

Well Name: JICARILLA 153	Well Location: T26N / R5W / SEC 35 / NWNW / 36.448028 / -107.33376	County or Parish/State: RIO ARRIBA / NM
Well Number: 12	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name: JICARILLA APACHE
Lease Number: JIC153	Unit or CA Name:	Unit or CA Number:
US Well Number: 3003920113	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2772231

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 01/29/2024

Time Sundry Submitted: 01:01

Date proposed operation will begin: 04/01/2024

Procedure Description: Hilcorp Energy proposes to downhole commingle production in the Otero Chacra (pool 82329), Tapacito Gallup (pool 58090) and Blanco Mesaverde (pool 72319) with the existing Basin Dakota (pool 71599) and South Blanco Pictured Cliffs (pool 72439), upon recompletion of the Chacra, Gallup and Mesaverde formations. See attached allocation methodology and supporting documents. Commingling will not reduce the value of production. Proposed perforations are: CH 3839' - 4233', MV 4233' - 5740' and GL 5740' - 7160'.

NOI Attachments

Procedure Description

Jicarilla_153_12_Subtraction_Allocation_20240129094208.pdf

Well Name: JICARILLA 153

Well Location: T26N / R5W / SEC 35 /
NWNW / 36.448028 / -107.33376

County or Parish/State: RIO
ARRIBA / NM

Well Number: 12

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:
JICARILLA APACHE

Lease Number: JIC153

Unit or CA Name:

Unit or CA Number:

US Well Number: 3003920113

Well Status: Producing Gas Well

Operator: HILCORP ENERGY
COMPANY

Operator

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

Operator Electronic Signature: CHERYLENE WESTON

Signed on: JAN 29, 2024 09:42 AM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Tech - Sr

Street Address: 1111 TRAVIS STREET

City: HOUSTON

State: TX

Phone: (713) 289-2615

Email address: CWESTON@HILCORP.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 01/30/2024

Signature: Kenneth Rennick

Hilcorp Energy Company PRODUCTION ALLOCATION FORM					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
					Status PRELIMINARY ☒ FINAL ☐ REVISED ☐	
Commingle Type SURFACE ☐ DOWNHOLE ☒ Type of Completion NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐					Date: 01/29/2024 API No. 30-039-20113 DHC No. Lease No. JIC153	
Well Name JICARILLA 153					Well No. 12	
Unit Letter D	Section 35	Township 26N	Range 05W	Footage 875' FNL & 1090' FWL	County, State Rio Arriba, New Mexico	
Completion Date 2024		Test Method HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒				
JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota/Pictured Cliffs and the added formations to be commingled is the Chacra, Mesaverde and Gallup. 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). 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 production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 56%, CH 0%, GL 20%, DK 24%, PC 0%. After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.						
NAME		DATE		TITLE		PHONE
X <i>Cherylene Weston</i>				Operations/Regulatory Tech – Sr.		713-289-2615
Cherylene Weston		1/29/2024				
For Technical Questions: Ray Brandhurst				Reservoir Engineer		713-757-5224

Jicarilla 153 12 Allocation

The forecast for Gallup, Mesaverde and Chacra production has been generated using type curves of production in the surrounding trend.

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

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

Production Allocation Method – Subtraction

Gas Allocation:

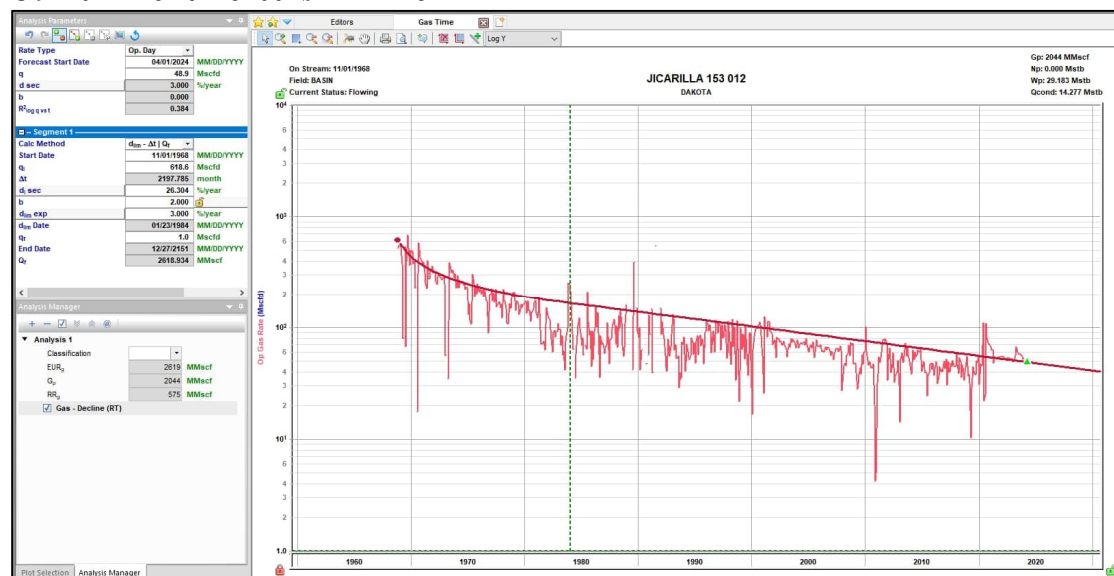
Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Pictured Cliffs/Dakota and the added formations to be commingled are the Gallup, Mesaverde & Chacra. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the base formation forecasts will be allocated to the new formations.

