date

832.839.4582

Phone Number

tjacques@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

Form C-107A  
Revised August 1, 2011

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 Road 3100, Aztec, NM 87410  
Operator Address  
Lambe #003M O 21 31N 10W San Juan  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 372171 Property Code 318603 API No. 3004533680 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL	BLANCO-MESAVERDE	BASIN DAKOTA
Pool Code	71629	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2717' – 2921'	3994'-5266'	7304'-7420'
Method of Production (Flowing or Artificial Lift)	New Zone	Plunger Lift	Plunger 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)	790 psi <b>AMENDED: 150 psi</b> See attached explanation	700 psi <b>AMENDED: 200 psi</b> See attached explanation	2000 psi <b>AMENDED: 200 psi</b> See attached explanation
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1000 BTU	1000 BTU	1000 BTU
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A  Rates:	Date: 4/2019  Rates: 5 BO,3048 MCF,10 BW	Date: 4/2019  Rates: 1 BO,339 MCF,9 BW
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  Will be supplied upon completion	Oil Gas  Will be supplied upon completion	Oil Gas  Will be supplied upon completion

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.

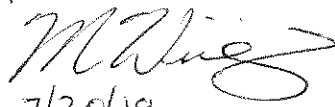
I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
SIGNATURE Priscilla Shorty TITLE Operations/Regulatory Technician – Sr. DATE 8/1/2019  
TYPE OR PRINT NAME Priscilla Shorty TELEPHONE NO. (505) 324-5188  
E-MAIL ADDRESS pshorty@hilcorp.com




## Discussion of Pressures

Reservoir	Originally Submitted Pressure	Revised Bottom Hole Pressure
Basin Fruitland Coal	790 psi	150 psi
Blanco Mesaverde	700 psi	200 psi
Basin Dakota	2000 psi	200 psi

The pressures originally provided were calculated far-field stabilized reservoir pressures based on a moving domain material balance simulation. The near wellbore shut in bottom hole pressures of the Basin Dakota and Blanco Mesaverde are much lower than the calculated far field stabilized reservoir pressures 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 pressure, the low permeability of the reservoir rock results in rapid depletion of the near-fracture region, quickly enough that the wells are unable produce without the aid of a plunger. Given low permeabilities and low wellbore flowing pressures in the Basin Dakota, Blanco Mesaverde, and Basin Fruitland Coal, 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 Basin Dakota, Blanco Mesaverde, and Basin Fruitland Coal 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 on the revised C-107A are based on shut in bottom hole pressures of a Basin Dakota / Blanco Mesaverde well in the same section as the Lambe #3M and are representative of the expected near-wellbore shut in bottom hole pressures of the Basin Dakota and Blanco Mesaverde in the Lambe #3M. The pressure provided for the Basin Fruitland Coal is the expected near-wellbore shut in bottom hole pressure based on offset Basin Fruitland Coal recompletes.

