

**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-5520

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. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
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.

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 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. ninety - five percent (95%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319);
 - b. five percent (5.0%) shall be allocated to the Basin Fruitland Coal pool (pool ID: 71629); and

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); and

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 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.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT CHANG
DIVISION DIRECTOR**

DATE: 9/12/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: DHC-5520			
Operator: Hilcorp Energy Company			
Well Name: San Juan Well No. 11A			
Well API: 30-045-22498			
Upper Zone	Pool Name: Basin Fruitland Coal		
	Pool ID: 71629	Current:	New: X
	Allocation: Subtraction	Oil: 5.0%	Gas: SUBT
		Top: 2,847	Bottom: 3,253
Intermediate Zone	Pool Name:		
	Pool ID:	Current:	New:
	Allocation:	Oil:	Gas:
		Top:	Bottom:
Bottom of Interval within 150% of Upper Zone's Top of Interval:			
Lower Zone	Pool Name: Blanco Mesaverde		
	Pool ID: 72319	Current: X	New:
	Allocation: Subtraction	Oil: 95.0%	Gas: SUBT
		Top: 4,882	Bottom: 5,845
Bottom of Interval within 150% of Upper Zone's Top of Interval: NO			
Top of Queen Formation:			

ID NO. 487108 (Updated Version)

DHC - 5520

Revised March 23, 2017

RECEIVED: 07/21/25	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Date

Phone Number

Signature

e-mail Address

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator EL PASO NATURAL GAS COMPANY			Lease SAN JUAN (NM-03195)		Well No. 11A
Unit Letter I	Section 11	Township 30-N	Range 10-W	County SAN JUAN	
Actual Footage Location of Well: 1760 feet from the SOUTH line and 1020 feet from the EAST line					
Ground Level Elev. 6589	Producing Formation MESA VERDE		Pool BLANCO MESA VERDE	Dedicated Acreage: 311.78 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	<p align="center">CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p align="right">Original Signed By C. Gilson</p>
	<p>Name _____</p> <p>Position _____</p> <p>Company _____</p> <p>Date _____</p>
<p align="center">SECTION 11</p> <p align="center">NM-03195</p>	<p><i>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 knowledge and belief.</i></p>
	<p>Date Surveyed APRIL 7, 1977</p> <p>Registered Professional Engineer and/or Licensed Surveyor <i>[Signature]</i></p>
	<p>Certificate No. 1760</p>

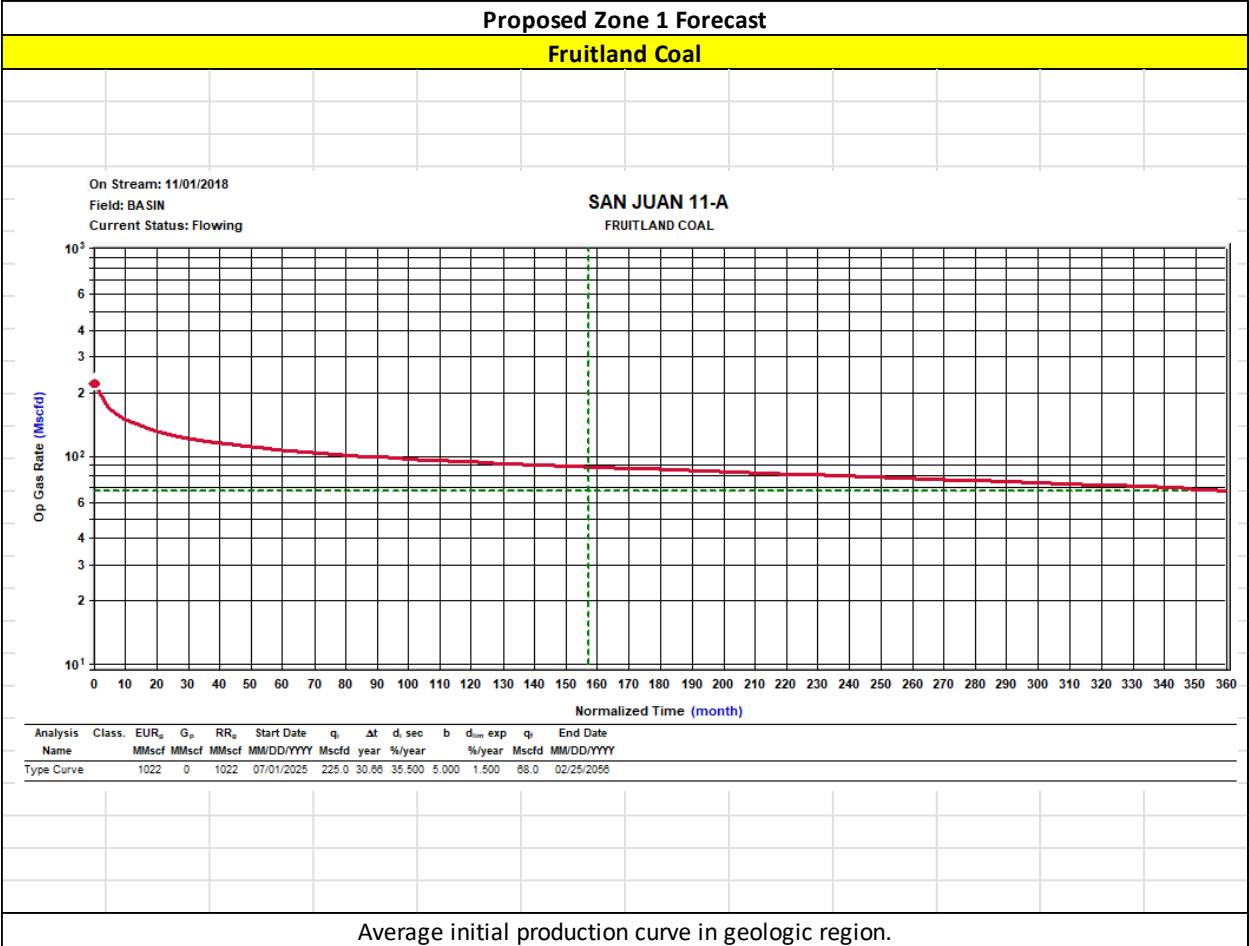
The near wellbore shut-in bottom hole pressures of the above reservoirs are much lower than the calculated far-field stabilized reservoir pressured due to the low permeability of the reservoirs. Based on pressure transient analysis performed in the San Juan Basin, it would take 7-25 years for shut-in 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 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:			
3004534621	GRAMBLING C 202S	FRC	
3004522525	GRAMBLING C 4A	MV	
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.			

