- 5513

ID NO. 485634	DHC ·
ID 110. 403034	

ID 110. 103031			
RECEIVED: 07/16/25	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 APPLI	
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE A REGULATIONS WHICH REQUIRE PROCESSING	
Applicant: Hilcorp Energy Company	OGRID Number: 372171
Well Name: SAN JUAN 29-7 UNIT 57B	API: 30-039-25633
Pool: BASIN FRUITLAND COAL (GAS POOL)	Pool Code: 71629
SUBMIT ACCURATE AND COMPLETE INFORMATION R INDICATED	
1) TYPE OF APPLICATION: Check those which apply to A. Location – Spacing Unit – Simultaneous Dediction NSL NSP(PROJECT AREA)	
B. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC CTB PLC PC [11] Injection – Disposal – Pressure Increase – WFX PMX SWD IPI 2) NOTIFICATION REQUIRED TO: Check those which a A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenued. Application requires published notice D. Notification and/or concurrent approval E. Notification and/or concurrent approval F. Surface owner G. For all of the above, proof of notification H. No notice required 3) CERTIFICATION: I hereby certify that the informatic administrative approval is accurate and complete	FOR OCD ONLY apply. Notice Complete Application Content Complete Or publication is attached, and/or, on submitted with this application for e to the best of my knowledge. I also
understand that no action will be taken on this ap notifications are submitted to the Division.	oplication until the required information and
Note: Statement must be completed by an individu	ual with managerial and/or supervisory capacity.
DAWN NASH-DEAL	07/13/2025 Date
Print or Type Name	505-324-5132
	Phone Number
Dawnnach Deac	DWAGHAIHI GODD GOM
Signature	DNASH@HILCORP.COM e-mail Address
	C

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240

<u>District II</u> 811 S. First St., Artesia, NM 88210 <u>District III</u> 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

APPLICATION FOR DOWNHOLE COMMINGLING

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 _Yes ___No

Hilcorp Energy Company		382 Road 3100, Aztec, NM 87410				
Operator		Address				
SAN JUAN 29-7 UNIT	57B	J,11,29N,07W		RIO ARRIE	3A	
Lease	Well No.	Unit Letter-Section-Township-	-Range	Count	У	
OGRID No. <u>372171</u>	Property Code 318713	API No. <u>30-039-25633</u>	Lease Type: _	FederalStat	e <u>X</u>	Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL (GAS POOL)		BLANCO-MESAVERDE (PRORATED GAS)
Pool Code	71629		72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~3280'-3750'		4756'-6251'
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)	88 BHP		198 ВНР
Oil Gravity or Gas BTU (Degree API or Gas BTU)	898 BTU		1238 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: Oil: Gas: Water:	Date: Rates: Oil: Gas: Water:	Date: 4/1/2025 Rates: Oil: 0 BBL Gas: 1386 MCF Water: 60 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_X No_X
Are all produced fluids from all commingled zones compatible with each other?	YesX	No
Will commingling decrease the value of production?	Yes	No
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 R-10697 HILCORP IS EXEMPT FROM PROVIDING NOTICE TO OWNERS (EXCLUDING 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.

Bottomhole pressure data.

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

Dawnnach Deac _TITLE_Operations/Regulatory Technician DATE 07/13/2025 **SIGNATURE**

TYPE OR PRINT NAME <u>DAWN NASH-DEAL</u> TELEPHONE NO. (505) 324-5132

E-MAIL ADDRESS <u>DNASH@HILCORP.com</u>

District i
PO Box 1980, Hobbs, NM 88241-1980
District ii
PO Drawer DD, Artesia, NM 88211-0719
District iii
1000 Rio Brazon Rd., Aztec, NM 87410
District IV

PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico

Energy, Minerain & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

MENDED REPORT

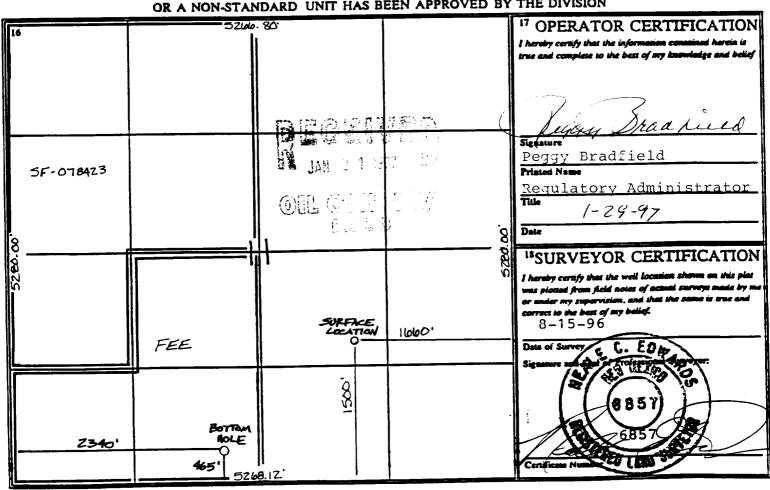
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	¹ Pool Code	² Pool Name	
30-039- <i>25633</i>	72319	72319 Blanco Mesaverde	
' Property Code		'Property Name Juan 29-7 Unit	* Well Number 57B
'OGRID No.	BURLINGTON RESOU	'Operator Name RCES OIL AND GAS COMPANY	Elevation 6391 '