Hilcorp  
San Juan  
Ops Engineer  
Michael WISSING  
  
7/30/19

Hilcorp  
San Juan  
Reservoir Engineer  
John Brann  
  
7/30/19

## Historical Production

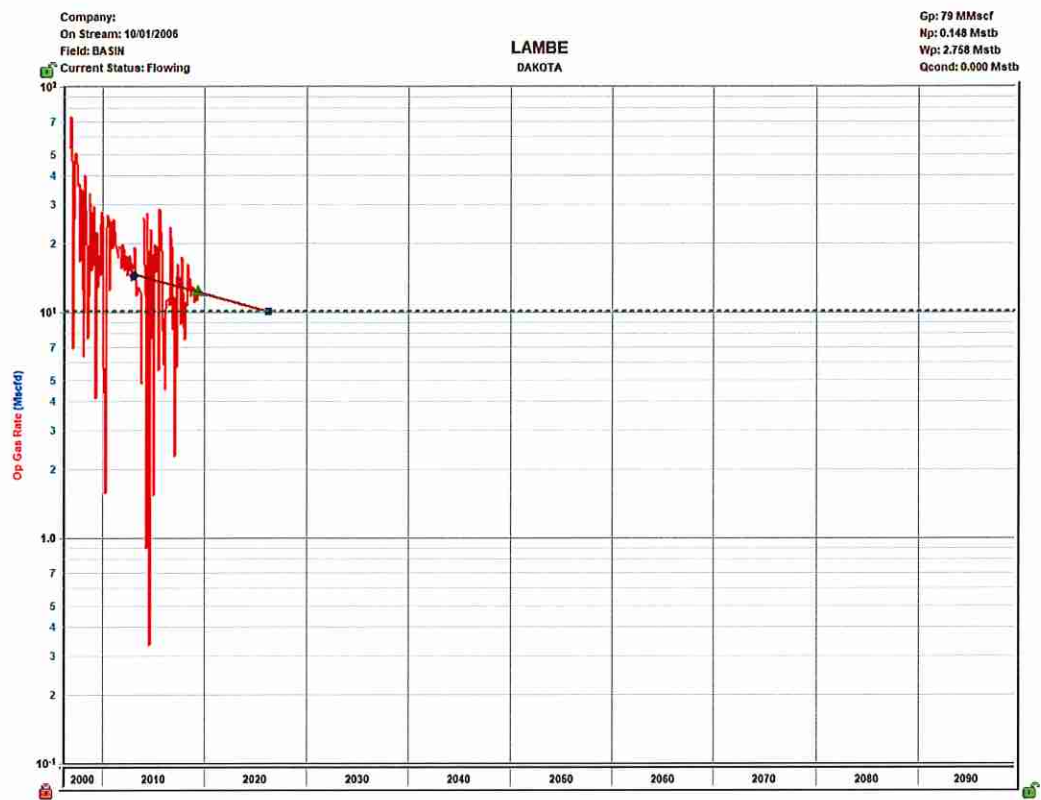
### Basin Dakota

	Oil (BBLs)	Gas (MCF)	Water (BBLs)
Dec-18	0	380	10
Jan-19	0	343	10
Feb-19	1	341	9
Mar-19	1	375	10
Apr-19	1	339	9
May-19	1	305	10

