

Revised March 23, 2017

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: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

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.

 Print or Type Name

 Signature

 Date

 Phone Number

 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
Operator

382 Road 3100, Aztec, NM 87410
Address

State Com H
Lease

4A
Well No.

F, 32-31N-09W
Unit Letter-Section-Township-Range

San Juan
County

OGRID No. 372171 Property Code 319091 API No. 30-045-21708 Lease Type: ☒ Federal ☐ State

Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO FRUITLAND COAL	BLANCO PICTURED CLIFFS	BLANCO MESAVERDE
Pool Code	71629	72359	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2828-3350 – Estimated	4876-5196	5614-5728
Method of Production (Flowing or Artificial Lift)	NEW ZONE	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)	903 PSI	328 PSI	419 PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1122 BTU	1150 BTU	1210
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: 1/1/2022 Rates: 497 MCF – Gas 0 BBL – Oil 0 BBL - Water	Date: 1/1/2022 Rates: 3635 MCF – Gas 5 BBL – Oil 0 BBL - Water
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 Please see attachments	Oil Gas Please see attachments	Oil Gas Please see attachments

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes _____ No ☒
Yes ☒ No _____

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

Yes ☒ No _____

Will commingling decrease the value of production?

Yes _____ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No _____

NMOCD Reference Case No. applicable to this well: _____


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

PRE-APPROVED POOLS

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

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

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

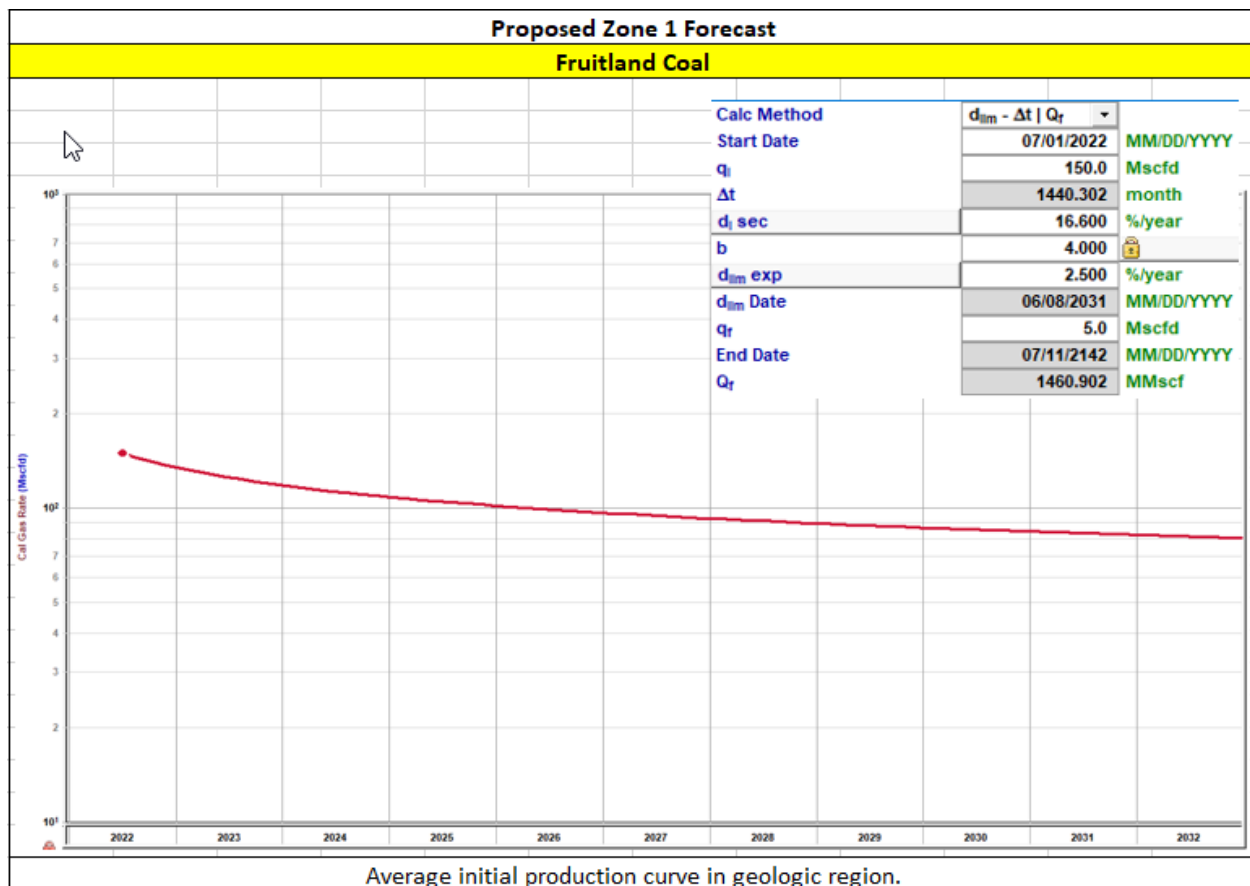
SIGNATURE 

TITLE Operations/Regulatory Technician Sr. DATE 04/07/2022

TYPE OR PRINT NAME Amanda Walker

TELEPHONE NO. (346) 237-2177

E-MAIL ADDRESS mwalker@hilcorp.com



HEC Comments

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

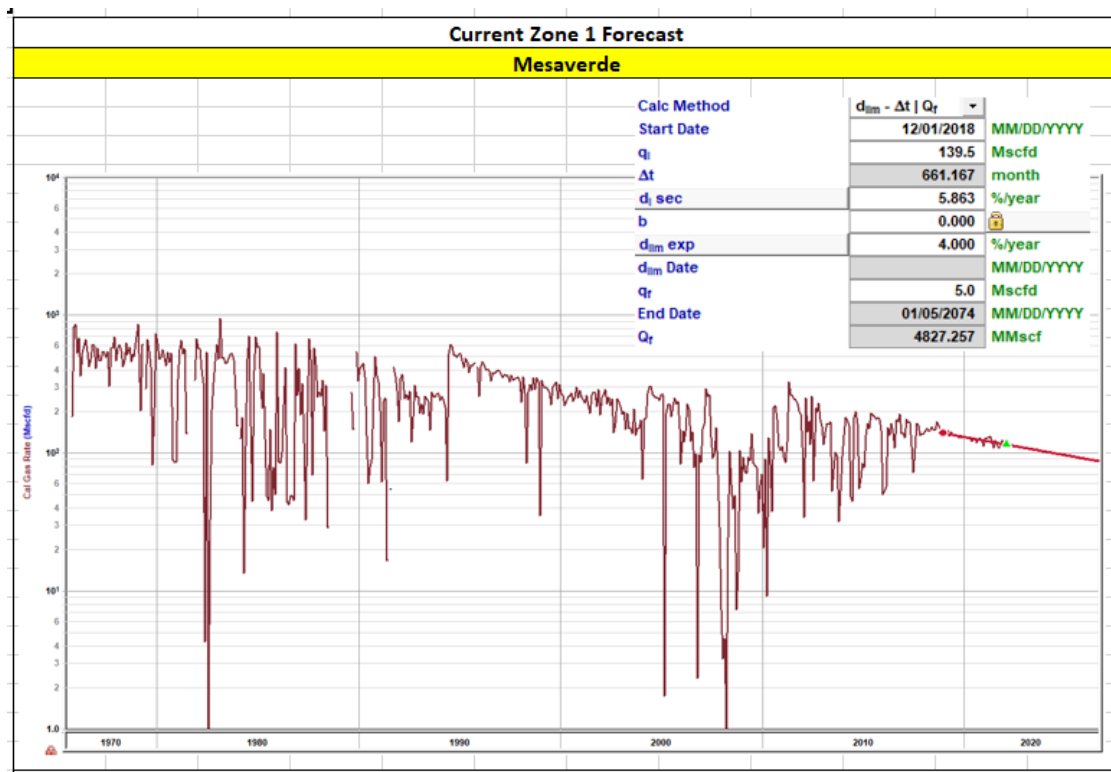
The BHPs of all zones, producing and non-producing, were estimated based upon basinwide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin.

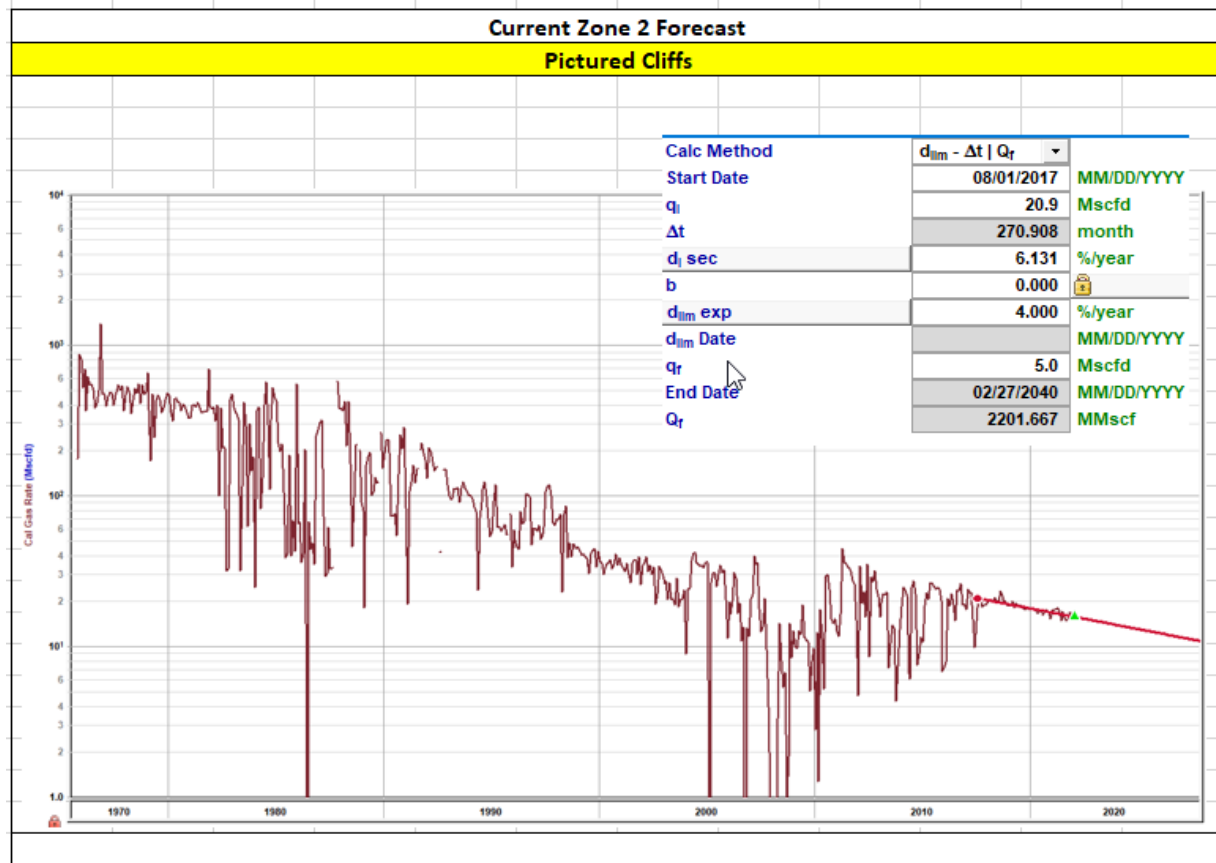
These models were constructed incorporating reservoir dynamics and physics, historic production, and observed pressure data. Historic commingling operations have proven reservoir fluids are compatible.