New zones will be allocated using a fixed allocation. Forecasted rates for GL, MV and CH are based on offsets type curve. The maps show the standalone offsets that were used for type-curves. The split between GL, MV and CH is based on the ratio of forecasted reserves as shown in the table below.

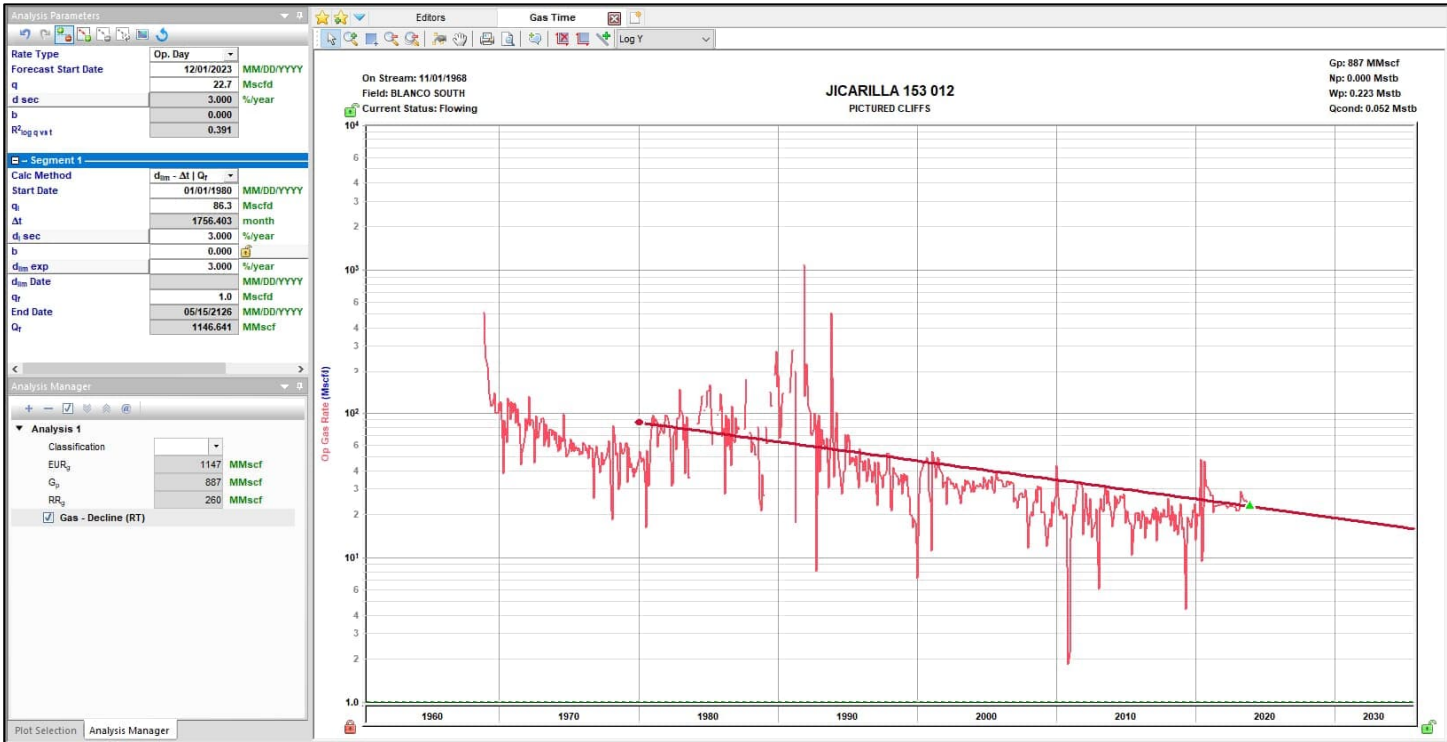
Formation	Remaining Reserves (MMcf)	% Gas Allocation
Gallup	321	34%
Mesaverde	571	61%
Chacra	50	5%

After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage-based allocation.

