From: McClure, Dean, EMNRD
To: Cheryl Weston; Mandi Walker
Cc: Lowe, Leonard, EMNRD; Wrinkle, Justin, EMNRD; Rikala, Ward, EMNRD
Subject: RE: [EXTERNAL] Action ID: 356651; DHC-5405
Date: Thursday, August 22, 2024 1:13:00 PM

The application designated as Application ID: 356651 and DHC-5405 has been rejected by the Division due to the applicant's failure to conduct notice such that the stipulations within 19.15.12.11 C.(1)(a) NMAC may be met. The applicant may resubmit an application for this proposed downhole commingling project once proper notice has been conducted. If you have any questions, please feel free to reach out.

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

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Wednesday, July 17, 2024 5:05 PM
To: Cheryl Weston <cweston@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>
Cc: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>; McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Subject: RE: [EXTERNAL] Action ID: 356651; DHC-5405

Cheryl,

Review of this application cannot continue until notice is conducted such that the stipulations within 19.15.12.11 C.(1)(a) NMAC may be met. As such, the Division will be placing review of this application on hold for the earlier of either: (a) Hilcorp has provided documentation demonstrating that the interest owners have been instructed to provide their protests to the Division; or (b) 30 days. The Division will make an evaluation of how to proceed in this case upon re-opening the application for review.

If you have any questions, please feel free to reach out.

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

From: Cheryl Weston <cweston@hilcorp.com>
Sent: Saturday, July 13, 2024 9:32 AM

To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>; Mandi Walker <mwalker@hilcorp.com>
Cc: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>
Subject: RE: [EXTERNAL] Action ID: 356651; DHC-5405

Dean,

The administrative checklist, revised C-107A page, water analysis and allocation is attached.

Thanks,
Cheryl

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, July 12, 2024 2:15 PM
To: Cheryl Weston <cweston@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>
Cc: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>
Subject: [EXTERNAL] Action ID: 356651; DHC-5405

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

To whom it may concern (c/o Cheryl Weston for Hilcorp Energy Company),

The Division is reviewing the following application:

Action ID	**356651**
Admin No.	DHC-5405
Applicant	Hilcorp Energy Company (372171)
Title	State Com O #12
Sub. Date	6/21/24

Please provide the following additional supplemental documents:

- Please provide an application checklist

Please provide additional information regarding the following:

- Please review the MV and DK perfs on form C-107A and submit an amended form C-107A with those perfs corrected.
- Please provide a method to allocate the gas for the MV and DK pools.
- Please confirm the quantity of other total dissolved solids within the FLC water sample.

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

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.

BALLANTINE COMMUNICATIONS

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of San Juan

Odette Zenizo, the undersigned, authorized Representative of the Tri-City Record, on oath states that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Law of 1937, that payment therefore has been made of assessed as court cost; and that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for ___ time(s) on the following date(s):

6/26/2024

Sworn and subscribed before me, a notary public in and for the county of La Plata and the State of Colorado, 6/28/2024.

Notary Public

PRICE: $82.76

Statement to come at the end of the month.

ACCOUNT NUMBER: 109863

ERIN MELISSA BLACK BRANDT
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234047443
MY COMMISSION EXPIRES DECEMBER 20, 2027

COPY OF ADVERTISEMENT

22318

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-107A 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 Pool (71629) with existing production from the Basin-Dakota Gas Pool (71599) and the Blanco-Mesaverde Gas Pool (72319) in the **State Com O 012** well (API No. 30-045-29748) located in Unit I, Section 16, Township 29 North, Range 08 West, NMPM, 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

Received by OCD: 8/22/2024 1:16:17 PM

Released to Imaging: 8/22/2024 1:19:14 PM

Released to Imaging: 8/22/2024 1:19:14 PM
Received by OCD: 8/22/2024 1:16:17 PM

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

Published in Tri-City Record
June 26, 2024

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
__X__Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company — Operator
382 Road 3100, Aztec, NM 87410 — Address

State Com O — Lease
12 — Well No.
I-16-T29N-R08W — Unit Letter-Section-Township-Range
San Juan County, NM — County

OGRID No. 372171 Property Code 319097 API No. 30-045-29748 Lease Type: ____Federal __X__State ____Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Fruitland Coal	Blanco Mesaverde	Basin Dakota
Pool Code	71629	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,875' - 3,055'	5,254' - 5,398'	7,530' - 7,316'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	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)	88 psi	127 psi	153 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1261 BTU	1113 BTU	1127 BTU
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: 4/1/2024 Rates: Oil - 6 bbl Gas - 2,269 mcf Water - 40 bbl	Date: 4/1/2024 Rates: Oil - 4 bbl Gas - 1,578 mcf Water - 40 bbl
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 ___ %	Oil ___ % Gas ___ %	Oil ___ % Gas ___ %

ADDITIONAL DATA

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

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

Will commingling decrease the value of production? Yes_____ No__X__

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__X__ 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 Cherylene Weston TITLE Operations/Regulatory Tech-Sr. DATE 6/19/2024

TYPE OR PRINT NAME Cherylene Weston TELEPHONE NO. (713) 289-2615

E-MAIL ADDRESS cweston@hilcorp.com

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 367272

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-045-29748	71629	BASIN FRUITLAND COAL (GAS)
4. Property Code	**5. Property Name**	**6. Well No.**
319097	STATE COM O	012
7. OGRID No.	**8. Operator Name**	**9. Elevation**
372171	HILCORP ENERGY COMPANY	6396

10. Surface Location

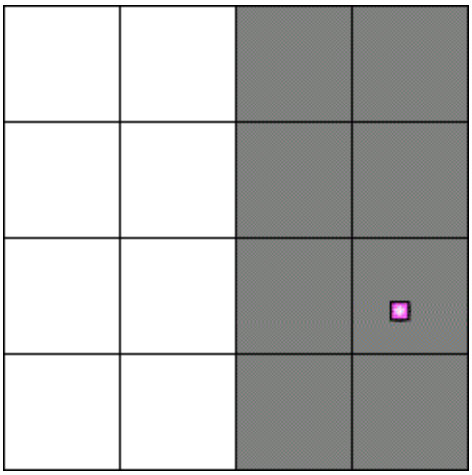
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	16	29N	08W		1825	S	790	E	SAN JUAN

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	13. Joint or Infill	14. Consolidation Code	15. Order No.
320.00 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



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: 6/13/2024

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: Neale C. Edwards
Date of Survey: 11/14/1998
Certificate Number: 6857

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instruction 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	[2] Pool Code	[3] Pool Name
30-045-29748	72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
003275	STATE COM O	12

[7] OGRID No.	[8] Operator Name	[9] Elevation
005073	CONOCO, INC.	

[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
I	16	29N	8W		1825	SOUTH	790	EAST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
~~320~~ 320 E/2	I		

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

MAY 2000
RECEIVED
OIL CON. DIV
DIST. 3

790'
1825'

[17] OPERATOR CERTIFICATION

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

Signature: Deborah Marberry

Printed Name: DEBORAH MARBERRY

Title: REGULATORY ANALYST

Date: 04/06/2000

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under

Date of Survey

Signature and Seal of Professional Surveyer

Certificate Number

The near wellbore shut-in bottom hole pressures of the above reservoirs are much lower than the calculated far-field stabilized reservoir pressured 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 above reservoirs, 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 above reservoirs 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 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.

Note: BTU Data taken from standalone completions in the zone of interest within a 2 mile radius of the well.

A farther radius is used if there is not enough data for a proper statistical analysis.

State Com O 12 Production Allocation Method – Subtraction

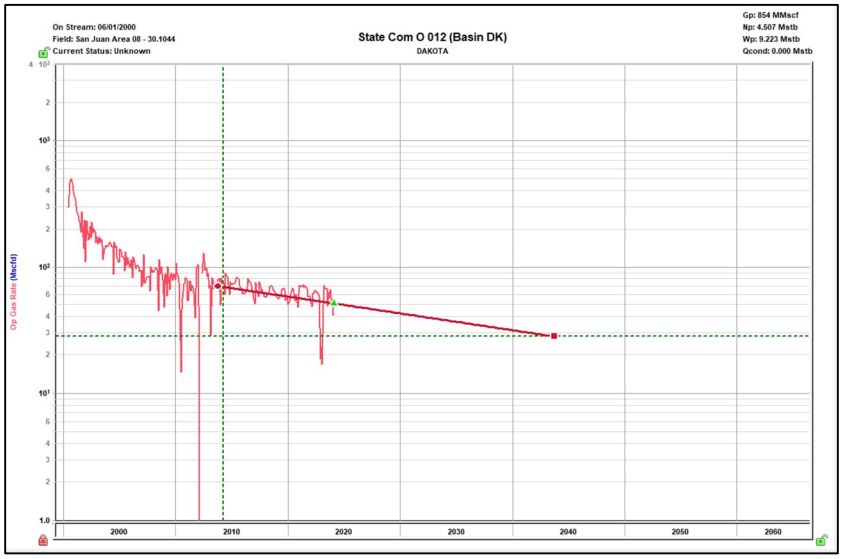
These zones are proposed to be commingled because the application of dual completions impedes the ability to produce the shallow zone without artificial lift and the deeper zones with reduced artificial lift efficiency. All horizons will require artificial lift due to low bottomhole pressure (BHP) and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

