Received by OCD: 8/5/2024 10:36:27 AM

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RECEIVED: 08/25/24	REVIEWER:	TYPE:	APP NO: pl	LEL2505629465
1		ABOVE THIS TABLE FOR OCD DIVISION USE DIL CONSERVATIO & Engineering Bure Sis Drive, Santa Fe,	N DIVISION eau -	PROFESSION DE REV ANTON
	ADMINISTRATI T IS MANDATORY FOR ALL ADM REGULATIONS WHICH REQUIRE		FOR EXCEPTIONS TO	
Applicant: Hilcorp Energ				D Number: <u>372171</u>
Well Name: San Juan 29-7				0-039-21613
Pool: Basin Fruitland Coal /	Blanco Mesaverde		Pool (Code: 71629, 72319
SUBMIT ACCURATE AN		MATION REQUIRED T	O PROCESS 1	HE TYPE OF APPLICATION
 TYPE OF APPLICATIC A. Location – Spa □NSL 	DN: Check those whic cing Unit – Simultane NSP(PROJECT	eous Dedication		SD
■ DHC - [II] Inje <u>c</u> tion	ng – Storage – Measi	□PC □OLS	□OLM d Oil Recove □ PPR	
B. Royalty, ove C. Application D. Notification E. Notification F. Surface own	ators or lease holders erriding royalty owne requires published n and/or concurrent a and/or concurrent a ner e above, proof of no	rs, revenue owners lotice approval by SLO approval by BLM	tion is attact	FOR OCD ONLY Notice Complete Application Content Complete
understand that no	oval is accurate and	complete to the be on this application	est of my knc	
Note: State	ement must be completed b	y an individual with manag	gerial and/or sup	ervisory capacity.

Cherylene Weston

Print or Type Name

8/2/2024 Date

713-289-2614

Phone Number

Cherylene Weston

Signature

cweston@hilcorp.com e-mail Address

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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

Lease

1220 S. St. Francis Dr., Santa Fe, NM 87505

SAN JUAN 29-7 UNIT

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107A Revised August 1, 2011

Page 2 of 32

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505 APPLICATION TYPE __Single Well __Establish Pre-Approved Pools EXISTING WELLBORE __X_Yes ___No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company Operator

47A

Well No.

Address O-2-T29N-R07W

Unit Letter-Section-Township-Range

382 Road 3100, Aztec, NM 87410

RIO ARRIBA, NM County

OGRID No. 372171 Property Code 318713 API No. 30-039-21613 Lease Type: ____Federal _X_State ____Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Fruitland Coal		Blanco Mesaverde
Pool Code	71629		72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2910' - 3410'		4185' - 6001'
Method of Production (Flowing or 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)	446 psi		290 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	878 BTU		1217 BTU
Producing, Shut-In or New Zone	New Zone		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: Rates:	Date: 5/1/2024 Rates: Oil - 3 bbl Gas - 1,635 mcf Water - 20 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? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes Yes	No <u>X</u> No <u>X</u>
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: Per Order R-10697, Hilcorp is exempt from providing notice t	o owners (ex	cluding

NMOCD Reference Case No. applicable to this well: <u>Per Order R-10697</u>, <u>Hilcorp is exempt from providing notice to owners</u> (excludine Attackmenter) SLO/BLM, where applicable)

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.

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	Cherv	vlene Weston	TITLE	Operations/Regulatory Tech-Sr.	DATE	8/2/2024	

TYPE OR PRINT NAME Cherylene Weston

_TELEPHONE NO. (___713___) 289-2615

E-MAIL ADDRESS _____ cweston@hilcorp.com

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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

Form C-102 August 1, 2011 Permit 263123

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name			
30-039-21613	71629	BASIN FRUITLAND COAL (GAS)			
4. Property Code 5. Property Name 6. Well No.					
318713	SAN JUAN 29 7 UNIT	047A			
7. OGRID No. 8. Operator Name 9. Elevation					
372171 HILCORP ENERGY COMPANY 6528					
10. Surface Location					

_	10. Surface Location											
	UL - Lot	Section		Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
	0		2	29N	07W		1160	S	1680	E		SAN JUAN

11. Bottom Hole Location If Different From Surface UL - Lot E/W Line Section Township Range Lot Idn Feet From N/S Line Feet From County 12. Dedicated Acres 13. Joint or Infill 14. Consolidation Code 15. Order No. 318.14 - 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: 01/31/2019
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: FRED B. KERR, JR.
Date of Survey: 10/23/1977 Certificate Number: 3950