Current Zone Forecast – Dakota

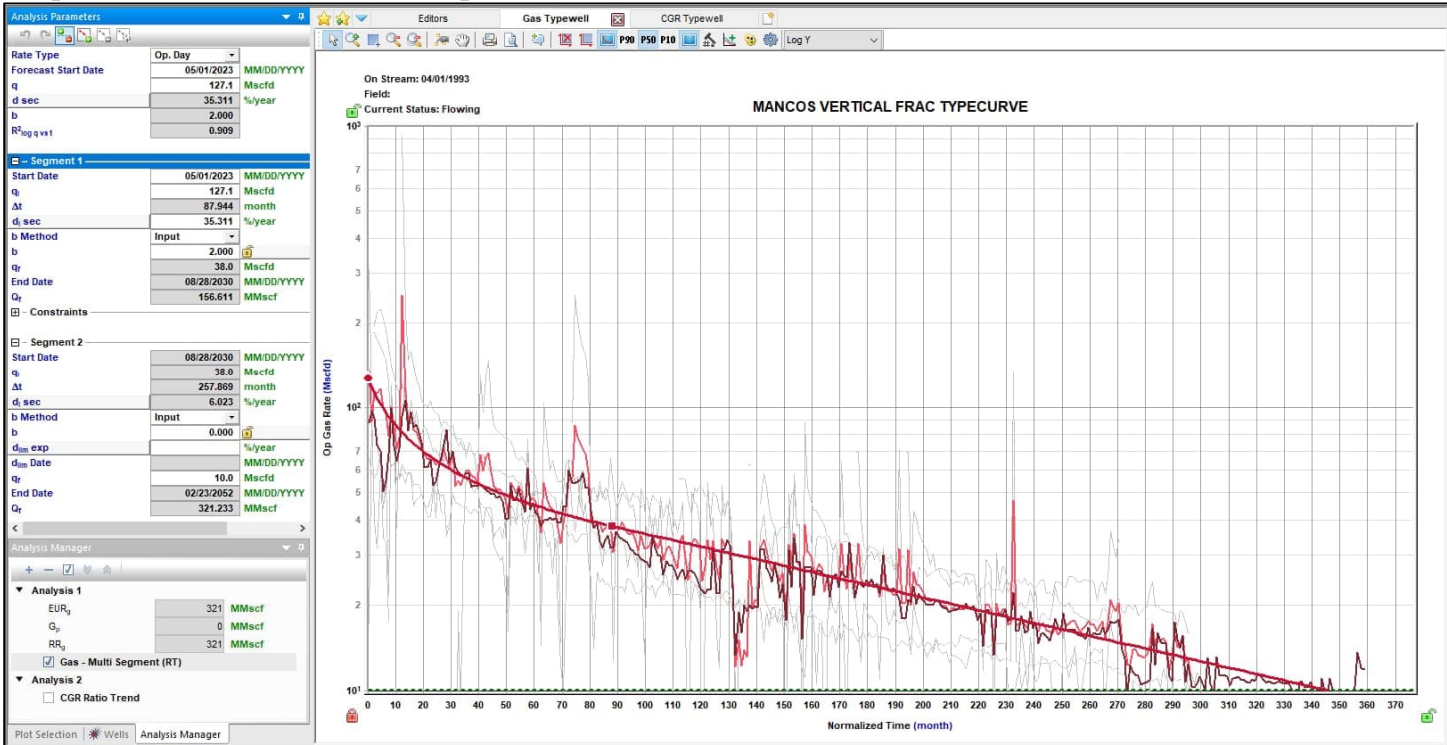


Current Zone 2 Forecast – Pictured Cliffs



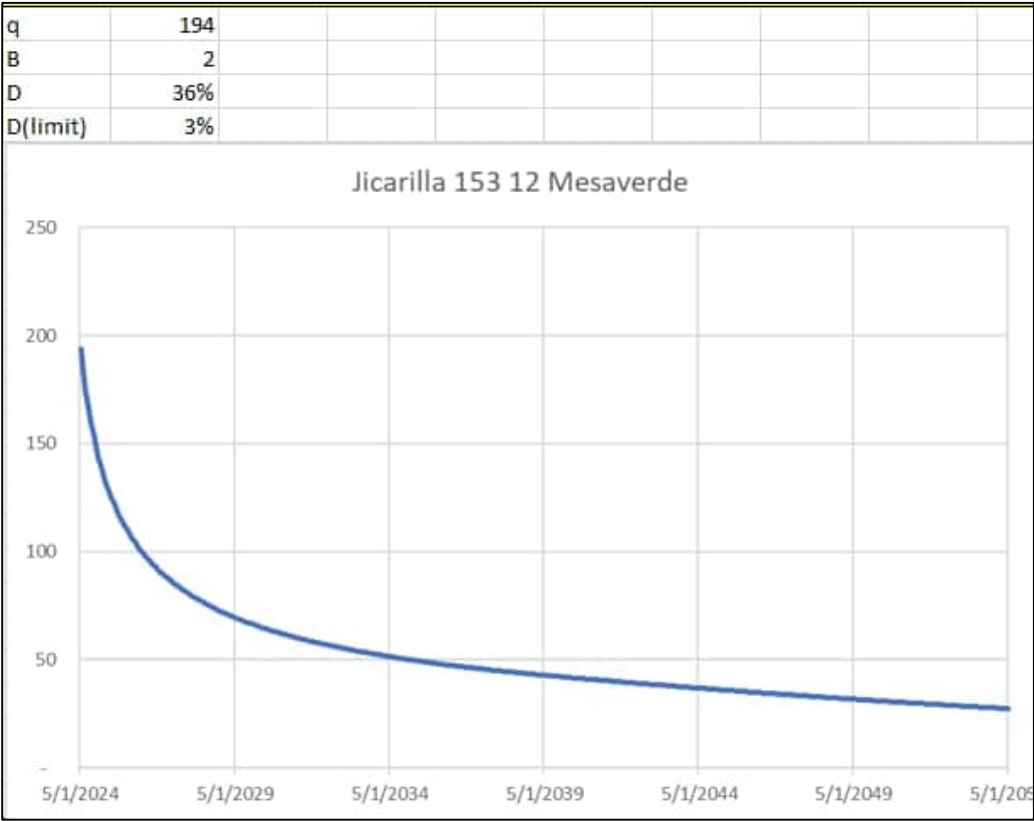