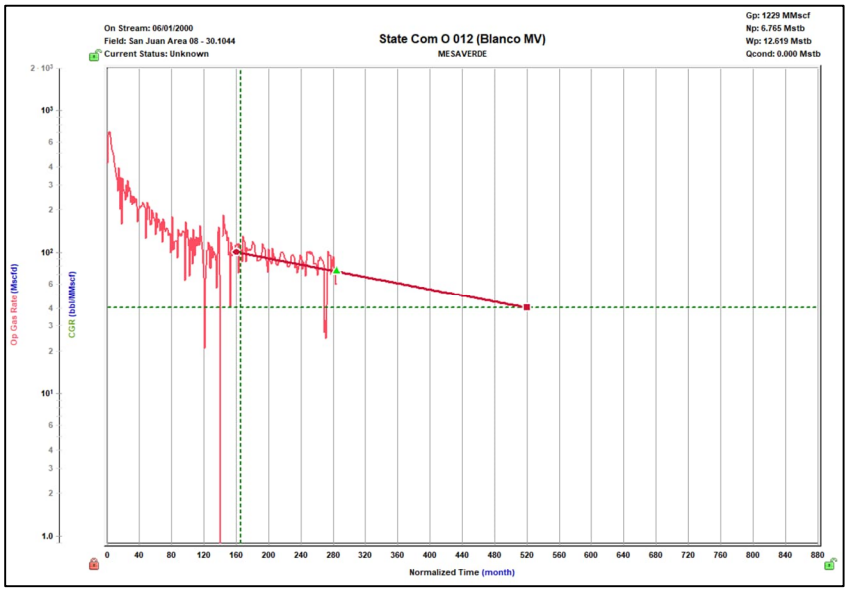
Gas Allocation:
Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Mesaverde/Dakota and the added formation to be commingled is Fruitland Coal. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the base formation forecasts 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.

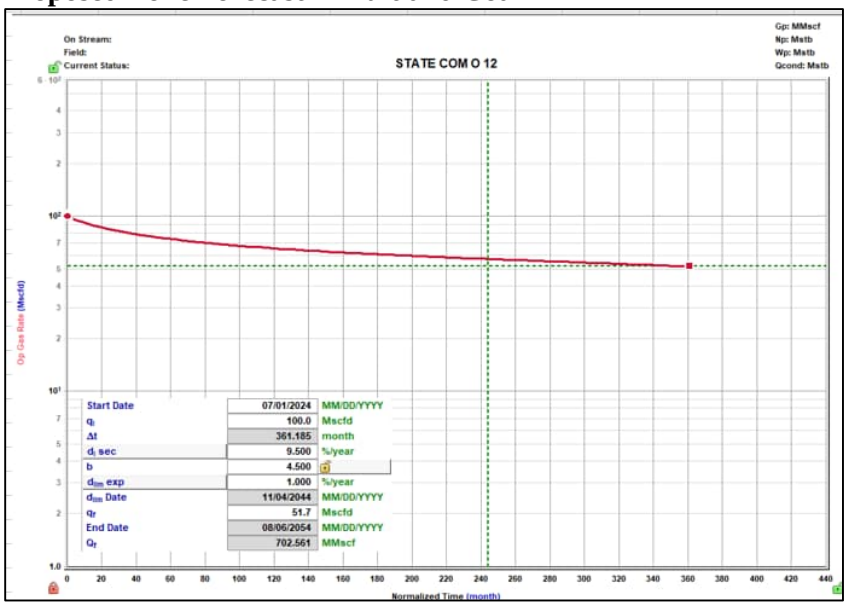
Current Zone 1 Forecast – Dakota



Current Zone 2 Forecast – Mesaverde



Proposed Zone Forecast – Fruitland Coal



Average initial production curve in geologic region.

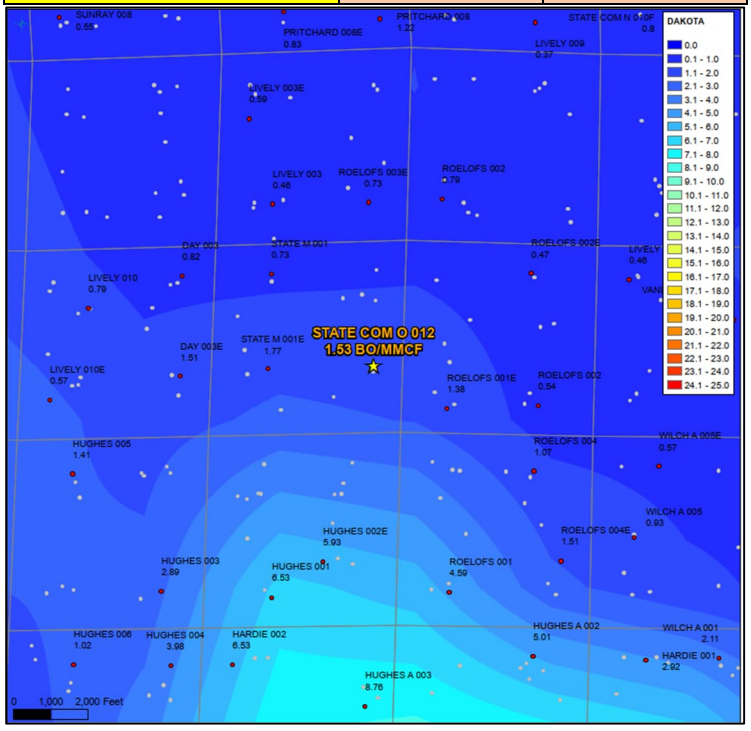
Oil Allocation:

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
FRC	0.02	702	0.333%
MV	9.54	397	89.735%
DK	1.53	274	9.933%

Current Zone 1 – Dakota Oil Yield Map

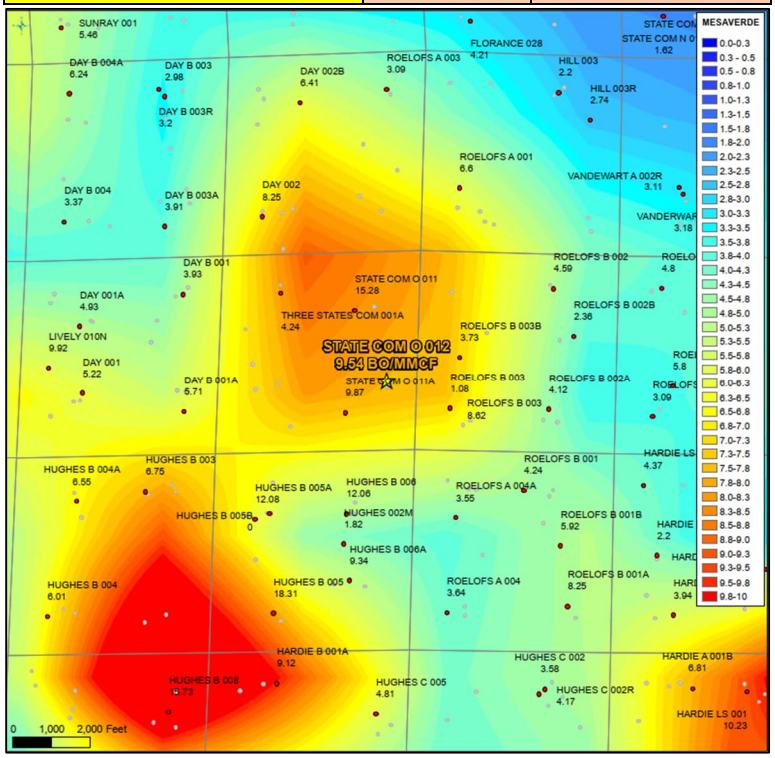
DK	1.53	BO/MMCF



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

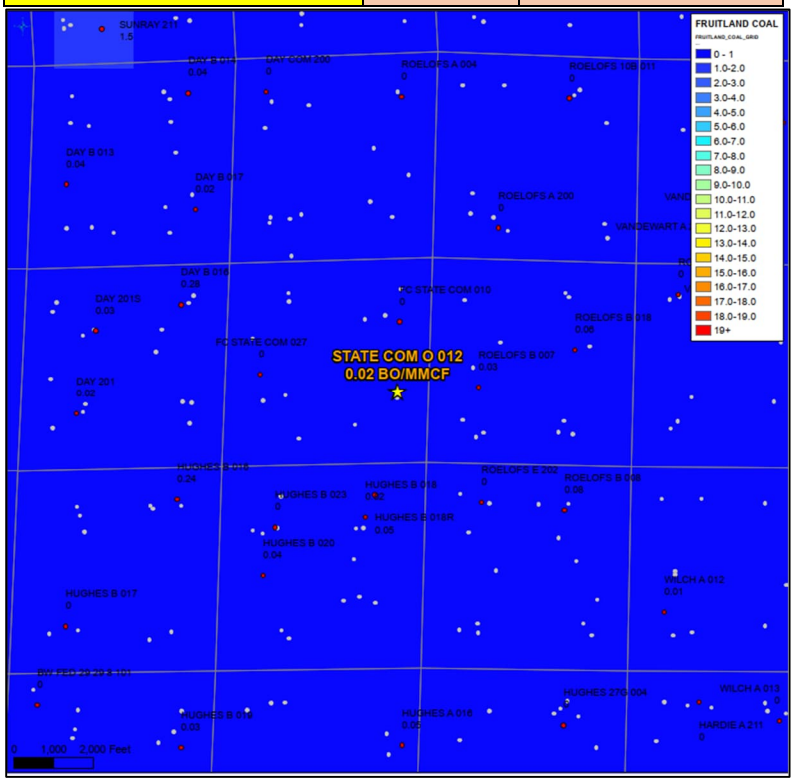
Current Zone 2 – Mesaverde Oil Yield Map

MV	9.54	BO/MMCF



Proposed Zone – Fruitland Coal Oil Yield Map

FC	0.02	BO/MMCF



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

Supplemental Information:

Shut in pressures were calculated for operated offset standalone wells in each of the zones being commingled in the well in question via the following process:

1) Wells were shut in for 24 hours
2) Echometer was used to obtain a fluid level
3) Shut in BHP was calculated for the proposed commingled completion

List of wells used to calculate BHPs for the Project:

3004508245	DAY 1	MV
3004524939	HARDIE 2E	DK
3004527513	FC STATE COM 5	FC

I believe each of the reservoirs to be continuous and in a similar state of depletion at this well and at each of the wells from which the pressures are being derived.