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NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

~		All distances must	be from the outer boundarie	es of the Section.		Fugetive 1-1-92
Operator			Lease	······		Well No.
El Paso Nat Unit Letter	tural Gas Com Section	Ipany Township		9-7 Unit (B-	10037-55)	47A
0	2	29N	Range 7W	County Rio A	rriba	
Actual Footage Loc		2.911				
1160	feet from the S	outh line	and 1680	feet from the E	ast	line
Ground Level Elev.	Producing Fo		Pool		-	cated Acreage:
6528	Mesa Ve	erde	Blanco	o Mesa Verde	3	18.14 Acres
			t well by colored pend well, outline each and		-	
	nd royalty). An one lease of d	lifferent ownership	is dedicated to the w	ell, have the int	erests of all d	wners been consoli-
dated by c	ommunitization,	unitization, force-p				Junets been consoli-
Yes	No If a	nswer is yes, typ	e of consolidation			
If answer	is "no," list the	owners and tract d	escriptions which hav	e actually been	consolidated.	(Use reverse side of
this form i	f necessary.)		· · · · · · · · · · · · · · · · · · ·			
			all interests have be			
	ling, or otherwise) or until a non-stan	dard unit, eliminating	such interests,	has been appr	oved by the Commis-
sion.			ᢝᡃ᠋᠙ᢝᠧᠶᠧᠧᡞ᠉ᡔᠵ᠉᠅			
	4	Ricikki			CER	TIFICATION
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	. 1	<u> </u>	E-289-36	έX	toined herein is	true and complete to the
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		K\$	E-5184-21_		January 1	.2, 1978
	i		1	BXI-	Date	
	1		1			
		Sec Vil		X		
	1	2				
	1		i	8X :	I hereby certify	y that the well location
	1		1		shown on this p	lat was plotted from field
	1		B-10037-55			surveys mode by me or
	1	and the second second	1			rision, and that the same
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•					knowledge and b	belief.
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Form C-102 Supersedes C-128 Effective 1-1-65

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 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.

San Juan 29-7 Unit 47A Production Allocation

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

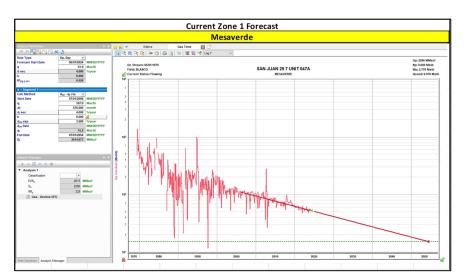
The BHPs of all zones, producing and non-producing, were estimated based upon basin wide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin, in conjunction with shut-in pressure build-ups. These models were constructed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

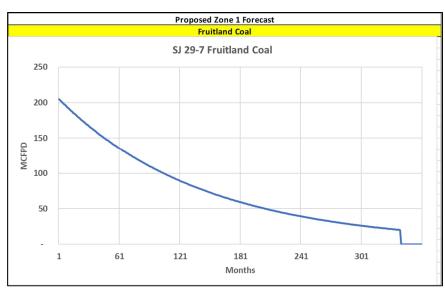
Production Allocation Method – Subtraction

Gas Allocation:

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

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

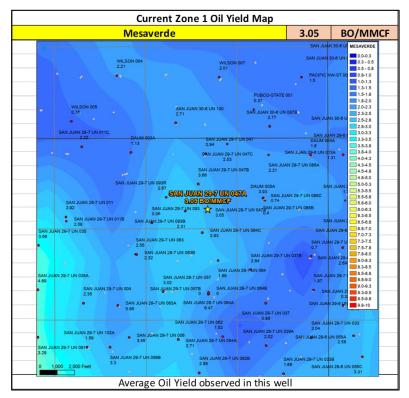


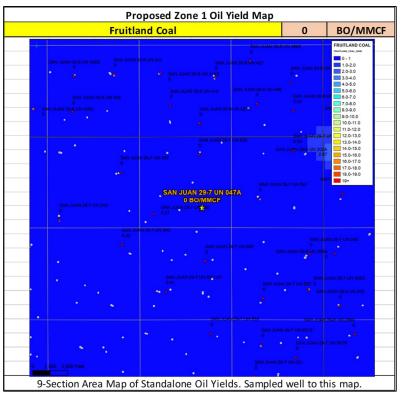


Oil Allocation:

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

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	3.05	451	100%
FRC	0.00	820	0%





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:

3003926081	SAN JUAN 29-7 Unit 44B	MV
3003925498	SAN JUAN 29-7 UNIT 300	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 Mancos, 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.