10 Surface Location

UL or lot so.	Section 11	Towaship 29 N	Range 7 W	Lot Ida	Feet from the 1500	North/South line South	Feet from the 1660	East/West line East	R.A.
11 Bottom Hole Location If Different From Surface									
UL or lot se.	Section 1 1	Township 29 N	Range 7 W	Lot Ida	Feet from the 465	North/South line South	Feet from the 2340	West	R.A.
12 Dedicated Act	<u> </u>		Consolidatio	n Code 15 (order No.	1	<u> </u>	1	<u> </u>

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



Water Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Blanco South Blanco South 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.
- Data taken from standalone completions in the zone of interest within a 2 nile raduis of the well. A farther radius is used if there is not enough data for a proper statistical analysis.

Well Name	API
San Juan 29-7 Unit 57B	3003925633

FRC Offs	et (0.96 MILES)	MV Offs	et (1.5 MILES)
API	3003929457	API	3003907665
Property	SAN JUAN 29-7 UNIT 521S	Property	SAN JUAN 29-7 UNIT 38
CationBarium	0.00	CationBarium	0
CationBoron	0	CationBoron	0
CationCalcium	14.40	CationCalcium	3.78
CationIron	22.80	CationIron	0.97
CationMagnesium	9.20	CationMagnesium	0.63
CationManganese	0.04	CationManganese	0.41
CationPhosphorus	0	CationPhosphorus	0
CationPotassium	0	CationPotassium	0
CationStrontium	0.00	CationStrontium	0
CationSodium	354.10	CationSodium	30.27
CationSilica	0	CationSilica	0
CationZinc	0	CationZinc	0
CationAluminum	0	CationAluminum	0
CationCopper	0	CationCopper	0
CationLead	0	CationLead	0
CationLithium	0	CationLithium	0
CationNickel	0	CationNickel	0
CationCobalt	0	CationCobalt	0
CationChromium	0	CationChromium	0
CationSilicon	0	CationSilicon	0
CationMolybdenum	0	CationMolybdenum	0
AnionChloride	400.00	AnionChloride	15.02
AnionCarbonate	0.00	AnionCarbonate	0.00
AnionBicarbonate	366.00	AnionBicarbonate	73.32
AnionBromide	0	AnionBromide	0
AnionFluoride	0	AnionFluoride	0
AnionHydroxyl	0	AnionHydroxyl	0
AnionNitrate	0	AnionNitrate	0
AnionPhosphate	15.90	AnionPhosphate	0
AnionSulfate	20.00	AnionSulfate	0.00
phField	8.09	phField	0
phCalculated	5.61	phCalculated	5.63
TempField	0	TempField	0
TempLab	0	TempLab	0
OtherFieldAlkalinity	24.44	OtherFieldAlkalinity	0
OtherSpecificGravity	1.00	OtherSpecificGravity	1.00
OtherTDS	967.00	OtherTDS	124.40
OtherCaCO3	21423.52	OtherCaCO3	12.03
OtherConductivity	0	OtherConductivity	0
DissolvedCO2	330.00	DissolvedCO2	0
DissolvedO2	0	DissolvedO2	0
DissolvedH2S	2.00	DissolvedH2S	0.00
GasPressure	0	GasPressure	0
GasCO2		GasCO2	4.00
GasCO2PP	0	GasCO2PP	0
GasH2S	0.00	GasH2S	0.00
GasH2SPP		GasH2SPP	0
PitzerCaCO3 70	0	PitzerCaCO3 70	0
PitzerBaSO4_70	0	PitzerBaSO4_70	0
PitzerCaSO4_70		PitzerCaSO4_70	0
PitzerSrSO4 70		PitzerSrSO4 70	0
PitzerFeCO3_70		PitzerFeCO3_70	0
PitzerCaCO3 220		PitzerCaCO3 220	0
PitzerBaSO4 220		PitzerBaSO4 220	C
PitzerCaSO4 220		PitzerCaSO4 220	0
PitzerSrSO4 220		PitzerSrSO4 220	0
PitzerFeCO3 220		PitzerFeCO3 220	0
FILZEI FECUS_ZZU	1 0	F11261F6CO3_22U	1

Gas Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Blanco South Blanco South 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.
- Data taken from standalone completions in the zone of interest within a 2 nile raduis of the well. A farther radius is used if there is not enough data for a proper statistical analysis.