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 samples below all show fresh water with low TDS.

Well Name	API
STATE COM O 12	3004529748

FRC Offset		MV Offset		DK OFFSET	
API	3004527513	API	3004535193	API	3004526314
Property	FC STATE COM 5	Property	ROELOFS A 2B	Property	SUNRAY 8
CationBarium	13.12	CationBarium	0.2	CationBarium	0.1
CationBoron	1.11	CationBoron		CationBoron	
CationCalcium	6.79	CationCalcium	0.06	CationCalcium	93
CationIron	-0.52	CationIron	69.9	CationIron	249
CationMagnesium	0.21	CationMagnesium	0.65	CationMagnesium	49
CationManganese	0	CationManganese	0.86	CationManganese	0.9
CationPhosphorus	13.07	CationPhosphorus	0.09	CationPhosphorus	
CationPotassium	8.25	CationPotassium	20	CationPotassium	
CationStrontium	3.57	CationStrontium	2	CationStrontium	0.2
CationSodium	3680.55	CationSodium	20	CationSodium	12.14
CationSilica		CationSilica	10.7	CationSilica	
CationZinc	0.79	CationZinc	1	CationZinc	
CationAluminum		CationAluminum		CationAluminum	
CationCopper		CationCopper		CationCopper	
CationLead		CationLead	2	CationLead	
CationLithium		CationLithium		CationLithium	
CationNickel		CationNickel		CationNickel	
CationCobalt		CationCobalt		CationCobalt	
CationChromium		CationChromium		CationChromium	
CationSilicon		CationSilicon	10	CationSilicon	
CationMolybdenum		CationMolybdenum		CationMolybdenum	
AnionChloride		AnionChloride	10	AnionChloride	84
AnionCarbonate		AnionCarbonate	10	AnionCarbonate	0
AnionBicarbonate		AnionBicarbonate	17	AnionBicarbonate	280
AnionBromide		AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride		AnionFluoride	
AnionHydroxyl		AnionHydroxyl	10	AnionHydroxyl	0
AnionNitrate		AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate	0.28	AnionPhosphate	
AnionSulfate		AnionSulfate	4.49	AnionSulfate	108
phField		phField	7.07	phField	6.51
phCalculated		phCalculated	5.62	phCalculated	
TempField		TempField	54.5	TempField	64
TempLab		TempLab		TempLab	
OtherFieldAlkalinity		OtherFieldAlkalinity	80	OtherFieldAlkalinity	
OtherSpecificGravity		OtherSpecificGravity	1	OtherSpecificGravity	0
OtherTDS		OtherTDS	30	OtherTDS	876.34
OtherCaCO3	48	OtherCaCO3	2.8	OtherCaCO3	
OtherConductivity		OtherConductivity	49.6	OtherConductivity	1369.28
DissolvedCO2		DissolvedCO2	120	DissolvedCO2	110
DissolvedO2		DissolvedO2		DissolvedO2	
DissolvedH2S	0	DissolvedH2S	0	DissolvedH2S	0.52
GasPressure		GasPressure		GasPressure	100
GasCO2		GasCO2		GasCO2	0
GasCO2PP		GasCO2PP		GasCO2PP	0
GasH2S		GasH2S		GasH2S	0
GasH2SPP		GasH2SPP		GasH2SPP	0
PitzerCaCO3_70		PitzerCaCO3_70		PitzerCaCO3_70	-0.81
PitzerBaSO4_70		PitzerBaSO4_70		PitzerBaSO4_70	0.33
PitzerCaSO4_70		PitzerCaSO4_70		PitzerCaSO4_70	-1.54
PitzerSrSO4_70		PitzerSrSO4_70		PitzerSrSO4_70	-2.54
PitzerFeCO3_70		PitzerFeCO3_70		PitzerFeCO3_70	
PitzerCaCO3_220		PitzerCaCO3_220		PitzerCaCO3_220	-0.01
PitzerBaSO4_220		PitzerBaSO4_220		PitzerBaSO4_220	-0.22
PitzerCaSO4_220		PitzerCaSO4_220		PitzerCaSO4_220	-1.43
PitzerSrSO4_220		PitzerSrSO4_220		PitzerSrSO4_220	-2.34
PitzerFeCO3_220		PitzerFeCO3_220		PitzerFeCO3_220	

Gas 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 or gas composition.
- The samples below all show offset gas analysis varibality by formation is low.

Well Name	API
STATE COM O 12	3004529748

FRC Offset		MV Offset		DK OFFSET	
AssetCode	3004527513	AssetCode	3004508336	AssetCode	3004520255
AssetName	FC STATE COM 5	AssetName	STATE COM O 11	AssetName	ROELOFS 2
CO2	0.05	CO2	0.01	CO2	0.02
N2	0.02	N2	0	N2	0
C1	0.85	C1	0.82	C1	0.9
C2	0.04	C2	0.08	C2	0.06
C3	0.02	C3	0.05	C3	0.01
ISOC4	0	ISOC4	0.01	ISOC4	0
NC4	0	NC4	0.01	NC4	0
ISOC5	0	ISOC5	0	ISOC5	0
NC5	0	NC5	0	NC5	0
NEOC5		NEOC5		NEOC5	
C6	0	C6	0.01	C6	
C6_PLUS		C6_PLUS		C6_PLUS	0
C7	0	C7	0	C7	
C8	0	C8	0	C8	
C9	0	C9	0	C9	
C10		C10		C10	
AR		AR		AR	
CO		CO		CO	
H2		H2		H2	
O2	0	O2	0	O2	
H20		H20		H20	
H2S	0	H2S	0	H2S	0
HE		HE		HE	
C_O_S		C_O_S		C_O_S	
CH3SH		CH3SH		CH3SH	
C2H5SH		C2H5SH		C2H5SH	
CH2S3_2CH3S		CH2S3_2CH3S		CH2S3_2CH3S	
CH2S		CH2S		CH2S	
C6HV		C6HV		C6HV	
CO2GPM		CO2GPM		CO2GPM	0
N2GPM		N2GPM		N2GPM	0
C1GPM		C1GPM		C1GPM	0
C2GPM		C2GPM		C2GPM	1.51
C3GPM		C3GPM		C3GPM	0.36
ISOC4GPM		ISOC4GPM		ISOC4GPM	0.11
NC4GPM		NC4GPM		NC4GPM	0.08
ISOC5GPM		ISOC5GPM		ISOC5GPM	0.06
NC5GPM		NC5GPM		NC5GPM	0.03
C6_PLUSGPM		C6_PLUSGPM		C6_PLUSGPM	0.12

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Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-101
Revised July 18, 2013

☐AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address	2. OGRID Number
Hilcorp Energy Company 382 Road 3100 Aztec, NM 87410	372171
	3. API Number 30-045-29748

4. Property Code	5. Property Name	6. Well No.
319097	State Com O	12

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	16	029N	08W		1825	South	790	East	San Juan

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name	Pool Code
Basin Fruitland Coal	71629

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
Recomplete	Commingle		State	6396' GR
16. Multiple	**17. Proposed Depth**	**18. Formation**	**19. Contractor**	**20. Spud Date**
Commingle		Basin Fruitland Coal//Blanco MV/Basin DK		

Depth to Ground water	Distance from nearest fresh water well	Distance to nearest surface water

☒**We will be using a closed-loop system in lieu of lined pits**

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. **I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.** Signature: Cherylene Weston	OIL CONSERVATION DIVISION Approved By:
Printed name: Cherylene Weston	Title:
Title: Operations Regulatory Tech Sr.	Approved Date: / Expiration Date:
E-mail Address: cweston@hilcorp.com	
Date: 6/19/2024 Phone: 713-289-2615	Conditions of Approval Attached