- Data taken from standalone completions in the zone of interest within a 2-mile radius of the well. A

SAN JUAN	29-7 UNIT 047A	3003921613			
FRC Offs	set (.96 miles)	MV Offset (1.5 miles)			
API	3003925008	API	3003907681		
Property	SAN JUAN 29-7 UNIT 540	Property	SAN JUAN 29-7 UNIT 11		
CationBarium	0	CationBarium	0		
CationBoron	0	CationBoron	0		
CationCalcium	102.67	CationCalcium	0.24		
CationIron	0.35	CationIron	13.51		
CationMagnesium	22.64	CationMagnesium	0.07		
CationManganese		CationManganese	0.24		
CationPhosphorus		CationPhosphorus	0		
CationPotassium		CationPotassium	0		
CationStrontium	-	CationStrontium	0		
CationSodium		CationSodium	950.72		
CationSilica		CationSilica	0		
CationZinc		CationZinc	0		
CationAluminum		CationAluminum	0		
CationCopper		CationCopper	0		
CationLead		CationLead	0		
			-		
CationLithium		CationLithium	0		
CationNickel		CationNickel	0		
CationCobalt		CationCobalt	0		
CationChromium		CationChromium	0		
CationSilicon		CationSilicon	0		
CationMolybdenum		CationMolybdenum	0		
AnionChloride		AnionChloride	1014		
AnionCarbonate		AnionCarbonate	0		
AnionBicarbonate		AnionBicarbonate	146.4		
AnionBromide	0	AnionBromide	0		
AnionFluoride		AnionFluoride	0		
AnionHydroxyl	0	AnionHydroxyl	0		
AnionNitrate	0	AnionNitrate	0		
AnionPhosphate	0	AnionPhosphate	0		
AnionSulfate	400	AnionSulfate	498		
phField	6.6	phField	7		
phCalculated	0	phCalculated	0		
TempField	0	TempField	54		
TempLab	0	TempLab	0		
OtherFieldAlkalinity	0	OtherFieldAlkalinity	0		
OtherSpecificGravity	0	OtherSpecificGravity	1		
OtherTDS		OtherTDS	2623		
OtherCaCO3	0	OtherCaCO3	0		
OtherConductivity		OtherConductivity	4098.72		
DissolvedCO2		DissolvedCO2	38		
DissolvedO2		DissolvedO2	0		
DissolvedH2S	-	DissolvedH2S	0.85		
GasPressure		GasPressure	125		
GasCO2		GasCO2	0		
GasCO2PP		GasCO2PP	0		
GasH2S		GasH2S	0		
GasH2SPP		GasH2SPP	0		
			-		
PitzerCaCO3_70		PitzerCaCO3_70	-3.36		
PitzerBaSO4_70		PitzerBaSO4_70	-1.16		
PitzerCaSO4_70		PitzerCaSO4_70	-3.61		
PitzerSrSO4_70		PitzerSrSO4_70	-4.32		
PitzerFeCO3_70		PitzerFeCO3_70	0.11		
PitzerCaCO3_220		PitzerCaCO3_220	-2.16		
PitzerBaSO4_220		PitzerBaSO4_220	-1.82		
PitzerCaSO4_220	0	PitzerCaSO4_220	-3.4		
PitzerSrSO4_220	0	PitzerSrSO4_220	-3.95		
PitzerFeCO3_220	0	PitzerFeCO3_220	1.61		

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.

