

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

State of New Mexico
Energy, Minerals and Natural Resources

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

WELL API NO. 30-045-38488
5. Indicate Type of Lease STATE [] FEE [X]
6. State Oil & Gas Lease No. FEE
7. Lease Name or Unit Agreement Name Scott Gas Com
8. Well Number 1N
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [] Gas Well [X] Other
2. Name of Operator Hilcorp Energy Company
3. Address of Operator 382 Road 3100, Aztec, NM 87410
4. Well Location Unit Letter C: 1071 feet from the North line and 2469 feet from the West line
Section 1 Township 030N Range 012W NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5807' GL

11/10/25

DHC - 5560

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE [X]
CLOSED-LOOP SYSTEM []
OTHER: [] SIDETRACK
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

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

Hilcorp Energy Company intends to drill and complete the subject well in the Blanco-Mesaverde (Prorated Gas) pool 72319 and Basin Dakota (Prorated Gas) pool 71599 The production will be commingled per Oil Conservation Division Order Number 11363. Commingling will not reduce the value of the production.

Proposed perforations are: ~MV 3,992'-5,033'; ~DK 6,652'-6,888'. These perforations are in TVD.

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

Notification of the intent to commingle the subject well was sent to all interest owners via certified mail on 10/30/2025 and a newspaper ad was ran on ~11/3/2025.

Spud Date: []

Rig Release Date: []

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

SIGNATURE Cherylene Weston TITLE Operations/Regulatory Tech-Sr. DATE 11/10/2025

Type or print name Cherylene Weston E-mail address: cweston@hilcorp.com PHONE: 713-289-2615

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 04/07/26
Conditions of Approval (if any)

CONDITIONS OF APPROVAL

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

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

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

The Operator shall 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, the Operator 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 the Operator fails to do so, this Permit shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Permit 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.



October 30, 2025

Mailed Certified with Electronic Return Receipt

To: All Interest Owners

RE: Application to Downhole Commingle Production
Well: Scott Gas Com 001N
API: 30-045-38488
Section 01, Township 30 North, Range 12 West
San Juan County, New Mexico

Ladies and Gentlemen:

Hilcorp Energy Company ("Hilcorp"), as Operator of the subject well, has filed application with the New Mexico Oil Conservation Division ("NMOCD") for approval to downhole commingle production from the **Blanco Mesaverde** and the **Basin Dakota**, formations Hilcorp soon intends to perforate. This letter and the application copy enclosed serve to provide you, an owner in one or more of the aforementioned formations, with written notice as prescribed by Subsection C of 19.15.12.11 New Mexico Administrative Code.

No action is required by you unless you wish to pursue a formal protest.

Any objections or requests for hearing must be submitted to the NMOCD's Santa Fe office, in writing, within twenty (20) days from the date the NMOCD receives the subject application.