HILCORP ENERGY COMPANY
STATE COM O 12
FRUITLAND COAL RECOMPLETE SUNDRY
API 3004529748

JOB PROCEDURES
1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with tubing.
3. Set a plug within 50' of the top **Mesaverde** perforation **(4,464')** for zonal isolation.
4. Load hole with fluid. RU WL and run CBL to verify TOC. Review results with operations engineer and regulatory agencies.
5. **Perform MIT on casing with NMOCD witness** (notify NMOCD 24+ hours before test) and submit results to regulatory group.
6. **If frac'ing down casing:** pressure test casing to frac pressure.
7. RU WL. Perforate the **Fruitland Coal.** Top perforation @ **2,875',** bottom perforation @ **3,055'.**
8. **If frac'ing down frac string:** RIH w/ frac string and packer.
9. ND BOP, NU frac stack. Pressure test frac stack to frac pressure. Pressure test frac string (if applicable) to frac pressure. RDMO.
10. RU stimulation crew. Frac the **Fruitland Coal** in one or more stages. Set plugs in between stages, if necessary.
11. MIRU workover rig and associated equipment; NU and test BOP.
12. **If frac was performed down frac string:** POOH w/ frac string and packer.
13. TIH with mill and clean out to isolation plug.
14. Mill out isolation plug. Cleanout to PBTD. TOOH with cleanout assembly.
15. TIH and land production tubing. Flowback the well. Return well to production as a **Fruitland Coal/Mesaverde/Dakota Producer.**

HILCORP ENERGY COMPANY
STATE COM O 12
FRUITLAND COAL RECOMPLETE SUNDRY

STATE COM O 12 - CURRENT WELLBORE SCHEMATIC

Hilcorp Energy Company

Schematic - Current

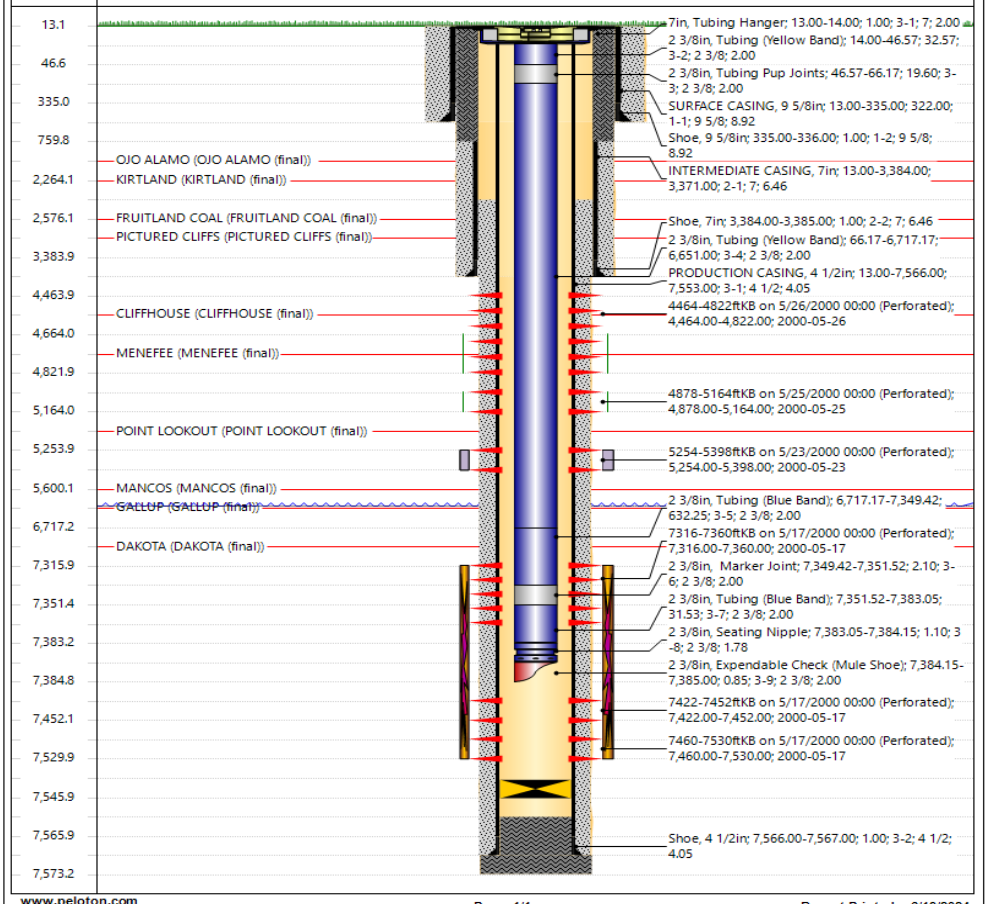
Well Name: STATE COM O #12

API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3004529748	016-029N-008W-I	MV/DK COM		NEW MEXICO	Vertical
Original KB/RT Elevation (ft)	**RKB to GL (ft)**	**Original Spud Date**	**Rig Release Date**	**PBTD (All)**	**Total Depth All (TVD)**
6,409.00	13.00	4/30/2000 00:00	5/10/2000 00:00		

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
Expense Workover	TUBING REPAIR		2/2/2023	2/9/2023

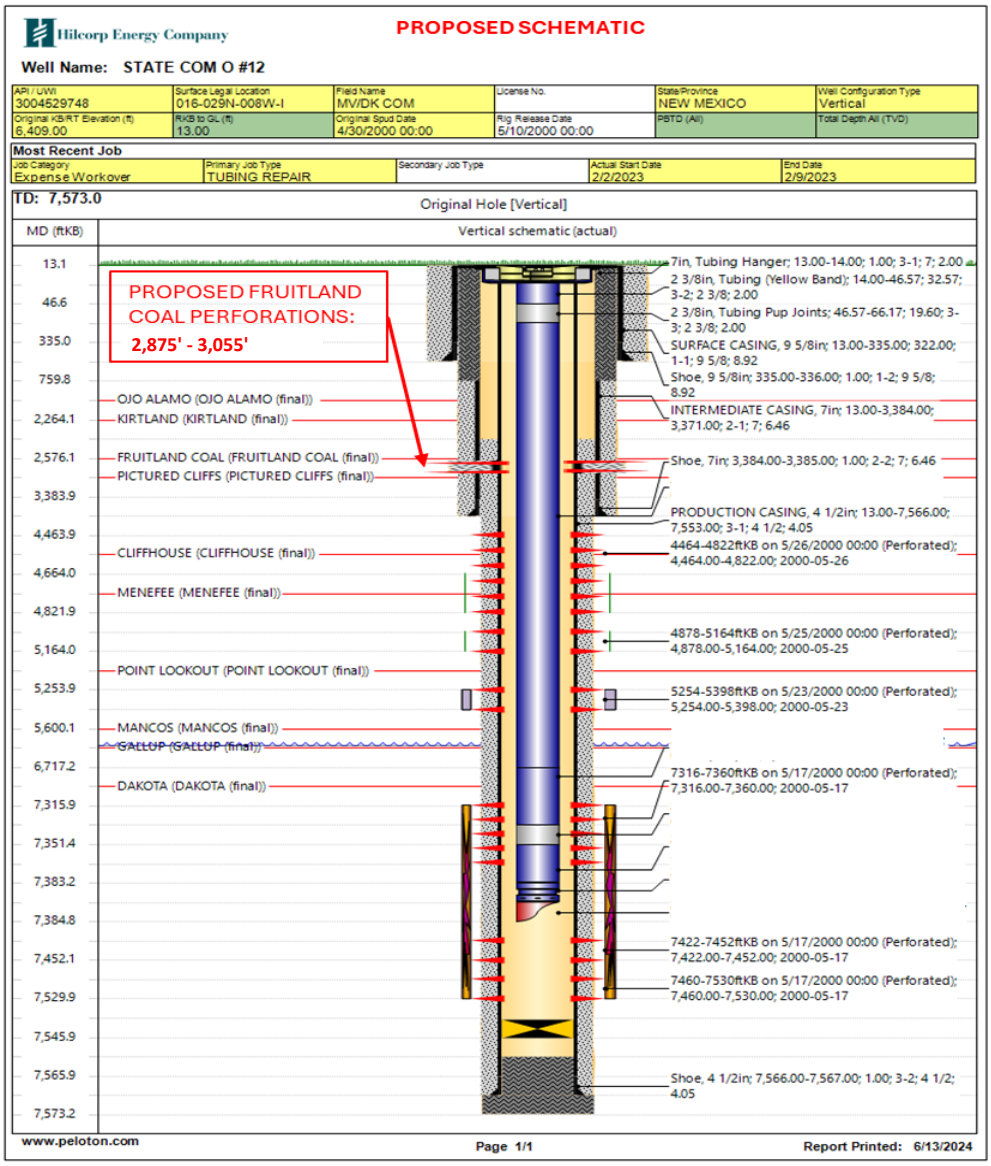
TD: 7,573.0 — Original Hole [Vertical]



www.peloton.com — Page 1/1 — Report Printed: 6/13/2024

HILCORP ENERGY COMPANY
STATE COM O 12
FRUITLAND COAL RECOMPLETE SUNDRY

STATE COM O 12 - PROPOSED WELLBORE SCHEMATIC



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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

Form C-102
August 1, 2011

Permit 367272

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-045-29748	71629	BASIN FRUITLAND COAL (GAS)
4. Property Code	**5. Property Name**	**6. Well No.**
319097	STATE COM O	012
7. OGRID No.	**8. Operator Name**	**9. Elevation**
372171	HILCORP ENERGY COMPANY	6396

