

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

State of New Mexico  
 Energy, Minerals and Natural Resources

ID NO. 475762

Form C-103

Revised July 18, 2013

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

WELL API NO. 30-039-31482
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>EO-289-57</b>
7. Lease Name or Unit Agreement Name SAN JUAN 29-6 UNIT
8. Well Number 109N
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/ Basin Mancos/Basin Dakota

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

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other
2. Name of Operator HILCORP ENERGY COMPANY
3. Address of Operator 382 Road 3100, Aztec, NM 87410

4. Well Location Unit Letter <u>D</u> : <u>1022'</u> feet from the <u>NORTH</u> line and <u>933'</u> feet from the <u>WEST</u> line Section <u>32</u> Township <u>29N</u> Range <u>06W</u> NMPM RIO ARRIBA County	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6385' GL
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DHC - 5514

06/17/25

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>	
CLOSED-LOOP SYSTEM <input type="checkbox"/>	
OTHER: DIRECTIONAL <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	

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

It is intended to drill and complete the subject well in the Blanco Mesaverde (pool 72319) , Basin Mancos (pool 97232), Basin Dakota (pool 71599). The production will be trimmingle per Oil Conservation Division Order Number 12984-B. See attached allocation methodology. Commingling will not reduce the value of the production. The Bureau of Land Management has been notified in writing of this application.

Proposed perforations are: MV ~5194'-6345' MD (~5015'-6166' TVD); MC ~6345'-7690' MD (~6166'-7511' TVD); DK ~7690'-7919' MD (~7511'-7740' TVD)

Hilcorp Energy will use a spinner method using the attached procedure. We will run this procedure after the initial completion, 3 months, 6 months and 12 months to ensure allocations are stabilizing. Annual spinners will be ran until the allocations have stabilized, at which point a fixed allocation will be provided.

Interest is common, no notification is necessary.

Spud Date:

Rig Release Date:

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

SIGNATURE Dawn Nash Deal TITLE Operations/Regulatory Technician – Sr. DATE 06/12/2025

Type or print name Dawn Nash-Deal E-mail address: dnash@hilcorp.com PHONE: (505)324-5132

**For State Use Only**

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 08/18/25

Conditions of Approval (if any):

### CONDITIONS OF APPROVAL

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

If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.

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

The Operator shall utilize production logs to allocate gas production from the Well to each of the Pools. Once the gas allocation is determined, the Operator shall then consider the gas oil ratio for each pool to allocate oil production from the Well to each of the Pools. The Operator shall conduct a production log:

- a. following the initial completion;
- b. three (3) months after the initial completion;
- c. six (6) months after the initial completion;
- d. twelve (12) months after the initial completion;
- e. annually thereafter until the allocation has stabilized; and
- f. additionally, as directed by OCD.

No later than ninety (90) days after conducting each production log, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the results of the production log and the oil and gas allocations for each of the Pools. Upon request from OCD, the Operator shall provide documentation supporting the allocations and if OCD determines that the allocations are inaccurate, the Operator shall proceed as directed by OCD.

Once the allocations have stabilized, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes a tabulation of the oil and gas allocation following each of the conducted production logs and a proposed fixed percentage for allocating the oil and gas production from the Well to each of the Pools. If OCD approves the proposed fixed percentage, then the Operator shall allocate accordingly. If OCD denies the proposed fixed percentage, then the Operator shall continue conducting annual production logs.

A production log shall consist of either using a turbine/spinner flowmeter to determine the stabilized flow rate from each of the Pools under normal operating conditions or by another method OCD has specifically approved.

