

I.D. NO. 535539

DHC - 5569

Revised March 23, 2017

RECEIVED: <b>12/16/25</b>	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:** Hilcorp Energy Company **OGRID Number:** 372171  
**Well Name:** San Juan 29-7 Unit 34B **API:** 30-039-29725  
**Pool:** Basin Fruitland Coal (Gas) **Pool Code:** 71629

**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

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

Amanda Walker

Print or Type Name

*Amanda Walker*

Signature

12/16/2025  
Date

346.237.2177  
Phone Number

mwalker@hilcorp.com  
e-mail Address

**District I**  
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised August 1, 2011

**District II**  
811 S. First St., Artesia, NM 88210

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

**APPLICATION FOR DOWNHOLE COMMINGLING**

Hilcorp Energy Company 382 Road 3100, Aztec, NM 87410  
Operator Address  
San Juan 29-7 Unit 34B E. Sec 4, T29N, R7W Rio Arriba  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 318713 API No. 30-039-29725 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal (Gas)	Blanco Mesaverde (Prorated Gas)	Basin Dakota (Prorated Gas)
Pool Code	71629	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Est. 2,755' - 2,983'	3,999' - 5268'	7,295' - 7,404'
Method of Production (Flowing or Artificial Lift)	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)	55 psi	107 psi	239 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	904 BTU	1242 BTU	1050 BTU
Producing, Shut-In or New Zone	New Zone	Producing	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: 10/1/2025 Rates: Oil: 0 bbls Gas: 3685 mcf Water: 20 bbls	Date: 10/1/2025 Rates: Oil: 0 bbls Gas: 455 mcf Water: 20 bbls
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? Yes \_\_\_\_\_ No X \_\_\_\_\_  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes \_\_\_\_\_ No N/A \_\_\_\_\_  
Are all produced fluids from all commingled zones compatible with each other? Yes X \_\_\_\_\_ No \_\_\_\_\_  
Will commingling decrease the value of production? Yes \_\_\_\_\_ No X \_\_\_\_\_  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X \_\_\_\_\_ No \_\_\_\_\_

NMOCD Reference Case No. applicable to this well: Per R-10697 Order, Hilcorp is exempted 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.

SIGNATURE  TITLE Operations/Regulatory Technician DATE 12/16/2025

TYPE OR PRINT NAME Amanda Walker TELEPHONE NO. 346-237-2177

E-MAIL ADDRESS mwalker@hilcorp.com

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised June 10, 2003

DISTRICT II  
1301 W. Grand Ave., Artesia, N.M. 88210

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

2005 DEC 9 PM 2 21

AMENDED REPORT

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-29725	<sup>2</sup> Pool Code 71629/71599	<sup>3</sup> Pool Name OTO FARMING Blanco Mesaverde/Basin Dakota
<sup>4</sup> Property Code 7465	<sup>6</sup> Property Name SAN JUAN 29-7 UNIT	
<sup>7</sup> GRID No. 14538	<sup>8</sup> Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	<sup>9</sup> Well Number 34B  <sup>9</sup> Elevation 6155

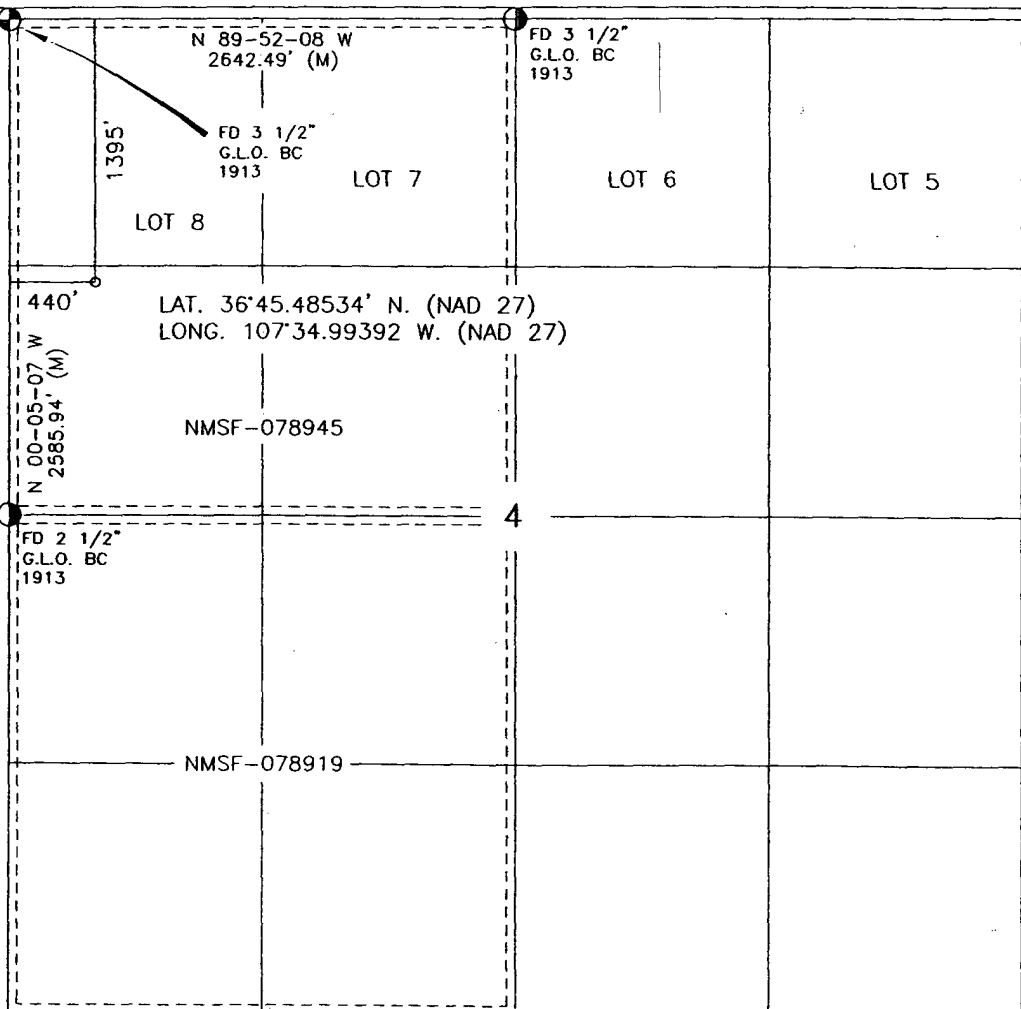
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	4	29-N	7-W		1395	NORTH	440	WEST	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 317.83 W2 MV/DK					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.		