Average initial production curve in geologic region.

Proposed Zone 1 Forecast - Gallup



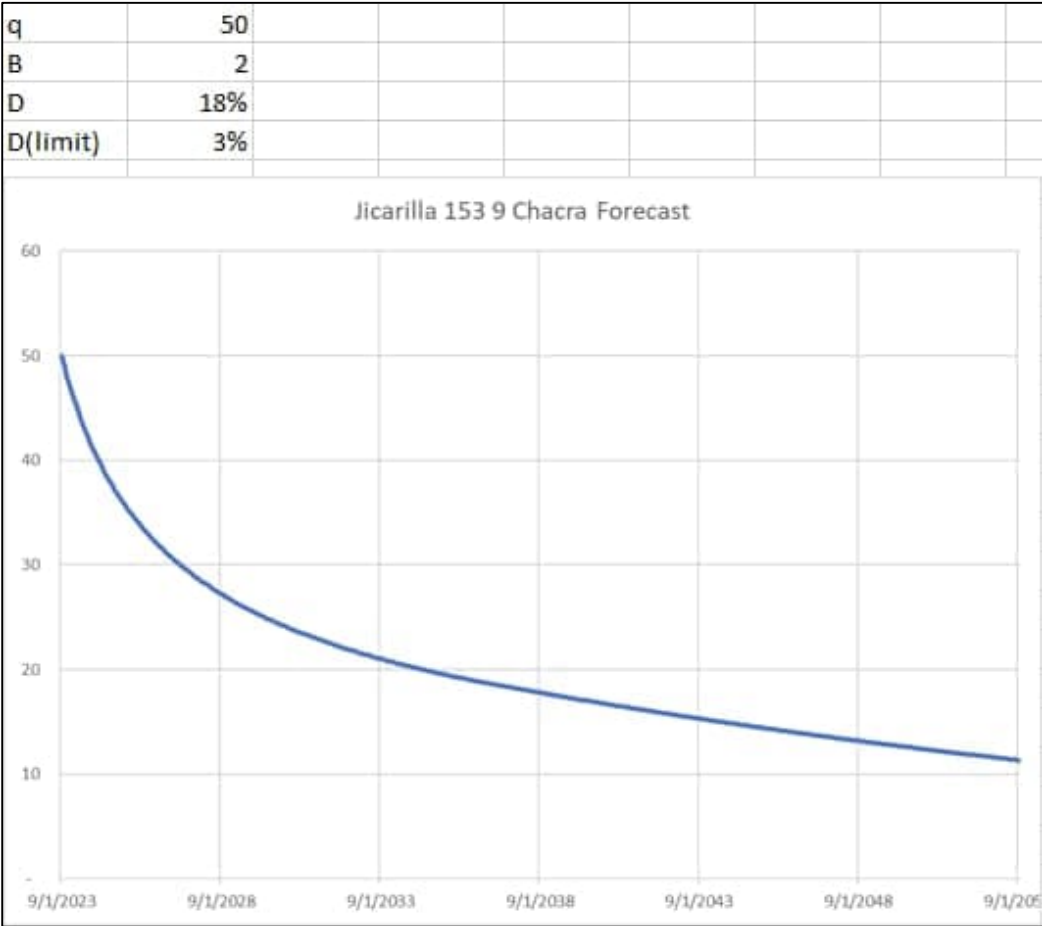
Average initial production curve in geologic region.