## WELL LOCATION INFORMATION

### Surface Location

*Bottom Hole Location*

Kick Off Point (KOP)

*First Take Point (FTP)*

*Last Take Point (LTP)*

## OPERATOR CERTIFICATION

Date \_\_\_\_\_

*SURVEYOR CERTIFICATION*

Released to Imaging: 8/18/2025 4:54:05 PM

SURFACE LOCATION (A)  
1022' FNL 933' FWL  
LAT 36.686647°N  
LONG -107.491570°W  
DATUM: NAD1927

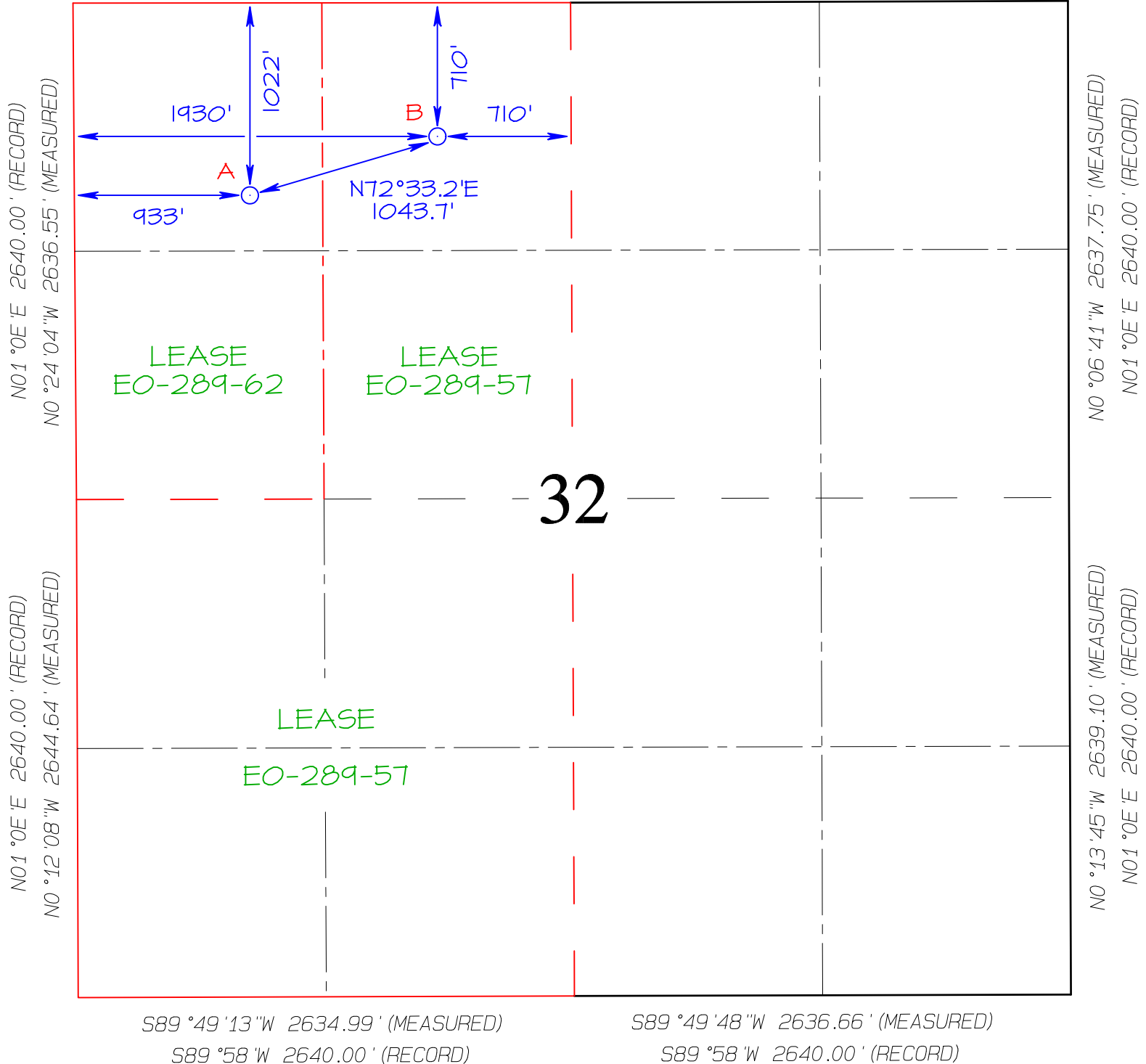
LAT 36.686654°N  
LONG -107.492175°W  
DATUM: NAD1983