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



**17 OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Amanda Sandoval*  
 Signature

Amanda Sandoval  
 Printed Name

~~Regulatory Assistant III~~  
 Title

8-30-05  
 Date

**18 SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 20, 2005  
 Date of Survey

*Roy A. Rush*  
 Signature and Seal of Professional Surveyor

ROY A. RUSH  
 NEW MEXICO  
 8894  
 ASSISTED PROFESSIONAL LAND SURVEYOR

8894  
 Certificate Number

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:

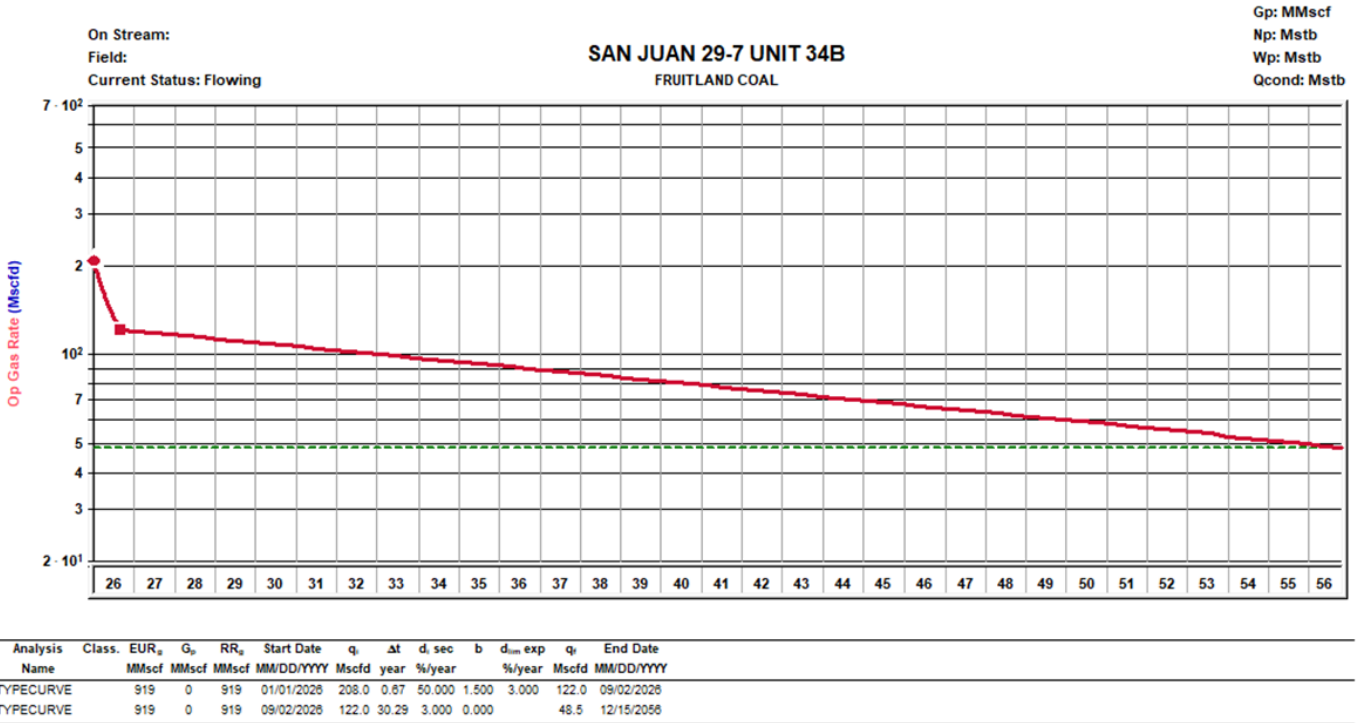
- 1) Wells were shut in for 24 hours
- 2) Echometer was used to obtain a fluid level
- 3) Shut in BHP was calculated for the proposed commingled completion

List of wells used to calculate BHPs for the Project:

3003925007	SAN JUAN 29-7 UNIT 544	FRC
3003921623	SAN JUAN UNIT 79A	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.