Proposed Zone 2 Forecast – Mesaverde



Average initial production curve in geologic region.

Proposed Zone 3 Forecast – Chacra

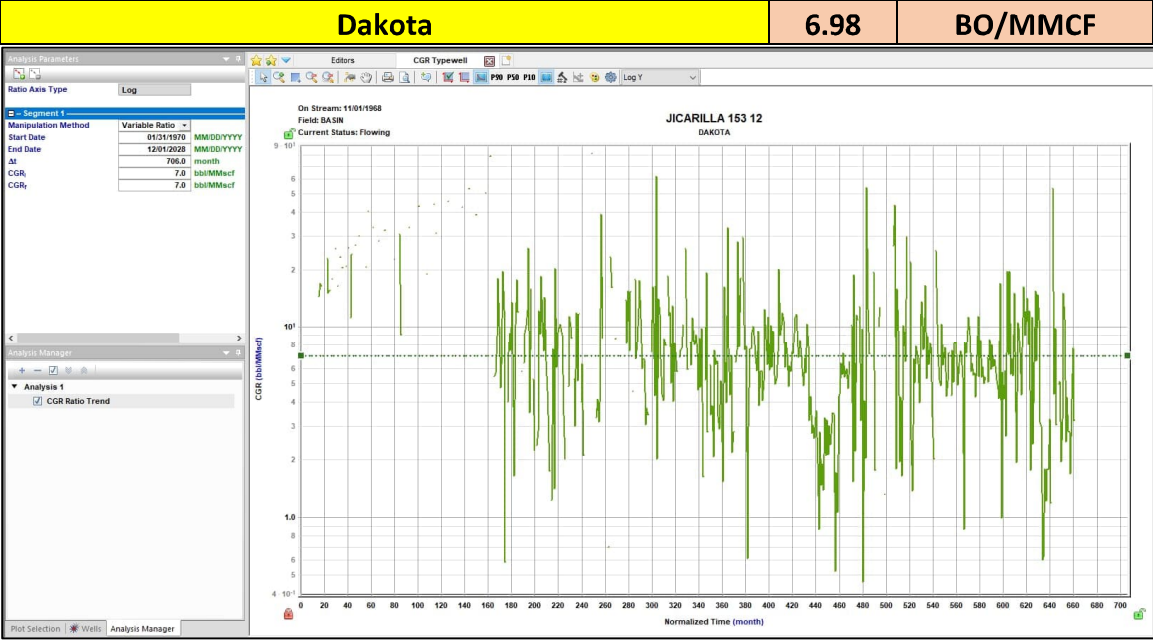


Oil Allocation:

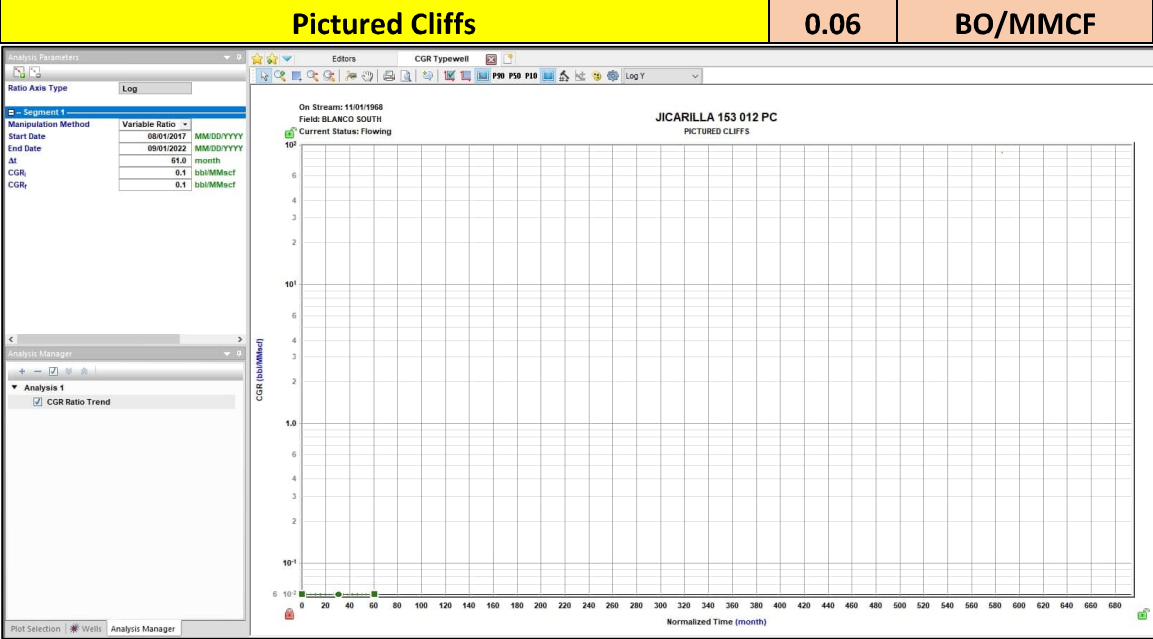
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	6.98	575	24%
GL	10.00	321	20%
MV	16.06	571	56%
Chacra	0.00	50	0%
PC	0.06	260	0%

