Office District I – (575) 393-6161	State of New Mexico Energy, Minerals and Natural Resources	DHC-5391	Form C-103 <sup>f 1</sup> Revised July 18, 2013
$\frac{\text{District I}}{1625 \text{ N}. \text{ French Dr., Hobbs, NM 88240}}$ $\frac{\text{District II}}{1625 \text{ N}. \text{ French Dr., Hobbs, NM 88240}}$ $\frac{\text{District III}}{1000 \text{ Rio Brazos Rd., Aztec, NM 87410}}$ $\frac{\text{District IV}}{1000 \text{ Rio Brazos Rd., Aztec, NM 87410}}$ $\frac{\text{District IV}}{1220 \text{ S}. \text{ St. Francis Dr., Santa Fe, NM}}$	OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505	<ul> <li>5. Indicate Type of L STATE ☑</li> <li>6. State Oil &amp; Gas Le</li> </ul>	FEE
(DO NOT USE THIS FORM FOR PROPOSAL DIFFERENT RESERVOIR. USE "APPLICAT PROPOSALS.)	S AND REPORTS ON WELLS S TO DRILL OR TO DEEPEN OR PLUG BACK TO A ION FOR PERMIT" (FORM C-101) FOR SUCH s Well 🛛 Other	7. Lease Name or Ur         SAN JUAN         8. Well Number 129	28-7 UNIT
2. Name of Operator Hilcorp Energy Company		9. OGRID Number 372	171
3. Address of Operator 382 Road 3100, Aztec, NM 8	37410	10. Pool name or Wi Blanco Mesaver	ldcat de / Basin Dakota
Section 02 Tow	om the <u>North</u> line and <u>545</u> feet from the <u>East</u> <u>Inship 027N Range 007W NMPM</u> 1. Elevation (Show whether DR, RKB, RT, GR, et 6132' GL	County RIO ARRIBA	

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

NOTICE OF	INTENTION TO:	SUBSEQUENT RE	PORT OF:
PERFORM REMEDIAL WORK	☐ PLUG AND ABANDON □	REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILLING OPNS.	P AND A
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMENT JOB	
DOWNHOLE COMMINGLE			
CLOSED-LOOP SYSTEM			
OTHER:	RECOMPLETE	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.

It is intended to complete the subject well in the Blanco Mesaverde (pool 72319) and downhole commingle with the existing Basin Dakota (pool 71599). The production will be commingled per Oil Conservation Division Order Number 11363. Allocation and methodology will be provided after the well is completed. Commingling will not reduce the value of the production. The State of New Mexico has been notified in writing of this application.

Proposed perforations are: MV 4408' - 5504'; DK 7032' - 7244'. These perforations are in TVD.

As referred to in Order # R-10476-B interest owners were not re-notified.

Spud Date:	Rig Release Date:	
I hereby certify that the information above is true and co	omplete to the best of my knowledge and belief.	
signature Cherylene Weston	TITLE Operations/Regulatory Tech-Sr.	DATE4/23/2024
Type or print name <u>Cherylene Weston</u>	E-mail address: <u>cweston@hilcorp.com</u>	PHONE: 713-289-2615
For State Use Only		
APPROVED BY: Dean R Millure Conditions of Approval (if any):	TITLE Petroleum Engineer	DATE 06/06/2024

#### Released to Imaging: 6/6/2024 1:45:35 PM

## CONDITIONS OF APPROVAL

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 Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator 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 Permit shall terminate on the date of such action.

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 the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.

If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

The Operator 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, the Operator 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 the Operator fails to do so, this Permit shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Permit 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.

Ceized by OCD i 5 Appropriat Barild PM Office	State of New Mexico	Form C=103 <sup>f</sup> Revised July 18, 2013
<u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210	Energy, Minerals and Natural Resources OIL CONSERVATION DIVISION	WELL API NO. 30-039-26966
<u>District III</u> – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505	1220 South St. Francis Dr. Santa Fe, NM 87505	<ul> <li>5. Indicate Type of Lease STATE FEE</li> <li>6. State Oil &amp; Gas Lease No. STATE STATE</li> </ul>
SUNDRY NOTICE (DO NOT USE THIS FORM FOR PROPOSAL DIFFERENT RESERVOIR. USE "APPLICAT PROPOSALS.)	S AND REPORTS ON WELLS S TO DRILL OR TO DEEPEN OR PLUG BACK TO A ION FOR PERMIT" (FORM C-101) FOR SUCH s Well 🛛 Other	<ul> <li>7. Lease Name or Unit Agreement Name</li> <li>SAN JUAN 28-7 UNIT</li> <li>8. Well Number 129F</li> </ul>
2. Name of Operator Hilcorp Energy Company		9. OGRID Number 372171
3. Address of Operator 382 Road 3100, Aztec, NM 8	37410	10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota
	om the <u>North line and 545</u> feet from the <u>East</u> l nship 027N Range 007W NMPM	ine County RIO ARRIBA
	1. Elevation (Show whether DR, RKB, RT, GR, etc 6132' GL	

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

NOTICE OF I	NTENTION TO:	SUBSEQUENT RE	PORT OF:
PERFORM REMEDIAL WORK	] PLUG AND ABANDON	REMEDIAL WORK	ALTERING CASING 🗌
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILLING OPNS.	P AND A
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMENT JOB	
DOWNHOLE COMMINGLE			
CLOSED-LOOP SYSTEM	]		
OTHER:	RECOMPLETE	OTHER:	

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Proposed perforations are: MV 4408' - 3171'; DK 7032' - 7244'. These perforations are in TVD.