## San Juan 29-7 Unit 34B – Production Allocation

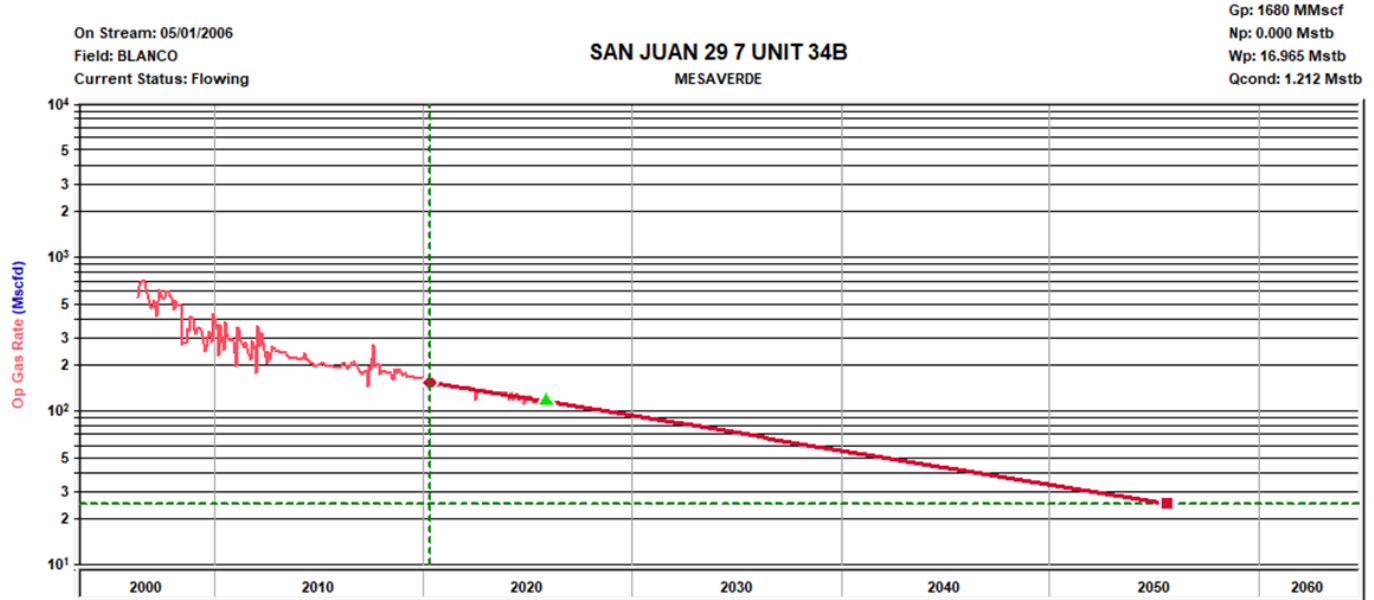
### Production Allocation Method - Subtraction

#### Gas Allocation:

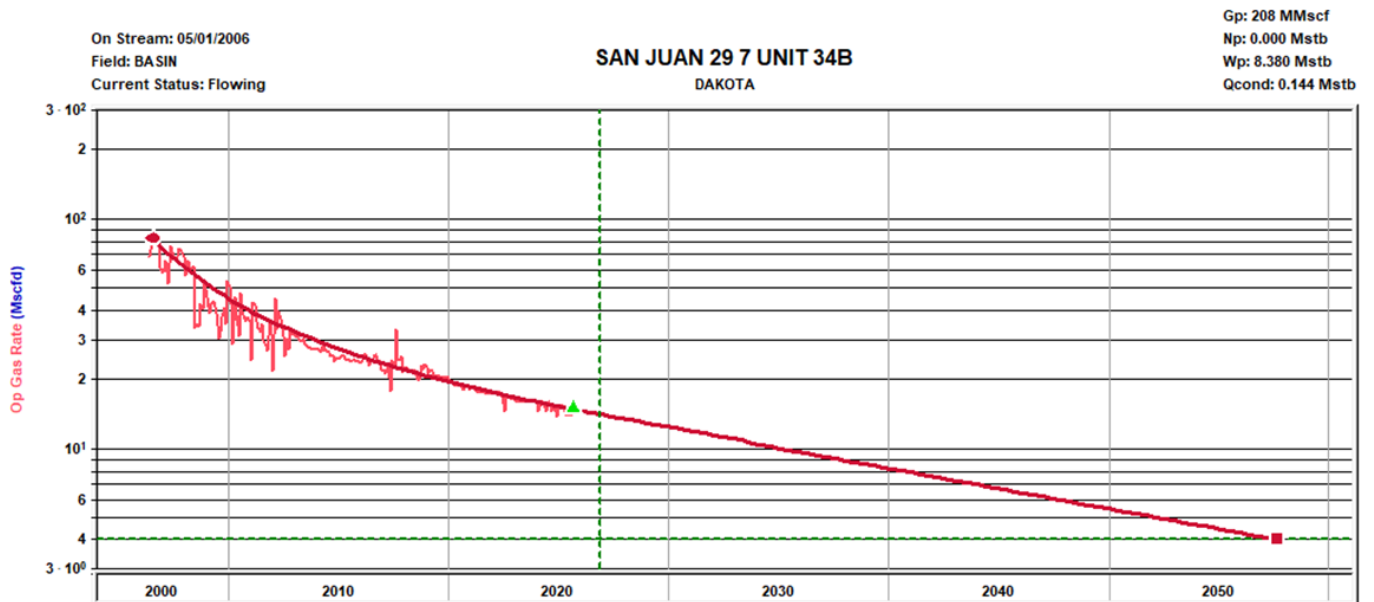
Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the **Mesaverde/Dakota** and the added formation to be commingled is the **Fruitland Coal**. The subtraction method applies an average monthly production forecast 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 4<sup>th</sup> year and will be utilized to create a fixed percentage-based allocation.

Hilcorp intends to continue to allocate the projected base production on the same fixed percentages to the following pools 89% (MV) 11% (DK) while the subtraction method is being used to determine the allocation to the new zone.