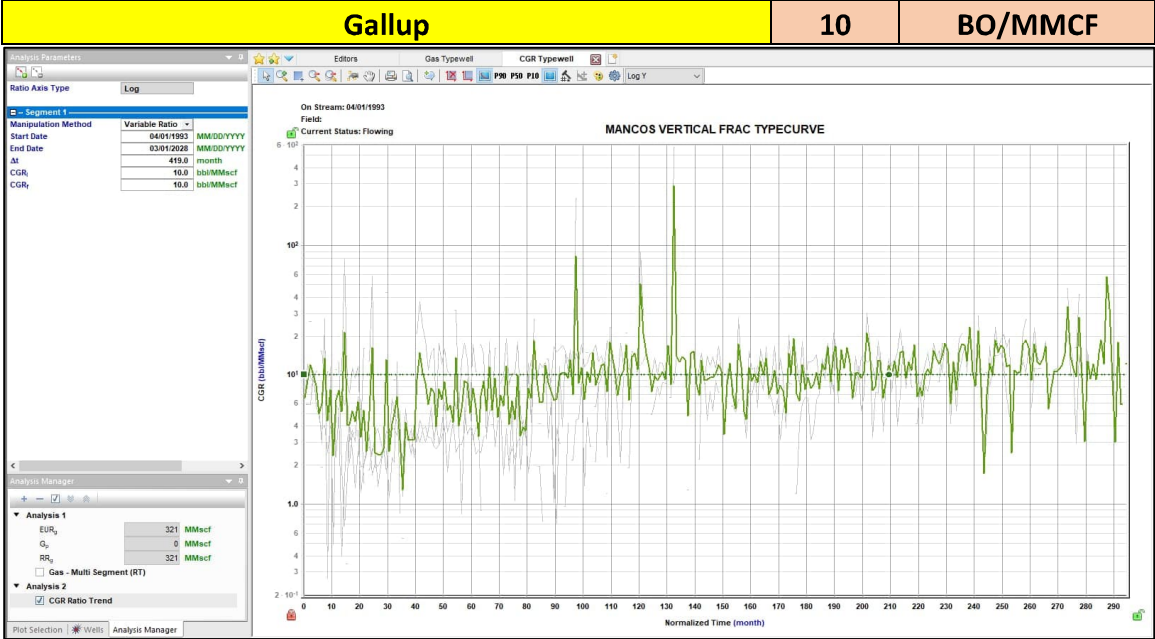
Current Zone 1 Oil Yield Map



Current Zone 2 Oil Yield Map

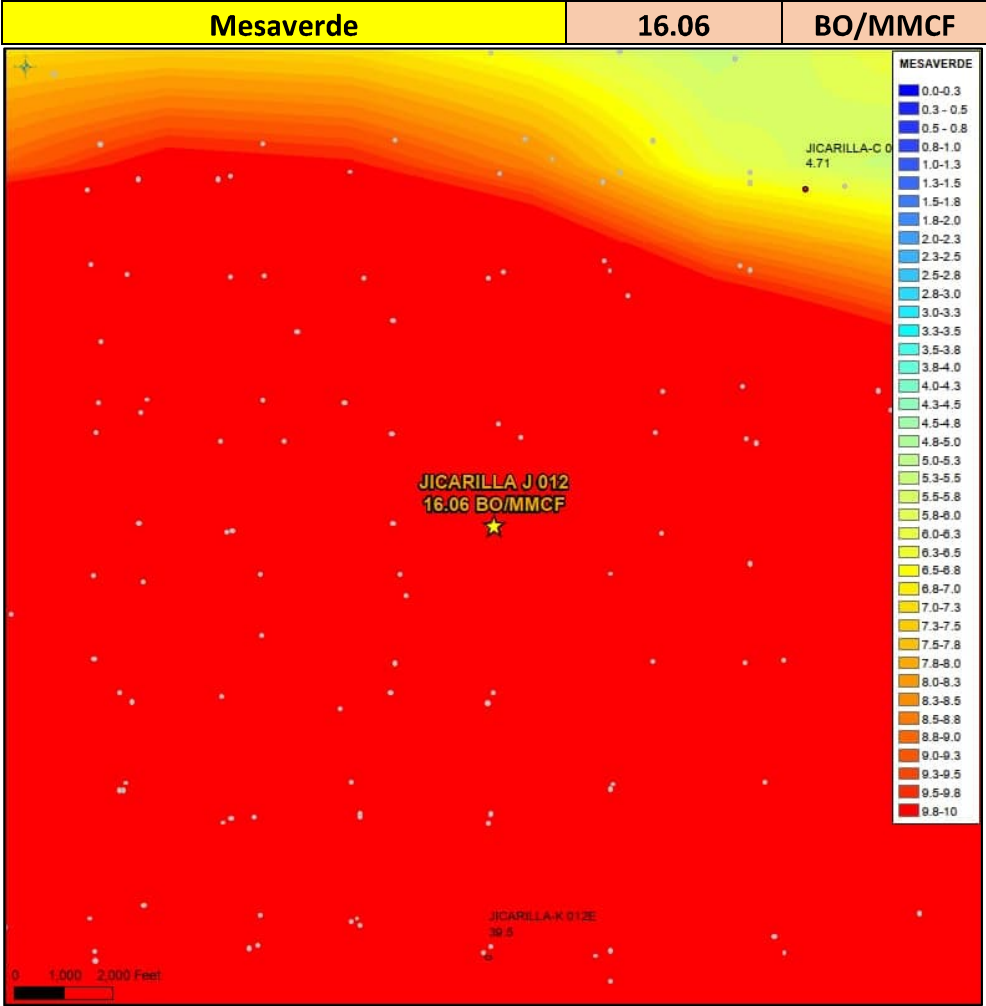