BOTTOM-HOLE LOCATION (B)  
710' FNL 1930' FWL  
LAT 36.687497°N  
LONG -107.488171°W  
DATUM: NAD1927

LAT 36.687504°N  
LONG -107.488776°W  
DATUM: NAD1983

N89°59'E 2641.32' (RECORD)  
N89°56'41"E 2642.69' (MEASURED)

N89°59'E 2641.32' (RECORD)  
N89°47'58"E 2641.07' (MEASURED)



C-102  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department  OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type	<input type="checkbox"/> Initial Submittal
			<input checked="" type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number 30-039-31482	Pool Code 71599	Pool Name BASIN DAKOTA
Property Code 318838	Property Name SAN JUAN 29-6 UNIT	Well Number 109N
OGRID No. 372171	Operator Name HILCORP ENERGY COMPANY	Ground Level Elevation 6385'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL D	Section 32	Township 29N	Range 6W	Lot	Feet from N/S Line 1022' NORTH	Feet from E/W Line 933' WEST	Latitude 36.686654 °N	Longitude -107.492175 °W	County RIO ARRIBA
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Bottom Hole Location

UL C	Section 32	Township 29N	Range 6W	Lot	Feet from N/S Line 710' NORTH	Feet from E/W Line 1930' WEST	Latitude 36.687504 °N	Longitude -107.488776 °W	County RIO ARRIBA
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Dedicated Acres 320.00	Penetrated Spacing Unit: W/2 - SECTION 32, T29N, R6W	Infill or Defining Well INFILL	Defining Well API 3003930233	Overlapping Spacing Unit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Consolidation Code U
Order Numbers			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
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First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
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Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------------	--------------------	----------	-----------	--------

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Directional	Ground Floor Elevation 6385'
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<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</p> <p><u>Dawnash Deal</u> Signature</p> <p>5/2/2025 Date</p> <p>DAWN NASH-DEAL Printed Name</p> <p>DNASH@HILCORP.COM E-mail Address</p>	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p></p> <p>JASON C. EDWARDS</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number 15269      Date of Survey JUNE 6, 2024</p>
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1022' FNL 933' FWL  
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DATUM: NAD1927