Analysis Name	Class	EUR <sub>0</sub> MMscf	G <sub>p</sub> MMscf	RR <sub>0</sub> MMscf	Start Date MM/DD/YYYY	q <sub>i</sub> Mscfd	Δt year	d, sec	b	d <sub>lim</sub> exp	q <sub>i</sub> Mscfd	End Date MM/DD/YYYY
Analysis 1		2320	1680	641	11/28/2025	115.0	29.75	5.000	0.000	5.000	25.0	08/27/2055



Analysis Name	Class	EUR <sub>0</sub> MMscf	G <sub>p</sub> MMscf	RR <sub>0</sub> MMscf	Start Date MM/DD/YYYY	q <sub>i</sub> Mscfd	Δt year	d, sec	b	d <sub>lim</sub> exp	q <sub>i</sub> Mscfd	End Date MM/DD/YYYY
Analysis 1		304	207	97	08/19/2025	14.8	32.03	4.119	1.000	4.000	4.0	09/01/2057

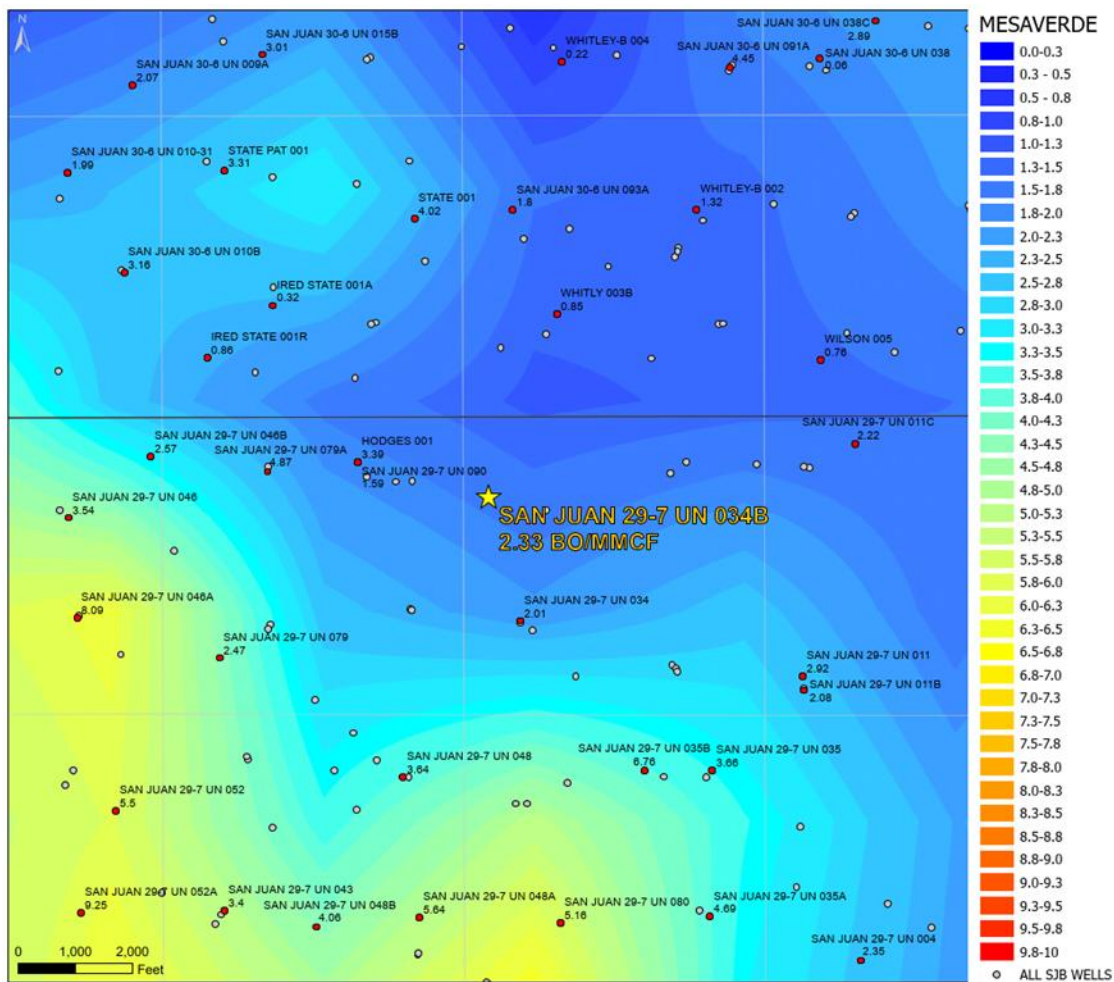
**Oil Allocation:**

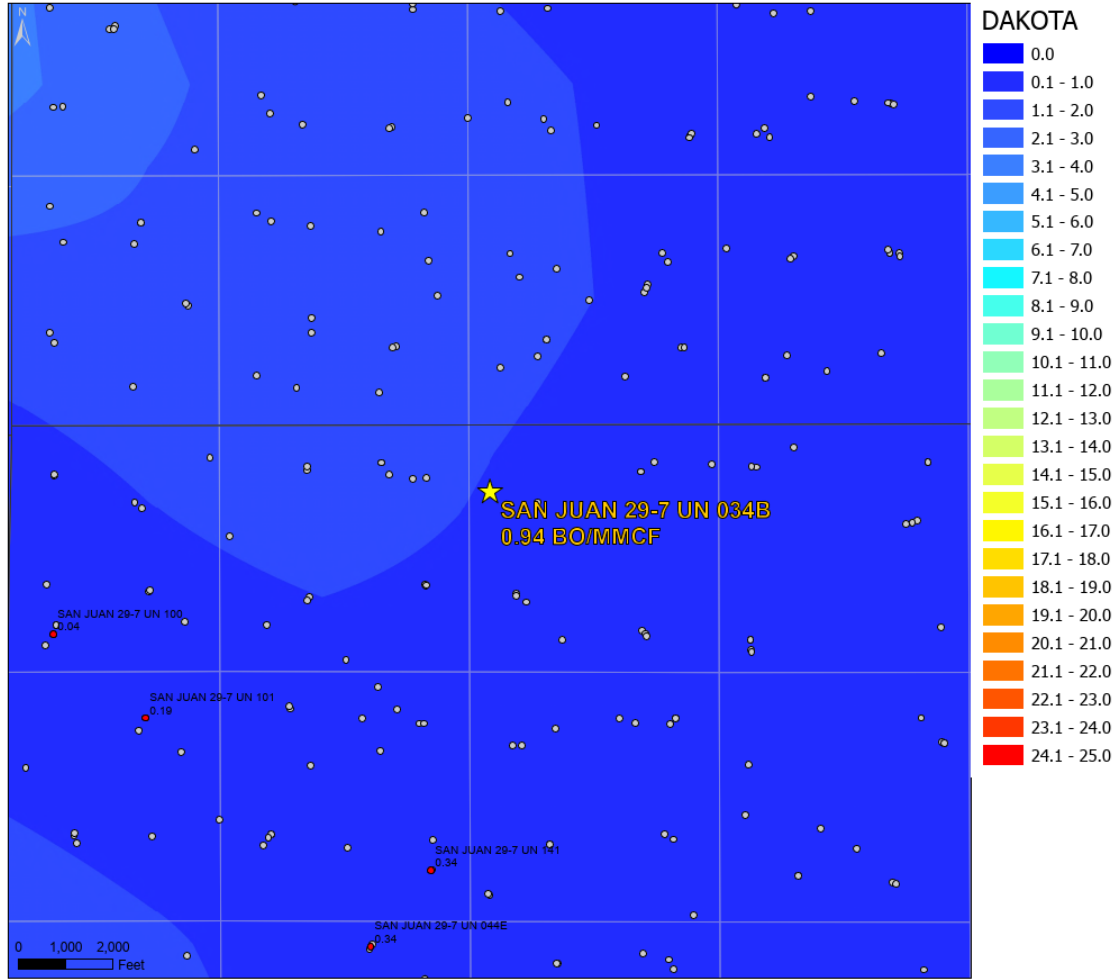
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

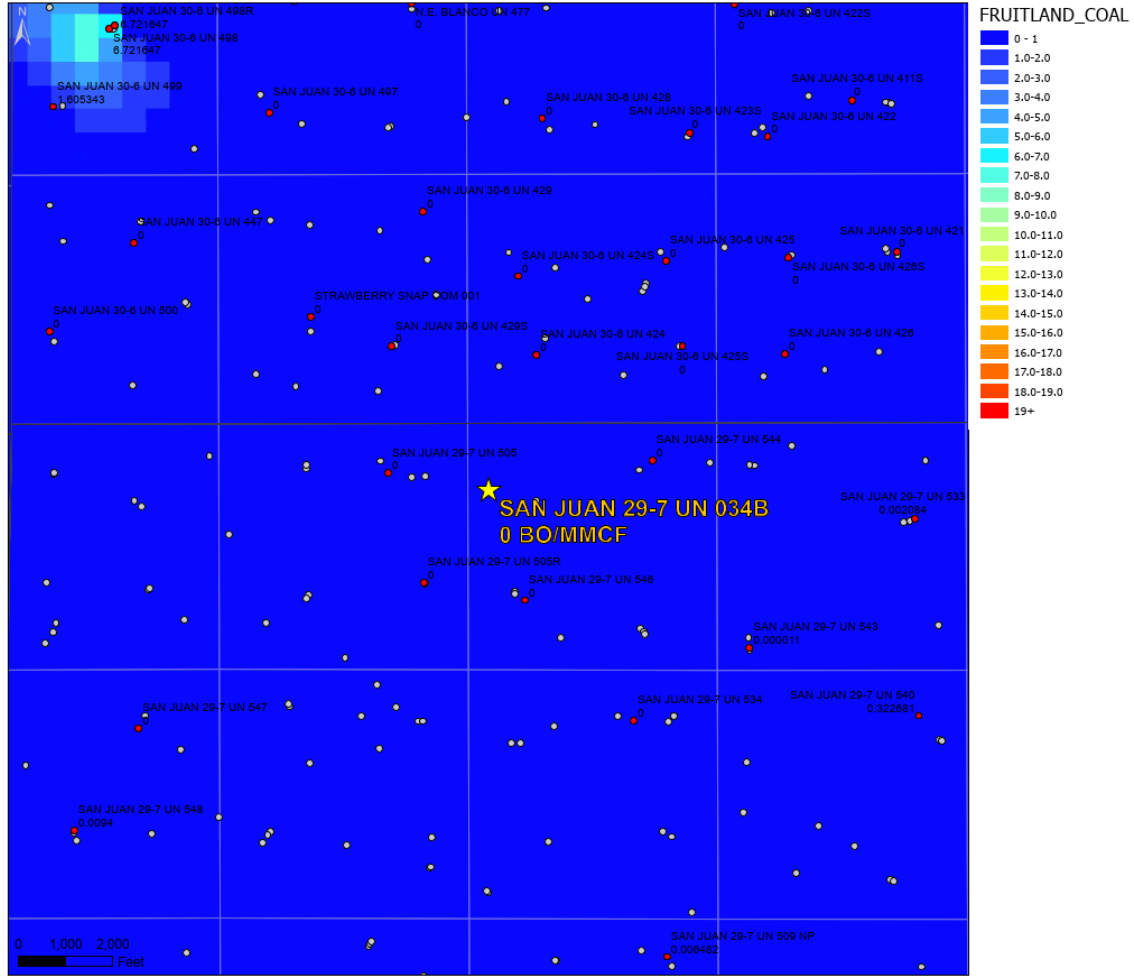
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	2.33	641	94%
DK	0.94	97	6%
FRC	0	919	0%
			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.