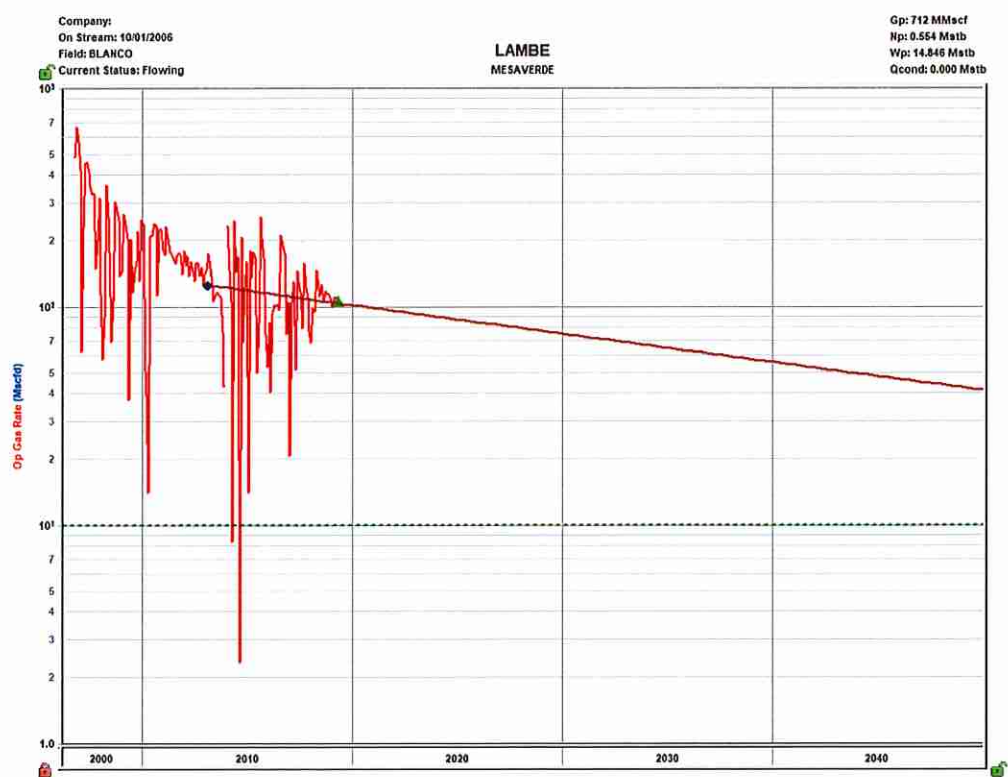
### Blanco Mesaverde

	Oil (BBLs)	Gas (MCF)	Water (BBLs)
Dec-18	5	3421	10
Jan-19	1	3087	10
Feb-19	11	3070	9
Mar-19	6	3380	10
Apr-19	5	3048	10
May-19	7	2751	10

Lambe #3M Basin Dakota Forecast



Lambe #3M Blanco-Mesaverde Forecast





## Lambe #3M Predicted Basin Fruitland Coal Forecast



The Lambe #3M predicted Basin Fruitland Coal rate is based on type well and volumetric analysis of offset Basin Fruitland Coal producers. The reservoir fluids of the commingled completions are compatible.

### Production Allocation Method

Hilcorp requests that production for the downhole commingle be allocated using the subtraction method. The base formations are the Basin Dakota and Blanco-Mesaverde and the added formation to be commingled is the Basin Fruitland Coal. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast. The Basin Fruitland Coal will not produce oil. All oil produced will be allocated to the Blanco-Mesaverde and Basin Dakota using the current oil allocation.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.  
NMSF078285

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.  
LAMBE 3M2. Name of Operator  
HILCORP ENERGY COMPANYContact: PRISCILLA SHORTY  
E-Mail: pshorty@hilcorp.com9. API Well No.  
30-045-336803a. Address  
382 ROAD 3100  
AZTEC, NM 874103b. Phone No. (include area code)  
Ph: 505-324-518810. Field and Pool or Exploratory Area  
BLANCO MV/BASIN DK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 21 T31N R10W Mer NMP SWSE 1110FSL 1885FEL

11. County or Parish, State

SAN JUAN COUNTY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal and downhole trimingle with the existing Mesaverde and Dakota formations. Attached is the procedure, wellbore diagram, plat, and gas capture plan. A DHC application will be filed and approved prior to commingling. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #474453 verified by the BLM Well Information System  
For HILCORP ENERGY COMPANY, sent to the Farmington

Name (Printed/Typed) PRISCILLA SHORTY

Title OPERATIONS REGULATORY TECH

Signature (Electronic Submission)