Well Name	API
San Juan 29-7 Unit 57B	3003925633

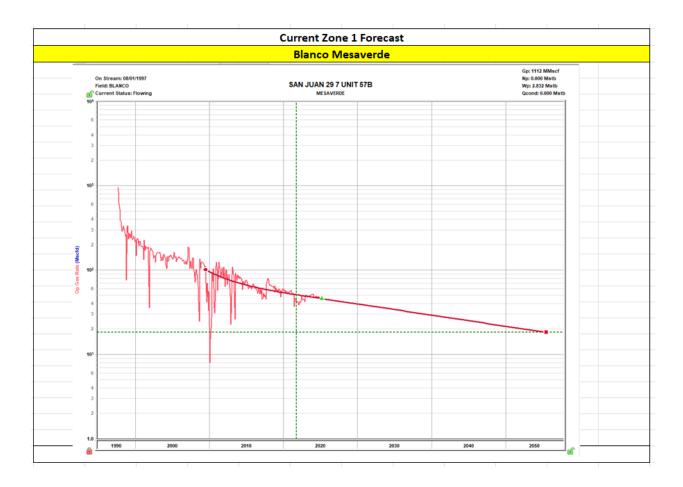
FRC Of	fset (3.02 MILES)	MV Offset (0.54 MILES)			
AssetCode	3003924839	AssetCode	3003925649		
AssetName	SAN JUAN 29-7 UNIT NP 525	AssetName	SAN JUAN 29-7 UNIT 64B		
CO2	0.00	CO2	0.01		
N2	0.00	N2	0.00		
C1	0.87	C1	0.83		
C2	0.06	C2	0.09		
C3	0.04	C3	0.04		
ISOC4	0.01	ISOC4	0.01		
NC4	0.01	NC4	0.01		
ISOC5	0.00	ISOC5	0.00		
NC5	0.00	NC5	0.00		
NEOC5	0	NEOC5	0		
C6	0	C6	0		
C6_PLUS	0.00	C6_PLUS	0.01		
C7	0	C7	0		
C8	0	C8	0		
C9	0	C9	0		
C10	0	C10	0		
AR	0	AR	0		
СО	0	со	0		
H2	0	H2	0		
02	0	O2	0		
H20	0	H20	0		
H2S	0	H2S	0		
HE	0	HE	0		
C_O_S	0	C_O_S	0		
CH3SH	0	CH3SH	0		
C2H5SH	0	C2H5SH	0		
CH2S3_2CH3S	0	CH2S3_2CH3S	0		
CH2S		CH2S	0		
C6HV	0	C6HV	0		
CO2GPM	0.00	CO2GPM	0.00		
N2GPM	0.00	N2GPM	0.00		
C1GPM	0.00	C1GPM	0.00		
C2GPM	1.66	C2GPM	2.42		
C3GPM		C3GPM	1.07		
ISOC4GPM	0.25	ISOC4GPM	0.26		
NC4GPM	0.25	NC4GPM	0.32		
ISOC5GPM	0.09	ISOC5GPM	0.15		
NC5GPM	0.05	NC5GPM	0.10		
C6_PLUSGPM	0.12	C6_PLUSGPM	0.33		

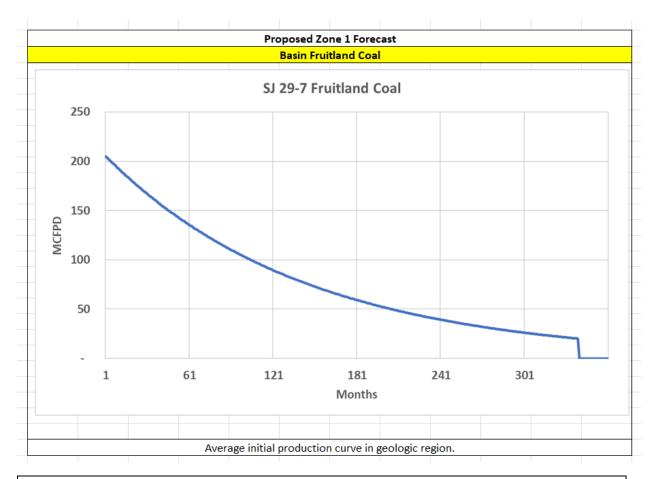
The near wellbore shut-in bottom hole pressures of the above reservoirs are much lower than the calculated far-field stabilized reservoir pressured due to the low permeability of the reservoirs. Based on pressure transient analysis performed in the San Juan Basin, it would take 7-25 years for shut-in 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.