N2 0 N2 0 0 C1 0.88 C1 0.82 0.08 C2 0.09 C3 0.03 C3 0.04 0.01 ISOC4 0.01 ISOC4 0.01 ISOC4 0.01 ISOC4 0.01 NC4 0 NC4 0.01 ISOC5 0 ISOC5 0 NEOC5 0 NEOC5 0 NEOC5 0 NEOC5 0 0 C6 0 C6 0 0 C6 0 0 C7 0 0 C7 0 0 C7 0 0 C10 0	Well Name	API			
AssetCode 3003925021 AssetCode 3003907681 AssetName SAN JUAN 29-7 UNIT 537 AssetName SAN JUAN 29-7 UNIT 11 CO2 0.02 CO2 0.01 N2 0 N2 0.02 C1 0.88 C1 0.82 C2 0.06 C2 0.09 C3 0.03 C3 0.04 ISOC4 0.01 ISOC4 0.01 ISOC5 0 ISOC5 0 NEOC5 0 NEOC5 0 C6 0 C6 0 0 C7 0 C7 0 0 C9 0 C8 0 0 C9 0 C9 0 0 C0 0 C0 0 0 C1 0 C10 0 0 C6 0 C6 0 0 C9 0 C2 0 0 <	SAN JUAN 29-7 UN 047A	3003921613			
AssetName SAN JUAN 29-7 UNIT 537 AssetName SAN JUAN 29-7 UNIT 11 CO2 0.02 CO2 0.01 N2 0 0 N2 0 C1 0.08 C1 0.82 0.00 C2 0.00 C2 0.00 C3 0.00 ISOC4 0.01 ISOC4 0.01 ISOC4 0.01 NC4 0 NC4 0.01 ISOC5 0 0 ISOC5 0 ISOC5 0	FRC Offset	(2.6 miles)	MV Offset (1.5 miles)		
CO2 CO2 OINT N2 0 N2 0 C1 0.88 C1 0.82 C2 0.06 C2 0.08 C3 0.03 C3 0.04 ISOC4 0.01 ISOC4 0.01 ISOC5 0 NC4 0.01 ISOC5 0 NC5 0 NC5 0 NC5 0 NC5 0 NC5 0 NC5 0 NC5 0 C6 0 C6 0 C7 0 C7 0 C8 0 C8 0 C9 0 C9 0 0 C0 0 C0 0 0 0 C10 0 C10 0 0 0 C2 0 0 C2 0 0 C2 0 0 C2 0 0 <	AssetCode	3003925021	AssetCode	3003907681	
N2 0 N2 0 C1 0.88 C1 0.82 C2 0.06 C2 0.09 C3 0.03 C3 0.04 ISOC4 0.01 ISOC4 0.01 NC4 0 NC4 0.01 ISOC5 0 ISOC5 0 NEOC5 0 NEOC5 0 NEOC5 0 NEOC5 0 C6 0 C6 0 C6 C7 0 C7 0 C7 0 C8 0 C8 0 0 0 C9 0 C9 0 0 0 0 C0 0 0 0 0 0 0 0 C2 0 0 0 0 0 0 0 C10 0 0 0 0 0 0 0 0 C2 <td< td=""><td>AssetName</td><td>SAN JUAN 29-7 UNIT 537</td><td>AssetName</td><td>SAN JUAN 29-7 UNIT 11</td></td<>	AssetName	SAN JUAN 29-7 UNIT 537	AssetName	SAN JUAN 29-7 UNIT 11	
C1 0.88 C1 0.82 C2 0.06 C2 0.09 C3 0.01 ISOC4 0.01 ISOC4 0.01 ISOC4 0.01 ISOC5 0 ISOC5 0 ISOC5 0 ISOC5 0 NC5 0 NC5 0 NEOC5 0 NEOC5 0 C6 0 C6 0 C6 C7 0 C7 0 C7 0 C7 0 C7 0 0 C8 0 0 C9 0 C3 0 C0 0 <td>CO2</td> <td>0.02</td> <td>CO2</td> <td>0.01</td>	CO2	0.02	CO2	0.01	
C2 0.06 C2 0.09 C3 0.03 C3 0.04 ISOC4 0.01 ISOC4 0.01 NC4 0 NC4 0.01 ISOC5 0 ISOC5 0 NC5 0 NC5 0 NEOC5 0 NEOC5 0 C6 0 C6 0 0 C7 0 C7 0 0 C7 0 C8 0 0 C9 0 C9 0 0 C0 0 C10 0 0 AR 0 AR 0 0 C0 0 C2 0 0 Q2 0 Q2 0 0 0 H2 0 H2 0 0 0 H2 0 H2 0 0 0 C10 0 H2 0 0 <td>N2</td> <td>0</td> <td>N2</td> <td>0</td>	N2	0	N2	0	
C3 0.03 C3 0.04 ISOC4 0.01 ISOC4 0.01 ISOC5 0 ISOC5 0 ISOC5 0 ISOC5 0 NC5 0 ISOC5 0 NEOC5 0 NEOC5 0 C6 0 C6 0 C6 0 C6 0 C7 0 C7 0 C8 0 C8 0 C9 0 C9 0 C9 C10 0 C10 0 0 AR 0 AR 0 0 C2 0 02 0 02 0 H2 0 H2 0 0 0 H2 0 H2 0 0 0 C0_S 0 C_0_S 0 0 0 C10 0 H2 0 0 0	C1	0.88	C1	0.82	
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Received by OCD: 8/5/2024 10:36:27 AM	Received	by O	CD: 8	3/5/2024	10:36:27	AM
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 District I