10. Surface Location

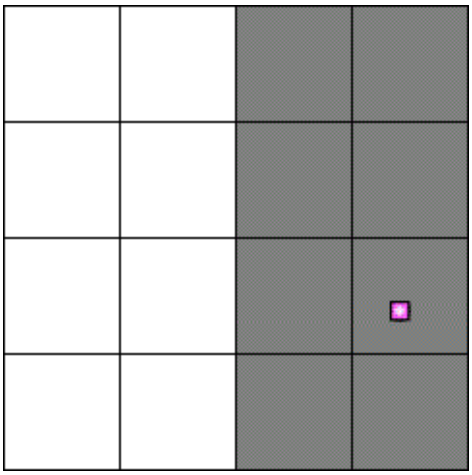
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	16	29N	08W		1825	S	790	E	SAN JUAN

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	13. Joint or Infill	14. Consolidation Code	15. Order No.
320.00 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



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: 6/13/2024

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: Neale C. Edwards
Date of Survey: 11/14/1998
Certificate Number: 6857

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: Hilcorp Energy Company **OGRID:** 372171 **Date:** 06 / 19 /2024

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 O 12	3004529748	I-16-29N-08W	1825' FSL & 790' FEL	0 bbl/d	145 mcf/d	3 bbl/d

IV. Central Delivery Point Name: Chaco-Blanco 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
State Com O 12	3004529748					2024

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

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

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

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

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

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

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

Section 4 - Notices

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

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

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

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

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

Signature:	Cherylene Weston
Printed Name:	Cherylene Weston
Title:	Operations/Regulatory Tech-Sr.
E-mail Address:	cweston@hilcorp.com
Date:	6/19/2024
Phone:	713-289-2615

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 recomplete project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomplete 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 recomplete operations.

VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas
   - HEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
2. Subsection (B) Venting and Flaring during drilling operations
   - This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompletion
   - Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
   - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
4. Subsection (D) Venting and flaring during production operations
   - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
   - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
   - HEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 1-4.
5. Subsection (E) Performance standards
   - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
   - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
   - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

6. Subsection (F) Measurement or estimation of vented and flared natural gas
   - 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.

Hilcorp

June 20, 2024 *Mailed Certified with Electronic Return Receipt*

To: All Interest Owners

RE: Application to Downhole Commingle Production
Well: State Com O 012
API: 30-045-29748
Section 16, Township 29 North, Range 08 West
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 trimmingle production from the **Basin Fruitland Coal**, a formation Hilcorp soon intends to perforate, with existing production from the **Basin Dakota** and **Blanco Mesaverde** 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,

Carson Parker Rice
Landman
713.757.7108
carice@hilcorp.com

CPR: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.

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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
__X__Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company — 382 Road 3100, Aztec, NM 87410
Operator — Address

State Com O — 12 — I-16-T29N-R08W — San Juan County, NM
Lease — Well No. — Unit Letter-Section-Township-Range — County

OGRID No. 37217 Property Code 319097 API No. 30-045-29748 Lease Type: ____Federal __X__State ____Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Fruitland Coal	Blanco Mesaverde	Basin Dakota
Pool Code	7162	7231	7159
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,875' - 3,055'	5,254' - 5,398'	7,530' - 7,316'
Method of Production (Flowing or Artificial Lift)	Artificial	Artificial	Artificial
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)	88 psi	127 psi	153 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1261 BTU	1113 BTU	1127 BTU
Producing, Shut-In or New Zone	New	Producing	Producin
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: Rates:	Date: 4/1/2024 Rates: Oil - 6 bbl Gas - 2,269 mcf	Date: 4/1/2024 Rates: Oil - 4 bbl Gas - 1,578 mcf
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 %	Oil % Gas %	Oil % Gas %

ADDITIONAL DATA

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

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

Will commingling decrease the value of production? Yes_____ No__X__

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__X__ 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 Cherylene Weston TITLE Operations/Regulatory Tech-Sr. DATE 6/19/2024

TYPE OR PRINT NAME Cherylene Weston TELEPHONE NO. (713) 289-

E-MAIL ADDRESS cweston@hilcorp.co

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 367272

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-045-29748	71629	BASIN FRUITLAND COAL (GAS)
4. Property Code	**5. Property Name**	**6. Well No.**
319097	STATE COM O	012
7. OGRID No.	**8. Operator Name**	**9. Elevation**
372171	HILCORP ENERGY COMPANY	6396

10. Surface Location

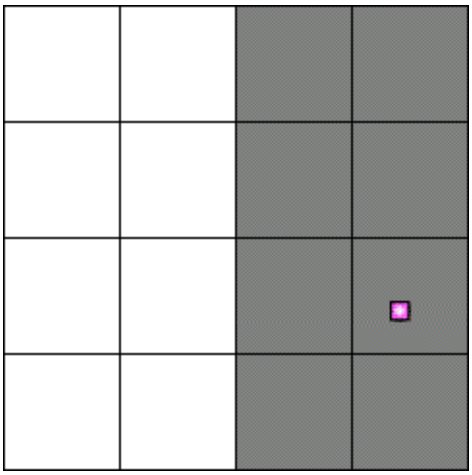
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	16	29N	08W		1825	S	790	E	SAN JUAN

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	13. Joint or Infill	14. Consolidation Code	15. Order No.
320.00 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



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: 6/13/2024

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: Neale C. Edwards
Date of Survey: 11/14/1998
Certificate Number: 6857

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instruction 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	[2] Pool Code	[3] Pool Name
30-045-29748	72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
003275	STATE COM O	12

[7] OGRID No.	[8] Operator Name	[9] Elevation
005073	CONOCO, INC.	

[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
I	16	29N	8W		1825	SOUTH	790	EAST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
~~320~~ 320 E/2	I		

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

MAY 2000
RECEIVED
OIL CON. DIV
DIST. 3

790'
1825'

[17] OPERATOR CERTIFICATION

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

Signature: Deborah Marberry

Printed Name: DEBORAH MARBERRY

Title: REGULATORY ANALYST

Date: 04/06/2000

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under

Date of Survey

Signature and Seal of Professional Surveyer

Certificate Number

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
9214896900999790183709608 9	Dani Kuzma	, SILVERADO OIL and GAS LLP, , TULSA, OK, 74152-0308 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**
9214896900999790183709609 6	Dani Kuzma	, PIONEER NATURAL RES USA INC, KATHY NAVARRETE, MIDLAND, TX, 79702 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**
9214896900999790183709610 2	Dani Kuzma	, JESSICA PECANTY USEY, , THIBODAUX, LA, 70301 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**
9214896900999790183709611 9	Dani Kuzma	, JENNIFER PECANTY SAVOIE, , THIBODAUX, LA, 70301 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**
9214896900999790183709612 6	Dani Kuzma	, MESA ROYALTY TRUST, ATTN NEW MEXICO PROPERTIES, BARTLESVILLE, OK, 74004 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**
9214896900999790183709613 3	Dani Kuzma	, MIDLAND AOG PARTNERS LTD, , MIDLAND, TX, 79702 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**
9214896900999790183709614 0	Dani Kuzma	, JEREMY LEONARD PECANTY, , THIBODAUX, LA, 70301 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**
9214896900999790183709615 7	Dani Kuzma	, F J ODENDAHL INVESTMENTS INC, , WHEATLAND, WY, 82201 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**
9214896900999790183709616 4	Dani Kuzma	, LINDEN FAMILY TRUST, MARY ANN LINDEN TRUSTEE, ROCK ISLAND, IL, 61201-6128 Code: STATE COM O 12 DHC NOTICE	6/20/2024	**Signature Pending**

BALLANTINE COMMUNICATIONS

Campaign No.	22318
Today's Date	21 Jun 2024
P.O. Number	
Sales Rep	Odette Capistrano-Zenizo

This is a quote for approval, not an invoice. Advanced payments may be accepted.

bill-to

Hilcorp Energy Company
1111 Travis Street
HOUSTON, TX 77002
Tel: 832 839-4570
Account No: 109863

advertiser

Hilcorp Energy Company
1111 Travis Street
HOUSTON, TX 77002
Tel: 832 839-4570
Account No: 109863

campaign summary

Description	State Com O 012 (Dani Kuzma)
Start Date	6/26/2024
End Date	6/26/2024
Currency	

cost summary

Base Amount	$76.50
Adjustments	$0.00
Gross Amount	$76.50
Agency Commission	$0.00
Net Amount	$76.50
Estimated Tax	$6.26
Total	**$82.76**

Pre-Payment Details

Pre-Payment Amount	Pre-Payment Date	Pre-Payment Card No.

No Pre-Payments on this order

print lines

Line No.	Product	Description	Issue / Run Date	Quantity	Rate	Adjusted Rate	Amount
46007	Tri-City Record	TCR Private Legal	6/26/2024	1	76.50	76.50	76.50

22318

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-107A with the New Mexico Energy, Minerals and Natural Resources Department

Line No.	Product	Description	Issue / Run Date	Quantity	Rate	Adjusted Rate	Amount

Natural Resources Department – Oil Conservation Division (NMOCD) seeking administrative approval to downhole commingle new production from the Basin-Fruitland Coal Pool (71629) with existing production from the Basin-Dakota Gas Pool (71599) and the Blanco-Mesaverde Gas Pool (72319) in the **State Com O 012** well (API No. 30-045-29748) located in Unit I, Section 16, Township 29 North, Range 08 West, NMPM, 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

Published in Tri-City Record
June 26, 2024

digital lines

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 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.