Date 07/22/2019

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***



# HILCORP ENERGY COMPANY LAMBE 3M

Proposed Schematic

## LAMBE 3M - CURRENT WELLBORE SCHEMATIC



Well Name: LAMBE #3M

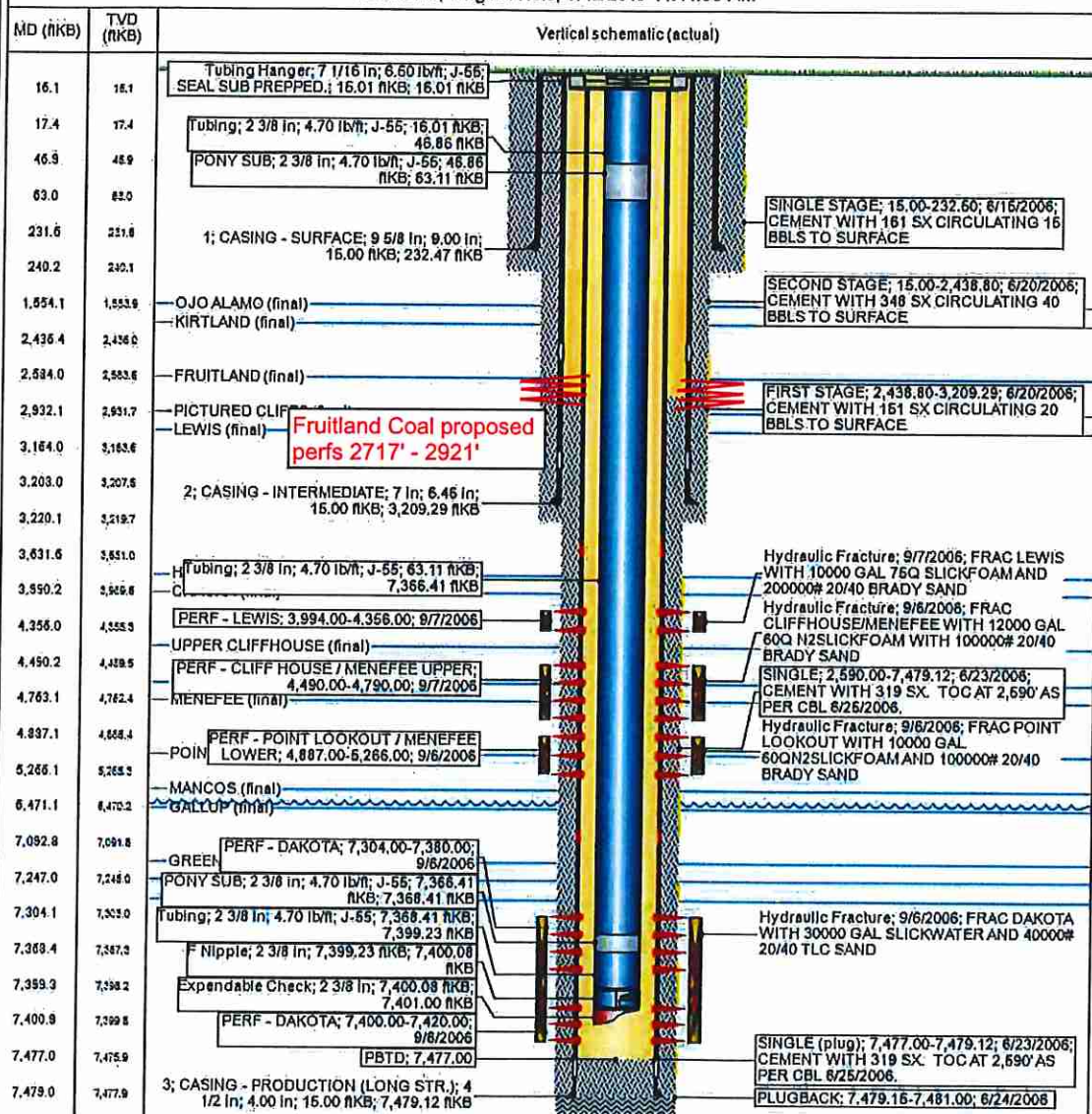
API / UWI 3004533680	Surface Legal Location 021-031N-010W-0	Field Name BLANCO MESA-RAE (FACATED ON)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Original KBRT Elevation (ft) 6,210.00	KB-Ground Distance (ft) 15.00	Original Spud Date 6/13/2008 23:00	Log Release Date 9/16/2008 12:00	PBTD (ft) (NKB) Original Hole - 7,477.0	Total Depth (ft) (NKB)

### Most Recent Job

Job Category WELL INTERVENTION	Primary Job Type TUBING REPAIR	Secondary Job Type TUBING REPAIR	Actual Start Date 8/1/2014	End Date 8/14/2014
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ID: 7,481.0