 1625 N. French Dr., Hobbs, NM 88240

 Phone: (575) 393-6161

 Phone: (575) 393-6161

 Parx: (575) 393-6161

 Parx: (575) 748-1283

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 Phone: (505) 334-6178

 Phone: (505) 334-6178

 Phone: (505) 476-3460

 Phone: (505) 476-3460

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

Page 11 of 32 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 Hilcorp Energy Company 382 Road 3100		² · OGRID Number 372171		
	382 Road 3100 Aztec, NM 87410	³ API Number 30-039-21613		
^{4.} Property Code 318713	^{5.} Property Name San Juan 29-7 Unit	^{6.} Well No. 47A		

	7. Surface Location								
UL - Lot O	Section 2	Township 029N	Range 07W	Lot Idn	Feet from 1160	N/S Line South	Feet From 1680	E/W Line East	County Rio Arriba
	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

F	Pool Name	
Basin	Fruitland Coal	

Pool Code 71629

Additional Well Information

^{11.} Work Type	12.	Well Type	13. Cable/Rotary	^{14.} I	Lease Type	15. Ground Level Elevation
Recomplete	C	ommingle			State	6528' GR
^{16.} Multiple	^{17.} Pr	oposed Depth	^{18.} Formation	19.	Contractor	^{20.} Spud Date
Commingle			Basin FRC/ Blanco MV			
Depth to Ground water		Distance from	nearest fresh water well		Distance to n	earest surface water

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

^{21.} Proposed Casing and Cement Program

Туре	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 Image: Colspan="3">Image: Colspan="3">Image: Colspan="3">Image: Colspan="3">Image: Colspan="3">Image: Colspan="3">Image: Colspan="3"

 ^{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: 7/18/2024	Phone: 713-289-2615	615 Conditions of Approval Attached			

Released to Imaging: 2/26/2025 2:48:46 PM



HILCORP ENERGY COMPANY SAN JUAN 29-7 UN 047A RECOMPLETION SUNDRY

Prepared by:	Matthew Esz	
Preparation Date:	July 1, 2024	

	WELL INFORMATION							
Well Name:	SAN JUAN 29-7 UN 047A	State:	NM					
API #:	3003921613	County:						
Area:	10	Location:						
Route:	1002	Latitude:						
Spud Date:	October 28, 1978	Longitude:						

PROJECT DESCRIPTION

Perforate, fracture, and comingle the Fruitland Coal with the existing Mesaverde zone.

CONTACTS							
Title	Name	Office Phone #	Cell Phone #				
Engineer	Matthew Esz		770-843-9226				
Area Foreman							
Lead							
Artificial Lift Tech							
Operator							



HILCORP ENERGY COMPANY SAN JUAN 29-7 UN 047A RECOMPLETION SUNDRY

JOB PROCEDURES

- 1. MIRU service rig and associated equipment; test BOP.
- 2. TOOH with 2-3/8" tubing set at 5,900'.
- 3. Set a 4-1/2" plug at +/- 4,160' to isolate the Mesa Verde.
- 4. Rig up wireline. Pull CBL and verify cement bonding.
- 5. Load the hole and pressure test the casing.
- 6. N/D BOP, N/U frac stack and pressure test frac stack.
- 7. Perforate and frac the Fruitland Coal from 2,910'-3,410'.
- 8. Nipple down frac stack, nipple up BOP and test.
- 9. TIH with a mill and drill out top isolation plug and Fruitland Coal frac plugs.
- 10. Clean out to Mesa Verde isolation plug.
- 11. Drill out Mesa Verde isolation plug and cleanout to PBTD of 6,035'. TOOH.
- 12. TIH and land production tubing. Get a commingled Fruitland Coal/Mesa Verde flow rate.