<b>Well Name</b>	<b>SJ 29-7 Unit 34B</b>
<b>API</b>	<b>3003929725</b>

FRC Offset (0.57 miles)		MV Offset (0.95 miles)		DK Offset (12.49 miles)	
API	3003924250	API	3003925806	API	3003930794
Property	SAN JUAN 30-6 UNIT 424	Property	SAN JUAN 30-6 UNIT 93A	Property	SAN JUAN 30-6 UNIT 147
CationBarium	22.9	CationBarium	0	CationBarium	0
CationBoron		CationBoron		CationBoron	
CationCalcium	134	CationCalcium	62	CationCalcium	56.52
CationIron	107	CationIron	51	CationIron	450.31
CationMagnesium	37	CationMagnesium	12	CationMagnesium	15.08
CationManganese	0.5	CationManganese	0	CationManganese	7.83
CationPhosphorus		CationPhosphorus		CationPhosphorus	
CationPotassium		CationPotassium		CationPotassium	
CationStrontium	8.8	CationStrontium	17	CationStrontium	4.52
CationSodium	5385.42	CationSodium	1117.42	CationSodium	1533.22
CationSilica		CationSilica		CationSilica	
CationZinc		CationZinc		CationZinc	
CationAluminum		CationAluminum		CationAluminum	
CationCopper		CationCopper		CationCopper	
CationLead		CationLead		CationLead	
CationLithium		CationLithium		CationLithium	
CationNickel		CationNickel		CationNickel	
CationCobalt		CationCobalt		CationCobalt	
CationChromium		CationChromium		CationChromium	
CationSilicon		CationSilicon		CationSilicon	
CationMolybdenum		CationMolybdenum		CationMolybdenum	
AnionChloride	3060	AnionChloride	1660	AnionChloride	3003.3
AnionCarbonate	0	AnionCarbonate	0	AnionCarbonate	0
AnionBicarbonate	9516	AnionBicarbonate	244	AnionBicarbonate	97.6
AnionBromide		AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride		AnionFluoride	
AnionHydroxyl	0	AnionHydroxyl	0	AnionHydroxyl	0
AnionNitrate		AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate		AnionPhosphate	
AnionSulfate	108	AnionSulfate	108	AnionSulfate	440
phField	8.32	phField	7.16	phField	
phCalculated		phCalculated		phCalculated	
TempField	84.23	TempField	0	TempField	45
TempLab		TempLab		TempLab	
OtherFieldAlkalinity		OtherFieldAlkalinity		OtherFieldAlkalinity	
OtherSpecificGravity	0	OtherSpecificGravity	0	OtherSpecificGravity	1.01
OtherTDS	18379.62	OtherTDS	3271.42	OtherTDS	5608.38
OtherCaCO3		OtherCaCO3		OtherCaCO3	
OtherConductivity	28718.16	OtherConductivity	5111.59	OtherConductivity	8763.1
DissolvedCO2	30	DissolvedCO2	16	DissolvedCO2	1352
DissolvedO2		DissolvedO2		DissolvedO2	
DissolvedH2S	0	DissolvedH2S	0	DissolvedH2S	3.4
GasPressure	126.34	GasPressure	100	GasPressure	
GasCO2	0	GasCO2	0	GasCO2	
GasCO2PP	0	GasCO2PP	0	GasCO2PP	0
GasH2S	0	GasH2S	0	GasH2S	
GasH2SPP	0	GasH2SPP	0	GasH2SPP	0
PitzerCaCO3_70	2.47	PitzerCaCO3_70	-0.55	PitzerCaCO3_70	-2.47
PitzerBaSO4_70	1.86	PitzerBaSO4_70	0	PitzerBaSO4_70	0
PitzerCaSO4_70	-1.98	PitzerCaSO4_70	-1.91	PitzerCaSO4_70	-1.55
PitzerSrSO4_70	-1.7	PitzerSrSO4_70	-0.79	PitzerSrSO4_70	-0.96
PitzerFeCO3_70		PitzerFeCO3_70		PitzerFeCO3_70	
PitzerCaCO3_220	2.93	PitzerCaCO3_220	0.23	PitzerCaCO3_220	-1.53
PitzerBaSO4_220	1.25	PitzerBaSO4_220	0	PitzerBaSO4_220	0
PitzerCaSO4_220	-1.92	PitzerCaSO4_220	-1.81	PitzerCaSO4_220	-1.48
PitzerSrSO4_220	-1.57	PitzerSrSO4_220	-0.63	PitzerSrSO4_220	-0.83
PitzerFeCO3_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.