VERTICAL, Original Hole, 7/12/2019 11:41:56 AM







**HILCORP ENERGY COMPANY**  
**LAMBE 3M**  
**FRUITLAND COAL RECOMPLETION SUNDRY**

**LAMBE 3M - CURRENT WELLBORE SCHEMATIC**



**Schematic - Current**

Well Name: LAMBE #3M

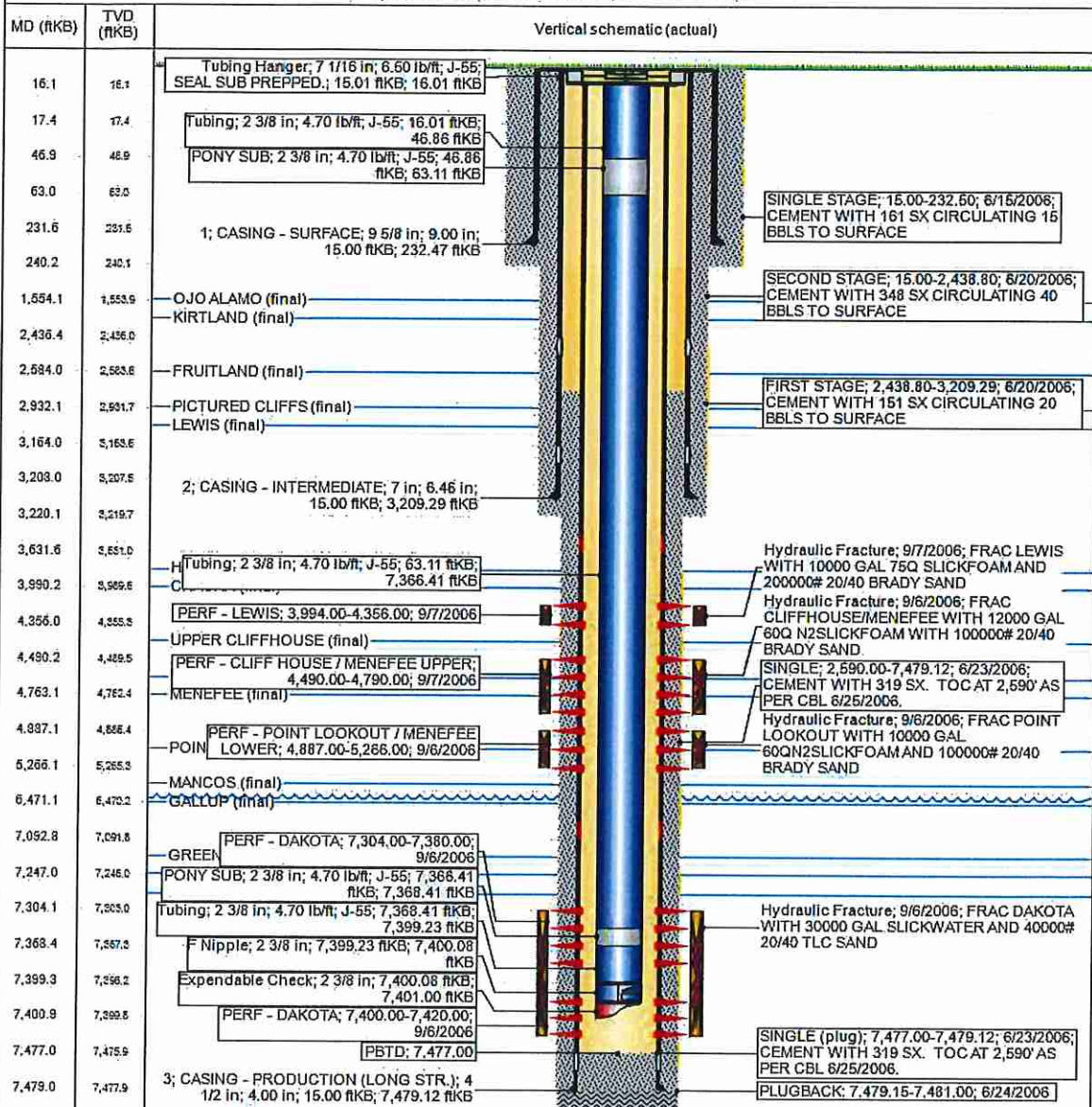
API / UWI 3004533680	Surface Legal Location 021-031N-010W-0	Field Name BLANCO MESA / VERDE / PROLATA GAS	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Original KBART Elevation (ft) 6,210.00	KB-Grout Distance (ft) 15.00	Original Spud Date 6/13/2006 23:00	Rig Release Date 9/16/2006 12:00	PSTD (A) (ft/S) Original Hole - 7,477.0	Total Depth (ft) (ft/S)