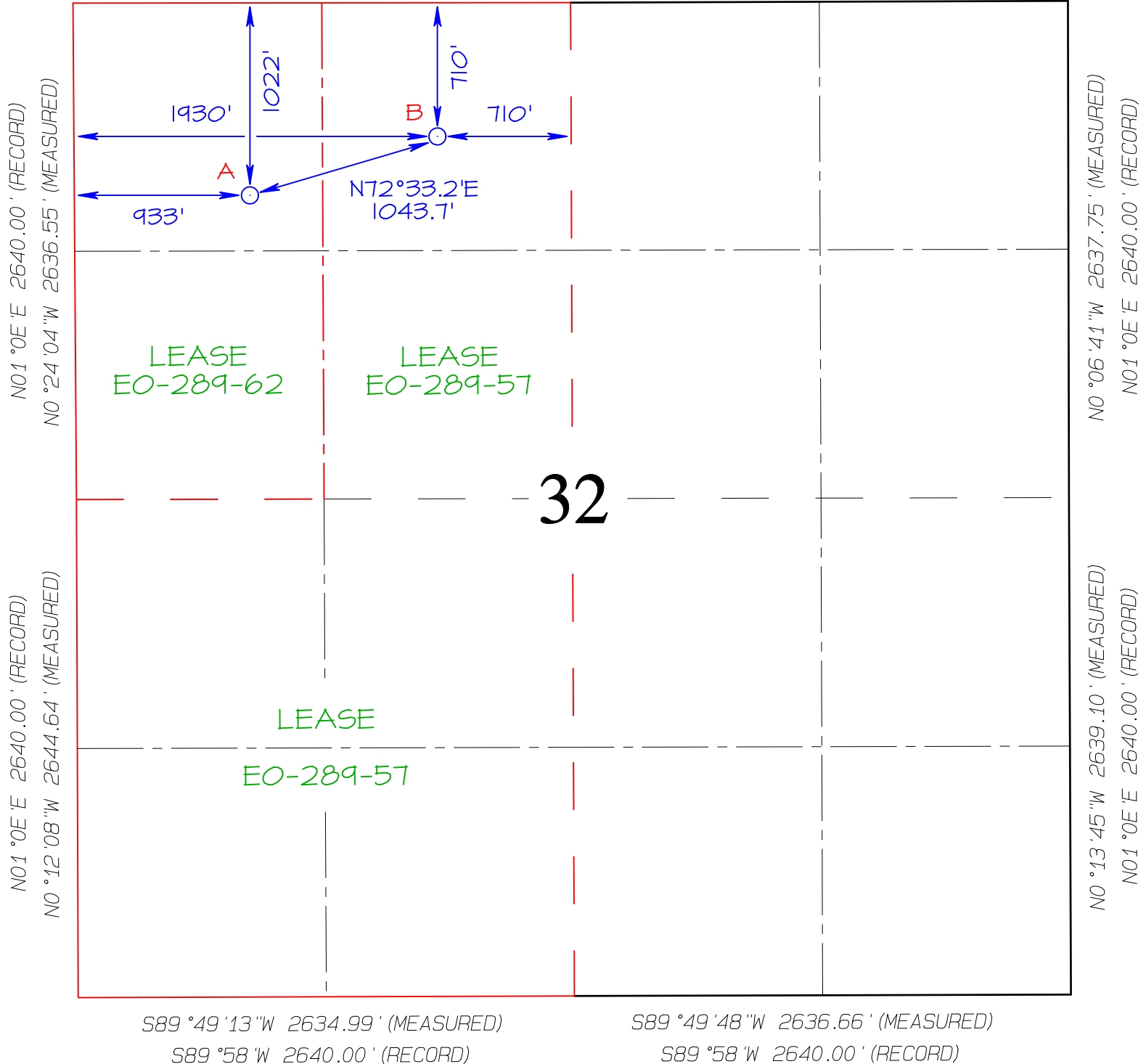
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LAT 36.687504°N  
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WELL LOCATION INFORMATION

API Number 30-039-31482	Pool Code 97232	Pool Name BASIN MANCOS
Property Code 318838	Property Name SAN JUAN 29-6 UNIT	Well Number 109N
OGRID No. 372171	Operator Name HILCORP ENERGY COMPANY	Ground Level Elevation 6385'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