State Com H 4A - Production Allocation Method - Subtraction

Gas Allocation:

Production for the downhole trimmingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Mesaverde/Pictured Cliffs and the added formation to be trimmingle is the Fruitland Coal. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the forecast will be allocated to the new formation. After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.



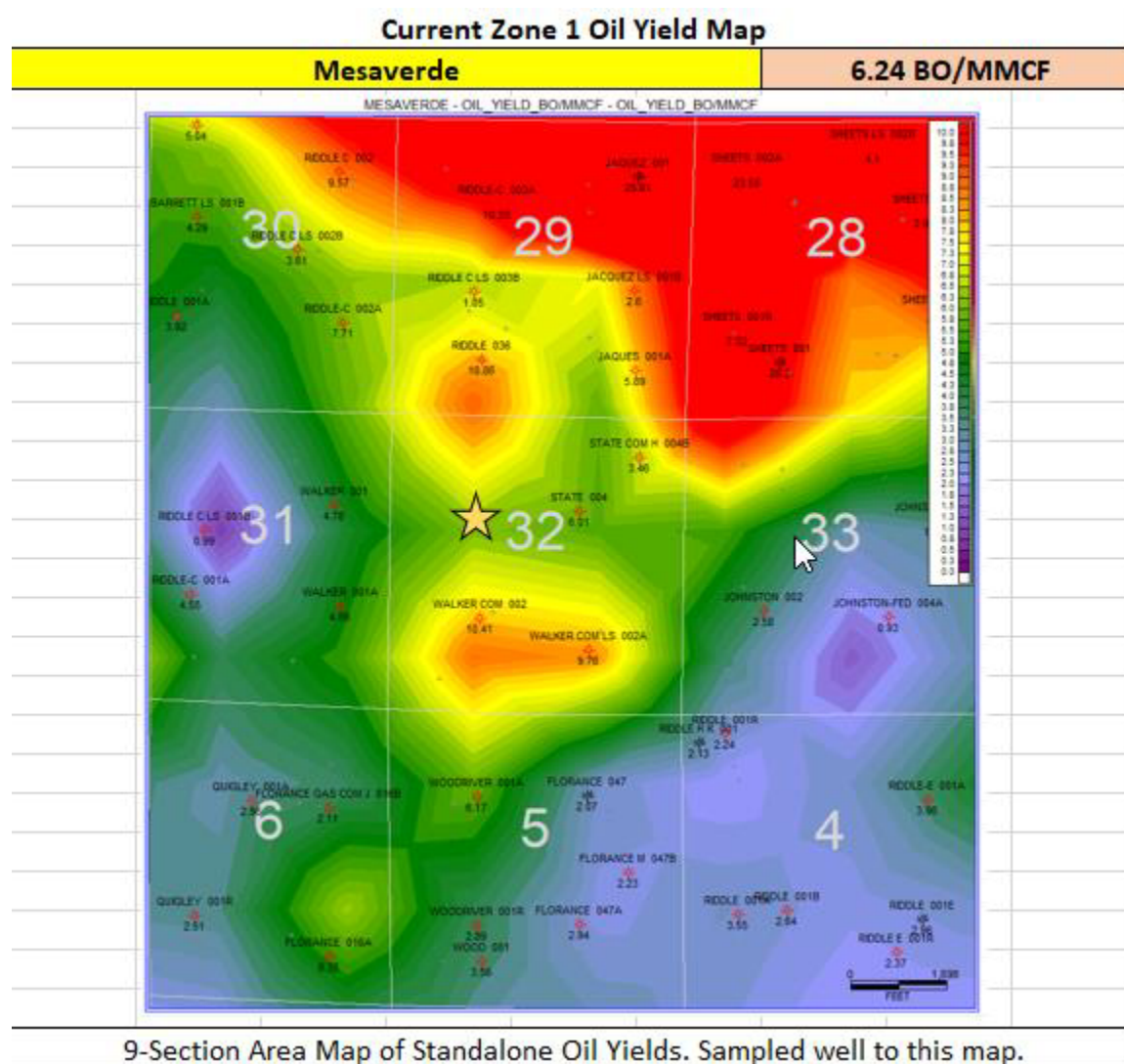


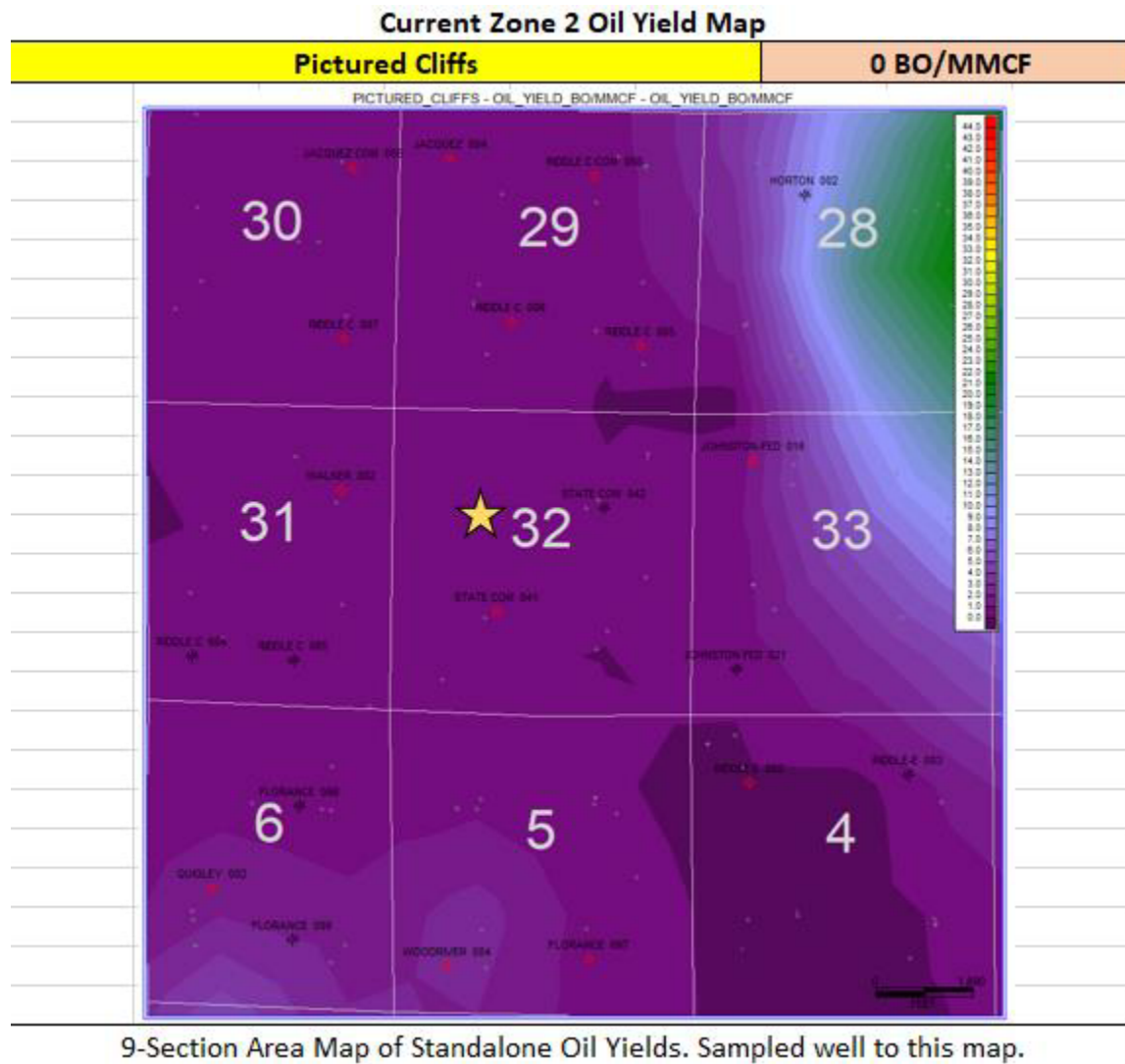
Oil Allocation:

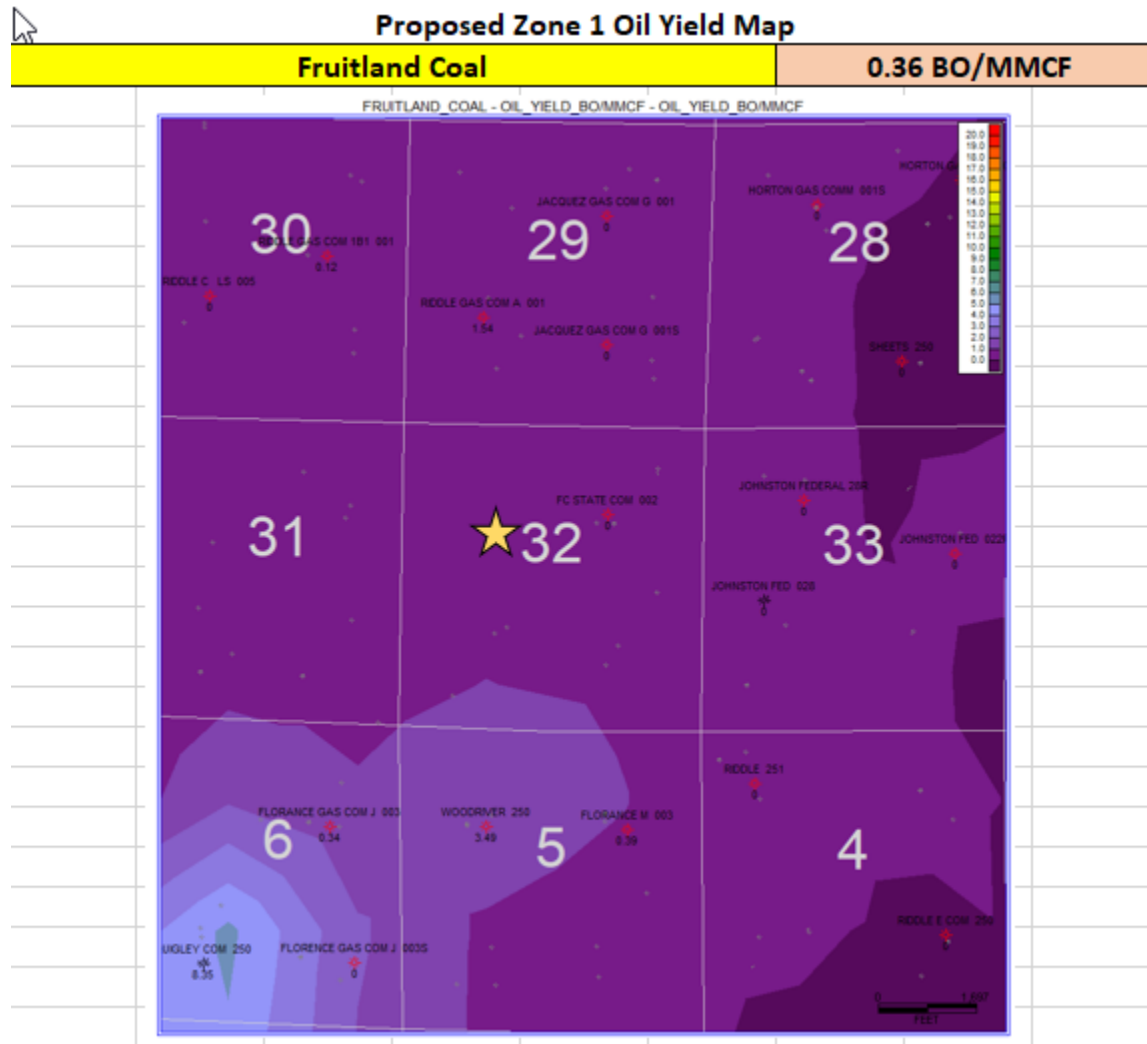
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

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

All documentation will be submitted to NMOCD.







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



May 4, 2022

Mailed Certified / Electronic Return Receipt Requested

To:

RE: Application to Downhole Commingle Production
Well: STATE COM H #004A
API: 30-045-21708
Township 31 North, Range 9 West, Section 32
San Juan County, New Mexico

Ladies and Gentlemen:

Hilcorp Energy Company ("Hilcorp"), as Operator of the subject well, has filed application with the New Mexico Oil Conservation Division for approval to downhole commingle production from the **Fruitland Coal**, a formation Hilcorp soon intends to perforate, with existing production from the **Mesaverde and Pictured Cliffs** formations. This letter and the application copy enclosed serve to provide you, an owner in one or more of the aforementioned formations, with written notice as prescribed by Subsection C of 19.15.12.11 New Mexico Administrative Code.

No action is required by you unless you wish to pursue a formal protest (see details italicized below).

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

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

Sincerely,

A blue ink signature of Robert Carlson, appearing as 'R Carlson'.

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

RTC:dpk
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.

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901809792872 Request Signature via Email	Dani Kuzma	, LINDSAY PRODUCTION, and ROYALTIES LTD, FREDERICKSBURG, TX, 78624 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 13, 2022 Signature Pending
92148969009997901809792889 Request Signature via Email	Dani Kuzma	, THE NORDAN TRUST, RANDOLPH C MARCEAU TRUSTEE, SAN ANTONIO, TX, 78209 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Front Desk/Reception/Mail Room April 11, 2022 Signature Pending
92148969009997901809792896	Dani Kuzma	, PRIMITIVE PETROLEUM INC, , MIDLAND, TX, 79707 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending
92148969009997901809792902 Request Signature via Email	Dani Kuzma	, WESLEY WEST MINERALS LTD, , HOUSTON, TX, 77001 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 20, 2022 Signature Pending
92148969009997901809792919 Request Signature via Email	Dani Kuzma	, SILVERADO OIL and GAS LLP, , TULSA, OK, 74152-0308 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 11, 2022 Signature Pending
92148969009997901809792926 Request Signature via Email	Dani Kuzma	, KENNEDY MINERALS LTD, , MIDLAND, TX, 79701 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809792933	Dani Kuzma	, MARGARET A KEARNS TRUST FBO, HELENE D GORMAN AND AS TRUSTEE, NAPLES, FL, 34102 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901809792940 Request Signature via Email	Dani Kuzma	, MARGARET A KEARNS TRUST FBO, JAMES B DRAPER TRUSTEE, COLORADO SPRINGS, CO, 80904-1029 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 12, 2022 Signature Pending
92148969009997901809792957 Request Signature via Email	Dani Kuzma	, PIONEER NATURAL RES USA INC, KATHY NAVARRETE, MIDLAND, TX, 79702 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 11, 2022 Signature Pending
92148969009997901809792964 Request Signature via Email	Dani Kuzma	, CYNTHIA GRAY MILANI ESTATE, JPMORGAN CHASE BANK AGENT and AIF, FT WORTH, TX, 76199-0084 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 12, 2022 Signature Pending
92148969009997901809792971 Request Signature via Email	Dani Kuzma	, STATE OF NEW MEXICO, BATAAN MEMORIAL BUILDING, SANTA FE, NM, 87501 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Front Desk/Reception/Mail Room April 11, 2022 Signature Pending
92148969009997901809792988 Request Signature via Email	Dani Kuzma	, CLAUD W RAYBOURN, , APPLE VALLEY, CA, 92307 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, PO Box April 26, 2022 Signature Pending
92148969009997901809792995	Dani Kuzma	, ELSR LP, , DALLAS, TX, 75206-1844 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit to Next Facility Signature Pending
92148969009997901809793008	Dani Kuzma	, GROVER FAMILY LP, , MIDLAND, TX, 79702-3666 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending

92148969009997901809793015	Dani Kuzma	, ARCHER PEARL ENERGY LTD, , SAN ANTONIO, TX, 78209 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901809793022 Request Signature via Email	Dani Kuzma	, CHARLES RUSSELL BELL JR, , BELLVILLE, TX, 77418-0042 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 25, 2022 Signature Pending
92148969009997901809793039 Request Signature via Email	Dani Kuzma	, VALERIE L JONES HUNDLEY, , CORPUS CHRISTI, TX, 78468-1242 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 14, 2022 Signature Pending
92148969009997901809793046 Request Signature via Email	Dani Kuzma	, JOHN HUNTER JONES, , AUSTIN, TX, 78746 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793053 Request Signature via Email	Dani Kuzma	, JESSICA DAVANT STANLEY, , AUSTIN, TX, 78732 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793060 Request Signature via Email	Dani Kuzma	, AMELIA ANNE SUNDBERG, , RICHMOND, TX, 77406-6727 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 12, 2022 Signature Pending
92148969009997901809793077	Dani Kuzma	, HDBC INVESTMENTS LTD, A TEXAS LTD PTRSHP, DALLAS, TX, 75225 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending
92148969009997901809793084 Request Signature via Email	Dani Kuzma	, PAUL DAVIS LTD, , MIDLAND, TX, 79702 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 18, 2022 Signature Pending
92148969009997901809793091	Dani Kuzma	, MULLIGAN LP, , RICHARDSON, TX, 75080-4611 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending
92148969009997901809793107 Request Signature via Email	Dani Kuzma	, REBECCA ANN HOWARD MUNNELL, , SUGAR LAND, TX, 77479-1470 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Front Desk/Reception/Mail Room April 11, 2022 Signature Pending
92148969009997901809793114 Request Signature via Email	Dani Kuzma	, RICHARD HOWARD, , HOUSTON, TX, 77024 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793121 Request Signature via Email	Dani Kuzma	, ROBERT LOUIS HOWARD JR, , CLARKESVILLE, GA, 30523 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 13, 2022 Signature Pending
92148969009997901809793138 Request Signature via Email	Dani Kuzma	, CROSS TIMBERS ENERGY LLC, C/O DRILLINGINFO MAIL, HOUSTON, TX, 77210-4869 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 20, 2022 Signature Pending
92148969009997901809793145 Request Signature via Email	Dani Kuzma	, WILLIAM C EILAND, , MIDLAND, TX, 79702 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 26, 2022 Signature Pending
92148969009997901809793152 Request Signature via Email	Dani Kuzma	, PNH RESOURCES LLC, PHILIP N HUDSON MANAGER, SAN ANTONIO, TX, 78280 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 11, 2022 Signature Pending
92148969009997901809793169 Request Signature via Email	Dani Kuzma	, FRED ELDON SPENCER, and JANE B SPENCER JTWROS, MUSTANG, OK, 73064	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending

		Code: STATE GAS COM H 4A DHC NOTICE		
92148969009997901809793176 Request Signature via Email	Dani Kuzma	, ROBIN S OBRYAN and WILLIAM, RODMAN OBRYAN JTWROS, OVERLAND PARK, KS, 66209 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered to Agent for Final Delivery April 12, 2022 Signature Pending
92148969009997901809793183 Request Signature via Email	Dani Kuzma	, ROBIN OBRYAN, , OVERLAND PARK, KS, 66209 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered to Agent for Final Delivery April 16, 2022 Signature Pending
92148969009997901809793190 Request Signature via Email	Dani Kuzma	, JAMES R LEETON JR, , MIDLAND, TX, 79702 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 21, 2022 Signature Pending
92148969009997901809793206 Request Signature via Email	Dani Kuzma	, CECIL L TROST ESTATE, LARRY E ALLEN ADMIN OF, CLERMONT, FL, 34711 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 13, 2022 Signature Pending
92148969009997901809793213 Request Signature via Email	Dani Kuzma	, M ROBERT THOMPSON REVOC TRUST, M ROBERT and JEANNIE L THOMPSON, DENVER, CO, 80220-5844 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 13, 2022 Signature Pending
92148969009997901809793220 Request Signature via Email	Dani Kuzma	, MARTHA M TUCKER, , HOUSTON, TX, 77252-2822 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 15, 2022 Signature Pending
92148969009997901809793237	Dani Kuzma	, THOMPSON FAMILY LLC, , SANTA FE, NM, 87501 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Held at Post Office, At Customer Request April 11, 2022 Signature Pending
92148969009997901809793244 Request Signature via Email	Dani Kuzma	, VIRGINIA THOMPSON CREPS REV TRUST, ELIZABETH R HARNED SUCC TRUSTEE, WEST CHESTER, PA, 19380 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 13, 2022 Signature Pending
92148969009997901809793251 Request Signature via Email	Dani Kuzma	, ATKO PARTNERS LTD, , HUNTSVILLE, TX, 77340 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Front Desk/Reception/Mail Room April 11, 2022 Signature Pending
92148969009997901809793268 Request Signature via Email	Dani Kuzma	, DAVID H GRAY, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199-0084 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 12, 2022 Signature Pending
92148969009997901809793275 Request Signature via Email	Dani Kuzma	, JOHN L GRAY, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199-0084 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 12, 2022 Signature Pending
92148969009997901809793282	Dani Kuzma	, LAURA A GUNN, , SAN ANTONIO, TX, 78216-2227 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending
92148969009997901809793299	Dani Kuzma	, GUY DAVID WARD, , SPRING HILL, TN, 37174 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending
92148969009997901809793305	Dani Kuzma	, TIMOTHY WINSTON WARD, , CARROLLTON, TX, 75007 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending

92148969009997901809793312 Request Signature via Email	Dani Kuzma	, JAMES WENDELL WEST, , LOS ANGELES, CA, 90049-8382 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 13, 2022 Signature Pending
92148969009997901809793329 Request Signature via Email	Dani Kuzma	, HELEN BLOXSOM DAVIS, , HOUSTON, TX, 77025 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 18, 2022 Signature Pending
92148969009997901809793336 Request Signature via Email	Dani Kuzma	, STANLEY W HATCH, , FLOURTOWN, PA, 19031 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793343	Dani Kuzma	, SHEILA J HATCH, , SAN JOSE, CA, 95126-1221 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending
92148969009997901809793350 Request Signature via Email	Dani Kuzma	, CORNELIA DAVANT PERRY, JAMES E DAVANT POA, BLESSING, TX, 77419-0206 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 12, 2022 Signature Pending
92148969009997901809793367 Request Signature via Email	Dani Kuzma	, DAVID ELBERT REESE, , RICHMOND, TX, 77469 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793374 Request Signature via Email	Dani Kuzma	, ANGELA SLAIS, , MINDEN, NV, 89423 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 14, 2022 Signature Pending
92148969009997901809793381 Request Signature via Email	Dani Kuzma	, MICHAEL C TROST, , COLUMBIA, MO, 65203 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793398 Request Signature via Email	Dani Kuzma	, JEAN ASHLEY WARD CARTER, , HOUSTON, TX, 77062 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793404 Request Signature via Email	Dani Kuzma	, SANDRA T CURRIE, , LLANO, TX, 78643 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793411 Request Signature via Email	Dani Kuzma	, WILLIAM LOUIS DAVANT, , BLESSING, TX, 77419 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 12, 2022 Signature Pending
92148969009997901809793428 Request Signature via Email	Dani Kuzma	, JAMES E DAVANT DVM, , BLESSING, TX, 77419-0695 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 12, 2022 Signature Pending
92148969009997901809793435 Request Signature via Email	Dani Kuzma	, BARBARA REESE DINGES, , RICHMOND, TX, 77469-5175 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 12, 2022 Signature Pending
92148969009997901809793442 Request Signature via Email	Dani Kuzma	, KATHRYN DAVANT DODSON, , CLARKSDALE, MS, 38614 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 12, 2022 Signature Pending
92148969009997901809793459	Dani Kuzma	, THOMAS E DUNNAM III, , SAN ANTONIO, TX, 78269 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901809793466 Request Signature via Email	Dani Kuzma	, JAMES H ESSMAN, , MIDLAND, TX, 79702 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 26, 2022 Signature Pending

92148969009997901809793473	Dani Kuzma	, CAROLYN DAVANT FRICKE, , PORT LAVACA, TX, 77979-2606 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending
92148969009997901809793480 Request Signature via Email	Dani Kuzma	, ANITA H SPEIER, , LA JOLLA, CA, 92037-6522 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 14, 2022 Signature Pending
92148969009997901809793497 Request Signature via Email	Dani Kuzma	, BRADFORD TUCKER, , HOUSTON, TX, 77056-1421 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793503 Request Signature via Email	Dani Kuzma	, F LOUIS TUCKER JR, , HOUSTON, TX, 77056 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793510 Request Signature via Email	Dani Kuzma	, EUGENIA DAVANT WILSON, , SULPHUR, LA, 70664-1160 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 11, 2022 Signature Pending
92148969009997901809793527 Request Signature via Email	Dani Kuzma	, PAMELA GRAY BALDWIN, JPMORGAN CHASE BANK AGENT and AIF, FORT WORTH, TX, 76199-0084 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 12, 2022 Signature Pending
92148969009997901809793534 Request Signature via Email	Dani Kuzma	, SUSAN FRY BRACKEN, , TYLER, TX, 75701 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793541 Request Signature via Email	Dani Kuzma	, ANNA REBECCA WARD DELKRUG, , HOUSTON, TX, 77062 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 9, 2022 Signature Pending
92148969009997901809793558	Dani Kuzma	, DICK HOLLAND, , MIDLAND, TX, 79702-2926 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Available for Pickup April 15, 2022 Signature Pending
92148969009997901809793565 Request Signature via Email	Dani Kuzma	, CLAY JOHNSON, , MIDLAND, TX, 79701 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793572 Request Signature via Email	Dani Kuzma	, MARY KATHRYN DUNNAM LADEWIG, , TROPHY CLUB, TX, 76262 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 12, 2022 Signature Pending
92148969009997901809793589 Request Signature via Email	Dani Kuzma	, KEVIN K LEONARD, , MIDLAND, TX, 79710 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 13, 2022 Signature Pending
92148969009997901809793596 Request Signature via Email	Dani Kuzma	, MESA ROYALTY TRUST, ATTN NEW MEXICO PROPERTIES, BARTLESVILLE, OK, 74004 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 11, 2022 Signature Pending
92148969009997901809793602 Request Signature via Email	Dani Kuzma	, LILLY L NEWKIRK, , INDIANOLA, IA, 50125 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 18, 2022 Signature Pending
92148969009997901809793619 Request Signature via Email	Dani Kuzma	, PARADOX VALLEY PARTNERS LTD, , LLANO, TX, 78643 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 27, 2022 Signature Pending
92148969009997901809793626 Request Signature via Email	Dani Kuzma	, NANCY J SPENCER, , DESERT HOT SPRINGS, CA, 92241	4/8/2022	Delivered, Left with Individual

		Code: STATE GAS COM H 4A DHC NOTICE		April 13, 2022 Signature Pending
92148969009997901809793633 Request Signature via Email	Dani Kuzma	, JANICE P CAMPBELL, AUSTEN S CAMPBELL POA, MIDLAND, TX, 79702- 1714 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 18, 2022 Signature Pending
92148969009997901809793640 Request Signature via Email	Dani Kuzma	, L J and R R MONEY 1990 TR, DATED 10- 9-90, CARMICHAEL, CA, 95608 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Front Desk/Reception/Mail Room April 12, 2022 Signature Pending
92148969009997901809793657 Request Signature via Email	Dani Kuzma	, OAK TREE MINERALS LLC, , FRISCO, TX, 75034 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Front Desk/Reception/Mail Room April 11, 2022 Signature Pending
92148969009997901809793664 Request Signature via Email	Dani Kuzma	, RAYBOURN ENTERPRISES LLC, , NEWTOWN SQUARE, PA, 19073 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 13, 2022 Signature Pending
92148969009997901809793671 Request Signature via Email	Dani Kuzma	, CATHARINE GRAY REMENICK, JPMORGAN CHASE BANK AGENT and A/I/F, FORT WORTH, TX, 76199-0084 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Postal Facility April 12, 2022 Signature Pending
92148969009997901809793688 Request Signature via Email	Dani Kuzma	, WILLIAM R ARCHER JR 2003 GRANTOR, TRUST WILLIAM R ARCHER JR TRUSTEE, MCLEAN, VA, 22101 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 12, 2022 Signature Pending
92148969009997901809793695 Request Signature via Email	Dani Kuzma	, BARBARA A BRYANT 2003 GRANTOR TRUST, KATHERINE BRYAN LYNCH and, MCLEAN, VA, 22101 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered to Agent for Final Delivery April 12, 2022 Signature Pending
92148969009997901809793701	Dani Kuzma	, IM H PORTER TUW, FBO JOHN PORTER, DAVENPORT, FL, 33837 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	In Transit, Arriving Late Signature Pending
92148969009997901809793718 Request Signature via Email	Dani Kuzma	, RICHARD A GROENENDYKE JR, , TULSA, OK, 74114 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793725	Dani Kuzma	, SHERRI HULT HEINTSCHEL, , ROCKPORT, TX, 78382 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901809793732	Dani Kuzma	, GLENN HEINTSCHEL, , ROCKPORT, TX, 78382 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901809793749 Request Signature via Email	Dani Kuzma	, MARY L HERROLD REVOC TR, DTD 1/7/92, TULSA, OK, 74133 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793756 Request Signature via Email	Dani Kuzma	, ICON PETROLEUM INC, , MIDLAND, TX, 79701 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793763 Request Signature via Email	Dani Kuzma	, NINETY SIX CORPORATION, , MIDLAND, TX, 79701 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending

92148969009997901809793770 Request Signature via Email	Dani Kuzma	, ANNA M PORTER WAINWRIGHT, BANK OF AMERICA NA INV MANAGER, DALLAS, TX, 75284-0738 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, PO Box April 10, 2022 Signature Pending
92148969009997901809793787 Request Signature via Email	Dani Kuzma	, WILLIAM W BRAMLETT and JULIANNE, BRAMLETT, THE WOODLANDS, TX, 77393-2255 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 11, 2022 Signature Pending
92148969009997901809793794 Request Signature via Email	Dani Kuzma	, ENDURING RESOURCES IV LLC, , CENTENNIAL, CO, 80111 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Front Desk/Reception/Mail Room April 12, 2022 Signature Pending
92148969009997901809793800 Request Signature via Email	Dani Kuzma	, JANE B SPENCER, , MUSTANG, OK, 73064 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793817 Request Signature via Email	Dani Kuzma	, WATERS S DAVIS III BYPASS TRUST, FARMERS NATIONAL CO AGENT, OMAHA, NE, 68103-0480 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, PO Box April 14, 2022 Signature Pending
92148969009997901809793824 Request Signature via Email	Dani Kuzma	, RUGELEY TRUST, FRANK M RUGELEY CO-TTEE, BATON ROUGE, LA, 70816 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793831 Request Signature via Email	Dani Kuzma	, SIMCOE LLC, , HOUSTON, TX, 77002-5632 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Front Desk/Reception/Mail Room April 11, 2022 Signature Pending
92148969009997901809793848 Request Signature via Email	Dani Kuzma	, BETTY ANN STEDMAN ESTATE, , HOUSTON, TX, 77001 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 20, 2022 Signature Pending
92148969009997901809793855 Request Signature via Email	Dani Kuzma	, GEORGE ASHLEY REESE JR, , HOUSTON, TX, 77079 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered to Agent for Final Delivery April 12, 2022 Signature Pending
92148969009997901809793862 Request Signature via Email	Dani Kuzma	, ROY RANDOLPH REESE, , SUGAR LAND, TX, 77478 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Individual Picked Up at Post Office April 19, 2022 Signature Pending
92148969009997901809793879 Request Signature via Email	Dani Kuzma	, BART ALAN REESE, , BELLAIRE, TX, 77401 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered, Left with Individual April 11, 2022 Signature Pending
92148969009997901809793893 Request Signature via Email	Dani Kuzma	, BETTY R DAVIS, , MIDLAND, TX, 79702 Code: STATE GAS COM H 4A DHC NOTICE	4/8/2022	Delivered April 18, 2022 Signature Pending

CONFIRMATION

HILCORP ENERGY
382 RD 3100
AZTEC NM 87410-

PO#:

<u>Account</u>	<u>AD#</u>	<u>Ordered By</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Method</u>	<u>Payment Amount</u>	<u>Amount Due</u>
1417868	0005247754	Ben Mitchell	\$63.86	\$826.06	Credit Card	\$0.00	\$826.06

Ad Order Notes:

Sales Rep: bgrady

Order Taker: bgrady

Order Created 05/04/2022

Product	Placement	Class	# Ins	Start Date	End Date
ELP-daily-times.com	ELPW-Legals	Legal Notices	10	05/08/2022	05/18/2022
ELP-FM Daily-Times	ELP-Legals	Legal Notices	10	05/08/2022	05/18/2022

Text of Ad: 05/04/2022

Notice by Hilcorp Energy Company for Downhole Commingling, San Juan County, New Mexico. Pursuant to Paragraph (2) of Subsection C of 19.15.12.11 NMAC, Hilcorp Energy Company, as Operator, has filed form C-107-A with the New Mexico Energy, Minerals and Natural Resources Department – Oil Conservation Division (NMOCD) seeking administrative approval to downhole commingle new production from the Basin-Fruitland Coal Gas Pool (71629) with existing production from the Blanco-Pictured Cliffs Gas Pool (72359) and the Blanco-Mesaverde Gas Pool (72319) in the STATE COM H #4A well (API No. 30-045-21708) located in Unit F, Section 32, Township 31 North, Range 9 West, NMPPM, San Juan County, New Mexico. Commingling will not reduce the value of production. Allocation method to be determined upon completion of this project. This notice is intended for certain unlocatable royalty interest owners in the aforementioned well for which certified mail delivery is not possible. Should you (the interest owner for which this notice is intended) have an objection, you are required to respond within twenty (20) days from the date of this publication. Please mail your objection letter, referencing the well details above, to the following address: Hilcorp Energy Company, Attn: San Juan Land, 1111 Travis Street, Houston, TX 77002
#5247754, Daily Times, May 8-18, 2022

NEW MEXICO STATE LAND OFFICE
Guidelines for Requesting Commingling Approval

1. A commingling agreement from the New Mexico State Land Office is not required if the commingling operation does not contain New Mexico State Trust acreage.
2. If State Trust acreage will be part of a proposed commingling operation:
 - a. Commingling of production of all wells from the same pool within a single lease, communitized area, or unit area is permitted without additional Land Commissioner approval.
 - b. Surface commingling (including off-lease storage) from more than one pool, and/or from more than one lease, communitized area, unit area, or a combination of leases/communitized areas/unit areas, requires additional Land Commissioner approval.
 - c. Downhole commingling of multiple producing pools in a single well bore requires Land Commissioner approval unless the pools or the area in which the well is located are listed as pre-approved in NMAC 19.15.12.11(E).

The attached application form describes the process for submitting a commingling application to the New Mexico State Land Office.

**NEW MEXICO
STATE
LAND OFFICE**

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



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

Applicant: Hilcorp Energy Company **OGRID #:** 372171
Well Name: State Com H 4A **API #:** 30-045-21708
Pool: Basin Fruitland Coal

OPERATOR NAME: Hilcorp Energy Company
OPERATOR ADDRESS: 1111 Travis St. Houston TX 77002

APPLICATION REQUIREMENTS – SUBMIT:

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

CERTIFICATION: To the best of my knowledge,

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

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

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

Amanda Walker

Print or Type Name



Signature

346-237-2177

Phone Number

05/04/2022

Date

mwalker@hilcorp.com

e-mail Address

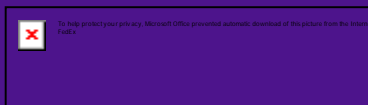
Submit application to:
 Commissioner of Public Lands
 Attn: Commingling Manager
 PO Box 1148
 Santa Fe, NM 87504-1148

Questions?
 Contact the Commingling Manager:
 505.827.5791

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

Mandi Walker

From: TrackingUpdates@fedex.com
Sent: Thursday, May 12, 2022 10:14 AM
To: Mandi Walker
Subject: [EXTERNAL] FedEx Shipment 776821048763: Your package has been delivered



Hi. Your package was
delivered Thu, 05/12/2022 at
9:09am.



Delivered to 310 OLD SANTA FE TRL, SANTA FE, NM 87501
Received by S.ARMJO

OBTAIN PROOF OF DELIVERY

TRACKING NUMBER [776821048763](#)

FROM Hilcorp Energy Company
1111 TRAVIS ST.
12th Floor
HOUSTON, TX, US, 77002

TO Commissioner of Public Lands
Attn: Commingling Manager
310 Old Santa Fe Trail
SANTA FE, NM, US, 87501

SHIP DATE Tue 5/10/2022 03:00 PM

DELIVERED TO Receptionist/Front Desk

PACKAGING TYPE FedEx Envelope

ORIGIN HOUSTON, TX, US, 77002

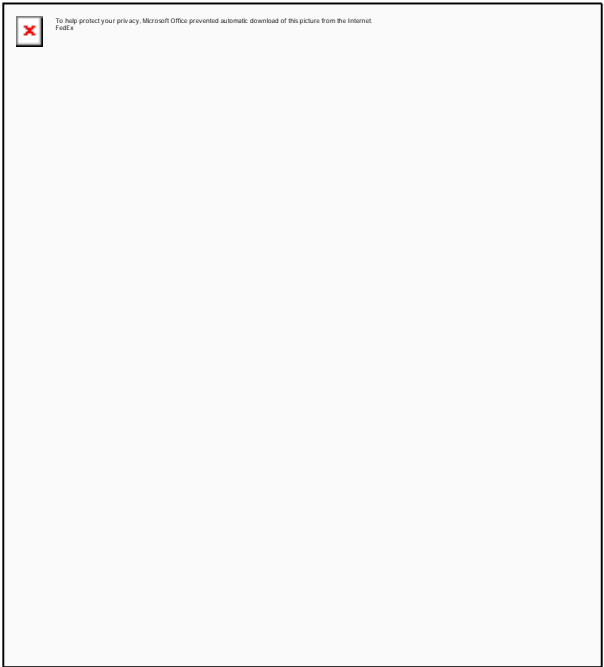
DESTINATION SANTA FE, NM, US, 87501

SPECIAL HANDLING Deliver Weekday

NUMBER OF PIECES 1

TOTAL SHIPMENT WEIGHT 1.00 LB

SERVICE TYPE FedEx Express Saver



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All weights are estimated.

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Standard transit is the date and time the package is scheduled to be delivered by, based on the selected service, destination and ship date. Limitations and exceptions may apply. Please see the FedEx Service Guide for terms and conditions of service, including the FedEx Money-Back Guarantee, or contact your FedEx Customer Support representative.

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Thank you for your business.

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045- 21708
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-3150-11
7. Lease Name or Unit Agreement Name STATE COM H
8. Well Number 4A
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/Blanco Pictured Cliffs

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
HILCORP ENERGY COMPANY

3. Address of Operator
382 Road 3100, Aztec, NM 87410

4. Well Location
 Unit Letter F : 1850 feet from the North line and 1560 feet from the West line
 Section 32 Township 31N Range 09W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6589 GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐
 CLOSED-LOOP SYSTEM ☐
 OTHER: ☒ Recomplete

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER: ☐


13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal and downhole trimming with the existing Pictured Cliffs/Mesaverde. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used.