HILCORP ENERGY COMPANY SAN JUAN 29-7 UN 047A RECOMPLETION SUNDRY

003921613		Lahee	Area AREA 10	Field Name BLANCO MEB		ute)02	License No.	State/Province NEW MEXICO
ound Elevation (528.00	(者)	Casing Flange	Elevation (ft) RKB to GL (ft 11.00		KB-Casing Flange	Distance (ft)	Original Spud Date 10/28/1978 00:00	Rig Release Date 3/14/2003 18:00
D: 6,047.	4		Anti-	Original Ho	le [VERTICAL]			
MD (ftKB)	DL			2010	ertical schemati	c (actual)		
	DL							
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221.5 -		Surface Casing	g Cement, Casing, 10/29/1 00:00; 11.00-222.50					
222.4		Surface, 222.	53ftKB; 9 5/8 in; 8.92 in; 3 lb/ft; K-55; 11.00-222.53					
2,100.1			diate Casing Cement, Cas 00:00: 2.100.00-3.750.00		70 1	1	2-1: 2 3/8in. Tubin	g; 2 3/8; 2.00; 4.70; J-55;
3,560.0			B, <dttmstart>, 4-1/2" PF LINER TOP @ 3</dttmstart>	ROD	ปี 📶 🚺	m	11.20-5,867.00; 5	
3,569.9					ß	2		
3,667.7							4,185,00-5,088,00	; 2003-03-13; 4185-
3,749.3 -							5088ftKB on 3/13/ LEWIS); PERF LE	2003 00:00 (PERF - EWIS 4185; 4260; 4340, 90; 40, 80, 82; 4550, 60, 63, 82;
3,750.0 -		20.001	e1, 3,750.00ftKB; 7 in; 6.4 b/ft; K-55; 11.00-3,750.00	tKB			4661: 4710, 30; 4 80 (25 HOLES)	831; 4920, 55, 57, 90; 5046,
4,185.0 -		Produ	-Foam N2; 4,185.00-5,088 2003-03-14 1 iction Casing Cement, Cas	4:00 \			Supervisor: J. KN BLANCO::MESAV 5,176.00-6,001.00	ERDE, Original Hole;
5,087.9 -			00:00; 3,560.00-6,047.36	tKB			5,176.00-5,433.00 5433ftKB on 1/18/); 1979-01-18; 5176- 1979 00:00 (PERF -
5,175.9			(MESA VERDE (final))	979			80, 84, 95; 5220, 5303, 78, 83; 542	
5,433.1 -							6001ftKB on 1/18/); 1979-01-18; 5547- (1979 00:00 (PERF - POINT F PT LOOKOUT 5547, 84,
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5,867.8 -							2-3; 2 3/8in, Tubin 5,867.85-5,898.85	g; 2 3/8; 2.00; 4.70; J-55; ; 31.00
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6,001.0								
6,030.2 -								
6,035.1 -			ction Casing Cement, Cas 0:00 (plug); 6.035.00-6.04					035.00
6.046.3				tKB				
6,047.2			6,047.36ftKB; 4 1/2 in; 4.0					
		10.50 lb/ft	K-55; 3,560.02-6,047.36	IKB				

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HILCORP ENERGY COMPANY SAN JUAN 29-7 UN 047A RECOMPLETION SUNDRY

003921613		Lahee	Area AREA 10	Field Name	VERDE IPRORAT	License No.	State/Province NEW MEXICO
ound Elevation 528.00	(作)	Casing Flange E		BLANCO MED	KB-Casing Flange Distance (ft)	Original Spud Date 10/28/1978 00:00	Rig Release Date 3/14/2003 18:00
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3,667.7							
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3,743.3		Intermediate	0 750 000KD 7 in 6 40	100		LEWIS); PERF LE	WIS 4185; 4260; 4340, 90; 40, 80, 82; 4550, 60, 63, 82
3,750.0			1, 3,750.00ftKB; 7 in; 6.46 ft; K-55; 11.00-3,750.00 ft				331; 4920, 55, 57, 90; 5046
4,185.0		1, Hyd Frac-F	oam N2; 4,185.00-5,088 2003-03-14 14			Supervisor: J. KN	GHT ERDE, Original Hole;
5.087.9			tion Casing Cement, Cas 0:00; 3,560.00-6,047.36 f			5,176.00-6,001.00	
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5,433.1 -			01	-18			; 1979-01-18; 5547-
5,546.9						LOOKOUT); PER	1979 00:00 (PERF - POINT F PT LOOKOUT 5547, 84,
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5,867.1 -			01	-18			ng Nipple; 2 3/8; 5,867.00-
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5,899.6							
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	l l r	Production1.6	047.36ftKB; 4 1/2 in; 4.05	in;			
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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