"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

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.

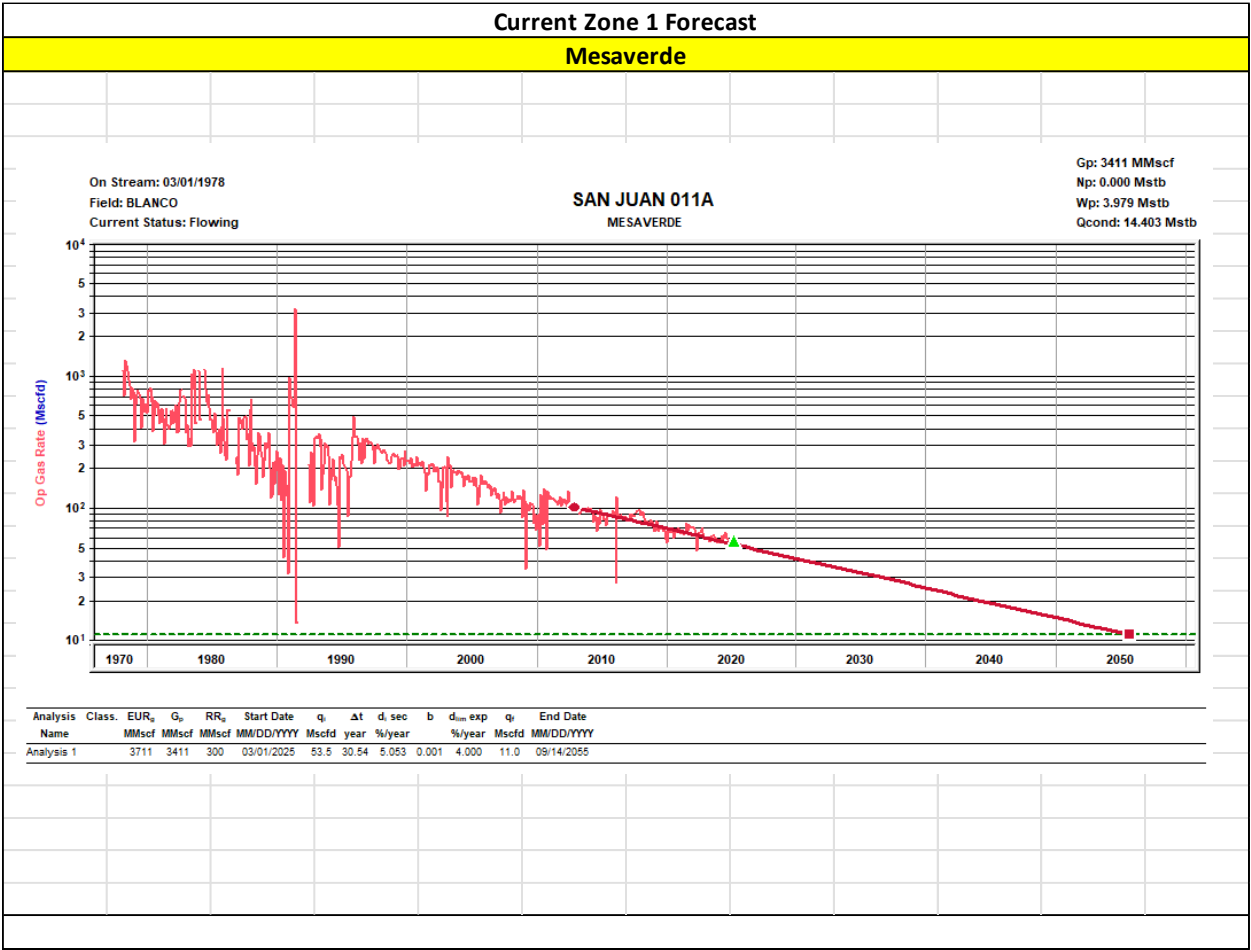
The BHPs of all zones, producing and non-producing, were estimated based upon basinwide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin. These models were constructed incorporating reservoir dynamics and physics,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