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 O 12 **API #:** 30-045-29748

Pool: Basin Fruitland Coal / Blanco Mesaverde / Basin Dakota

OPERATOR NAME: Hilcorp Energy Company Attn: Cheryl Weston, Rm. 12.201

OPERATOR ADDRESS: 1111 Travis Street, 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.

Cherylene Weston
Print or Type Name

Cherylene Weston
Signature

713-289-2615
Phone Number

6/19/2024
Date

cweston@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:
505.827.6628

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

Rev. 2017_10_25

Cheryl Weston

From: HoustonMail
Sent: Friday, June 21, 2024 12:10 PM
To: Cheryl Weston
Subject: FEDEX TRACKING NUMBER

740203001839 COMMISSIONER OF PUBLIC LAND

From: McClure, Dean, EMNRD
To: Cheryl Weston; Mandi Walker
Cc: Lowe, Leonard, EMNRD; McClure, Dean, EMNRD
Subject: RE: [EXTERNAL] Action ID: 356651; DHC-5405
Date: Wednesday, July 17, 2024 5:05:12 PM

Cheryl,

Review of this application cannot continue until notice is conducted such that the stipulations within 19.15.12.11 C.(1)(a) NMAC may be met. As such, the Division will be placing review of this application on hold for the earlier of either: (a) Hilcorp has provided documentation demonstrating that the interest owners have been instructed to provide their protests to the Division; or (b) 30 days. The Division will make an evaluation of how to proceed in this case upon re-opening the application for review.

If you have any questions, please feel free to reach out.

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

From: Cheryl Weston <cweston@hilcorp.com>
Sent: Saturday, July 13, 2024 9:32 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>; Mandi Walker <mwalker@hilcorp.com>
Cc: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>
Subject: RE: [EXTERNAL] Action ID: 356651; DHC-5405

Dean,

The administrative checklist, revised C-107A page, water analysis and allocation is attached.

Thanks,
Cheryl

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, July 12, 2024 2:15 PM
To: Cheryl Weston <cweston@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>
Cc: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>
Subject: [EXTERNAL] Action ID: 356651; DHC-5405

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

To whom it may concern (c/o Cheryl Weston for Hilcorp Energy Company),

The Division is reviewing the following application:

Action ID	**356651**
Admin No.	DHC-5405
Applicant	Hilcorp Energy Company (372171)
Title	State Com O #12
Sub. Date	6/21/24

Please provide the following additional supplemental documents:

- Please provide an application checklist

Please provide additional information regarding the following:

- Please review the MV and DK perfs on form C-107A and submit an amended form C-107A with those perfs corrected.
- Please provide a method to allocate the gas for the MV and DK pools.
- Please confirm the quantity of other total dissolved solids within the FLC water sample.

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

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.

From: Cheryl Weston
To: McClure, Dean, EMNRD; Mandi Walker
Cc: Lowe, Leonard, EMNRD
Subject: RE: [EXTERNAL] Action ID: 356651; DHC-5405
Date: Saturday, July 13, 2024 9:32:41 AM
Attachments: STATE COM O 12 Water Analysis.pdf
State Com O 12 Allocation.pdf
State Com O 12_DHC C-107A Revised.pdf
State Com O 12_NMOCD Admin Applic Checklist.pdf

Dean,

The administrative checklist, revised C-107A page, water analysis and allocation is attached.

Thanks,
Cheryl

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, July 12, 2024 2:15 PM
To: Cheryl Weston <cweston@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>
Cc: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>
Subject: [EXTERNAL] Action ID: 356651; DHC-5405

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

To whom it may concern (c/o Cheryl Weston for Hilcorp Energy Company),

The Division is reviewing the following application:

Action ID	**356651**
Admin No.	DHC-5405
Applicant	Hilcorp Energy Company (372171)
Title	State Com O #12
Sub. Date	6/21/24

Please provide the following additional supplemental documents:

- Please provide an application checklist

Please provide additional information regarding the following:

- Please review the MV and DK perfs on form C-107A and submit an amended form C-107A with those perfs corrected.
- Please provide a method to allocate the gas for the MV and DK pools.
- Please confirm the quantity of other total dissolved solids within the FLC water sample.

Additional notes:

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Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

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

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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.

Cheryl Weston

From: HoustonMail
Sent: Friday, June 21, 2024 12:10 PM
To: Cheryl Weston
Subject: FEDEX TRACKING NUMBER

740203001839 COMMISSIONER OF PUBLIC LAND

July 10, 2024

Dear Customer,

The following is the proof-of-delivery for tracking number: 740203001839

Delivery Information:

Status:	Delivered	**Delivered To:**	Shipping/Receiving
Signed for by:	S.SANCHEZ	**Delivery Location:**	
Service type:	FedEx Priority Overnight		
Special Handling:	Deliver Weekday		SANTA FE, NM,
		Delivery date:	Jun 24, 2024 09:29

Shipping Information:

Tracking number:	740203001839	**Ship Date:**	Jun 21, 2024
		Weight:	0.5 LB/0.23 KG

Recipient:
SANTA FE, NM, US,

Shipper:
Houston, TX, US,

Department Number DOCUMENTS

State Com O 12 Production Allocation Method – Subtraction

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.

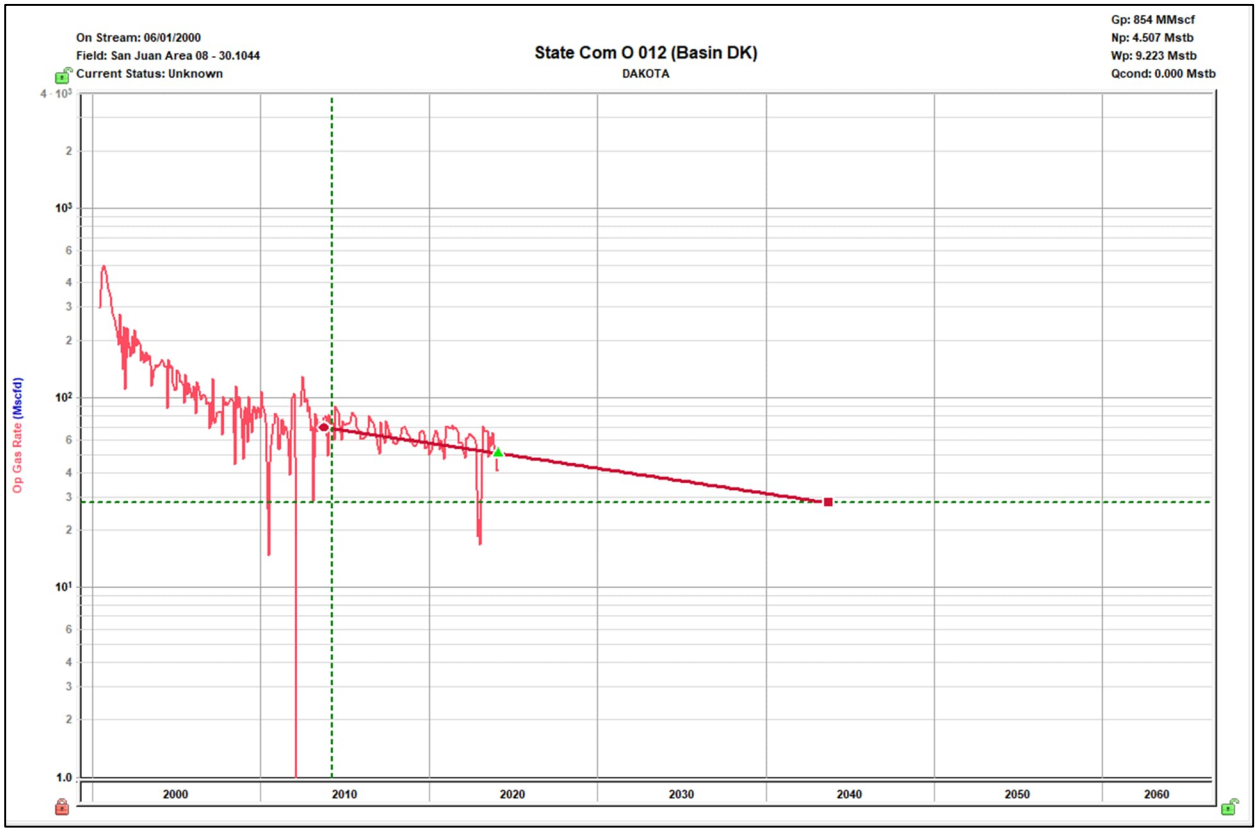
The BHPs of all zones, producing and non-producing, were estimated based upon basin wide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin, in conjunction with shut-in pressure build-ups. These models were constructed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

Gas Allocation:
Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Mesaverde/Dakota and the added formation to be trimmingled is 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 base formation forecasts will be allocated to the new formation.