Proposed Zone 1 – Gallup Oil Yield Map



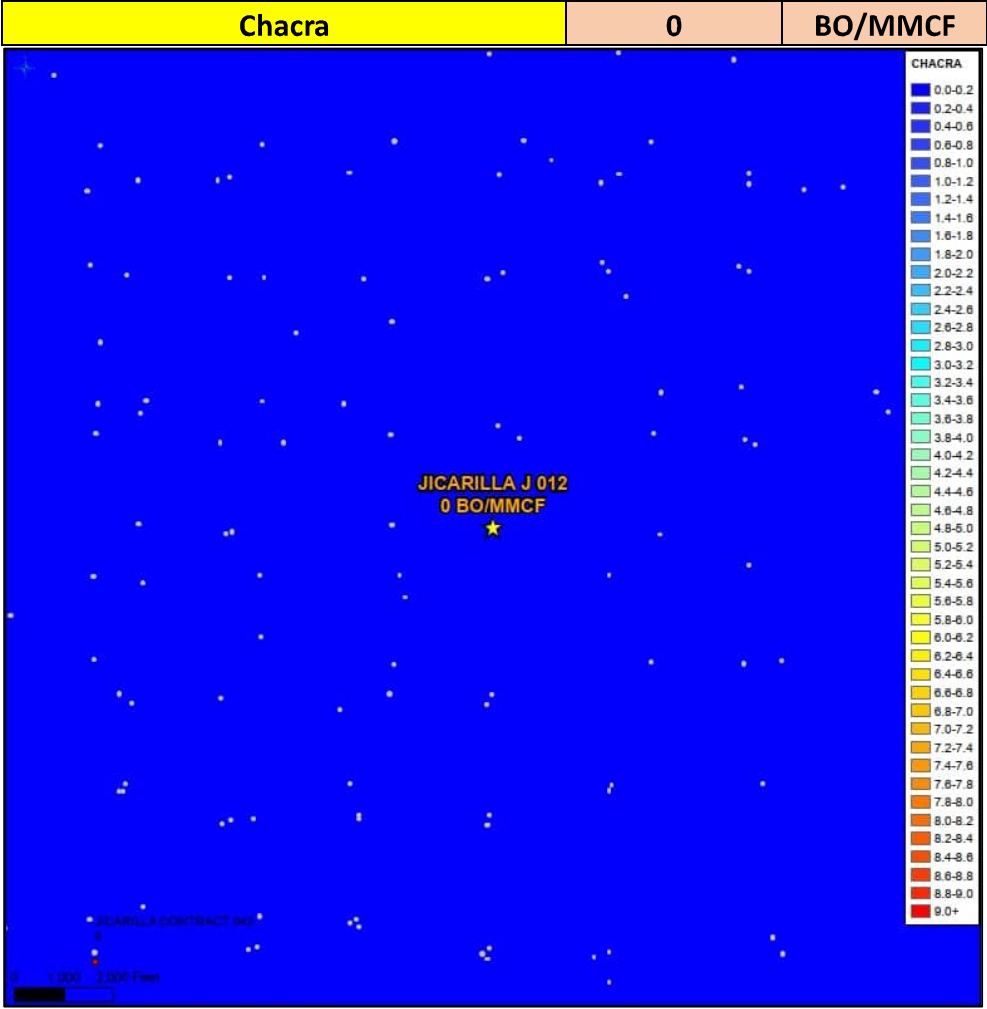
9-Section Area Map of Standalone Oil Yields. Sampled well to this map.