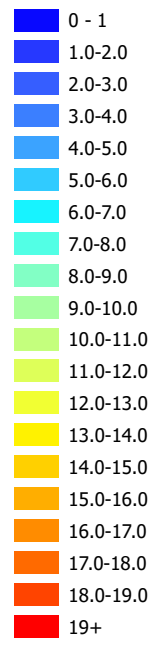
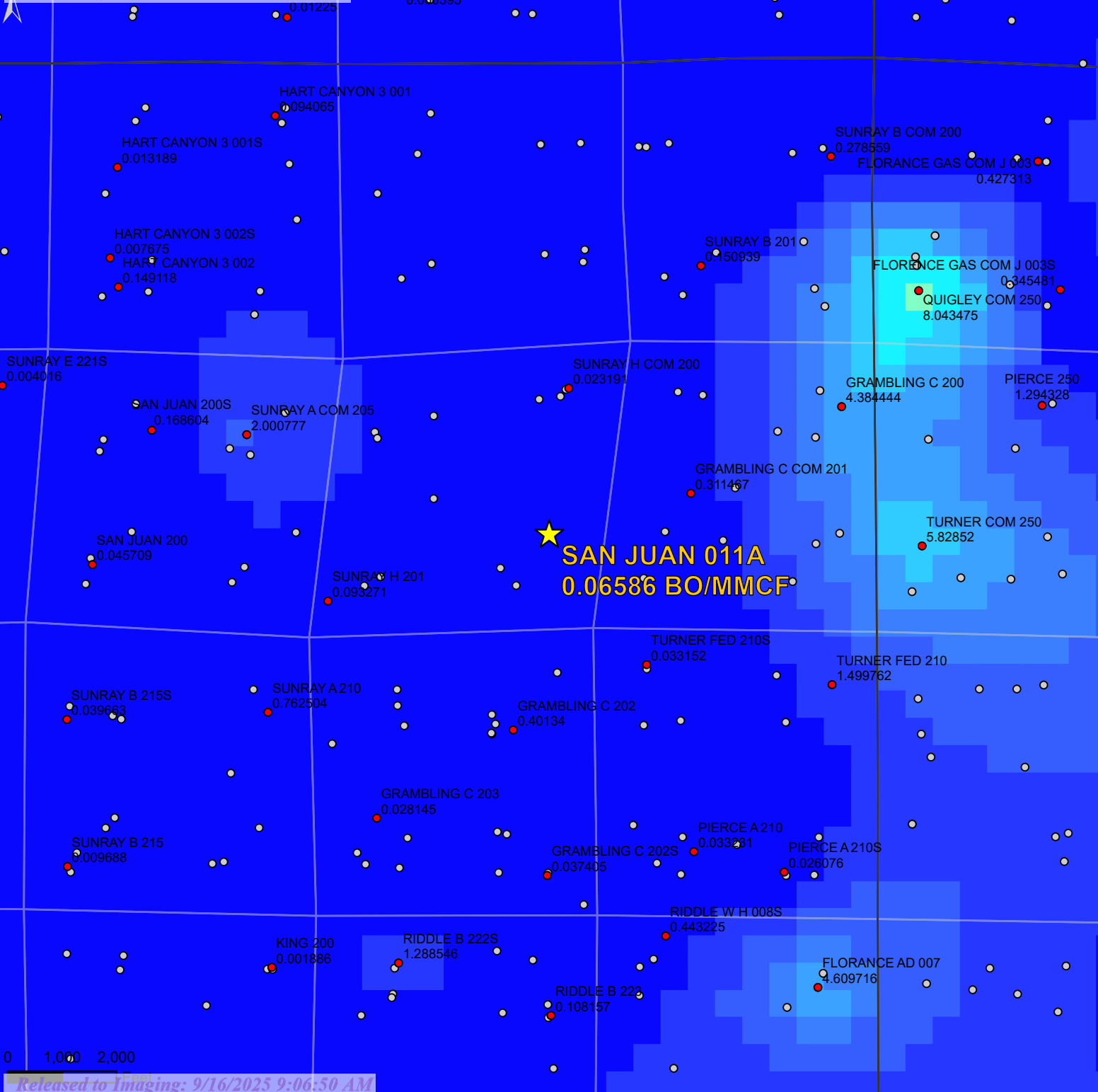
Oil Allocation:

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	4.22	300	95%
FRC	0.06586	1022	5%
			100%

All documentation will be submitted to NMOCD.



Water Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Pictured Cliffs, Blanco Mesaverde, Basin Dakota, etc.) and a productive coalbed methane reservoir (Basin Fruitland Coal).
- These siliciclastic and coalbed methane reservoirs are commingled extensively throughout the basin in many different combinations with no observed damage from clay swelling due to differing formation waters.
- The samples below all show fresh water with low TDS.
- 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.