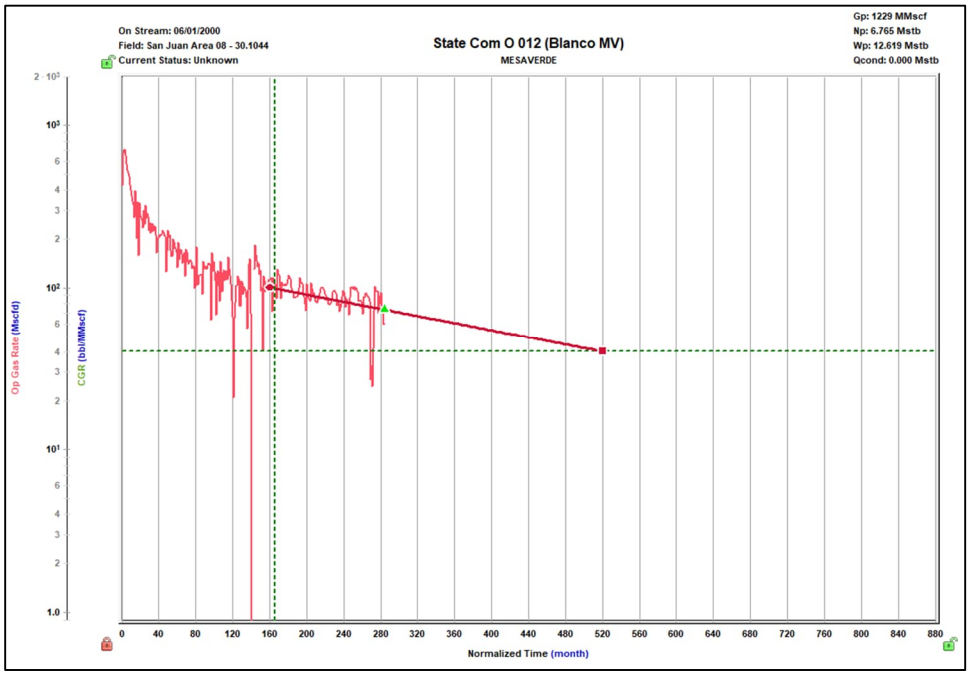
Hilcorp intends to continue to allocate the projected base production on the same fixed percentages to the following pools 59% (MV) 41% (DK) while the subtraction method is being used to determine the allocation to the new zone.

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.

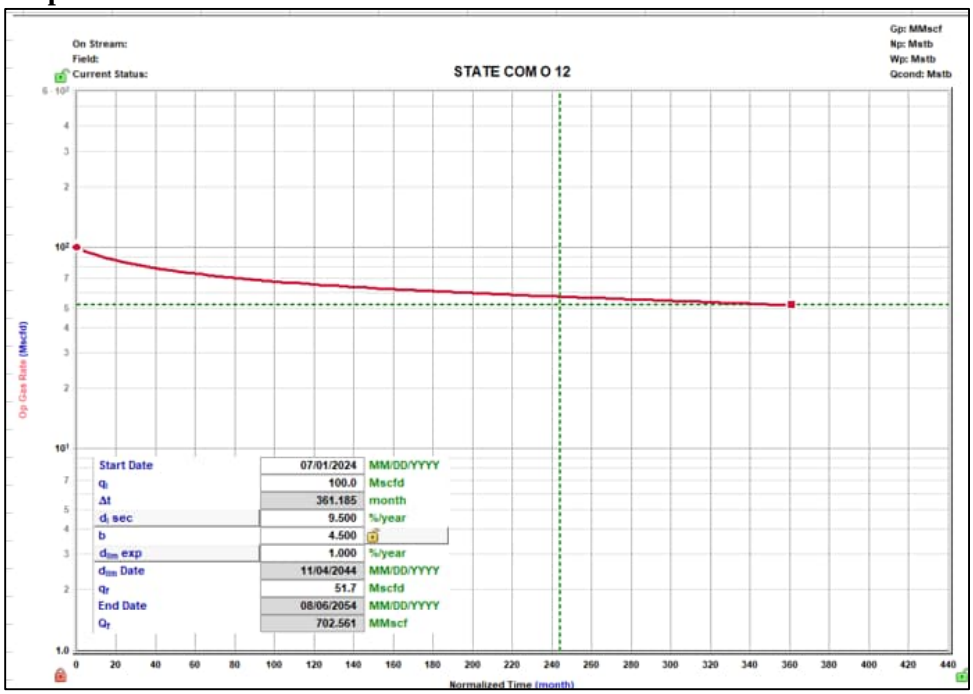
Current Zone 1 Forecast – Dakota



Current Zone 2 Forecast – Mesaverde



Proposed Zone Forecast – Fruitland Coal



Average initial production curve in geologic region.

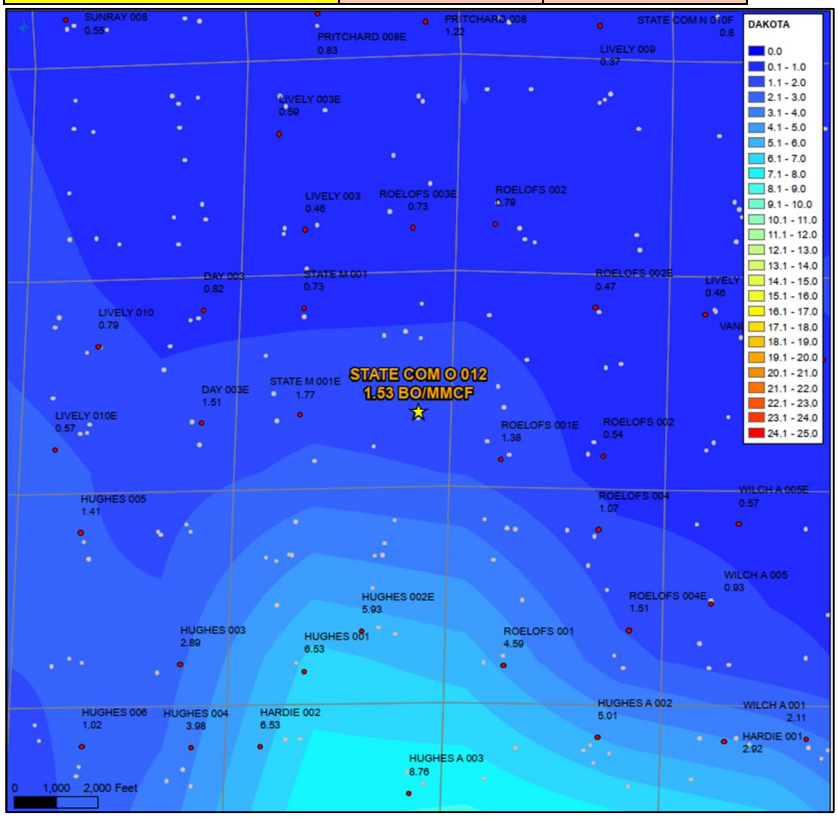
Oil Allocation:

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
FRC	0.02	702	0.333%
MV	9.54	397	89.735%
DK	1.53	274	9.933%