Shut in pressures we zones being commir		•			
1) Wells were shut ir 2) Echometer was us 3) Shut in BHP was o	sed to obtain a flui		gled completion		
API	Well Name			Formation	
List of wells used to	calculate BHPs for	r the Project:			
3003925053	San Juan 29-7 Un	it 543		FRC	
3003925649	San Juan 29-7 Un	it 64B		MV	
I believe each of the	reservoirs to be co	ontinuous and in a	similar state of o	depletion at this	
well and at each of t	he wells from whic	h the pressures ar	e being derived.		

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.





HEC Comments

The production forecasts have been generated using type curves of production in the surrounding trend.

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

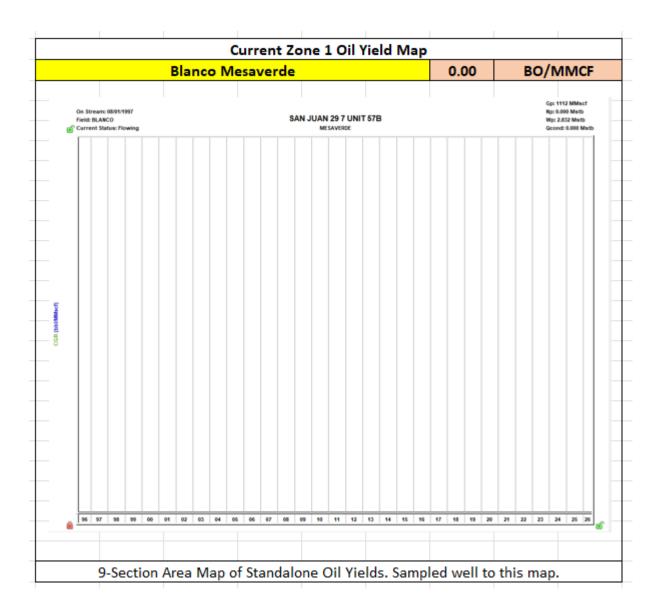
The BHPs of all zones, producing and non-producing, were estimated based upon basinwide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin. These models were constructed incorporating reservoir dynamics and physics,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

Production Allocation Method - Subtraction

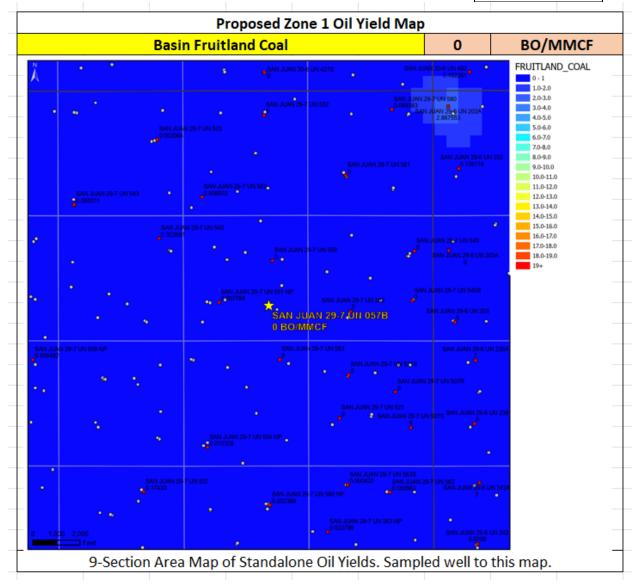
Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Basin Dakota. The added formations to be commingled are the Blanco South Pictured Cliffs and Basin 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 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.



Formation	Remaining Reserves (mmcf)	Yield (bbl/MM)	% Oil Allocation
MV	332.00	0.00	0%
FRC	820.00	0	0%
			0%



Santa Fe Main Office Phone: (505) 476-3441 General Information Phone: (505) 629-6116

State of New Mexico

Form C-101 Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Online Phone Directory Visit:	1
https://www.emnrd.nm.gov/ocd/contact-us/	