Proposed Zone 2 – Mesaverde Oil Yield Map



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

Proposed Zone 3 – Chacra Oil Yield Map



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 356154

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-20113	2. Pool Code 82329	3. Pool Name OTERO CHACRA (GAS)
4. Property Code 319674	5. Property Name JICARILLA 153	6. Well No. 012
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6628

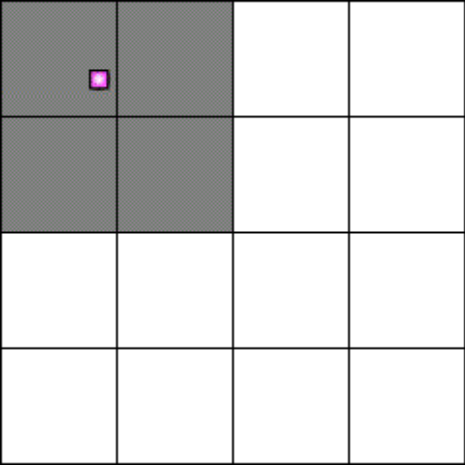
10. Surface Location

UL - Lot D	Section 35	Township 26N	Range 05W	Lot Idn	Feet From 875	N/S Line N	Feet From 1090	E/W Line W	County RIO ARRIBA
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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 160.00 - NW/4	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>Cherylene Weston</i> Title: Cherylene Weston Date: 12/18/2023 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Surveyed By: James P. Leese Date of Survey: 6/13/1968 Certificate Number: 1463
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District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011

Permit 356154

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-20113	2. Pool Code 58090	3. Pool Name TAPACITO GALLUP (ASSOCIATED)
4. Property Code 319674	5. Property Name JICARILLA 153	6. Well No. 012
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6628

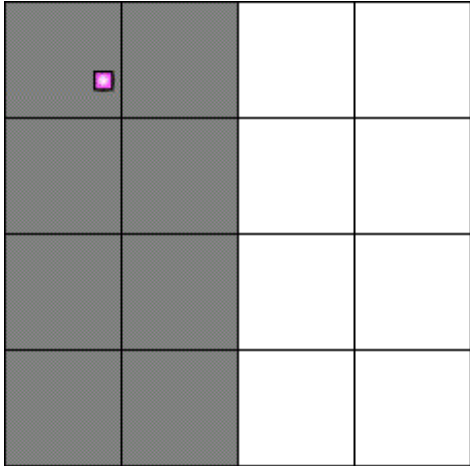
10. Surface Location

UL - Lot D	Section 35	Township 26N	Range 05W	Lot Idn	Feet From 875	N/S Line N	Feet From 1090	E/W Line W	County RIO ARRIBA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00 - W/2	13. Joint or Infill			14. Consolidation Code			15. Order No.		

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	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>Cherylene Weston</i> Title: Cherylene Weston Date: 12/18/2023 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Surveyed By: James P. Leese Date of Survey: 6/13/1968 Certificate Number: 1463
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District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-20113	² Pool Code 72439/72319/71599	³ Pool Name Basin Dakota South Blanco Pictured Cliffs/Blanco Mesaverde/
⁴ Property Code 16579	⁵ Property Name Jicarilla 153	⁶ Well Number 12
⁷ OGRID No. 14538	⁸ Operator Name Burlington Resources Oil & Gas Company LP	⁹ Elevation 6628' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	26N	5W		875'	North	1090'	West	RA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres PC - 160 MV/DK-W/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

	Original plat from James P. Leese 6-13-68	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Peggy Cole Printed Name Regulatory Supervisor Title 2-5-01 Date
	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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

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

CONDITIONS

Action 309749

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 309749
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD	1/31/2024
dmcclure	DHC-2416 and DHC-2416-A are no longer in effect.	1/31/2024
dmcclure	Assigned the designation DHC-5339 for tracking purposes	1/31/2024