Spud Date:

Rig Release Date:

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

SIGNATURE  TITLE Operations/Regulatory Technician – Sr. DATE 3/29/2022

Type or print name Amanda Walker E-mail address: mwalker@hilcorp.com PHONE: (346) 237-2177

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



HILCORP ENERGY COMPANY
STATE COM H 4A
FRUITLAND COAL RECOMPLETION SUNDRY

Prepared by:	Scott Anderson
Preparation Date:	March 25, 2022

WELL INFORMATION			
Well Name:	STATE COM H 4A	State:	NM
API #:	3004521708	County:	SAN JUAN
Area:	4	Location:	1850' FNL & 1560' FWL - Unit F - Section 32 - T 031N - R 009W
Route:	408	Latitude:	36.856998 N
Spud Date:	6/28/1975	Longitude:	-107.80699 W

PROJECT DESCRIPTION	
Isolate the Mesaverde and Pictured Cliff producing formations, perforate and stimulate the Fruitland Coal formation in 1 stage and trimmingle the Fruitland Coal production with the existing Mesaverde and Pictured Cliffs production. Strip facilities if necessary; repair production eqmt as needed	

CONTACTS			
Title	Name	Office Phone #	Cell Phone #
Engineer	Scott Anderson		248-761-3965
Area Foreman	Colter Faverino		326-9758
Lead	Ramon Florez		486-9680
Artificial Lift Tech	Chris Huff		599-3479
Operator	Dennis Jacquez		787-1639



HILCORP ENERGY COMPANY
STATE COM H 4A
FRUITLAND COAL RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU workover rig and associated equipment; NU and test BOPs per industry and regulatory requirements.
2. TOOH with 2 3/8" tubing set at 5,699'.
3. Set a 4-1/2" cast iron bridge plug at +/- 4,826' to isolate the Mesaverde
4. Set a 7" cast iron bridge plug at +/- 3,350' to isolate the Mesaverde
5. Pressure test the 7" casing to 560 psi and conduct a formal MIT with the NMOCD
6. Load hole with KCl fluid and run a CBL on the 7" casing from the CIBP at 3,350' to surface. Verify cement bond across the Fruitland Coal formation and sufficient isolation above the top perforation. Review CBL results with engineering/NMOCD and perform cmt remediation, if required.
7. Perforate the Fruitland Coal. (Top perforation @ 2,828', Bottom perforation @ 3,350')
8. Frac will be completed via a frac string. RIH w/ frac string and set packer 100' above top perforation: ~2,728'.
9. N/D BOP, N/U frac stack and pressure test frac stack to anticipated frac pressure. Open well and PT frac string to 9000# against the ceramic disc.
10. If necessary, RU slickline. RIH and break ceramic disc. RD slickline.
11. Frac the Fruitland Coal in a single stage.
12. RU flowback eqmt if necessary. Flowback well until tubing pressure drops to working level and sand subsides, or well loads up. RD flowback eqmt.
13. MIRU workover rig. Nipple down frac stack, nipple up and test BOPs per industry and regulatory requirements..
14. Release the pkr and POOH LD frac string
15. PU workstring and clean out to the PC CIBP at 3,350'. Take and analyze a Fruitland Coal gas sample.
16. Pending C107A approval, mill out the CIBPs at 3,350' and 4,826'. Clean out to PBTD at 5,779'
17. TIH and land production tubing. Get a trimmingleed Fruitland Coal/Pictured Cliffs/Mesa Verde flow rate.



HILCORP ENERGY COMPANY
STATE COM H 4A
FRUITLAND COAL RECOMPLETION SUNDRY

STATE COM H 4A - CURRENT WELLBORE SCHEMATIC

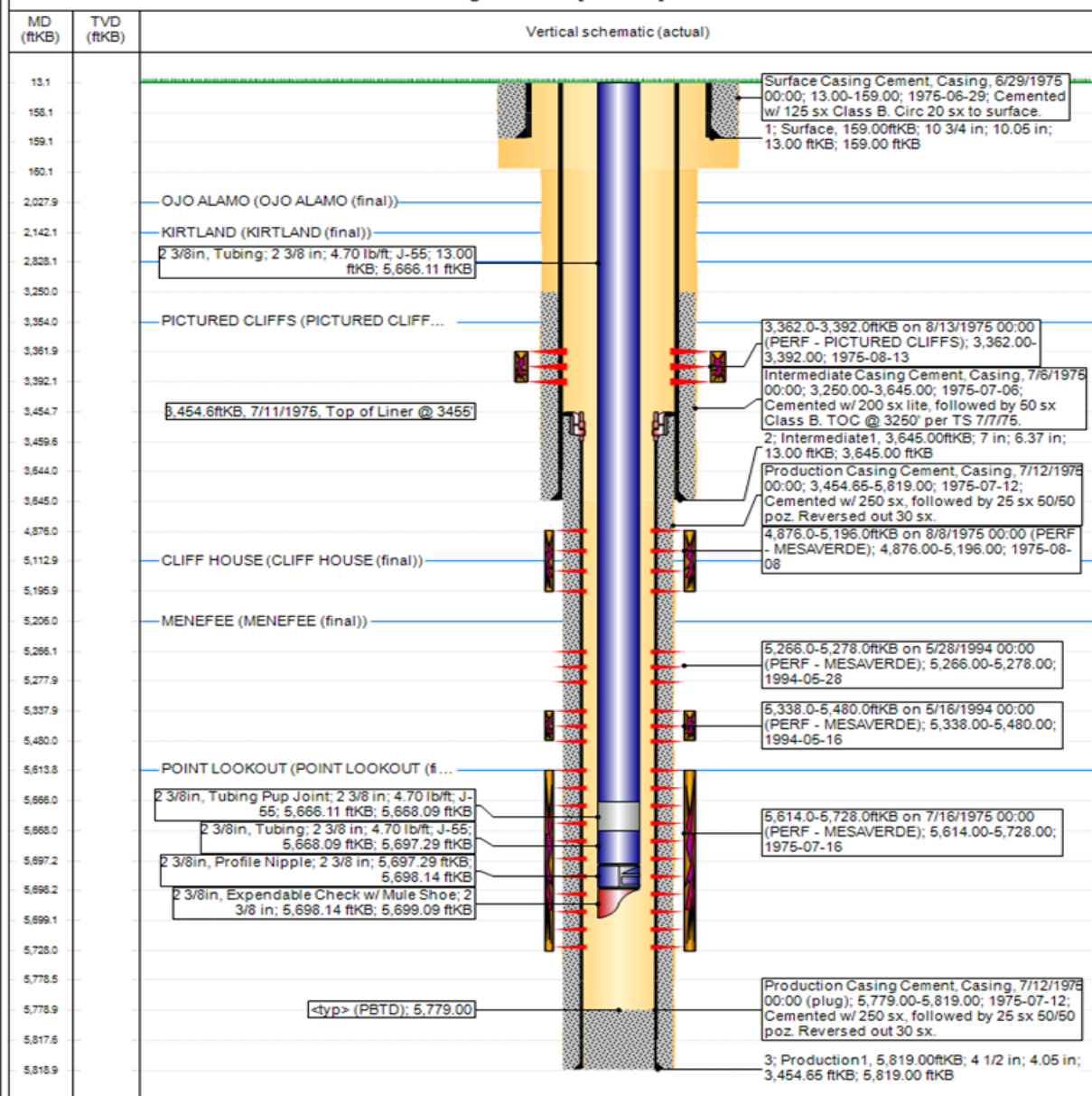


Current Schematic - Version 3

Well Name: STATE COM H 4A

API / UWI 3004521708	Surface Legal Location 032-031N-009W-F	Field Name PC/MV COM	Route 0408	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,589.00	Original KB RT Elevation (ft) 6,602.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole [Vertical]