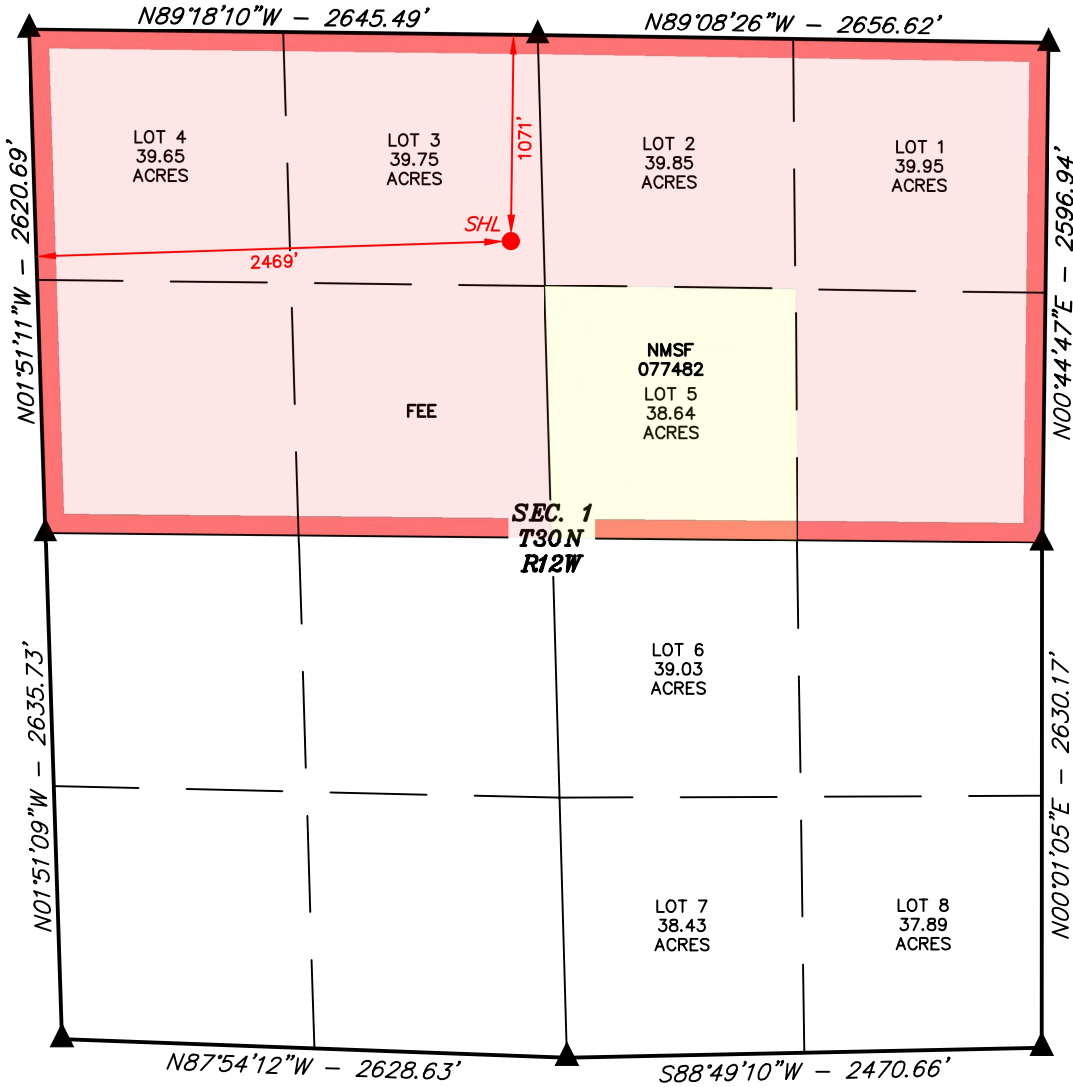
Sincerely,

A handwritten signature in blue ink, appearing to read 'Carson Parker Rice', is written over a light blue horizontal line.

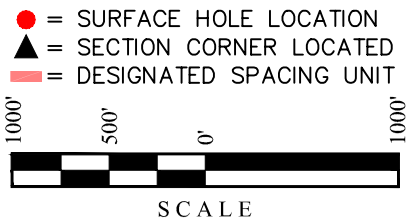
Carson Parker Rice
Landman
713.757.7108
carice@hilcorp.com