<b>Well Name</b>	SJ 29-7 Unit 34B
<b>API</b>	3003929725

FRC Offset (0.57 miles)		MV Offset (0.43 miles)		DK Offset (1.84 miles)	
AssetCode	3003924250	AssetCode	3003907691	AssetCode	3003908118
AssetName	SAN JUAN 30-6 UNIT 424	AssetName	SAN JUAN 29-7 UNIT 34	AssetName	SAN JUAN 29-7 UNIT 100
CO2	0.15	CO2	0.01	CO2	0.02
N2	0	N2	0	N2	0
C1	0.83	C1	0.81	C1	0.94
C2	0.01	C2	0.1	C2	0.04
C3	0	C3	0.04	C3	0.01
ISOC4	0	ISOC4	0.01	ISOC4	0
NC4	0	NC4	0.01	NC4	0
ISOC5	0	ISOC5	0	ISOC5	0
NC5	0	NC5	0	NC5	0
NEOC5		NEOC5		NEOC5	
C6		C6		C6	
C6_PLUS	0	C6_PLUS	0.01	C6_PLUS	0
C7		C7		C7	
C8		C8		C8	
C9		C9		C9	
C10		C10		C10	
AR		AR		AR	
CO		CO		CO	
H2		H2		H2	
O2		O2		O2	
H2O		H2O		H2O	
H2S	0	H2S	0	H2S	
HE		HE		HE	
C_O_S		C_O_S		C_O_S	
CH3SH		CH3SH		CH3SH	
C2H5SH		C2H5SH		C2H5SH	
CH2S3_2CH3S		CH2S3_2CH3S		CH2S3_2CH3S	
CH2S		CH2S		CH2S	
C6HV		C6HV		C6HV	
CO2GPM	0	CO2GPM	0	CO2GPM	0
N2GPM	0	N2GPM	0	N2GPM	0
C1GPM	0	C1GPM	0	C1GPM	0
C2GPM	0.39	C2GPM	2.58	C2GPM	0.94
C3GPM	0.11	C3GPM	1.2	C3GPM	0.15
ISOC4GPM	0.02	ISOC4GPM	0.29	ISOC4GPM	0.06
NC4GPM	0.01	NC4GPM	0.39	NC4GPM	0.03
ISOC5GPM	0	ISOC5GPM	0.17	ISOC5GPM	0.03
NC5GPM	0	NC5GPM	0.13	NC5GPM	0.01
C6_PLUSGPM	0	C6_PLUSGPM	0.39	C6_PLUSGPM	0.09

U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

<b>Well Name:</b> SAN JUAN 29-7 UNIT	<b>Well Location:</b> T29N / R7W / SEC 4 / SWNW / 36.758062 / -107.58379	<b>County or Parish/State:</b> RIO ARRIBA / NM
<b>Well Number:</b> 34B	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMSF078945	<b>Unit or CA Name:</b> SAN JUAN 29-7 UNIT--DK, SAN JUAN 29-7 UNIT--MV	<b>Unit or CA Number:</b> NMNM78417A, NMNM78417B
<b>US Well Number:</b> 3003929725	<b>Operator:</b> HILCORP ENERGY COMPANY	

**Notice of Intent**

**Sundry ID:** 2886746

**Type of Submission:** Notice of Intent

**Type of Action:** Recompletion

**Date Sundry Submitted:** 12/12/2025

**Time Sundry Submitted:** 09:21

**Date proposed operation will begin:** 04/01/2026

**Procedure Description:** Hilcorp Energy Company requests permission to recomplate the subject well in the Fruitland Coal and downhole commingle with the existing MV/DK. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. A pre-reclamation onsite is not required as the surface is fee.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

SJ\_29\_7\_34B\_FRC\_Recomplete\_NOI\_2026\_20251212092051.pdf

Well Name: SAN JUAN 29-7 UNIT

Well Location: T29N / R7W / SEC 4 / SWNW / 36.758062 / -107.58379

County or Parish/State: RIO ARRIBA / NM

Well Number: 34B

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF078945

Unit or CA Name: SAN JUAN 29-7 UNIT--DK, SAN JUAN 29-7 UNIT--MV

Unit or CA Number: NMNM78417A, NMNM78417B

US Well Number: 3003929725

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: DEC 12, 2025 09:21 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: 12/15/2025

Signature: Kenneth Rennick

Form 3160-5  
(October 2024)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0220  
Expires: October 31, 2027

**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.	NMSF078945
6. If Indian, Allottee or Tribe Name	

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. SAN JUAN 29-7 UNIT--DK, SAN JUAN 29-7 UNIT--MV/NMNM78417A, NMNM78417
2. Name of Operator HILCORP ENERGY COMPANY		8. Well Name and No. Hilcorp Energy Company
3a. Address mwalker@hilcorp.com	3b. Phone No. (include area code) (713) 209-2400	9. API Well No. 3003929725
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SEC 4/T29N/R7W/NMP		10. Field and Pool or Exploratory Area BLANCO MESAVERDE/BASIN DAKOTA
		11. Country or Parish, State RIO ARRIBA/NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 checked="" 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 recomplete 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 performed 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 determined that the site is ready for final inspection.)

Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal and downhole commingle with the existing MV/DK. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. A pre-reclamation onsite is not required as the surface is fee.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) AMANDA WALKER / Ph: (346) 237-2177	Title Operations/Regulatory Technician
Signature (Electronic Submission)	Date 12/16/2025

**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by KENNETH G RENNICK / Ph: (505) 564-7742 / Approved	Title Petroleum Engineer	Date 12/15/2025
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 FARMINGTON

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.