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Report Printed: 3/25/2022



HILCORP ENERGY COMPANY
STATE COM H 4A
FRUITLAND COAL RECOMPLETION SUNDRY

STATE COM H 4A - PROPOSED WELLBORE SCHEMATIC

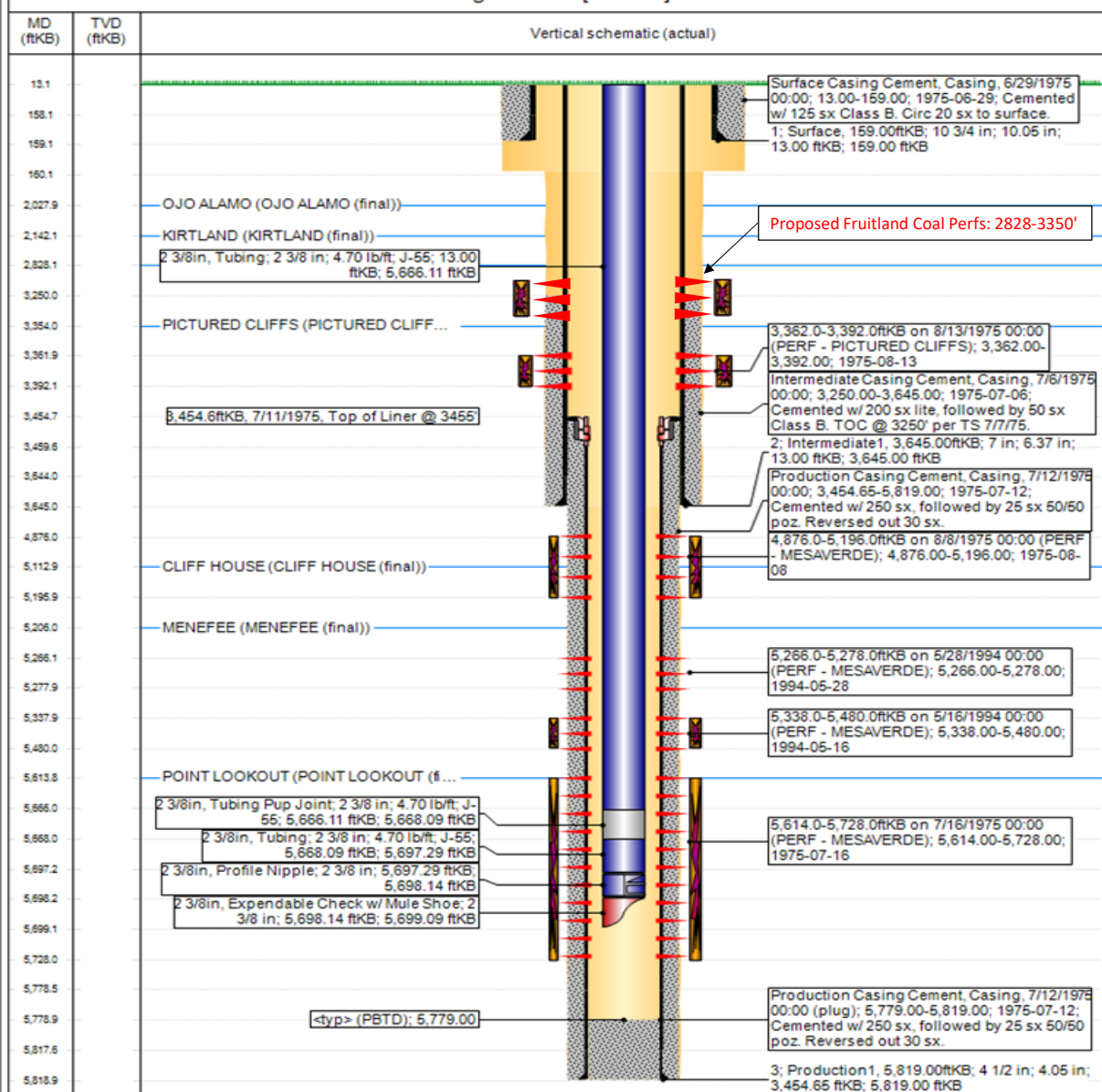


Current Schematic - Version 3

Well Name: STATE COM H 4A

API / UWI 3004521708	Surface Legal Location 032-031N-009W-F	Field Name PC/MV COM	Route 0408	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,589.00	Original KBRT Elevation (ft) 6,602.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole [Vertical]



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Report Printed: 3/25/2022

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

Energy, Minerals and Natural**Resources****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**

Permit 312899

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-21708	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 319091	5. Property Name STATE COM H	6. Well No. 004A
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6589

10. Surface Location

UL - Lot F	Section 32	Township 31N	Range 09W	Lot Idn	Feet From 1850	N/S Line N	Feet From 1560	E/W Line W	County SAN JUAN
---------------	---------------	-----------------	--------------	---------	-------------------	---------------	-------------------	---------------	-----------------------

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill			14. Consolidation Code			15. Order No.		

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

	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: <i>[Signature]</i> Title: Operations Regulatory Tech Sr. Date: 03/29/2022		
	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: Ernest Echohawk Date of Survey: 1/29/1975 Certificate Number: 3602		

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Electronically
Via E-permitting

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:** 3/29/2022

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
State Com H 4A	30-045-21708	F-32-31N-09W	1850' FNL & 1560' FWL	0	150	1

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

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

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
<u>State Com H 4A</u>	<u>3004521708</u>					<u>2022</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 3 - Certifications

Effective May 25, 2021

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

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

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

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

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

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

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

Section 4 - Notices


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

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

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

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

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

Signature: 
Printed Name: Amanda Walker
Title: Operations/Regulatory Tech Sr.
E-mail Address: mwalker@hilcorp.com
Date: 3/29/2022
Phone: 346-237-2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. Separation Equipment:

Hilcorp Energy Company (HEC or Operator) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our recompleting project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recompleting 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 recompleting 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 recompleting
 - 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.

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

CONDITIONS

Action 93929

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 93929
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	DHC required	3/30/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	3/30/2022

NE MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

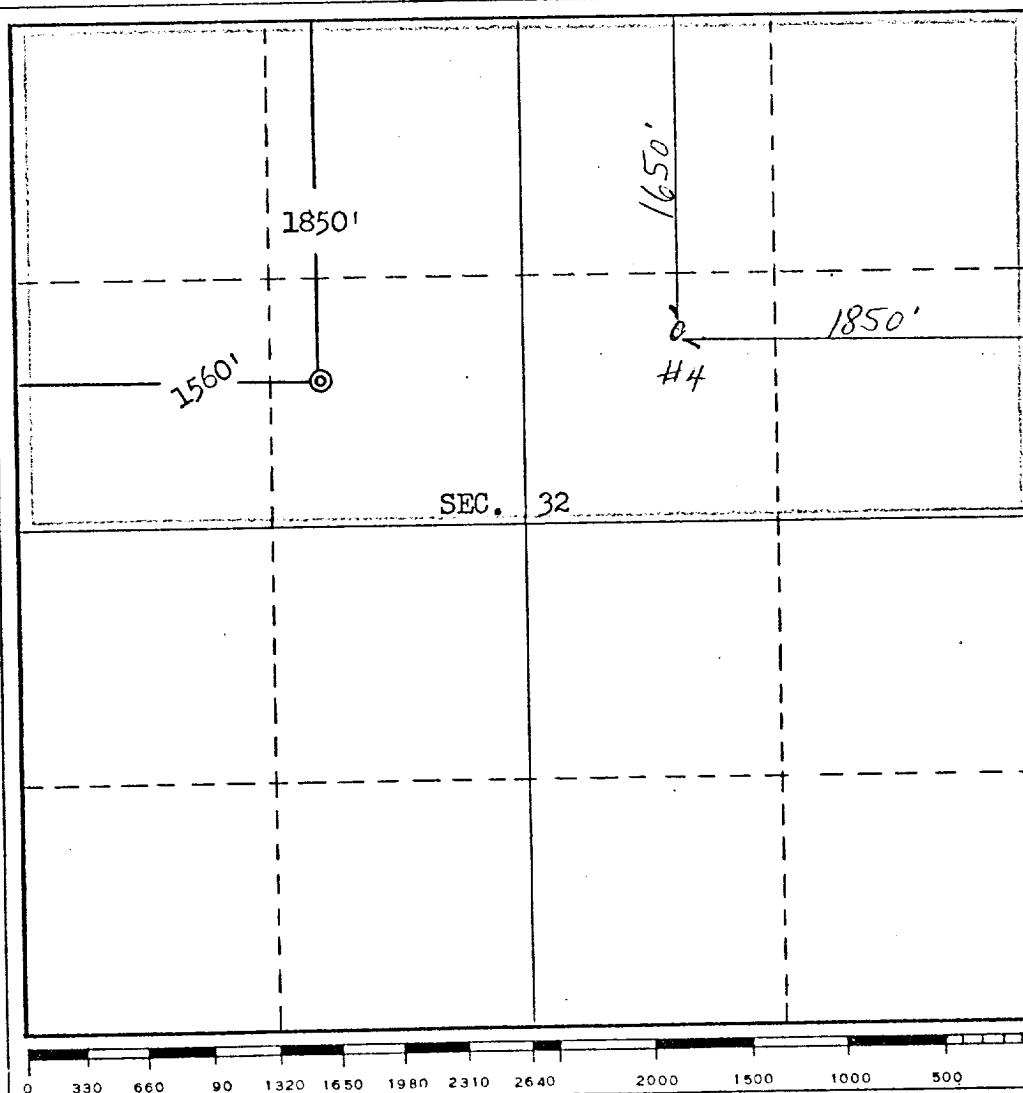
Operator Mesa Petroleum Company			Lease State Com H		Well No. 4A
Unit Letter F	Section 32	Township 31 North	Range 9 West	County San Juan	
Actual Footage Location of Well: 1850 feet from the North line and 1560 feet from the West line					
Ground Level Elev. 6589	Producing Formation Mesaverde		Pool Blanco		Dedicated Acreage: 320 Acres

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

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

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

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



CERTIFICATION

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

R. J. Flaker

Name

R. J. Flaker

Position

Production Engr.

Company

Mesa Petroleum Co.

Date

2/12/75

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 are correct to the best of my knowledge and belief.

Date Surveyed

January 29, 1975

Registered Professional Engineer and/or Land Surveyor

E. V. Echolaw

Certificate No. **3602**

E. V. Echolaw LS

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

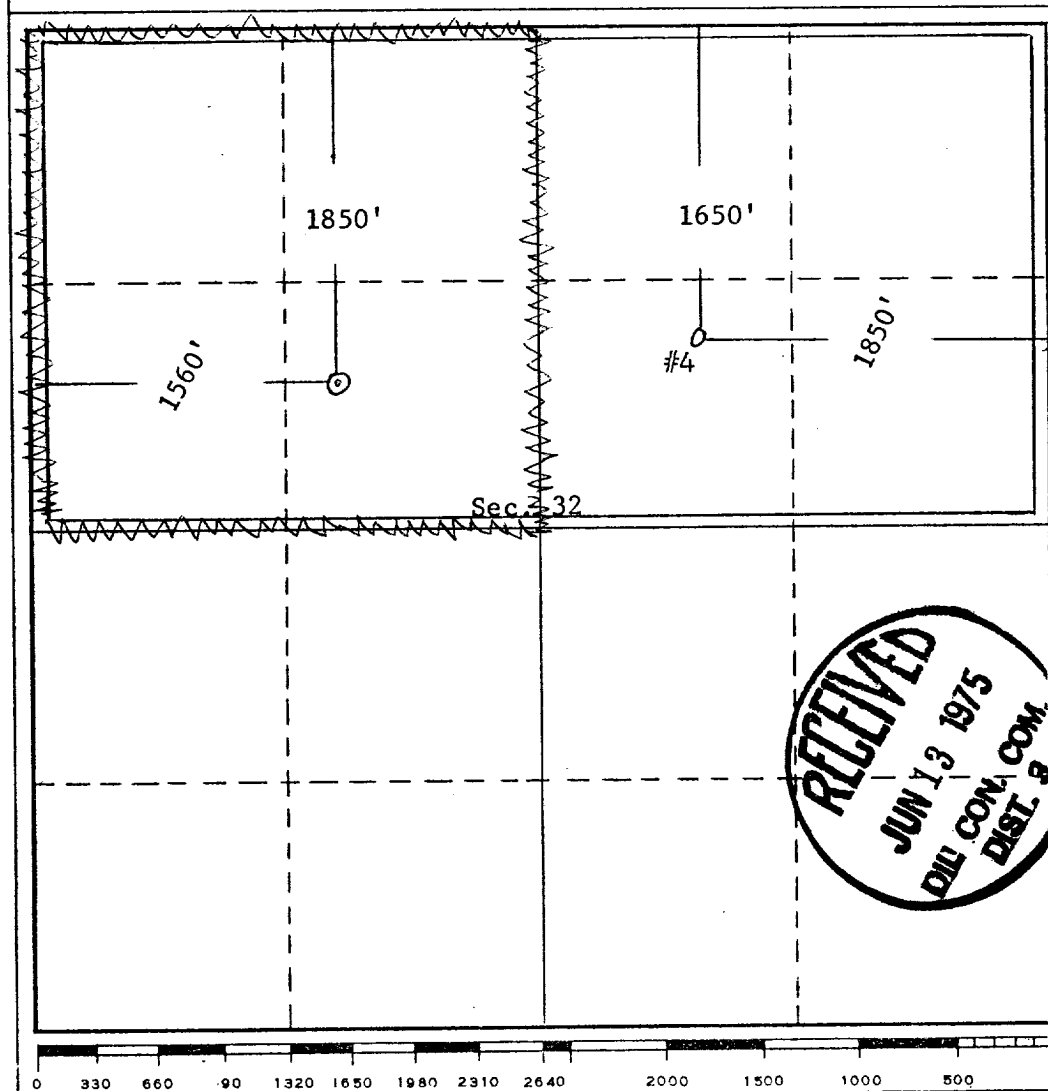
Operator Mesa Petroleum Co.			Lease State Com H		Well No. #4A
Unit Letter F	Section 32	Township 31 North	Range 9 West	County San Juan	
Actual Footage Location of Well: 1850 feet from the North line and 1560 feet from the West line					
Ground Level Elev. 6589'	Producing Formation Pictured Cliffs		Pool Blanco	Dedicated Acreage: 160 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 _____