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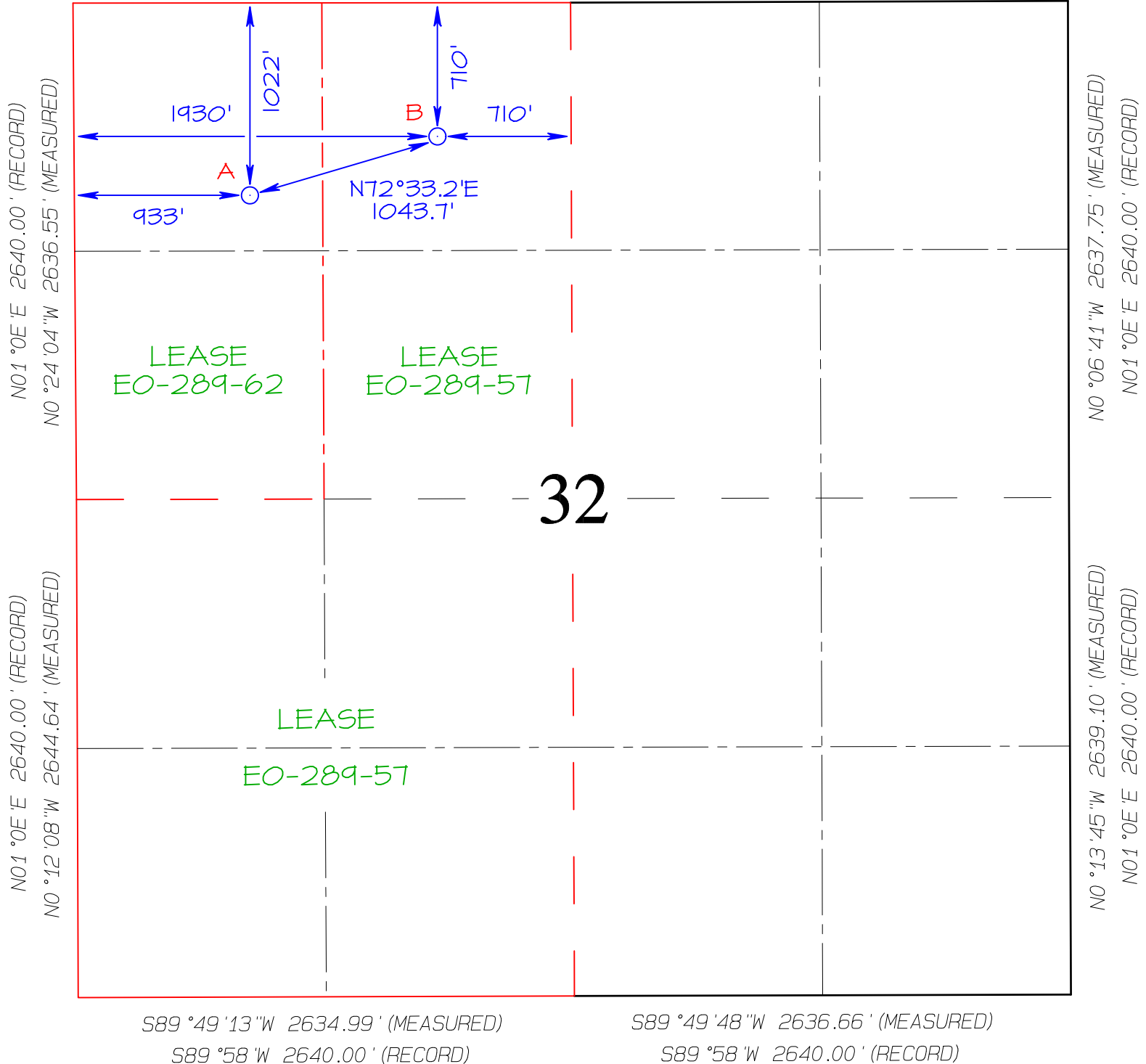
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N89°59'E 2641.32' (RECORD)  
N89°47'58"E 2641.07' (MEASURED)





## **Revenue Allocation Procedure**

### **Dakota/Mancos/Mesaverde New Drills**

#### **1. Initial Procedures:**

- Run CBL, Perforate Dakota and Casing Frac Dakota
- Set Plug over Dakota, Perforate Mancos and Casing Frac Mancos
- Set Plug over Mancos, Perforate Mesaverde, and Casing Frac Mesaverde

#### **2. Clean out wellbore and Run Production Tubing**

- Rig up Workover Rig and clean out wellbore to bottom of Dakota
- Run tubing to 100' above top Mancos perf
- Cleanup wellbore post frac
- Establish a Stabilized Production Rate using an orifice meter

#### **3. Run Spinner Survey**

- Run Spinner Survey to PBTD

#### **4. Allocation Calculation:**

- Allocation is determined based on the contribution percentage from each formation.
- Once allocation is established, it will be used for the life of the well. Below is an example allocation.