Well Name	SAN JUAN 11-A
API	3004522498

FRC Offset (1.11 miles)		MV Offset (0.66 miles)	
API	3004527006	API	3004522525
Property	TURNER FEDERAL 21	Property	GRAMBLING C 4A
CationBarium	0	CationBarium	0
CationBoron		CationBoron	
CationCalcium	9	CationCalcium	313.56
CationIron	0.14	CationIron	44.9
CationMagnesium	18.5	CationMagnesium	78.08
CationManganese	0.15	CationManganese	78.08
CationPhosphorus		CationPhosphorus	
CationPotassium		CationPotassium	
CationStrontium	2.24	CationStrontium	0
CationSodium	5406.89	CationSodium	5666.3
CationSilica		CationSilica	
CationZinc		CationZinc	
CationAluminum		CationAluminum	
CationCopper		CationCopper	
CationLead		CationLead	
CationLithium		CationLithium	
CationNickel		CationNickel	
CationCobalt		CationCobalt	
CationChromium		CationChromium	
CationSilicon		CationSilicon	
CationMolybdenum		CationMolybdenum	
AnionChloride	6507.15	AnionChloride	8309.13
AnionCarbonate	0	AnionCarbonate	
AnionBicarbonate	879.84	AnionBicarbonate	1002.04
AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride	
AnionHydroxyl		AnionHydroxyl	
AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate	
AnionSulfate	1100	AnionSulfate	750
phField		phField	6.8
phCalculated	7.34	phCalculated	
TempField		TempField	
TempLab		TempLab	
OtherFieldAlkalinity		OtherFieldAlkalinity	
OtherSpecificGravity	1.01	OtherSpecificGravity	
OtherTDS	14291.67	OtherTDS	16275.5
OtherCaCO3	98.35	OtherCaCO3	
OtherConductivity		OtherConductivity	
DissolvedCO2	370	DissolvedCO2	110
DissolvedO2		DissolvedO2	
DissolvedH2S	0	DissolvedH2S	0
GasPressure		GasPressure	
GasCO2		GasCO2	10
GasCO2PP		GasCO2PP	
GasH2S		GasH2S	0
GasH2SPP		GasH2SPP	
PitzerCaCO3_70		PitzerCaCO3_70	
PitzerBaSO4_70		PitzerBaSO4_70	
PitzerCaSO4_70		PitzerCaSO4_70	
PitzerSrSO4_70		PitzerSrSO4_70	
PitzerFeCO3_70		PitzerFeCO3_70	
PitzerCaCO3_220		PitzerCaCO3_220	
PitzerBaSO4_220		PitzerBaSO4_220	
PitzerCaSO4_220		PitzerCaSO4_220	
PitzerSrSO4_220		PitzerSrSO4_220	
PitzerFeCO3_220		PitzerFeCO3_220	

Gas Compatibility in the San Juan Basin

- The San Juan basin has productive siliciclastic reservoirs (Pictured Cliffs, Blanco Mesaverde, Basin Dakota, etc.) and a productive coalbed methane reservoir (Basin Fruitland Coal).
- These siliciclastic and coalbed methane reservoirs are commingled extensively throughout the basin in many different combinations with no observed damage from clay swelling due to differing formation waters or gas composition.
- The samples below all show offset gas analysis variability by formation is low.
- 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.

Well Name	SAN JUAN 11-A
API	3004522498

FRC Offset (1.19 miles)		MV Offset (0.66 miles)	
AssetCode	3004534621	AssetCode	3004522525
AssetName	GRAMBLING C 202S	AssetName	GRAMBLING C 4A
CO2	0.01	CO2	0.02
N2	0	N2	0
C1	0.87	C1	0.82
C2	0.07	C2	0.09
C3	0.03	C3	0.04
ISOC4	0.01	ISOC4	0.01
NC4	0.01	NC4	0.01
ISOC5	0	ISOC5	0
NC5	0	NC5	0
NEOC5		NEOC5	
C6		C6	
C6_PLUS	0	C6_PLUS	0.01
C7		C7	
C8		C8	
C9		C9	
C10		C10	
AR		AR	
CO		CO	
H2		H2	
O2		O2	
H2O		H2O	
H2S	0	H2S	0
HE		HE	
C_O_S		C_O_S	
CH3SH		CH3SH	
C2H5SH		C2H5SH	
CH2S3_2CH3S		CH2S3_2CH3S	
CH2S		CH2S	
C6HV		C6HV	
CO2GPM	0	CO2GPM	0
N2GPM	0	N2GPM	0
C1GPM	0	C1GPM	0
C2GPM	1.88	C2GPM	2.35
C3GPM	0.78	C3GPM	1.06
ISOC4GPM	0.17	ISOC4GPM	0.24
NC4GPM	0.2	NC4GPM	0.36
ISOC5GPM	0.09	ISOC5GPM	0.16
NC5GPM	0.06	NC5GPM	0.13
C6_PLUSGPM	0.2	C6_PLUSGPM	0.38

Well Name: SAN JUAN	Well Location: T30N / R10W / SEC 11 / LOT 9 / 36.82399 / -107.847336	County or Parish/State: SAN JUAN / NM
Well Number: 11A	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM03195	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004522498	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2867552

Type of Submission: Notice of Intent	Type of Action: Recompletion
Date Sundry Submitted: 08/08/2025	Time Sundry Submitted: 11:35
Date proposed operation will begin: 08/11/2025	