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

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



CERTIFICATION

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

Name
J. L. Farrell

Position
Operations Manager

Company
Mesa Petroleum Co.

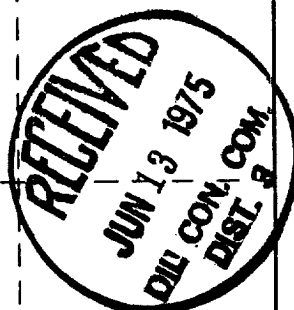
Date
6/4/75

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

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



C-107A Pressure Revision: STATE COM H #004A (3004521708)

Reservoir	Originally Submitted Pressure	Revised Bottom Hole Pressure
Fruitland Coal	903	104
Pictured Cliffs	328	86
Mesaverde	419	194

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 Fruitland Coal, Mesaverde, and Pictured Cliffs are much lower than the calculated far-field stabilized reservoir pressure 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 Fruitland Coal, Mesaverde, and Pictured Cliffs 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 Fruitland Coal, Mesaverde, and Pictured Cliffs 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 revised 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.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	6.24	666	93%
PC	0	62	0%
FRC	0.36	917	7%
			100%

The **State Com H 4A** and **Atlantic D Com 1A** are within the same geologic region, so the gas and water samples seen below will be used for both DHCs.

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 Basin Fruitland Coal, Blanco Mesaverde, and Blanco Pictured Cliffs a samples below all show fresh water with low TDS.

PC Gas Analysis							
AssetCode	AssetName	BTUWet	BTUDry	SpecificHeatRatio	Viscosity	SpecificGravity	CO2
3004521333	ATLANTIC D COM O 16	1118	1137			0.65	0.01

PC Water Analysis							
API	Property	CationBarium	CationBoron	CationCalcium	CationIron	CationMagnesiun	CationManganese
3004521333	ATLANTIC D COM O 16	0		8.04	93	4.88	1.38

MV Gas Analysis							
AssetCode	AssetName	BTUWet	BTUDry	SpecificHeatRatio	Viscosity	SpecificGravity	CO2
3004528933	ATLANTIC 5R	1198	1219			0.72	0.02

MV Water Analysis							
API	Property	CationBarium	CationBoron	CationCalcium	CationIron	CationMagnesiun	CationManganese
3004528933	ATLANTIC 5R	0.16		3.15	82.33	0.35	0.68

FRC Gas Analysis							
AssetCode	AssetName	BTUWet	BTUDry	SpecificHeatRatio	Viscosity	SpecificGravity	CO2
3004527307	LAMBE COM 200	1104	1124			0.64	0.01

FRC Water Analysis							
API	Property	CationBarium	CationBoron	CationCalcium	CationIron	CationMagnesiun	CationManganese
3004527307	LAMBE COM 200	0.53		14.7	181	2	2.25

N2	C1	C2	C3	ISOC4	NC4	ISOC5	NC5	NEOC5
0		0.88	0.06	0.03	0	0.01	0	0

CationPhosphorus	CationPotassium	CationStrontium	CationSodium	CationSilica	CationZinc	CationAlumi	CationCopper	CationLead
		0.11	143.54					

N2	C1	C2	C3	ISOC4	NC4	ISOC5	NC5	NEOC5
0		0.82	0.09	0.04	0.01	0.01	0	0

CationPhosphorus	CationPotassium	CationStrontium	CationSodium	CationSilica	CationZinc	CationAlumi	CationCopper	CationLead
		0.63	152.46					

N2	C1	C2	C3	ISOC4	NC4	ISOC5	NC5	NEOC5
0		0.9	0.06	0.03	0	0	0	0

CationPhosphorus	CationPotassium	CationStrontium	CationSodium	CationSilica	CationZinc	CationAlumi	CationCopper	CationLead
	20	2	20	21.4	2.48			2

C6	C6_PLUS	C7	C8	C9	C10	AR	CO	H2
		0						

CationLithiun	CationNickel	CationCobalt	CationChromiu	CationSilicon	CationMolybde	AnionChloride	AnionCarbonate	AnionBicarbonate	
							0	0	183.3

C6	C6_PLUS	C7	C8	C9	C10	AR	CO	H2

CationLithiun	CationNickel	CationCobalt	CationChromiu	CationSilicon	CationMolybde	AnionChloride	AnionCarbonate	AnionBicarbonate	
							199	0	73.2

C6	C6_PLUS	C7	C8	C9	C10	AR	CO	H2
		0						

CationLithiun	CationNickel	CationCobalt	CationChromiu	CationSilicon	CationMolybde	AnionChloride	AnionCarbonate	AnionBicarbonate	
				10			22.8	10	150

O2	H2O	H2S
		0

AnionBromide	AnionFluoride	AnionHydroxyl	AnionNitrate	AnionPhosphat	AnionSulfate	phField	phCalculated	TempField
						0	5.23	

O2	H2O	H2S
		0

AnionBromide	AnionFluoride	AnionHydroxyl	AnionNitrate	AnionPhosphat	AnionSulfate	phField	phCalculated	TempField
		0				1	7	53

O2	H2O	H2S
		0

AnionBromide	AnionFluoride	AnionHydroxyl	AnionNitrate	AnionPhosphat	AnionSulfate	phField	phCalculated	TempField
		10				7.38	7.04	

TempLab	OtherField	OtherSpecificGravity	OtherTDS	OtherCaCO3	OtherConduct	DissolvedCO2	DissolvedO2	DissolvedH2S
		1	634.14	40.11			200	0

TempLab	OtherField	OtherSpecificGravity	OtherTDS	OtherCaCO3	OtherConduct	DissolvedCO2	DissolvedO2	DissolvedH2S
		1	512.97		801.51		40	0

TempLab	OtherField	OtherSpecificGravity	OtherTDS	OtherCaCO3	OtherConduct	DissolvedCO2	DissolvedO2	DissolvedH2S
		1	700	36.7	272			

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Mandi Walker](#); [Kandis Roland](#)
Cc: [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Dawson, Scott](#)
Subject: Approved Administrative Order DHC-5205
Date: Friday, October 14, 2022 1:04:55 PM
Attachments: [DHC5205 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5205 which authorizes Hilcorp Energy Company (372171) to downhole commingle production within the following well:

Well Name: **State Com H #4A**

Well API: **30-045-21708**

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

**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-5205

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 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.
4. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
5. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
6. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
7. 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.
8. 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

9. 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.
10. 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.

11. 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.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
13. 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.
14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. This Order supersedes Order DHC-1278.
3. Applicant shall allocate a fixed percentage of the oil production from the Well to each of the Pools until a different plan to allocate oil production is approved by OCD. Of the oil production from the Well:
 - a. seven percent (7%) shall be allocated to the BASIN FRUITLAND COAL (GAS) pool (pool ID: 71629);
 - b. zero percent (0%) shall be allocated to the BLANCO PICTURED CLIFFS (GAS) pool (pool ID: 72359); and
 - c. ninety-three percent (93%) shall be allocated to the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319).

Applicant shall allocate gas production to the new pool(s) equal to the total gas production from the Well minus the projected gas production from the current pool(s) until a different plan to allocate gas production is approved by OCD. The new pool(s) are:

- a. the BASIN FRUITLAND COAL (GAS) pool (pool ID: 71629).

The current pool(s) are:

- a. the BLANCO PICTURED CLIFFS (GAS) pool (pool ID: 72359); and
- b. the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319).

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

- a. twelve percent (12%) shall be allocated to the BLANCO PICTURED CLIFFS (GAS) pool (pool ID: 72319); and
- b. eighty-eight percent (88%) shall be allocated to the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319).

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

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

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'Ame', is written over a horizontal line.

**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 10/13/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5205**

Operator: **Hilcorp Energy Company (372171)**

Well Name: **State Com H #4A**

Well API: **30-045-21708**

Pool Name: **BASIN FRUITLAND COAL (GAS)**

Upper Zone

Pool ID: **71629**

Current:

New: **X**

Allocation:

Oil: **7%**

Gas:

Interval: **Perforations**

Top: **2,828**

Bottom: **3,350**

Pool Name: **BLANCO PICTURED CLIFFS (GAS)**

Intermediate Zone

Pool ID: **72359**

Current: **X**

New:

Allocation:

Oil: **0%**

Gas:

Interval: **Perforations**

Top: **4,876**

Bottom: **5,196**

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

Pool Name: **BLANCO-MESAVERDE (PRORATED GAS)**

Lower Zone

Pool ID: **72319**

Current: **X**

New:

Allocation:

Oil: **93%**

Gas:

Interval: **Perforations**

Top: **5,614**

Bottom: **5,728**

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

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

CONDITIONS

Action 108618

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 108618
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	10/14/2022