### **Field Test (Spinner Method)**

#### **Summary**

This example covers the procedure used to allocate production using the spinner method with field tests for Mesaverde, Mancos, and Dakota commingled new drill completions. The allocation is based on two parts. Part one is a commingled stabilized rate test up the tubing with line pressure simulated by a choke at the surface. Part two is performed by running a production log over the Mancos and Dakota intervals. The rate from each layer is used in a simple calculation to determine the contribution percentage.

#### **Procedure**

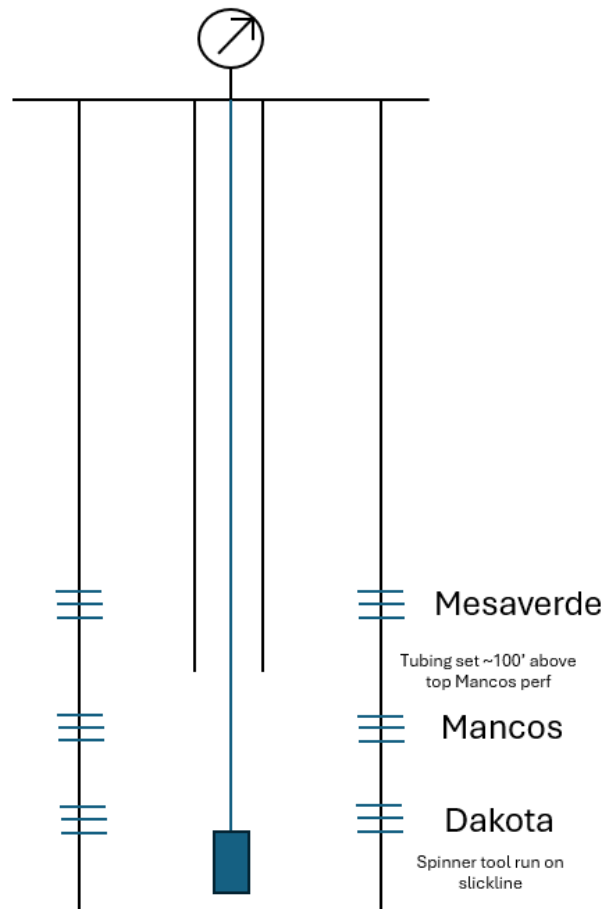
Allocation testing is performed after the well has been completed. A composite bridge plug is normally located above the Dakota, Mancos, and Mesaverde formations.

The first step in testing is drilling out the plugs and cleaning out the well to PBTD. The bottom-hole assembly is configured, and the tubing is landed approximately 100 feet above the Mancos perfs. A commingled flow test is performed up the tubing with line pressure simulated by a

choke at the surface. The well is tested for a minimum of 4 hours or until the pressure has stabilized. Once water and sand volumes have reached acceptable levels (less than 5 bph), a slickline or wireline unit is used to run the production logging tools. The logging tools are lowered to the bottom perfs, and the Dakota and Mancos intervals are logged while the well is producing up the tubing against a choke. The log is run across the entire Dakota interval to 50 feet above the top perforation and the entire Mancos interval to 50 feet above the top perforation. The log data is interpreted by the service company and returned to the completions group within a few days.

The log data interpretation is used to calculate the allocation, and an allocation form is completed for the well.