**Most Recent Job**

Job Category WELL INTERVENTION	Primary Job Type TUBING REPAIR	Secondary Job Type TUBING REPAIR	Actual Start Date 8/1/2014	End Date 8/14/2014
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ID: 7,481.0

VERTICAL, Original Hole, 7/12/2019 11:41:56 AM



**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 269995

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-33680	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 318603	5. Property Name LAMBE	6. Well No. 003M
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6188

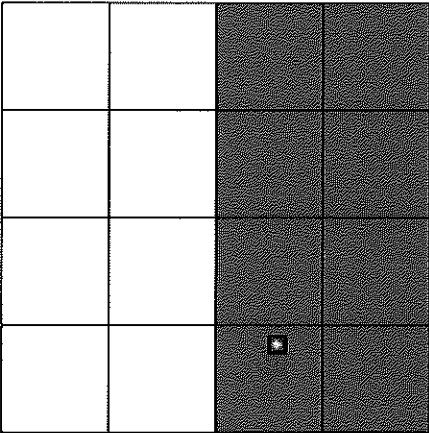
**10. Surface Location**

UL - Lot O	Section 21	Township 31N	Range 10W	Lot Idn 15	Feet From 1110	N/S Line S	Feet From 1885	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 310.38	13. Joint or Infill			14. Consolidation Code			15. Order No.		

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

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>Priscilla Shorty</i>  Title: Operations Regulatory Tech - Sr.  Date: 07/18/2019</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Jason Edwards  Date of Survey: 2/6/2006  Certificate Number: 15269</p>
-------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer 00, Artesia, NM 88211-0719

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

2006 MAR 31 PM 2:53 AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION

*API Number 30-045-33680	*Pool Code 72319 / 71599	*Pool Name Blanco Mesaverde / Basin Dakota
*Property Code 28917 ✓	*Property Name LAMBE	*Well Number 3M ✓
*GRID No. 14538 ✓	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP	*Elevation 6188' ✓

10 Surface Location

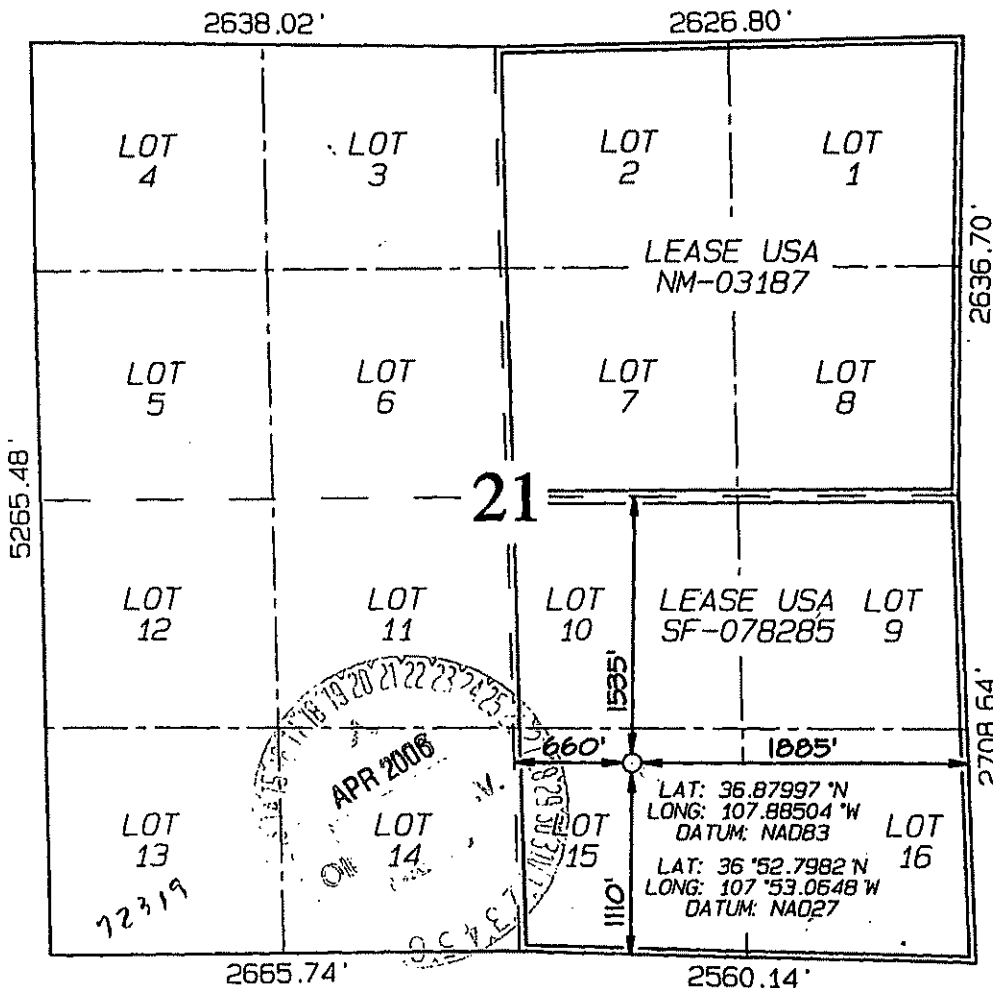
UL or lot no. 0	Section 21	Township 31N	Range 10W	Lot Idh 15	Feet from the 1110	North/South line SOUTH	Feet from the 1885	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