Procedure Description: Hilcorp Energy Company requests to REVISE the bottom perforation on the above mentioned well. Please see the attached revised procedure.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

San_Juan_11A_RC_NOI_Packet_REVISED_20250808113540.pdf

Well Name: SAN JUAN	Well Location: T30N / R10W / SEC 11 / LOT 9 / 36.82399 / -107.847336	County or Parish/State: SAN JUAN / NM
Well Number: 11A	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM03195	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004522498	Operator: HILCORP ENERGY COMPANY	

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: AMANDA WALKER	Signed on: AUG 08, 2025 11:35 AM
Name: HILCORP ENERGY COMPANY	
Title: Operations/Regulatory Technician	
Street Address: 1111 TRAVIS ST	
City: HOUSTON	State: TX
Phone: (346) 237-2177	
Email address: MWALKER@HILCORP.COM	

Field

Representative Name:		
Street Address:		
City:	State:	Zip:
Phone:		
Email address:		

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5055647742	BLM POC Email Address: krennick@blm.gov
Disposition: Approved	Disposition Date: 08/08/2025
Signature: Kenneth Rennick	

Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

3a. Address

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

9. API Well No.

10. Field and Pool or Exploratory Area

11. Country or Parish, State

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Title

Signature

Date

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: LOT 9 / 1760 FSL / 1020 FEL / TWSP: 30N / RANGE: 10W / SECTION: 11 / LAT: 36.82399 / LONG: -107.847336 (TVD: 0 feet, MD: 0 feet)

BHL: LOT 9 / 1760 FSL / 1020 FEL / TWSP: 30N / RANGE: 10W / SECTION: 11 / LAT: 36.82399 / LONG: 107.847336 (TVD: 0 feet, MD: 0 feet)



HILCORP ENERGY COMPANY
SAN JUAN 11A
FRUITLAND COAL RECOMPLETION SUNDRY
API: 3004522498

JOB PROCEDURES

- | | | |
|-------------------------------------|-------|--|
| <input checked="" type="checkbox"/> | NMOCD | Contact OCD and BLM (where applicable) 24 hrs prior to MIRU or running MITs. Record and document all casing pressures daily, including BH, IC (if present) and PC. Comply with all NMOCD, BLM (where applicable), and HEC safety and environmental regulations. |
| <input checked="" type="checkbox"/> | BLM | |
1. Hold pre-job safety meeting. MIRU service rig and associated equipment. NU and test BOP per HEC, State, and Federal guidelines.
 2. TOOH with **2-3/8"** tubing.
 3. Set a **4-1/2"** plug within 50' of the top **Mesaverde** perforation (+/-**4,832'**) for zonal isolation.
 4. Load hole with fluid, PT the csg to 600 psi and run a CBL on the **7"** casing. Verify cement bond within the **Fruitland Coal** and confirm TOC. Review CBL results with engineering and regulatory agencies. Perform cmt remediation as required, after obtaining necessary approvals.
 5. Perform a witnessed MIT test on the csg with the appropriate regulatory agencies (Notify NMOCD 24 hours prior to test).
 6. **If frac will be pumped down casing:** ND BOP, NU frac stack and test frac stack and casing to frac pressure.
 7. RU WL. Perforate the **Fruitland Coal**. (Top perforation @ **2,847'**, Bottom perforation @ **3,253'**).
 8. **If frac will be pumped down a frac string:** RIH w/ frac string and packer. Set packer within 80' of top perforation. ND BOP, NU frac stack. Pressure test frac string and frac stack to frac pressure.
 9. RDMO service rig. RU stimulation crew. Frac the **Fruitland Coal** in one or more stages. Set plugs in between stages, if necessary.
 10. MIRU service rig and associated equipment. ND frac stack, NU BOP and test.
 11. If frac was performed down frac string: POOH w/ frac string and packer.
 12. TIH with a bit and drill out top isolation plug and any stage plugs (if necessary). Clean out to the top of the **Mesaverde** isolation plug.
 13. Pending commingle approval, drill out **Mesaverde** isolation plug. Cleanout to PBTD at **5,964'**. TOOH w/ cleanout assembly.
 14. Run and land production tubing. RDMO service rig and associated equipment. Return well to production.



**HILCORP ENERGY COMPANY
SAN JUAN 11A
FRUITLAND COAL RECOMPLETION SUNDRY**

SAN JUAN 11A - CURRENT WELLBORE SCHEMATIC



Hilcorp Energy Company

Current Schematic - Version 3

Well Name: SAN JUAN #11A

API / UWI 3004522498	Surface Legal Location 011-030N-010W-1	Field Name BLANCO MESA / ERDE SPRING	Route 0410	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,589.00	Original KBRT Elevation (ft) 6,602.00	Tubing Hanger Elevation (ft)	RKB to GL (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
Tubing Strings					
Run Date 1/4/1978 00:00	Set Depth (ft/KB) 5,848.00	String Max Nominal OD (in) 2 3/8	String Min Nominal ID (in) 2.00	Weight/Length (lb/ft) 4.70	Original Spud Date 10/29/1977 00:00