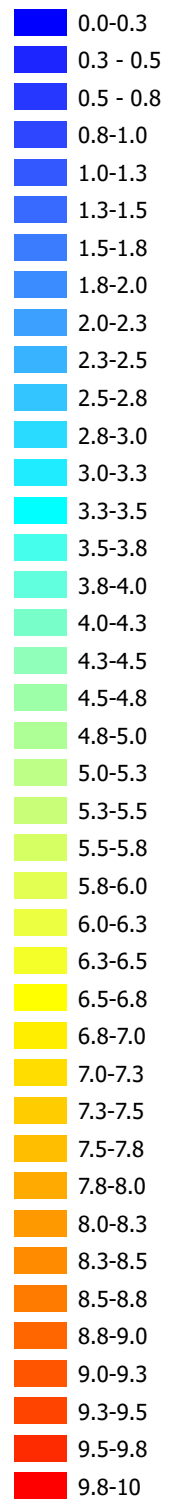
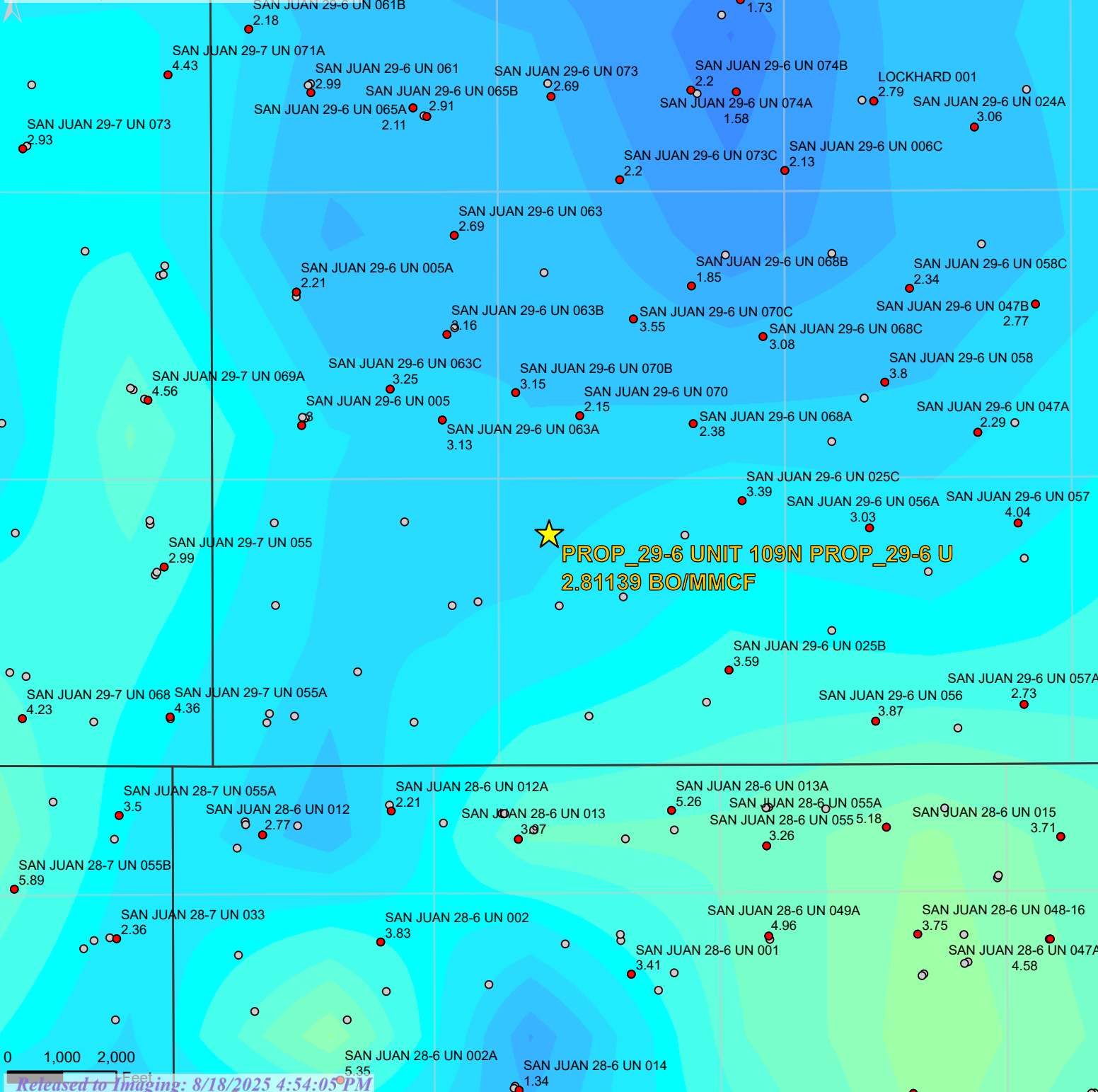
### Diagram