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			Operator Name Hilcorp Energy 382 Road Aztec, NM	Company 3100			 GGRID Numb 372171 API Number 30-039-25633 	•
4. Prope	rty Code 3713			3. Property SAN JUAN	Name N 29-7			ell No. 57B
	,,,15			7. Surface Lo				.,,2
UL - Lot	Section 11	Township 29N	Range 07W	Lot Idn Feet 1		Feet From 1660'	E/W Line EAST	County RIO ARRIBA
		<u> </u>		8 Proposed Botton	n Hole Location			<u> </u>
UL - Lot J	Section 11	Township 29N	Range 07W	Lot Idn Feet 1		Feet From 1660'	E/W Line EAST	County RIO ARRIBA
				9. Pool Inforn	nation	I		
				Pool Name BASIN FRUITLAND CO	AL			Pool Code 71629
				Additional Well In	nformation			
RECOM	IPLETI	E	12. Well Type COMMINGLE	13. Cable/l	,	^{14.} Lease Type FEE	ϵ	ound Level Elevation 5391' GL
COMM	iltiple INGLE		17. Proposed Depth	BASIN FRC	ation	^{19.} Contractor		^{20.} Spud Date
epth to Grou	nd water		Dista	nce from nearest fresh water	well	Distanc	ce to nearest surface	water
Туре		e Size	stem in lieu of l 21. P Casing Size	Casing Weight/ft	Cement Program Setting Depth	n Sacks o	of Cement	Estimated TOC
			Casing	/Cement Program: A	dditional Commo	ents		
			Casing	/Cement Program: A	dditional Commo	ents		
				/Cement Program: A		ents		
	Type		22. P		vention Program	ents Pressure	M	anufacturer
	Туре		22. P	roposed Blowout Pre	vention Program		Ma	anufacturer
	•••		22. P	roposed Blowout Pre	vention Program		Ma	anufacturer
f my knowle	rtify that th	ief.	22. P	roposed Blowout Pre	revention Program Test			
f my knowle further cert 9.15.14.9 (B	rtify that th	ief. nave complied 7. if applicat	22. P	roposed Blowout Pre Working Pressure te and complete to the best	revention Program Test	Pressure		
f my knowle further cert 9.15.14.9 (Bignature:	rtify that th dge and bel ify that I I) NMAC [ief. nave complied], if applicat	22. P	roposed Blowout Pre Working Pressure te and complete to the best	Test	Pressure		
f my knowle further cert 9.15.14.9 (Buignature:	rtify that th dge and bel ify that I I NMAC [UMYY DAWN N.	ief. nave complied], if applicat	22. P	roposed Blowout Pre Working Pressure te and complete to the best	Test Approved By:	Pressure		
f my knowle further cert 9.15.14.9 (B) ignature: Crinted name: Citle: REGUL	rtify that the dge and bel ify that I I NMAC [DAWN N. DAWN N. ATORY T	ief. nave complied , if applicate Mh Clao ASH-DEAL	22. P	roposed Blowout Pre Working Pressure te and complete to the best	Test Approved By:	Pressure	ATION DIVIS	



HILCORP ENERGY COMPANY San Juan 29-7 Unit 57B RECOMPLETION SUNDRY

Prepared by:	Matthew Esz
Preparation Date:	May 13, 2025

	WELL	INFORMATION	
Well Name:	San Juan 29-7 Unit 57B	State:	NM
API#:	3003925633	County:	
Area:	10	Location:	
Route:	1002	Latitude:	
Spud Date:	May 6, 1997	Longitude:	

PROJECT DESCRIPTION

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

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



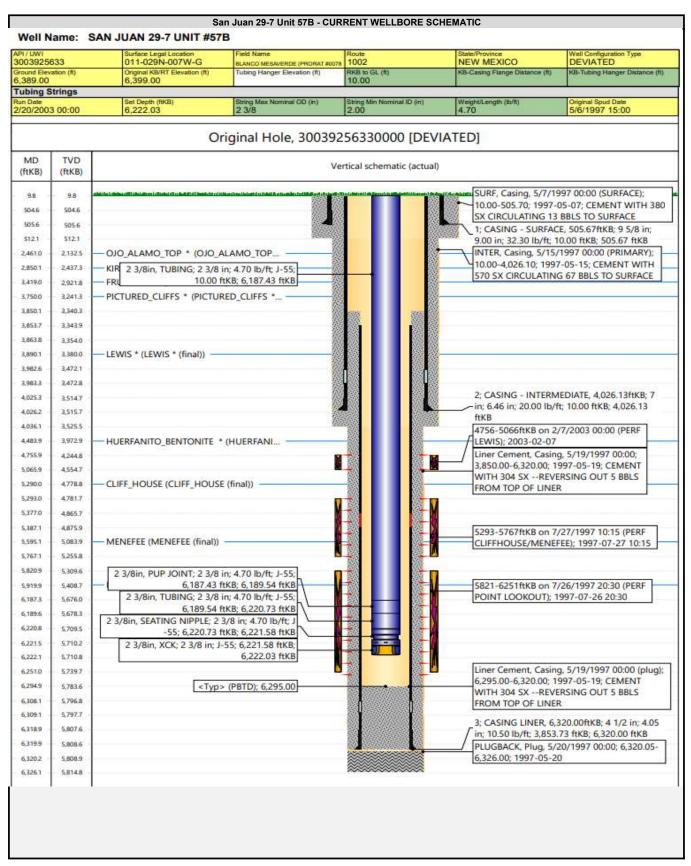
HILCORP ENERGY COMPANY San Juan 29-7 Unit 57B RECOMPLETION SUNDRY