CPR:dpk
Enclosures

Property Name SCOTT GAS COM	Well Number 1N	Drawn By D.M.C. 09-18-25	Revised By
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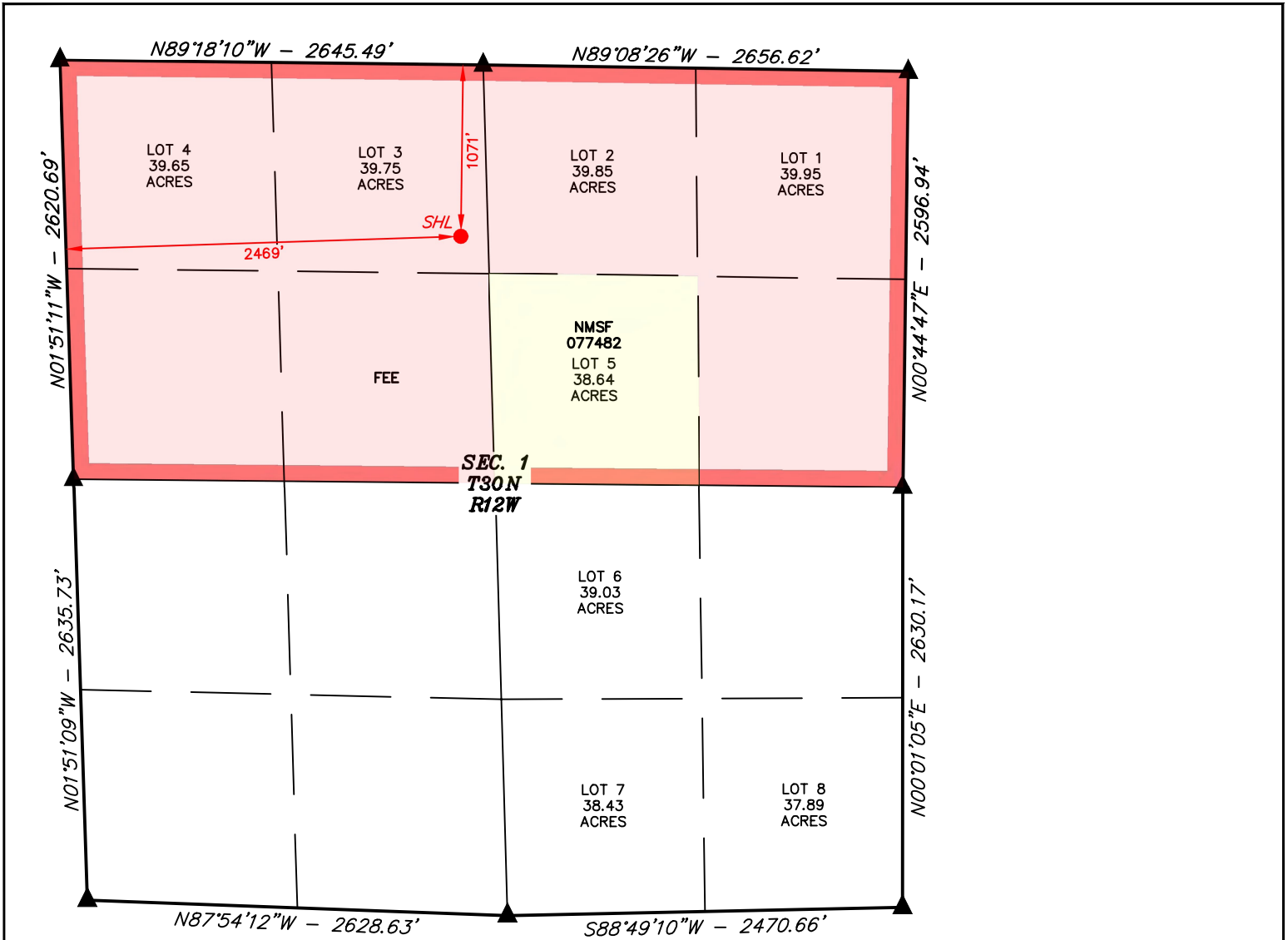


- NOTE:**
- Distances referenced on plat to section lines are perpendicular.
 - Bearings, Distances, Coordinates and Areas are based on the New Mexico Coordinate System of 1983, West Zone, in U.S. Feet.
 - Colored areas within section lines represent oil & gas leases.

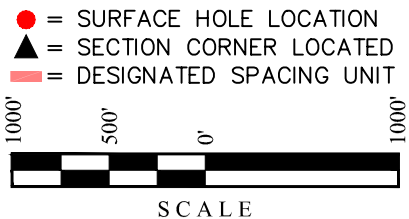


NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 36°50'43.63" (36.845454°)
LONGITUDE = -108°03'01.58" (-108.050438°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 36°50'43.62" (36.845451°)
LONGITUDE = -108°02'59.33" (-108.049813°)
STATE PLANE NAD 83 (N.M. WEST)
N: 2127140.37' E: 2659567.09'
STATE PLANE NAD 27 (N.M. WEST)
N: 2127076.96' E: 436656.88'

Property Name SCOTT GAS COM	Well Number 1N	Drawn By D.M.C. 09-18-25	Revised By
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REVENUE ALLOCATION PROCEDURE

DAKOTA/MESAVERDE WELLS

- 1.) Frac and flowback the Dakota formation
- 2.) Frac and flowback and clean up Mesaverde formation
- 3.) Stabilize MV flow up casing against area line pressure
- 4.) Record a MV flow rate through a choke using an orifice meter
- 5.) Drill out bridge plug over DK formation
- 6.) Cleanup DK formation
- 7.) Run Spinner production profile across Dakota formation
- 8.) Add MV flow rate from previous test to DK flow rate from spinner to get total flow
- 9.) Allocation is based upon MV or DK rates as a percentage of total flow

Once allocation is established, it will be used for the life of the well. Below is a summary of how the testing is performed.