Original Hole, SAN JUAN 11A

MD (ftKB)	TVD (ftKB)	Vertical schematic (actual)
13.1		Surface Casing Cement, Casing, 10/29/1977 00:00; 13.00-238.00; 1977-10-29; CEMENT W/ 190 SXS CLASS 'B', 1/4# SX GEL-FLAKE. CIRCULATED TO SURFACE
236.9		1; Surface, 238.00ftKB; 9 5/8 in; 9.00 in; 32.30 lb/ft; 13.00 ftKB; 238.00 ftKB
237.9		
251.0		
1,100.1		
1,861.9		Intermediate Casing Cement, Casing, 11/1/1977 00:00; 1,100.00-3,638.00; 1977-11-01; TOC 1100' RAN BY TEMP SURVEY ON 11/1/1977.
2,060.0		CEMENT W/ 165 SXS CLASS 'B' 65/35 POZ W/ 6% GEL 2% CACL & 1/4 CUFT FINE GILSONITE FOLLOWED BY 100 SXS CLASS 'B', 2% CACL & 1/4 CUFT FINE GILSONITE
2,847.1		2 3/8in, Tubing; 2 3/8 in; 4.70 lb/ft; J-55; 13.00 ftKB; 5,812.22 ftKB
3,266.1		PICTURED CLIFFS (PICTURED CLIFFS (final))
3,473.1		3,473.0ftKB, 11/4/1977, 4-1/2" PROD LINER TOP @ 3473'
3,478.0		
3,555.1		
3,637.1		2; Intermediate1, 3,638.00ftKB; 7 in; 6.46 in; 20.00 lb/ft; 13.00 ftKB; 3,638.00 ftKB
3,638.1		Production Casing Cement, Casing, 11/4/1977 00:00; 3,473.05-5,981.00; 1977-11-04; CEMENT W/ 245 SXS CLASS 'B', 4% GEL, 1/4 CUFT/SX FINE GILSONITE & 0.6% CFR-2. REVERSED OUT 13 BBLs CEMENT
4,289.0		CHACRA (CHACRA (final))
4,758.9		CLIFFHOUSE (CLIFFHOUSE (final))
4,859.9		MESA VERDE (MESA VERDE (final))
4,881.9		
5,070.9		MENEFEE (MENEFEE (final))
5,441.9		4882-5442ftKB on 1/2/1978 00:00 (PERF - CLIFFHOUSE / MENEFEE UPPER); 1978-01-02
5,470.1		POINT LOOKOUT (POINT LOOKOUT (final))
5,497.0		2 3/8in, Pump Seating Nipple; 2 3/8 in; 5,812.22 ftKB; 5,812.97 ftKB
5,812.3		2 3/8in, Perforated Joint; 2 3/8 in; 5,812.97 ftKB; 5,816.07 ftKB
5,813.0		2 3/8in, Tubing; 2 3/8 in; 4.70 lb/ft; J-55; 5,816.07 ftKB; 5,847.50 ftKB
5,815.9		
5,845.1		2 3/8in, Bull Plug; 2 3/8 in; 5,847.50 ftKB; 5,848.00 ftKB
5,847.4		
5,848.1		Production Casing Cement, Casing, 11/4/1977 00:00 (plug); 5,964.00-5,981.00; 1977-11-04; CEMENT W/ 245 SXS CLASS 'B', 4% GEL, 1/4 CUFT/SX FINE GILSONITE & 0.6% CFR-2. REVERSED OUT 13 BBLs CEMENT
5,963.9		MANCOS (MANCOS (ft<Typ> (PBTD); 5,964.00
5,964.9		
5,980.0		
5,981.0		3; Production1, 5,981.00ftKB; 4 1/2 in; 4.05 in; 10.50 lb/ft; 3,473.05 ftKB; 5,981.00 ftKB