JOB PROCEDURES

- 1. MIRU service rig and associated equipment; test BOP.
- 2. TOOH with 2-3/8" tubing set at 6,222'.
- 3. Set a 4-1/2" plug at +/- 4,731' to isolate the Mesa Verde.
- 4. Will not pull new CBL. Have sufficient cmt based on CBL pulled 7/25/1997.
- 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 3280'-3750'.
- 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 6,295'. TOOH.
- 12. TIH and land production tubing. Get a commingled Mesa Verde/Fruitland Coal flow rate.

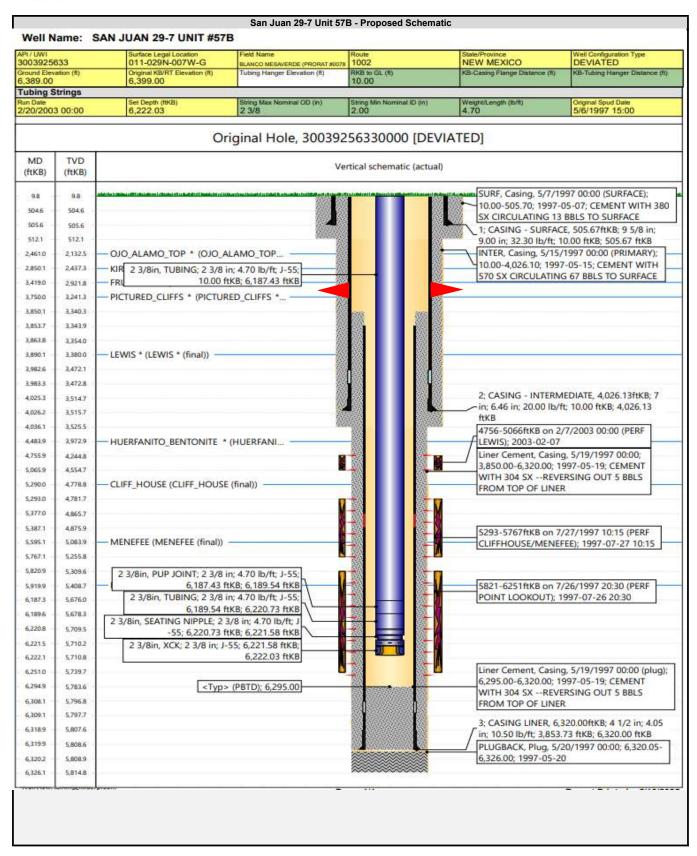


HILCORP ENERGY COMPANY San Juan 29-7 Unit 57B RECOMPLETION SUNDRY





HILCORP ENERGY COMPANY San Juan 29-7 Unit 57B RECOMPLETION SUNDRY



Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462

General Information Phone: (505) 629-6116

Online Phone Directory Visit:

nttps://www.emnrd.nm.gov/ocd/contact-us/

State of New Mexico Energy, Minerals & Natural Resources Department

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\mathbf{v}	COMBEN	$\mathbf{v} \wedge \mathbf{v} = \mathbf{v} \cdot \mathbf{v}$	DIVIOIOIV

Revised July 9, 2024 Submit Electronically

	via OCD Permitting
6 1 to 1	☐ Initial Submittal
Submittal Type:	☐ Amended Report
71	☐ As Drilled