Field Test (Spinner Method)

Summary

This example covers the procedure used to allocate production using the spinner method with field tests. This method was used by ConocoPhillips prior to the Burlington Resources acquisition and has been chosen as the preferred allocation method on all future Mesaverde/ Dakota commingled wells. The allocation is based on two separate tests. The first is a stabilized rate test on the Mesaverde up the casing-tubing annulus with line pressure simulated by a choke at the surface. The second test is performed by running a production log over the Dakota interval. The rate from each layer is used in a simple calculation to determine the contribution percentage.

Procedure

Allocation testing is performed after the well has been completed. A composite bridge plug is normally located above the DK and a composite frac plug is sometimes located within the MV.

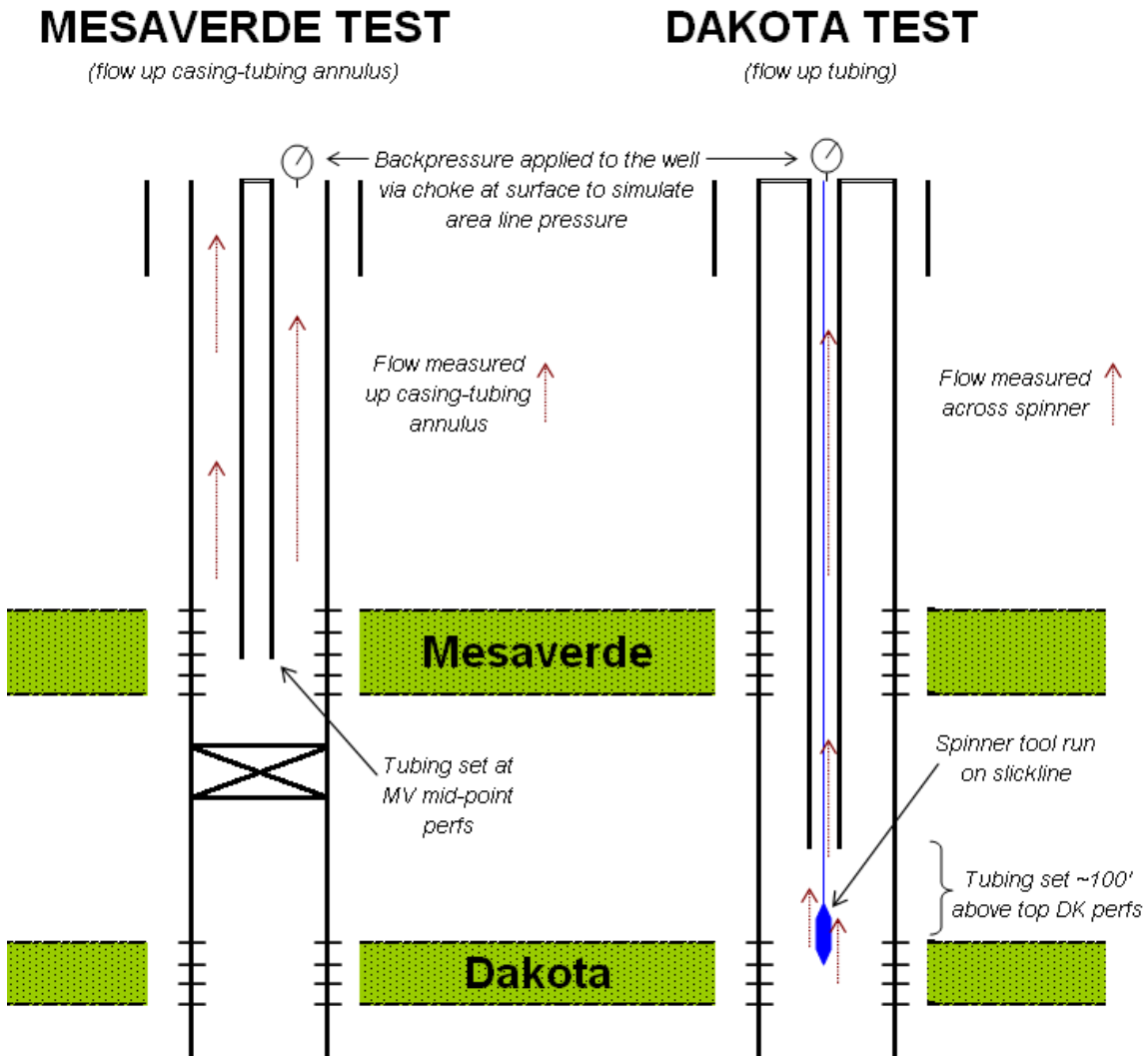
The first step in testing the MV is drilling out the plugs and cleaning out the well. Once water and sand volumes reach acceptable levels (less than 5 bph), the tubing is set at the mid-point of MV perfs. The well is then opened to flow up the casing-tubing annulus with a positive choke at the surface to simulate a back-pressure on the well. The MV is tested for a minimum of 4 hours or until pressure stabilizes. Tubing and casing pressures are reported every 15 minutes and when pressure is the same three times then it is considered stabilized. Metered gas, water, and condensate rates and volumes are all documented as well as testing conditions (tubing location, choke size, pressures).