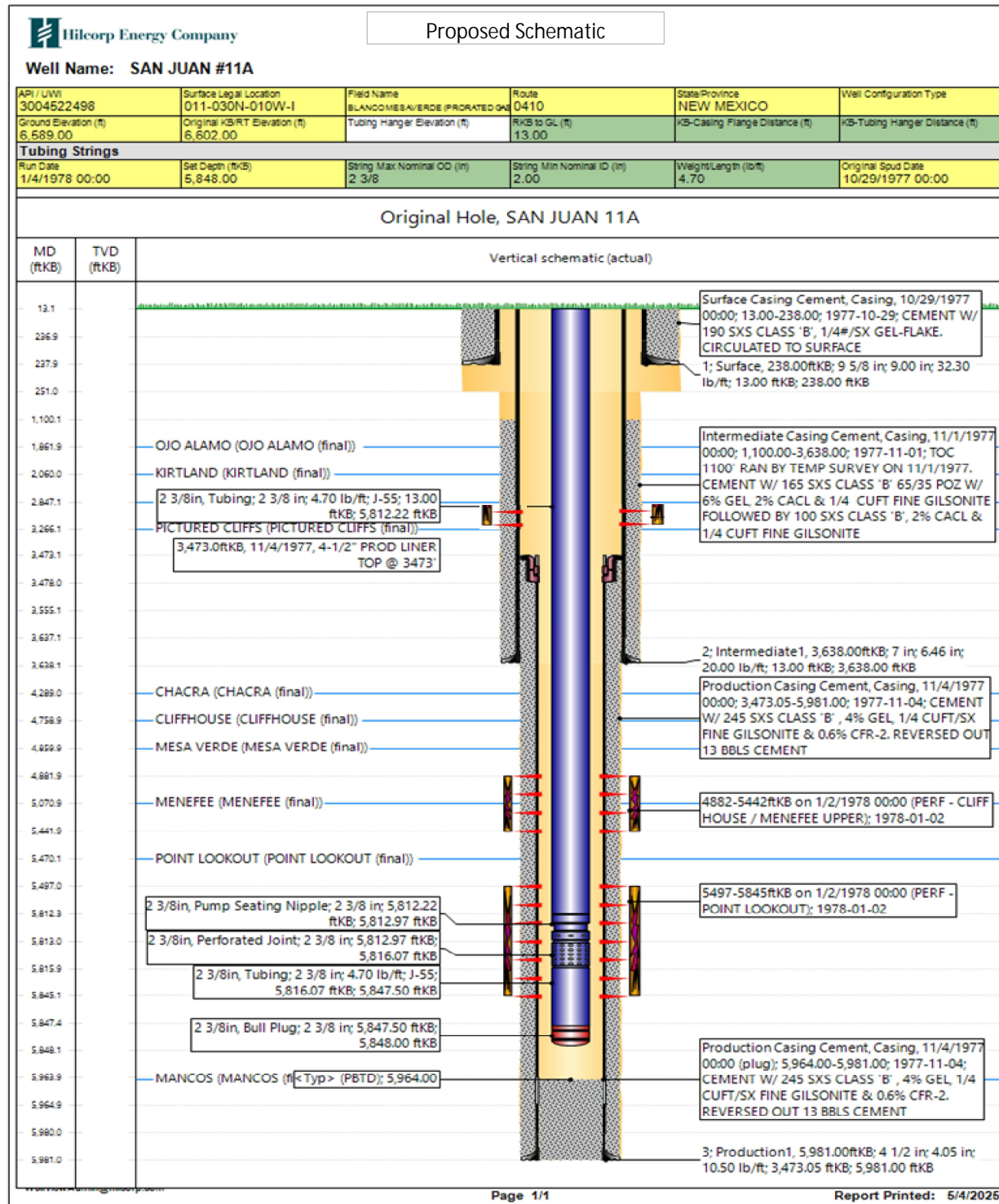
Page 1/1

Report Printed: 5/4/2025



**HILCORP ENERGY COMPANY
SAN JUAN 11A
FRUITLAND COAL RECOMPLETION SUNDRY**

SAN JUAN 11A - PROPOSED WELLBORE SCHEMATIC



Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	<input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-045-22498	Pool Code 71629	Pool Name Basin Fruitland Coal (Gas)	
Property Code 388640	Property Name San Juan	Well Number 11A	
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6589'	
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal	

Surface Location

UL I	Section 11	Township 30N	Range 10W	Lot 09	Ft. from N/S 1760' S	Ft. from E/W 1020' E	Latitude 36.82407	Longitude -107.8476868	County San Juan
---------	---------------	-----------------	--------------	-----------	-------------------------	-------------------------	----------------------	---------------------------	--------------------

Bottom Hole Location

UL I	Section 11	Township 30N	Range 10W	Lot 09	Ft. from N/S 1760' S	Ft. from E/W 1020' E	Latitude 36.82407	Longitude -107.8476868	County San Juan
---------	---------------	-----------------	--------------	-----------	-------------------------	-------------------------	----------------------	---------------------------	--------------------

Dedicated Acres 320.0	Infill or Defining Well Infill	Defining Well API 30-045-27221	Overlapping Spacing Unit (Y/N) No	Consolidation Code N/A
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	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------	--------------	----------	-----------	--------

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------	--------------	----------	-----------	--------

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------	--------------	----------	-----------	--------

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation:
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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.



5/5/2025

Signature

Date

Amanda Walker
Printed Namemwalker@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.