WELL LOCATION INFORMATION

API Nu	mber		Pool Code			Pool Name					
300392	5633		71629			BASIN FRUITLAND C	OAL (GAS PO	OOL)			
Property	y Code		Property Na	ıme					Well Num	ber	
318713			SAN JUAN	1 29-7 UNI	Γ				57B		
OGRID	No.		Operator Na	ame					Ground Level Elevation		
372171			Hilcorp Ene	rgy Compar	ny				6391		
Surface	Owner: 🗆 S	State ⊠ Fee □	l Tribal □ Fed	leral		Mineral Owner: □	State ⊠ Fee	□ Tribal □	Federal		
					Sur	face Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	ongitude	County	
J	11	29N	07W		1500' FLS	1660' FEL	36.73705	-	107.53639	RIO ARRIBA	
					Botto	m Hole Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	ongitude	County	
J	11	29N	07W		1500' FLS	1660' FEL	36.73705	-	107.53639	RIO ARRIBA	
								Consolidati			
							or Unit (V/N)	Concolidati			
	ed Acres	Infill or Defi	ning wen		Well API	Overlapping Spacir	ig Omt (1/14)		ion code		
320.0		INFILL	ning weii	3003921		NO NO	ig Omt (1/1 v)	UNIT	ion code		
320.0			ning wen					UNIT			
320.0	00		ning well			NO		UNIT			
320.0	00		ning weii		613	NO		UNIT			
320.0	00		Range		613	NO Well setbacks are u		UNIT Ownership: \$\infty\$		County	
320.0 Order N	Jumbers.	INFILL		3003921	613 Kick	NO Well setbacks are u Off Point (KOP)	nder Common	UNIT Ownership: \$\infty\$	∜Yes □No	County	
320.0 Order N	Jumbers.	INFILL		3003921	Kick Ft. from N/S	NO Well setbacks are u Off Point (KOP) Ft. from E/W	nder Common	UNIT Ownership: \$\infty\$	∜Yes □No	County	
320.0 Order N	Jumbers. Section	Township	Range	3003921	Kick Ft. from N/S First	NO Well setbacks are u Off Point (KOP) Ft. from E/W Take Point (FTP)	Latitude	UNIT Ownership: L	《Yes □No .ongitude		
320.0 Order N	Jumbers.	INFILL		3003921	Kick Ft. from N/S	NO Well setbacks are u Off Point (KOP) Ft. from E/W	nder Common	UNIT Ownership: L	∜Yes □No	County	
320.0 Order N	Jumbers. Section	Township	Range	3003921	Kick Ft. from N/S First	NO Well setbacks are u Off Point (KOP) Ft. from E/W Take Point (FTP)	Latitude	UNIT Ownership: L	《Yes □No .ongitude		
320.0 Order N UL	Jumbers. Section	Township	Range	3003921	Kick Ft. from N/S First' Ft. from N/S	NO Well setbacks are u Off Point (KOP) Ft. from E/W Take Point (FTP)	Latitude	UNIT Ownership: L	《Yes □No .ongitude		
320.0 Order N UL	Jumbers. Section	Township	Range	3003921	Kick Ft. from N/S First' Ft. from N/S	NO Well setbacks are u Off Point (KOP) Ft. from E/W Take Point (FTP) Ft. from E/W	Latitude	UNIT Ownership: L	Al Yes □No Longitude Longitude		
320.0 Order N UL UL	Section Section	Township	Range	3003921 Lot Lot	Kick Ft. from N/S First' Ft. from N/S Last 7	NO Well setbacks are u Off Point (KOP) Ft. from E/W Take Point (FTP) Ft. from E/W Take Point (LTP)	Latitude Latitude	UNIT Ownership: L	《Yes □No .ongitude	County	

Unitized Area or Area of Uniform Interest Ground Floor Elevation: Spacing Unit Type \square Horizontal \boxtimes Vertical 6391'

OPERATOR CERTIFICATIONS

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.

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.

Downnach Dead 05/27/2025 Signature Date DAWN NASH-DEAL Printed Name DNASH@HILCORP.COM Email Address

SURVEYOR CERTIFICATIONS

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.