After the MV has been tested, the composite drill plug over the DK is drilled out and the well is cleaned out to PBTD. Once the water and sand volumes reach acceptable levels (less than 5

bph), the bottom-hole assembly is configured and the tubing is landed approximately 100 feet above the DK perms. A slickline or wireline unit is used to run the production loggings tools. The logging tools are lowered to the bottom perms and the DK interval is logged while the well is producing up the tubing against a choke. Once again, the well is tested for a minimum of 4 hours or until the pressure has stabilized. The log is run across the entire DK interval to 50 feet above the top DK perforation. The log data is interpreted by the service company and returned to the completions group within a few days.

The stabilized MV rate is combined with the stabilized DK rate to come up with a total well production rate. The ratio of the MV rate to the total rate is used as the MV allocation percentage and the same is done for the DK. An example test and corresponding calculations are included in the report.

Diagram



Example- San Juan 31-6 Unit 40G

After the MV has been cleaned up and the well has stabilized, the MV is tested at 1,306 Mcfd (see report below). The test was performed up the tubing-casing annulus (4.5" casing/ 2.38" tubing) with a 1/2" choke at surface. The stabilized flowing casing pressure was 198 psi, which is similar to line pressure in the area.

Time Log						
Start Time	End Time	Conn D/W (Hrs)	Op Code	OpSub-C	Time P.N.T	Operation
06:00	07:00	1.00	RPCCO...	SFTY	P	ROAD CREW TO LOCATION HOLD PJSM
07:00	10:00	4.00	RPCCO...	TRIP	P	POOH W/ 3 7/8" MILL TH W/ RBP SET @ 6068'
10:00	11:00	5.00	RPCCO...	FCO	P	BLOW WELL TO UNLOAD KILL FLUID
11:00	15:00	8.00	RPCCO...	PRDT	P	PERFORATIONS 5087' - 6006' 2 3/8" TBNG SET @ 5580' TEST IS TO ATMOSPHERE ON 1/2" CHOKE FCP = 198 PSI SITP = 0 PSI PRODUCTION = 1306 MCF BBL OIL/DAY = 0 BBL WATER/DAY = 0 NO SAND WITNESSED BY: JOSE FRIAS
15:00	16:00	10.00	RPCCO...	FCO	P	BLOW DOWN WELL OPEN PIPE RAMS BLOW WELL
16:00	04:00	22.00	RPCCO...	FCO	P	BLOW WELL W/ NIGHT CREW

Stabilized MV Production Rate

Figure 1: Pulled from WellView Initial Completion Report

The DK is then cleaned up and the logging tools are run. The reports from ProTechnics show a total rate from the DK equal to 584 Mcfd (see report below). The test was performed at a flowing tubing pressure of 125 psi with a 1/2" choke at surface.

ProTechnics A CORE LABORATORIES COMPANY		Completion Profile Analysis		
Results				
The following table summarizes the production from each producing interval				
GAS / WATER PRODUCTION PROFILE				
Flow Rates Reported at STP				
Zone Intervals	Q-Water	Op-Water	Percent of Total	Q-Gas
feet	BFPD	BFPD		MCFD
Surface to 7860	2 bpd		100 %	584 Mcf/d