David Vilven

Signature and Seal of Professional Surveyor

1760

Certificate Number

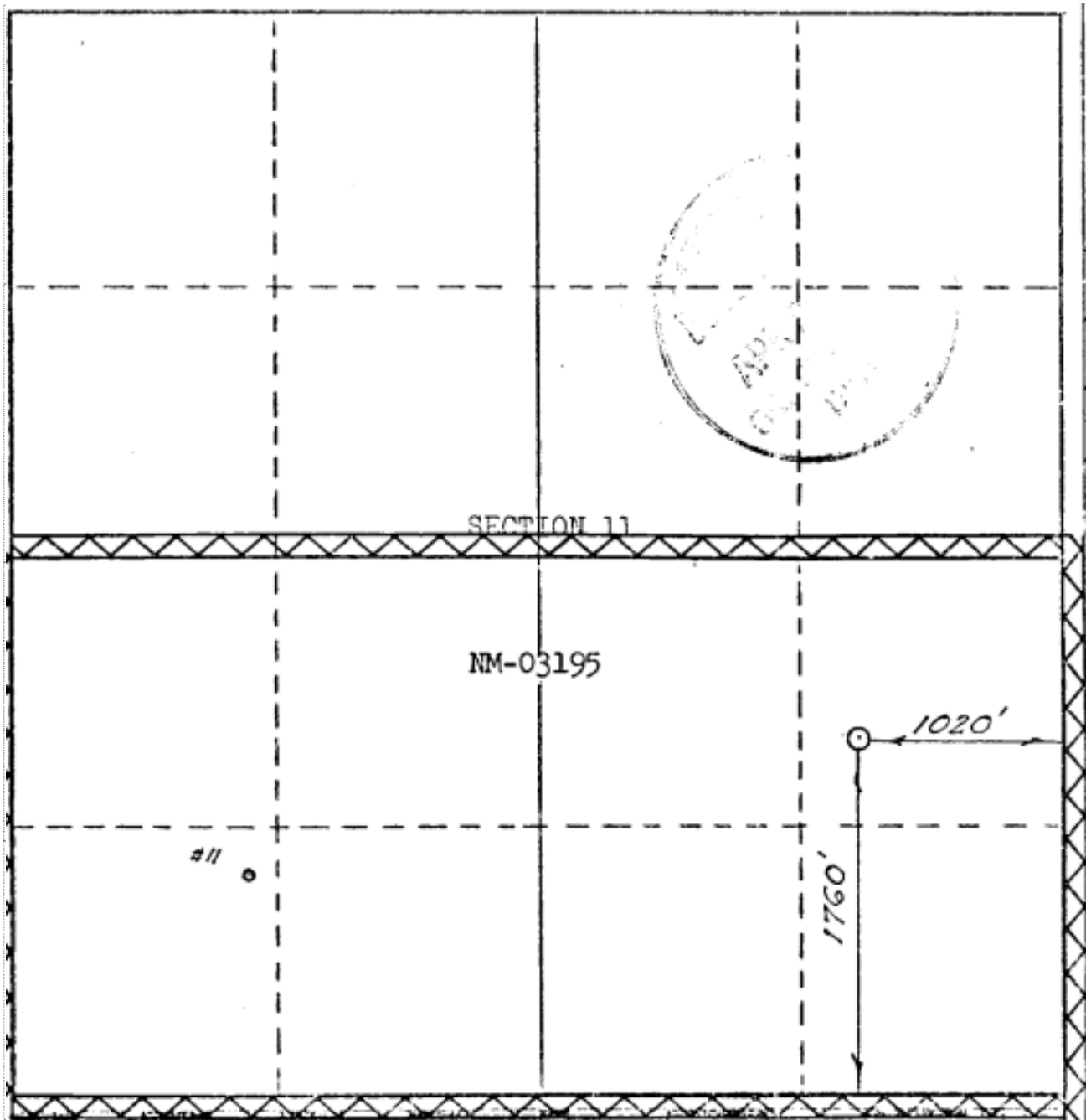
April 7, 1977

Date of Survey

Note: 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.

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

Submit Electronically
Via E-permitting

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: Hilcorp Energy Company **OGRID:** 372171 **Date:** 5/5/2025

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
San Juan 11A	3004522498	I, 11, 30N, 10W Lot 9	1760' FSL & 1020' FEL	0	200	1

IV. Central Delivery Point Name: Chaco-Blanco Processing Plant [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
<u>San Juan 11A</u>	<u>3004522498</u>				<u>2025</u>	<u>2025</u>

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

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

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

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

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

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

IX. Anticipated Natural Gas Production:

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

X. Natural Gas Gathering System (NGGS):

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

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

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

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

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

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

Section 3 - Certifications

Effective May 25, 2021

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

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

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

If Operator checks this box, Operator will select one of the following:

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

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

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

Section 4 - Notices

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

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

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

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

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

Signature: 
Printed Name: Amanda Walker
Title: Operations Regulatory Tech Sr.
E-mail Address: mwalker@hilcorp.com
Date: 5/5/2025
Phone: 346-237-2177
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 recomple project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomple 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 recomple 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
 - 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.



April 29, 2025

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application for Downhole Commingling
Well: SAN JUAN #011A
API: 30-045-22498
T30N - R10W - Section 11, Unit Letter: I
San Juan County, NM

Ladies and Gentlemen:

Concerning Hilcorp Energy Company's application to downhole commingle production in the subject well, this letter serves to confirm the following:

- All working, royalty and overriding royalty interests are identical between the **Blanco Mesaverde (72319)** and **Basin Fruitland Coal (71629)** as such relates to the prescribed spacing unit(s) being the **S/311.78** and **S/320**, respectively.

Pursuant to Subsection C.(1)(c) of 19.15.12.11, if the spacing unit(s) contains state, federal or tribal lands, Hilcorp will have provided notice via mail or sundry to the State Land Office and/or BLM as of the date of this letter.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at the email or number provided below.

Regards,

Hilcorp Energy Company

A handwritten signature in blue ink, appearing to read 'Rob Carlson'.

Rob Carlson, CPL
Sr. Landman
(832) 839-4596
rcarlson@hilcorp.com

1111 Travis Street Houston, TX 77002
Phone: (713) 209-2400 Fax: (713) 209-2420

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

COMMENTS

Action 487108

COMMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 487108
	Action Type: [C-107] Down Hole Commingle (C-107A)

COMMENTS

Created By	Comment	Comment Date
llowe	08/21/25 Revised (Corrected) DHC application submitted.	8/21/2025

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 487108

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 487108
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	8/21/2025