As referred to in Order # R-10476-B interest owners were not re-notified.

Spud Date:	Rig Release Date:	
I hereby certify that the information above is true and co	omplete to the best of my knowledge and belief.	
SIGNATURE Cherylene Weston	TITLE Operations/Regulatory Tech-Sr.	DATE4/23/2024
Type or print name <u>Cherylene Weston</u> For State Use Only	E-mail address: <u>cweston@hilcorp.com</u>	PHONE: 713-289-2615
APPROVED BY: Conditions of Approval (if any):	_TITLE	DATE

Received by OCD: 5/2/2024 1:32:04 PM

#### 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

12. Dedicated Acres

319.12 E/2

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 364228

15. Order No.

Page 4 of 13

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-2		2. Pool Code 72319				3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)								
4. Property Cod 318	e 432	5. Property Name SAN JUAN 28 7 UNIT				6. Well No. 129F								
7. OGRID №. 372	171	8. Operator Name HILCORP ENERGY COMPANY				9. Elevation 6132								
					10. S	urface Lo	ocatio	n						
UL - Lot S	Section 2	Town	ship 27N	Range 07W	Lot Idn 1	Feet Fror	<sup>m</sup> 770	N/S Line	Feet Fr	<sup>om</sup> 545	E/W Line	E	County	RIO ARRIBA
11. Bottom Hole Location If Different From Surface														
UL - Lot	Section		Township	Range	Lot Idn	Fe	et From	N/S Li	ne	Feet Fro	om I	E/W L	.ine	County

#### 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

14. Consolidation Code

13. Joint or Infill

OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working
interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
E-Signed By: Cherylene Weston Title: Operations/Regulatory Tech-Sr. Date: 4/22/2024
SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
Surveyed By: Jason C. Edwards
Date of Survey: 12/10/2001
Certificate Number: 15269

Received by OCD: 5/2/2024 1:32:04 PM

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

State of New Mexico

PO Box 2088

Santa Fe, NM 87504-2088

API Number Pool Code \*Pool Name 71599 BASIN DAKOTA Property Code <sup>⁵</sup>Property Name Well Number 016608 SAN JUAN 28-7 UNIT 129F 'OGRID No. <sup>®</sup>Operator Name <sup>e</sup>Elevation 005073 CONOCO, INC. 6132' <sup>10</sup> Surface Location UL or lot no. Section Township Lot Idn Feet from the Range North/South line Feet from the East/West line County RIO 2 27N 7W 770 А NORTH 545 EAST ARRIBA <sup>11</sup> 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 <sup>12</sup> Dedicated Acres <sup>13</sup> Joint or Infill <sup>14</sup> Consolidation Code <sup>15</sup> Order No. 319.12 Acres - (E/2) 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 16 17 2629.44 OPERATOR CERTIFICATION 2634.72' 60 I hereby certify that the information contained herein is true and complete 0 ω  $\cap$ Ó to the best of my knowledge and belief 1263 LOT LOT 4 LOT 3 LOT 2 . 85 1 N 545 Signature Vicki R. Westby Printed Name Sr. Title Analyst Title Ŵ 0  $\overline{}$ 5 4 Date 90 E 27 <sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Survey Date: DECEMBER 10, 2001 E-290-28 Signature and Seal of Professional Surveyor STON C. EDWARDS MEXICO С М JEM 4 LD) 608 m 15269 é 印 ம SUPLEY ATCHER Ū  $\cap$  $\cap$ POFESSIONAL EDWARDS 5264.82' Certificate Number 15269

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Page 5 of 13 Form C-102

Revised February 21, 1994 Energy, Minerals & Natural Resources Department Instructions on back Submit to Appropriate District Office OIL CONSERVATION DIVISION State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

# San Juan 28-7 Unit 129F Production Allocation Method – Subtraction

### **Gas Allocation:**

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



#### Current Zone 1 Forecast – Dakota

#### **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. All documentation will be submitted to NMOCD.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	2.00	391	34%
MV	3.51	436	66%

### Dakota Oil Yield Map



#### Mesaverde Oil Yield Map



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# Cheryl Weston

From: Sent: To: Subject: Attachments: Cheryl Weston Tuesday, April 23, 2024 10:59 AM Baylen Lamkin San Juan 28-7 Unit 129F DHC C-103 SJ 28-7 Unit 129F DHC C-103.pdf

Baylen,

Good morning. Please see the attached DHC C-103 for the San Juan 28-7 Unit 129F, API 30-039-26966, on State of NM lease and surface.