Stabilized DK Production Rate

Figure 2: Pulled from Protechnics Report, pg. 6

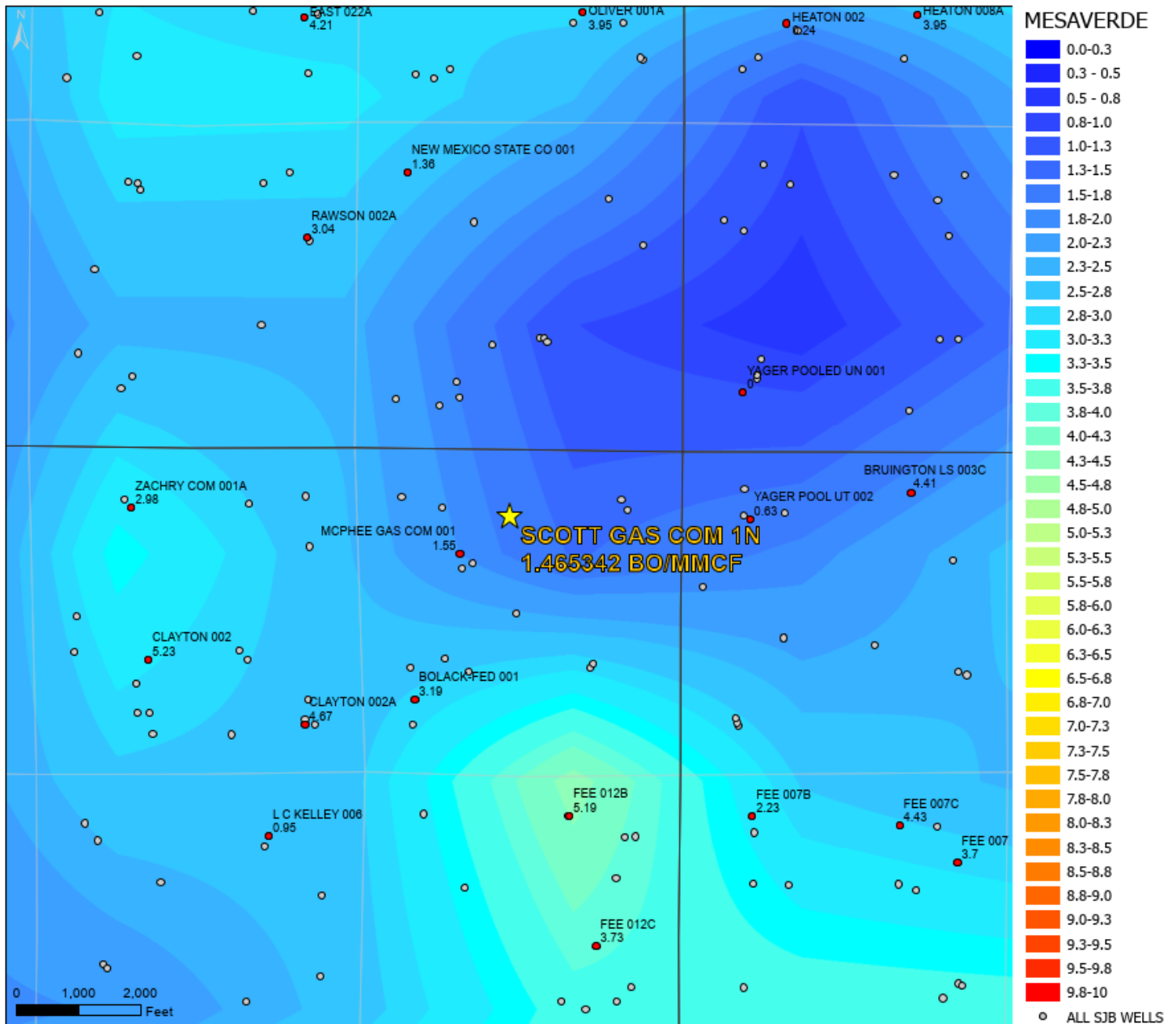
The allocation is calculated as follows and an allocation form is completed for the well. See Appendix for allocation form, WellView report, and ProTechnics report including production logs.

MV Rate	1306	% MV=	1306/1890=	69%
DK Rate	584	% DK=	584/1890=	31%
Total Rate	1890			