Current Zone 1 – Dakota Oil Yield Map

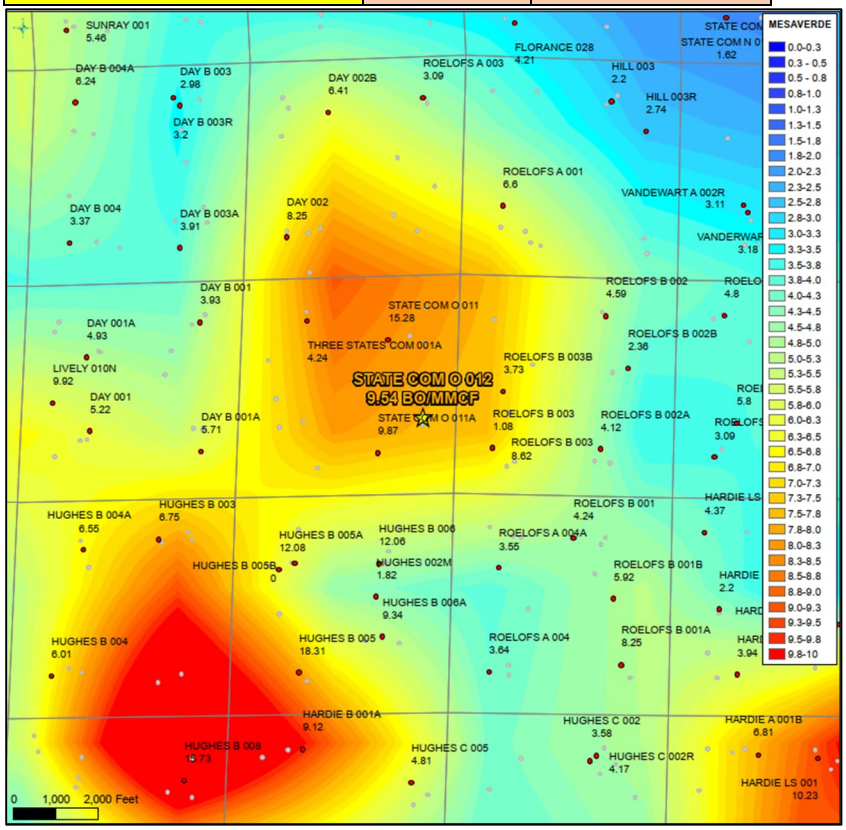
DK	1.53	BO/MMCF



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

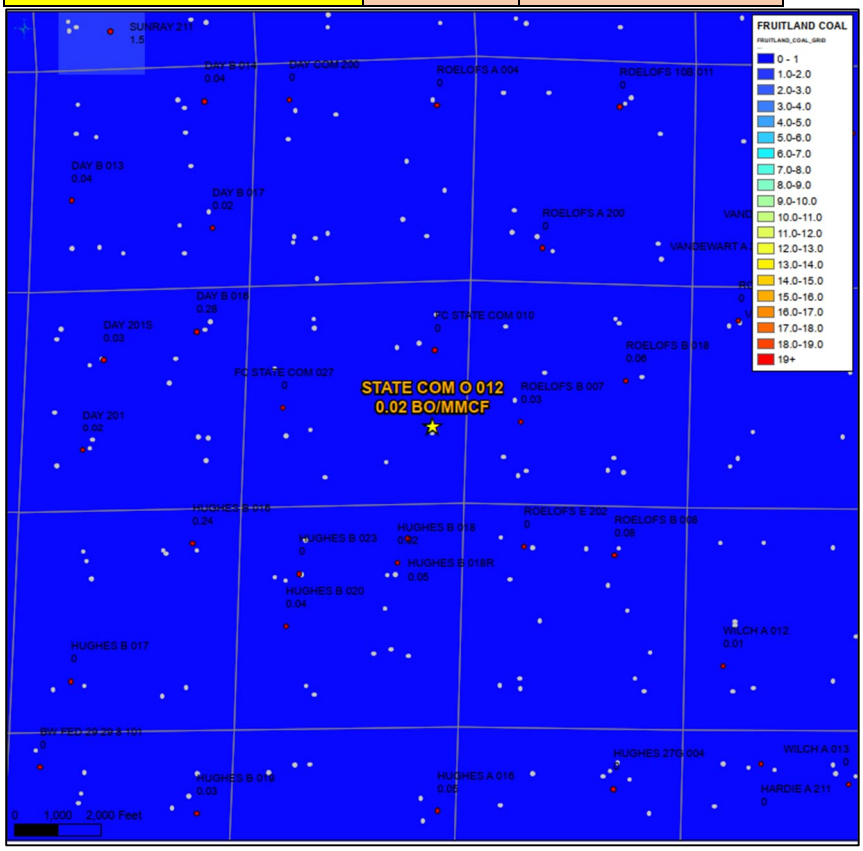
Current Zone 2 – Mesaverde Oil Yield Map

MV	9.54	BO/MMCF



Proposed Zone – Fruitland Coal Oil Yield Map

FC	0.02	BO/MMCF



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

Supplemental Information:

Shut in pressures were calculated for operated offset standalone wells in each of the zones being commingled in the well in question via the following process:

1) Wells were shut in for 24 hours
2) Echometer was used to obtain a fluid level
3) Shut in BHP was calculated for the proposed commingled completion

List of wells used to calculate BHPs for the Project:

3004508245	DAY 1	MV
3004524939	HARDIE 2E	DK
3004527513	FC STATE COM 5	FC

I believe each of the reservoirs to be continuous and in a similar state of depletion at this well and at each of the wells from which the pressures are being derived.

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 samples below all show fresh water with low TDS.

Well Name	API
STATE COM O 12	3004529748

FRC Offset		MV Offset		DK OFFSET	
API	3004527513	API	3004535193	API	3004526314
Property	FC STATE COM 5	Property	ROELOFS A 2B	Property	SUNRAY 8
CationBarium	13.12	CationBarium	0.2	CationBarium	0.1
CationBoron	1.11	CationBoron		CationBoron	
CationCalcium	6.79	CationCalcium	0.06	CationCalcium	93
CationIron	-0.52	CationIron	69.9	CationIron	249
CationMagnesium	0.21	CationMagnesium	0.65	CationMagnesium	49
CationManganese	0	CationManganese	0.86	CationManganese	0.9
CationPhosphorus	13.07	CationPhosphorus	0.09	CationPhosphorus	
CationPotassium	8.25	CationPotassium	20	CationPotassium	
CationStrontium	3.57	CationStrontium	2	CationStrontium	0.2
CationSodium	3680.55	CationSodium	20	CationSodium	12.14
CationSilica		CationSilica	10.7	CationSilica	
CationZinc	0.79	CationZinc	1	CationZinc	
CationAluminum		CationAluminum		CationAluminum	
CationCopper		CationCopper		CationCopper	
CationLead		CationLead	2	CationLead	
CationLithium		CationLithium		CationLithium	
CationNickel		CationNickel		CationNickel	
CationCobalt		CationCobalt		CationCobalt	
CationChromium		CationChromium		CationChromium	
CationSilicon		CationSilicon	10	CationSilicon	
CationMolybdenum		CationMolybdenum		CationMolybdenum	
AnionChloride		AnionChloride	10	AnionChloride	84
AnionCarbonate		AnionCarbonate	10	AnionCarbonate	0
AnionBicarbonate		AnionBicarbonate	17	AnionBicarbonate	280
AnionBromide		AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride		AnionFluoride	
AnionHydroxyl		AnionHydroxyl	10	AnionHydroxyl	0
AnionNitrate		AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate	0.28	AnionPhosphate	
AnionSulfate		AnionSulfate	4.49	AnionSulfate	108
phField		phField	7.07	phField	6.51
phCalculated		phCalculated	5.62	phCalculated	
TempField		TempField	54.5	TempField	64
TempLab		TempLab		TempLab	
OtherFieldAlkalinity		OtherFieldAlkalinity	80	OtherFieldAlkalinity	
OtherSpecificGravity		OtherSpecificGravity	1	OtherSpecificGravity	0
OtherTDS	0	OtherTDS	30	OtherTDS	876.34
OtherCaCO3	48	OtherCaCO3	2.8	OtherCaCO3	
OtherConductivity		OtherConductivity	49.6	OtherConductivity	1369.28
DissolvedCO2		DissolvedCO2	120	DissolvedCO2	110
DissolvedO2		DissolvedO2		DissolvedO2	
DissolvedH2S	0	DissolvedH2S	0	DissolvedH2S	0.52
GasPressure		GasPressure		GasPressure	100
GasCO2		GasCO2		GasCO2	0
GasCO2PP		GasCO2PP		GasCO2PP	0
GasH2S		GasH2S		GasH2S	0
GasH2SPP		GasH2SPP		GasH2SPP	0
PitzerCaCO3_70		PitzerCaCO3_70		PitzerCaCO3_70	-0.81
PitzerBaSO4_70		PitzerBaSO4_70		PitzerBaSO4_70	0.33
PitzerCaSO4_70		PitzerCaSO4_70		PitzerCaSO4_70	-1.54
PitzerSrSO4_70		PitzerSrSO4_70		PitzerSrSO4_70	-2.54
PitzerFeCO3_70		PitzerFeCO3_70		PitzerFeCO3_70	
PitzerCaCO3_220		PitzerCaCO3_220		PitzerCaCO3_220	-0.01
PitzerBaSO4_220		PitzerBaSO4_220		PitzerBaSO4_220	-0.22
PitzerCaSO4_220		PitzerCaSO4_220		PitzerCaSO4_220	-1.43
PitzerSrSO4_220		PitzerSrSO4_220		PitzerSrSO4_220	-2.34
PitzerFeCO3_220		PitzerFeCO3_220		PitzerFeCO3_220	

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
__X__Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company — Operator
382 Road 3100, Aztec, NM 87410 — Address

State Com O — Lease
12 — Well No.
I-16-T29N-R08W — Unit Letter-Section-Township-Range
San Juan County, NM — County

OGRID No. 372171 Property Code 319097 API No. 30-045-29748 Lease Type: ____Federal __X__State ____Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Fruitland Coal	Blanco Mesaverde	Basin Dakota
Pool Code	71629	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,875' - 3,055'	4,464' - 5,398'	7,316' - 7,530'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	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)	88 psi	127 psi	153 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1261 BTU	1113 BTU	1127 BTU
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: 4/1/2024 Rates: Oil - 6 bbl Gas - 2,269 mcf Water - 40 bbl	Date: 4/1/2024 Rates: Oil - 4 bbl Gas - 1,578 mcf Water - 40 bbl
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 ___ %	Oil ___ % Gas ___ %	Oil ___ % Gas ___ %

ADDITIONAL DATA

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

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

Will commingling decrease the value of production? Yes_____ No__X__

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__X__ 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 Cherylene Weston TITLE Operations/Regulatory Tech-Sr. DATE 6/19/2024

TYPE OR PRINT NAME Cherylene Weston TELEPHONE NO. (713) 289-2615

E-MAIL ADDRESS cweston@hilcorp.com

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:

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

FOR OCD ONLY
☐ Notice Complete
☐ Application Content Complete

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

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.

_____ Date

_____ Print or Type Name

_____ Phone Number

Cherylene Weston
_____ Signature

_____ e-mail Address

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 376619

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 376619
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	The application designated as Application ID: 356651 and DHC-5405 has been rejected by the Division due to the applicant's failure to conduct notice such that the stipulations within 19.15.12.11 C.(1)(a) NMAC may be met. The applicant may resubmit an application for this proposed downhole commingling project once proper notice has been conducted. If you have any questions, please feel free to reach out.	8/22/2024