Form C-102 August 1, 2011 Permit 263123

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-039-21613	71629	BASIN FRUITLAND COAL (GAS)
4. Property Code	5. Property Name	6. Well No.
318713	SAN JUAN 29 7 UNIT	047A
7. OGRID No.	8. Operator Name	9. Elevation
372171	HILCORP ENERGY COMPANY	6528

		10. 5	Surface Locatio	n			
L - Lot Section Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O 2 2	N 07W		1160	S	1680	E	RIO ARRIBA

11. Bottom Hole Location If Different From Surface UL - Lot E/W Line Section Township Range Lot Idn Feet From N/S Line Feet From County 12. Dedicated Acres 13. Joint or Infill 14. Consolidation Code 15. Order No. 318.14 - 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. Patrix: 04 (24/09/04)
Date: 01/31/2019 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: FRED B. KERR, JR. Date of Survey: 10/23/1977 Certificate Number: 3950

Red	eived	by	OCD:	8/5/2024	10:36:27	AM
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State of New MexicoSubmit Electronically Via E-permittingEnergy, Minerals and Natural Resources DepartmentVia E-permittingOil Conservation Division1220 South St. Francis Dr. Santa Fe, NM 87505						
Ν	ATURAL G	GAS MANAC	GEMENT P	LAN		
gement Plan m	ust be submitted v	with each Applicat	ion for Permit to I	Drill (Al	PD) for a new	or recompleted well.
nergy Compan	y	OGRID:	372171		Date: 07	/ 18 / 2024
Amendment	due to □ 19.15.2	7.9.D(6)(a) NMAC	C 🗆 19.15.27.9.D((6)(b) N	MAC 🗆 Othe	er.
::						
				wells pr	oposed to be	drilled or proposed to
API	ULSTR	Footages	Anticipated Oil BBL/D		-	Anticipated Produced Water BBL/D
3003921613	O-2-29N-07W	1160' FSL, 1680' FE	_ 0 bbl/d	205 r	mcf/d	5 bbl/d
oint Name:	Chaco-Bla	Inco Processing Pla	int		[See 19.15	5.27.9(D)(1) NMAC]
				vell or so	et of wells pro	posed to be drilled or
API	Spud Date	TD Reached Date				First Production Date
3003921613						<u>2024</u>
tices: 🛛 Attac of 19.15.27.8 at Practices: 🛙	h a complete des NMAC.	cription of the act	ions Operator wil	l take to	o comply with	n the requirements of
	N gement Plan m nergy Compan Amendment fingle well pad API 3003921613 oint Name: le: Provide the ted from a sin API 3003921613 nent: 🖾 Attach tices: Attac	Energy, Minerals Oil C 1220 Sa NATURAL C gement Plan must be submitted w Section is nergy Company Amendment due to [19.15.2] Amendment due to [19.15.2] Coint Name: Chaco-Bla Net Provide the following informeted from a single well pad or com- ted from a single well pad or co API Spud Date 3003921613 API Spud Date 3003921613 API Spud Date 3003921613 API Spud Date	Energy, Minerals and Natural Reservation Direst 220 South St. Frances Santa Fe, NM 875 NATURAL GAS MANAC gement Plan must be submitted with each Applicat Section 1 – Plan Decestion 1 – Plan Decestion Santa Fe, NM 875 Section 1 – Plan Decestion Santa Fe, NM 875 generative Section 1 – Plan Decestion Santa Fe, NM 875 Section 1 – Plan Decestion Santa Fe, NM 875 Section 1 – Plan Decestion Santa Fe, NM 875 Manual Section 1 – Plan Decestion Santa Fe, NM 875 Manual Section 1 – Plan Decestion Santa Fe, NM 875 Section 1 – Plan Decestion Santa Fe, NM 875 Manual Section 1 – Plan Decestion Santa Fe, NM 875 Manual Section 1 – Plan Decestion Santa Fe, NM 875 Manual Section 1 – Plan Decestion Santa Fe, NM 875 Amendment due to [19.15.27.9.D(6)(a) NMAC Colspan= Santa Fe, NMAC Manual ULSTR Footages Santa Fe, NMAC API ULSTR Footages Santa Fe, NMAC API Spud Date TD Reached Date API Spud Date TD Reached Date API Spud Date TD Reached Date Santa Complete descrip	Energy, Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 NATURAL GAS MANAGEMENT Plane State Plane must be submitted with each Application for Permit to I Section 1 – Plan Description Effective May 25.2021 nergy Company OGRID: 372171 Amendment due to [19.15.27.9.D(6)(a) NMAC [19.15.27.8 NMAC.]	Energy, Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 NATURAL GAS MANAGEMENT PLAN gement Plan must be submitted with each Application for Permit to Drill (All Section 1 – Plan Description Effective May 25, 2021 hergy Company OGRID: 372171 I Amendment due to I 19.15.27.9.D(6)(a) NMAC I 19.15.27.9.D(6)(b) N	Energy, Minerals and Natural Resources Department Vi Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 NATURAL GAS MANAGEMENT PLAN genent Plan must be submitted with each Application for Permit to Drill (APD) for a new Section 1 – Plan Description Effective May 25, 2021 nergy Company OGRID:

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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. \Box 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 \Box will \Box 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 \Box does \Box 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: \Box 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.

<u>Section 3 - Certifications</u> <u>Effective May 25, 2021</u>

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

 \square 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

 \Box 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. \Box 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. \Box 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:	7/18/2024
Phone:	713-289-2615
	OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:	
Title:	
Approval Date:	
Conditions of A	pproval:

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.

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.

APPLICATION FOR

NEW MEXICO STATE LAND OFFICE

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: San Juan 29-7 Unit 47A	API #: <u>30-039-21613</u>

Pool: Basin Fruitland Coal / Blanco Mesaverde

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

-

8/2/2024 Date 713-289-2615 Phone Number

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.

:

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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR DOWNHOLE COMMINGLINGSUBMITTED BY HILCORP ENERGY COMPANYORDER NO. DHC-5464

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Hilcorp Energy Company ("Applicant") submitted a complete application ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
- 2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
- 3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
- 4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
- 5. An exception to the notification requirements within 19.15.12.11(C)(1)(b) NMAC was granted by the Division within Order R 10697.
- 6. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

- 7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
- 8. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
- 9. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

Order No. DHC-5464

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

<u>ORDER</u>

- 1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
- 2. Applicant shall allocate a fixed percentage of the oil production from the Well to each of the Pools until a different plan to allocate oil production is approved by OCD. Of the oil production from the Well:
 - a. zero percent (0.0%) shall be allocated to the Basin Fruitland Coal pool (pool ID: 71629); and
 - b. one hundred percent (100%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319).

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

a. the Basin Fruitland Coal pool (pool ID: 71629)

The current pool(s) are:

a. the Blanco Mesaverde pool (pool ID: 72319)

Applicant shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools ("fixed percentage allocation plan"). No later than ninety (90) days after the fourth year, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. If Applicant fails to do so, this Order shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Order shall terminate 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.

3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DATE: 2/26/2025

GERASIMOS RAZATOS DIRECTOR (ACTING)

State of New Mexico Energy, Minerals and Natural Resources Department

	Exhibit A	A	
	Order: DHC - 5464		
	Operator: Hilcorp Operat	ting Company	
	Well Name: San Juan 29 7	Unit Well No. 47A	
	Well API: 30-039-21613		
	Pool Name: Basin Fruitland	d Coal	
Upper Zone	Pool ID: 71629	Current:	New: X
	Allocation: Fixed	Oil: 0.0%	Gas: SUB1
		Top: 2,910	Bottom: 3,410
Intermediate Zone	Pool Name:		
	Pool ID:	Current:	New:
	Allocation:	Oil:	Gas:
		Тор:	Bottom:
Bottom of Inter	val within 150% of Upper Zone'	s Top of Interval:	
	Pool Name: Blanco-Mesav	erde	
Lower Zone	Pool ID: 72319	Current: X	New:
	Allocation:	Oil: 100.0%	Gas: SUB
		Top: 4,185	Bottom: 6,00
Bottom of Inter	val within 150% of Upper Zone'	s Top of Interval: NO	
Top of Q	ueen Formation:		

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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	370408
	Action Type:
	[C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By		Condition Date
llowe	None	2/25/2025

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Action 370408