UL or lot no. 0	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
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*Dedicated Acres MV/DK 310.38 ac E2	*Joint or Infill	*Consolidation Code	*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



17 OPERATOR CERTIFICATION

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

Signature  
Jon Clark

Printed Name  
Jon Clark

Title  
Sr. Regulatory Specialist

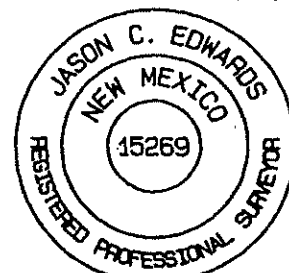
Date  
3/16/2006

18 SURVEYOR CERTIFICATION

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

Survey Date: FEBRUARY 6, 2006

Signature and Seal of Professional Surveyor



Jason C. Edwards  
Certificate Number 15269





July 23, 2019

To: ALL INTEREST OWNERS

RE: Notice to Recomplete & Downhole Commingle  
Lambe 003M (Blanco Mesaverde/Basin Dakota/Basin Fruitland Coal)  
Section 21, Township 31 North – Range 10 West NMPM  
API: 30-045-33680  
San Juan County, New Mexico

Ladies and Gentlemen:

Hilcorp San Juan, L.P., a subsidiary of Hilcorp Energy Company (“Hilcorp”) and Operator of the referenced well, recently acquired the assets of Burlington Resources Oil & Gas Company, LP throughout the San Juan Basin, including leases, wells and other facilities. As successor operator, we are actively evaluating various development strategies to extend the productive life of the basin. Our initial efforts are focused on returning existing wells to production and adding additional gas pay through downhole commingling.

In the subject well, Hilcorp plans to downhole commingle existing pay from the Blanco Mesaverde and Basin Dakota formation with potential pay from the Basin Fruitland Coal formation. As a good faith effort to adhere to the notification requirements outlined in Subsection C of 19.15.12.11 New Mexico Administrative Code, this letter serves as notification of Hilcorp’s intent to downhole commingle and includes a copy of the C-107-A for your reference.

**No action is required by you nor must you sign/return any paperwork unless you object to this notification.**

Should you have an objection, you are required to send notice within twenty (20) days from the date of this letter. Your objection should reference the well details provided above. Please mail your objection to the following address: Hilcorp Energy Company, Attn: Rob Carlson, 1111 Travis, Houston, TX 77002. Separately, please email me a copy of your objection letter to ensure receipt and call me to discuss any particular concerns you have using the contact information below. Should we be unable to overcome your concerns, the matter will be set for hearing with the New Mexico Oil & Conservation Division in Santa Fe, NM.