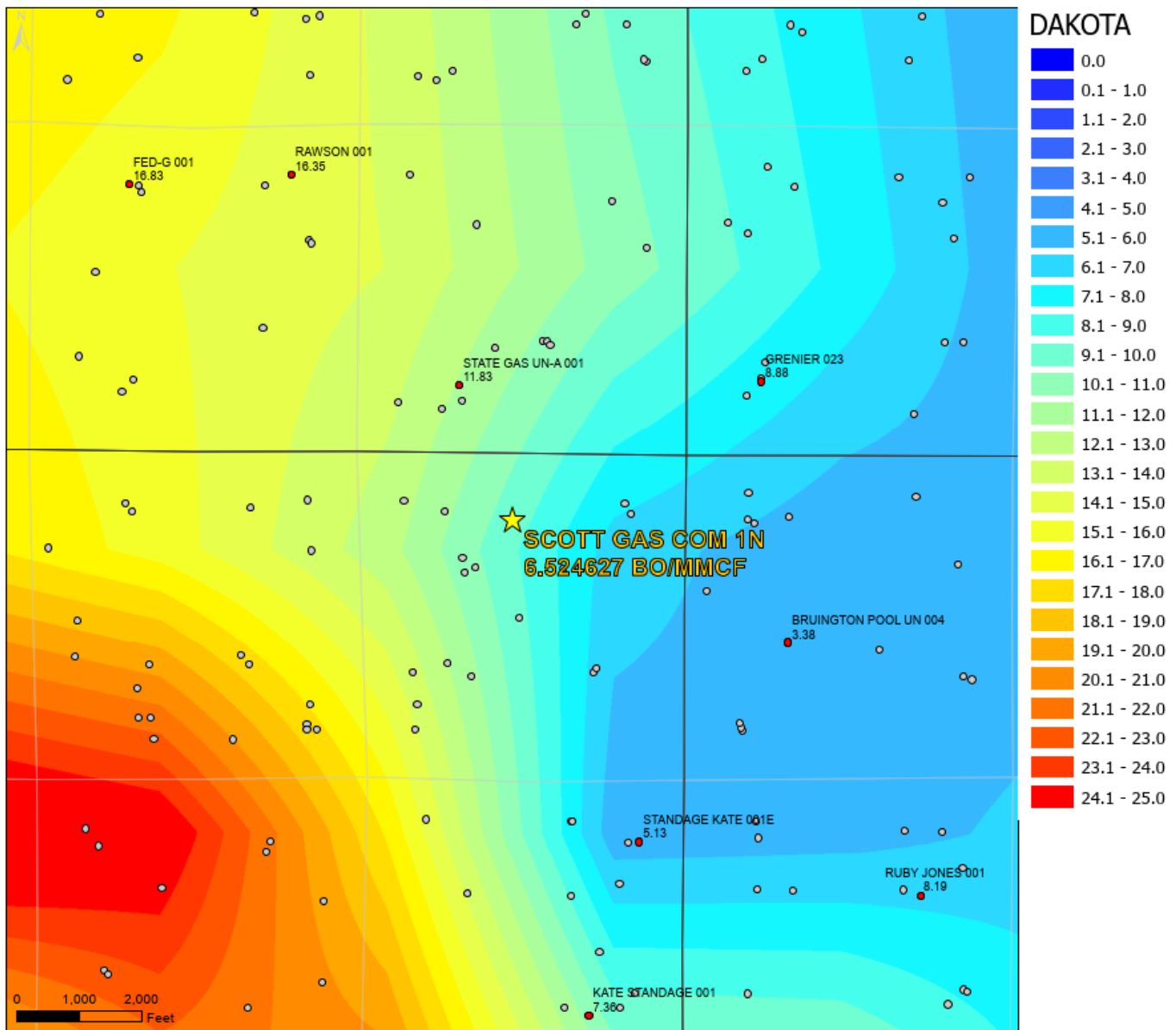
Oil Allocation:

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

MESAVERDE GOR MAP



DAKOTA GOR MAP



Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901851389150	Dani Kuzma	, OFFICE OF NATURAL RESOURCES, , FARMINGTON, NM, 87402 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389167	Dani Kuzma	, MASON H LONG, , SAINT AUGUSTINE, FL, 32080 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389174	Dani Kuzma	, BRYAN E JENKS, , OLATHE, KS, 66061 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389181	Dani Kuzma	, DANA M UTTON, , LARAMIE, WY, 82072 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389198	Dani Kuzma	, LINDA L WHITE, , SAINT PAUL, MN, 55105 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389204	Dani Kuzma	, REBECCA A KELLEY, , PEORIA, IL, 61604 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389211	Dani Kuzma	, MARY J MILLER, , GREEN VALLEY, AZ, 85614 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389228	Dani Kuzma	, GINA RAI MORRIS, , RIO RANCHO, NM, 87144 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389235	Dani Kuzma	, CHARLES S ZACHRY, , MOUNT PLEASANT, TX, 75455 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389242	Dani Kuzma	, SUSAN J KNOEDEL, , URBANDALE, IA, 50322 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389259	Dani Kuzma	, MOLLYE ZACHRY TILLMAN, , COOKVILLE, TX, 75558 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389266	Dani Kuzma	, DARLENE V BUTTOLPH, , LOWDEN, IA, 52255 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389273	Dani Kuzma	, JANET G REASONER, , CEDAR RAPIDS, IA, 52403 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389280	Dani Kuzma	, GREGORY W GEEHAN and KATHY JO GEEHAN, LVG TRUST GREGORY W GEEHAN, BAINBRIDGE ISLAND, WA, 98110-1000 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389297	Dani Kuzma	, DIANA J SMIERCIAK, , LEMONT, IL, 60439 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389303	Dani Kuzma	, SOUTHWOOD FINANCIAL LLC, , LAKE OSWEGO, OR, 97035 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389310	Dani Kuzma	, DON AND BETTY J WRIGHT TRUST, BETTY J WRIGHT TRUSTEE, PAYETTE, ID, 83661 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389327	Dani Kuzma	, SCOTT MCWILLIAMS, , GLENROCK, WY, 82637 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389334	Dani Kuzma	, DAVID MCWILLIAMS, , FLORA VISTA, NM, 87415 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389341	Dani Kuzma	, SHARP RESOURCES LLC, NANCY SHARP WRIGHT, CONROE, TX, 77302 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389358	Dani Kuzma	, ROBERT M LYNN EST, LLOYDS BANK CALIFORNIA PER REP, PASADENA, CA, 91101-2039 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending

92148969009997901851389365	Dani Kuzma	, CONNIE M BERTE TRUST, CONNIE M BERTE TTEE, GOLDEN, CO, 80401 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389372	Dani Kuzma	, E CHRISTINE SALAZAR LIVING TRUST, EDITH CHRISTINE SALAZAR TTEE, FLORA VISTA, NM, 87415 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389389	Dani Kuzma	, DON SCOTT JENSEN LIVING TRUST, DON SCOTT JENSEN TTEE, FARMINGTON, NM, 87401 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389396	Dani Kuzma	, KAREN TINO, , GARDEN CITY, ID, 83714 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389402	Dani Kuzma	, SUSAN ROYCE, , VISTA, CA, 92081 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389419	Dani Kuzma	, GAYLE SMITH, , MAGALIA, CA, 95954 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389426	Dani Kuzma	, CHERYL ROYCE, , LIVERMORE, CA, 94550 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389433	Dani Kuzma	, SAN JUAN BASIN TRUST, , BARTLESVILLE, OK, 74006-7500 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389440	Dani Kuzma	, DON RICHARD ZACHRY IV, , MT PLEASANT, TX, 75456 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending
92148969009997901851389457	Dani Kuzma	, WELLES FARMS PARTNERSHIP LLC, , PRINCETON, NJ, 08540 Code: SCOTT GAS COM 1N DHC	10/30/2025	Signature Pending

BALLANTINE COMMUNICATIONS

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of San Juan

Odette Zamora, the undersigned, authorized Representative of the Tri-City Record, on oath states that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Law of 1937, that payment therefore has been made of assessed as court cost; and that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

11/3/2025

Sworn and subscribed before me, a notary public in and for the county of La Plata and the State of Colorado, 11-7-25

Shelly Corwin
Notary Public

PRICE: 92.39

Statement to come at the end of the month.

ACCOUNT NUMBER: 109863

SHELLY CORWIN
Notary Public
State of Colorado
Notary ID # 20244040709
My Commission Expires 11-06-2028

COPY OF ADVERTISEMENT

31641
Notice by Hilcorp Energy Company for Downhole Commingling, San Juan County, New Mexico.
Pursuant to Paragraph (2) of Subsection C of 19.15.12.11 NMAC, Hilcorp Energy Company, as Operator, has filed form C-103 with the New Mexico Energy, Minerals and Natural Resources Department – Oil Conservation Division (NMOCD) seeking administrative approval to downhole commingle new production from the Blanco-Mesaverde Pool (72319) and the Basin Dakota Pool (71599) in the Scott Gas Com 001N well (API No. 30-045-38488) located in Unit C, Section 01, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico. Commingling will not reduce the value of production. Allocation method to be determined upon completion of this project. This notice is intended for certain unlocatable royalty interest owners in the aforementioned well for which certified mail delivery is not possible. Should you (the interest owner for which this notice is intended) have an objection, you are required to

respond within twenty (20) days from the date of this publication. Please mail your objection letter, referencing the well details above, to the New Mexico Oil Conservation Division's Santa Fe office. Published in the Tri-City Record November 3, 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 524953

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 524953
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	4/7/2026