Thank you,

Cheryl Weston San Juan Operations/Regulatory Tech-Sr. 1111 Travis Street | Houston, TX 77002 Ofc: 713.289.2615 | cweston@hilcorp.com





### Stephanie Garcia Richard COMMISSIONER

# State of New Mexico Commissioner of Public Lands 310 OLD SANTA FE TRAIL

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

May 16, 2024

Hilcorp Energy Company ATTN: Ms. Cherylene Weston 1111 Travis St. Houston, TX 77002

Re: Application for Downhole Commingling
 Wells approved for Downhole Commingling
 San Juan 28 7 Unit #129F (30-039-26966)
 POOLS: [71599] Basin Dakota (Prorated Gas)
 [72319] Blanco-Mesaverde (Prorated Gas)
 Rio Arriba County, New Mexico

Dear Ms. Weston,

We have received your \$150 application fee and request for downhole commingling for the abovecaptioned well(s).

Since it appears that all the rules and regulations for the New Mexico Oil Conservation Division and the State Land Office have been complied with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved.

Our approval

- is subject to approval from all relevant agencies,
- does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

If you have any questions or if we may be if further assistance, please contact Baylen Lamkin at 505.827.6628 or blamkin@slo.state.nm.us.

Respectfully,

S.GNZ

Stephanie Garcia Richard Commissioner of Public Lands

SGR/bl

Received by OCD: 5/2/2024 1:32:04 PM

cc: OCD – Mr. Dean McClure BLM – Mr. Kyle Paradis, Ms. Maureen Joe OGMD and Units Reader Files COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

From:	Cheryl Weston
To:	McClure, Dean, EMNRD; Mandi Walker
Cc:	Lowe, Leonard, EMNRD
Subject:	RE: [EXTERNAL] RE: Application ID: 340306; 30-039-26966 SAN JUAN 28 7 UNIT #129F
Date:	Wednesday, June 5, 2024 4:02:53 PM
Attachments:	SJ 28-7 Unit 129F DHC C-103 SLO Notice Proof of Delivery.pdf 30039269660000 SJ 28-7 Unit 129F SLO DHC Appvd.pdf
	20032203000000 3J 20-7 OHIL 1231 3LO DHC ADDVU.DUI

Dean,

That's odd, my copy of the submittal has the SLO delivery receipt. SLO has also approved the DHC.

Cheryl

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Wednesday, June 5, 2024 4:58 PM
To: Cheryl Weston <cweston@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>
Cc: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>
Subject: [EXTERNAL] RE: Application ID: 340306; 30-039-26966 SAN JUAN 28 7 UNIT #129F

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Additionally, either provide Baylen's response to your email to him or else the certified tracking number for notification to the SLO.

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

From: McClure, Dean, EMNRD
Sent: Wednesday, June 5, 2024 3:50 PM
To: Cheryl Weston <<u>cweston@hilcorp.com</u>>; Mandi Walker <<u>mwalker@hilcorp.com</u>>
Cc: Lowe, Leonard, EMNRD <<u>Leonard.Lowe@emnrd.nm.gov</u>>
Subject: Application ID: 340306; 30-039-26966 SAN JUAN 28 7 UNIT #129F

Cheryl,

I am reviewing the DHC application referenced in the subject line of this email.

It appears that the perforation range for the MV formation has a typo in it. Please provide an amended application. Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

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

May 03, 2024

The following is the proof-of-delivery for tracking number: 1001899980310008750100 740202996610

Delivery information:				
Status:	Delivered	Delivered To:	Shipping/Receiving	1
Signed for by:	S. SANCHEZ	Delivery Location:		
Service type:	FedEx Priority Overnight			
Special Handling:	Deliver Weekday		SANTA FE, NM,	
		Delivery date:	May 3, 2024 09:48	
Shipping Information:				
Tracking number:	100189998031000875010074020; Ship Date:	Ship Date:	May 2, 2024	1
		Weight	1.0 LB/0.45 KG	
Recipient:		Shipper:		
SANTA FE, NM, US,		Houston, TX, US,		
Department Number	DOCUMENTS			

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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

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	340306
	Action Type:
	[C-107] Down Hole Commingle (C-107A)

### CONDITIONS

Created By	Condition	Condition Date
dmcclure	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 Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator 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 Permit shall terminate on the date of such action.	6/6/2024
dmcclure	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 the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.	6/6/2024
dmcclure	If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.	6/6/2024
dmcclure	The Operator 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, the Operator 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 the Operator fails to do so, this Permit shall terminate on the following day. If OCD denies the fixed percentage allocations, 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.	6/6/2024

CONDITIONS

Action 340306