If your ownership interest in the Subject Well has recently changed (i.e., new burdens created or you have sold or transferred your interest) please contact Hilcorp immediately to update your file.

Hilcorp appreciates this opportunity to enhance production from the Subject Well and we are thankful for your support.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R Carlson', is written over a horizontal line.

Robert Carlson  
Landman  
(832) 839-4596  
[rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com)

RTC:dkp  
Enclosures

UPDATED DHC  
C-107A

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901777701371	Dani Papetti	, OFFICE OF NATURAL RESOURCES REVENUE, LAKEWOOD ACCTG CENT - ONSHORE P O BOX 25627, DENVER, CO, 80225-0627 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  4-Aug-19 <b>Signature Pending</b>
92148969009997901777701388	Dani Papetti	, EMILY JANICE LEACH, DBA EJL OIL and GAS COMPANY LLC PO BOX 52198, ALBUQUERQUE, NM, 87181 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Facility  5-Aug-19 <b>Signature Pending</b>
92148969009997901777701395	Dani Papetti	, R R HINKLE COMPANY INC, PO BOX 2292, ROSWELL, NM, 88202-2292 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  4-Aug-19 <b>Signature Pending</b>
92148969009997901777701401	Dani Papetti	, PATRICIA PARKER LIFE ESTATE, 3900 CAPRICORN CT, PLANO, TX, 75023-1112 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  4-Aug-19 <b>Signature Pending</b>
92148969009997901777701418	Dani Papetti	, TED E DUFF TRUST, TED E DUFF TRUSTEE PO BOX 398, RUIDOSO, NM, 88355-0398 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  4-Aug-19 <b>Signature Pending</b>
92148969009997901777701425	Dani Papetti	, COMPOUND PROPERTIES LLC, PO BOX 2990, RUIDOSO, NM, 88355-2990 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  4-Aug-19 <b>Signature Pending</b>
92148969009997901777701432	Dani Papetti	, JEREMIAH C DUFF-LEACH, DBA JC DL OIL and GAS COMPANY LLC PO BOX 30396, ALBUQUERQUE, NM, 87190 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Facility  5-Aug-19 <b>Signature Pending</b>
92148969009997901777701449	Dani Papetti	, TIERRA OIL COMPANY LLC, PO BOX 700968, SAN ANTONIO, TX, 78270-0968 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  4-Aug-19 <b>Signature Pending</b>
92148969009997901777701456	Dani Papetti	, MARK MCCLELLAN AND PAULA MCCLELLAN, PO BOX 730, ROSWELL, NM, 88202 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  4-Aug-19 <b>Signature Pending</b>
92148969009997901777701463	Dani Papetti	, JACK AUSTIN RICHARDSON, PO BOX 20100, ALBUQUERQUE, NM, 87154 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Destination Facility  5-Aug-19 <b>Signature Pending</b>
92148969009997901777701470	Dani Papetti	, JOHN MICHAEL AND MARION RICHARDSON, JTWROS 3660 HIGHWAY 41, STANLEY, NM, 87056 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Facility  5-Aug-19 <b>Signature Pending</b>
92148969009997901777701487	Dani Papetti	, GUADALUPE LAND and MINERALS LLC, 17521 ARRATIA, EL PASO, TX, 79938 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  4-Aug-19 <b>Signature Pending</b>
92148969009997901777701494	Dani Papetti	, SPINNAKER INVESTMENTS LP, PO BOX 3488, MIDLAND, TX, 79702 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  5-Aug-19 <b>Signature Pending</b>
92148969009997901777701500	Dani Papetti	, ESCONDIDO OIL and GAS LLC, PO BOX 51390, MIDLAND, TX, 79710 Code: LAMBE 3M DHC	8/2/2019	Departed USPS Regional Destination Facility  5-Aug-19 <b>Signature Pending</b>