NEALE EDWARDS

Signature and Seal of Professional Surveyor

6857

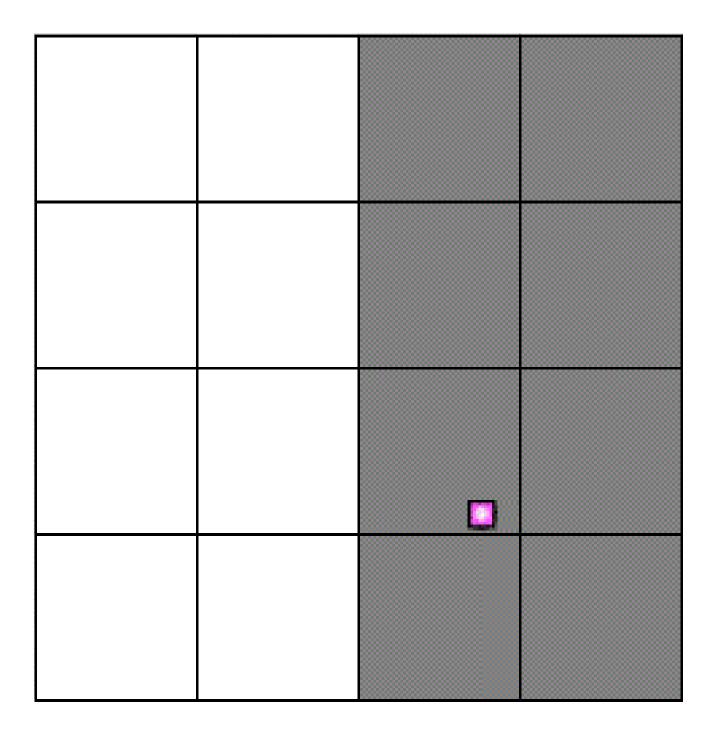
8/15/1996

Certificate Number

Date of Survey

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



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 <u>Effective May 25, 2021</u>

I. Operator: Hilcorp Energy Company			0	GRID: 372	171 D	ate: <u>07/07/</u> 202	25
II. Type: ⊠ Original	☐ Amendment	due to 19.15.27	.9.D(6)(a) NMA	C □ 19.15.27	7.9.D(6)(b) NN	MAC □ Other.	
If Other, please describ	oe:						
III. Well(s): Provide the recompleted from a					et of wells pro	posed to be dril	led or proposed to
Well Name	API	ULSTR	Foot	Footages A		Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
SJ 29-7 UNIT 57B	3003925633	J,11,29N,07W	1500' FSL &	1660' FEL	0 BBL	350 MCF	5 BBL
V. Anticipated Schedo proposed to be recomp Well Name					etion	of wells propo Initial Flow Back Date	sed to be drilled or First Production Date
SJ 29-7 UNIT 57B	3003925633						
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	Available Maximum Daily Capacity
	-		Start Date	of System Segment Tie-in

XI. Map. \square 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	e capacity to gather	100% of the a	nticipated nati	ural gas
production volume from the well	prior to the date of first	production.				

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

	Operator	's plan to	o manage prod	luction in response	to the increased li	ine pressure
--	----------	------------	---------------	---------------------	---------------------	--------------

XIV. Confidentiality: \square Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information	tion 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 spe	cific information
for which confidentiality is asserted and the basis for such assertion.	

(i)

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

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; reinjection for underground storage; (e) **(f)** reinjection for temporary storage; **(g)** reinjection for enhanced oil recovery; fuel cell production; and (h)

Section 4 - Notices

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

other alternative beneficial uses approved by the division.

- (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: Dumnach Deao
Printed Name: DAWN NASH-DEAL
Title: REGULATORY TECHNICIAN
E-mail Address: DNASH@HILCORP.COM
Date: 07/07/2025
Phone: 505-324-5132
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
 - o 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.
 - o 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.
 - o 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.
 - o 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
 - o Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - o 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.

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

APPLICATION FOR DOWNHOLE COMMINGLING SUBMITTED BY HILCORP ENERGY COMPANY

ORDER NO. DHC-5513

ORDER

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-5513 Page 1 of 4

- 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.

ORDER

- 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 oil and gas production to the new pool(s) equal to the total oil and gas production from the Well minus the projected oil and gas production from the current pool(s) as described in Exhibit A until a different plan to allocate oil and gas production is approved by OCD.

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 on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.

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.

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%) shall be allocated to the Basin Fruitland Coal pool (pool ID: 71629); and
- b. zero percent (0%) 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)

Order No. DHC-5513 Page 2 of 4

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 on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.

- 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.

Order No. DHC-5513 Page 3 of 4

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ALBERT C.S. CHANG DIRECTOR

Albert Chang
DATE: 9/12/2025

Order No. DHC-5513 Page 4 of 4

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: DHC-5513

Operator: Hilcorp Energy Company

Well Name: San Juan 29 7 Unit Well No. 57B

Well API: 30-039-25633

Pool Name: Basin Fruitland Coal

Upper Zone Pool ID: 71629 Current: New: X
Allocation: Subtraction Oil: 0.0% Gas: SUBT

Top: 3,280 Bottom: 3,750

Pool Name:

Intermediate Zone Pool ID: Current: New: Allocation: Oil: Gas:

Top: Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: Blanco Mesaverde

Lower Zone Pool ID: 72319 Current: X New:

Allocation: Oil: 0.0% Gas: SUBT Top: 4,756 Bottom: 6,251

Bottom of Interval within 150% of Upper Zone's Top of Interval: NO

Top of Queen 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

Action 485634

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	485634
	Action Type:
	[C-107] Down Hole Commingle (C-107A)

CONDITIONS

Create By		Condition Date
llowe	None	7/23/2025