Formation	Rate (mcfpd)	% Allocation
Mesaverde	1,306	64%
Mancos	140	7%
Dakota	584	29%

### **Oil allocation**

Oil production will be allocated utilizing CGR in terms of oil yield based on actual production from offset Dakota, Mancos, and Mesaverde wells. Once gas allocation is obtained from spinner, oil yield values will be applied to get a final oil allocation split.



○ ALL SJB WELLS

0 1,000 2,000 Feet

**Analysis 1**

EUR <sub>g</sub>	246	MMscf
G <sub>p</sub>	0	MMscf
RR <sub>g</sub>	246	MMscf

☐ Gas - Decline (RT)

**Analysis 2**

☒ CGR Ratio Trend

**P10**

EUR <sub>g</sub>	381	MMscf
G <sub>p</sub>	0	MMscf
RR <sub>g</sub>	381	MMscf

☐ Gas - Decline (RT)

**P90**

EUR <sub>g</sub>	134	MMscf
G <sub>p</sub>	0	MMscf
RR <sub>g</sub>	134	MMscf

☐ Gas - Decline (RT) \*\*\*

On Stream: 04/01/2011

Field: BASIN

Current Status: Flowing

**CUSTOM GROUP 1**

MANCOS

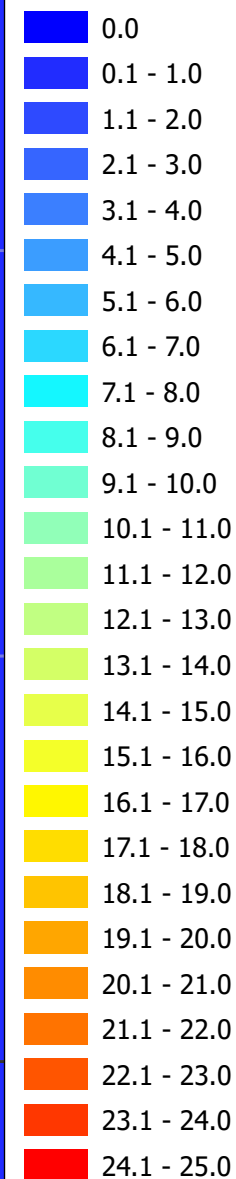
Analysis Manager Plot Selection ☒ Wells

Analysis Parameters

Ratio Axis Type

**Segment 1**

Manipulation Method	Variable Ratio
Start Date	05/31/2011 MM/DD/YYYY
End Date	01/01/2030 MM/DD/YYYY
AI	223.1 month
CGR <sub>i</sub>	3.5 bbl/MMscf
CGR <sub>r</sub>	3.5 bbl/MMscf



★ PROP\_29-6 UNIT 109N PROP\_29-6 U  
0.245794 BO/MMCF

SAN JUAN 29-7 UN 139  
0.72

SAN JUAN 29-6 UN 105  
0.02

SAN JUAN 29-7 UN 106  
0.29

SAN JUAN 28-6 UN 184E  
0.21

SAN JUAN 28-6 UN 211F  
0.16

SAN JUAN 28-7 UN 218E  
0.57

SAN JUAN 28-6 UN 184  
0.1

SAN JUAN 28-6 UN 122F  
0.73

SAN JUAN 28-6 UN 123  
0.58

SAN JUAN 28-6 UN 123R  
0.19

SAN JUAN 28-6 UN 122  
0.32

0 1,000 2,000

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

Action 475762

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 475762
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	See attached COA.	8/18/2025