(Instructions on page 2)

## 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: SWNW / 1395 FNL / 440 FWL / TWSP: 29N / RANGE: 7W / SECTION: 4 / LAT: 36.758062 / LONG: -107.58379 ( TVD: 0 feet, MD: 0 feet )

BHL: SWNW / 1395 FNL / 440 FWL / TWSP: 29N / SECTION: / LAT: 36.758062 / LONG: 107.58379 ( TVD: 0 feet, MD: 0 feet )



**HILCORP ENERGY COMPANY**  
**SAN JUAN 29-7 UNIT 34B**  
**FRUITLAND COAL RECOMPLETION SUNDRY**

<b>Prepared by:</b>	Whitney Majetch
<b>Preparation Date:</b>	December 5, 2025

WELL INFORMATION			
<b>Well Name:</b>	SAN JUAN 29-7 UNIT 34B	<b>State:</b>	NM
<b>API #:</b>	3003929725	<b>County:</b>	RIO ARRIBA
<b>Area:</b>	11	<b>Location:</b>	1395' FNL & 440' FWL - Unit E - Section 04 - T 029N - R 007W
<b>Route:</b>	1107	<b>Latitude:</b>	36.75809 N
<b>Spud Date:</b>	2/9/2006	<b>Longitude:</b>	-107.58323 W

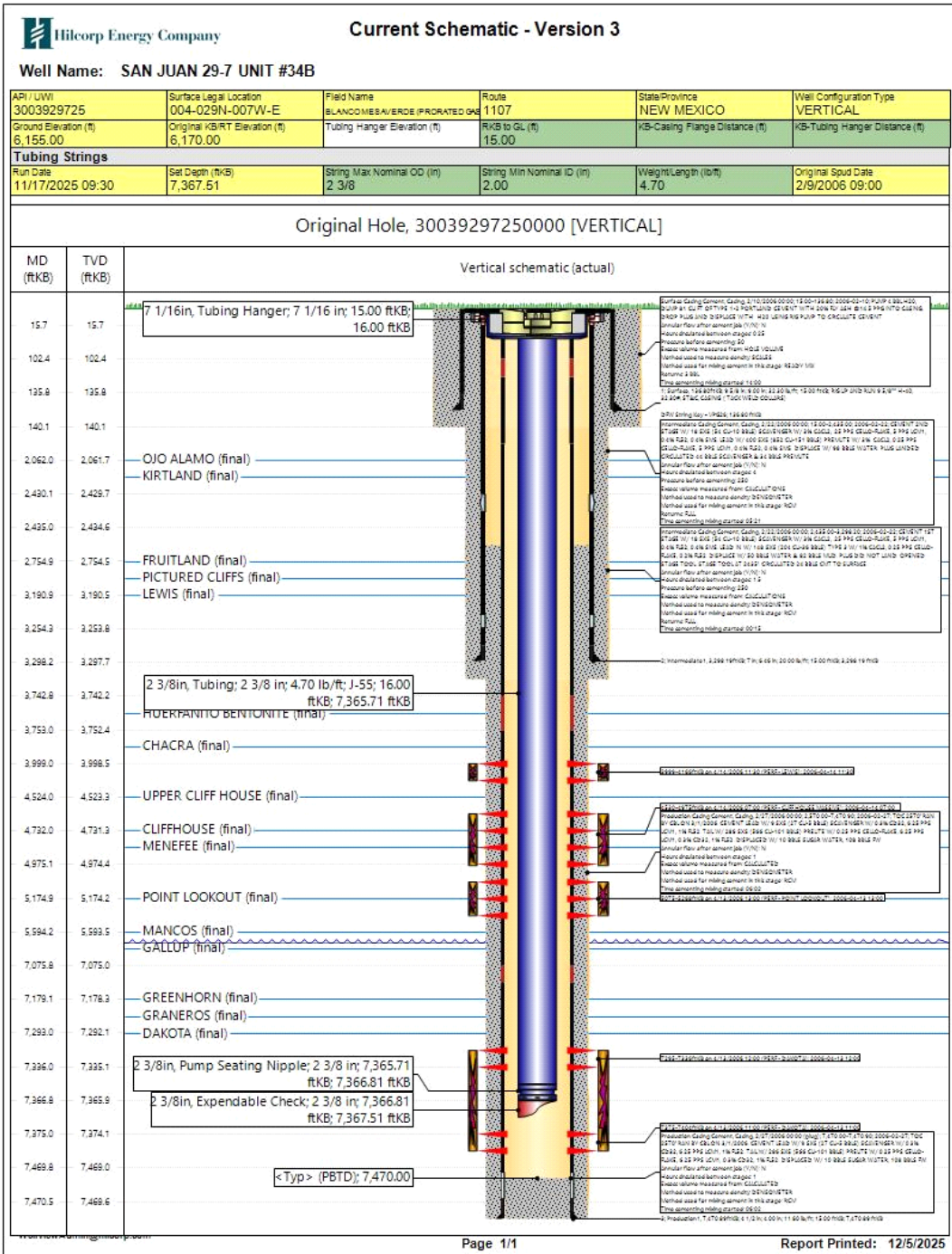
PROJECT DESCRIPTION
Isolate the Mesaverde/Dakota, review CBL, perform cement remediation (if necessary), perforate and stimulate the OPE Fruitland Coal in 2-3 stages down the csg. Commingle the Fruitland Coal production with the existing Mesaverde and Dakota production. Strip facilities if necessary; repair production eqmt as needed, upgrade automation, and install pumping unit.

JOB PROCEDURES	
<input checked="" type="checkbox"/>	<b>NMOCD Contact OCD 24 hrs prior to MIRU. Record and document all casing pressures daily, including BH, IC (if present) and</b>
<input checked="" type="checkbox"/>	<b>BLM PC. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.</b>
1.	MIRU service rig and associated equipment.
2.	Nipple down wellhead, nipple up and test BOPs per HEC, State, and Federal guidelines.
3.	TOOH with 2-3/8" tubing
4.	<b>Set a 4-1/2" bridge plug at 3,950' to isolate the Mesaverde and Dakota formations. The BP must be set within 50 ft of the top MV perforation.</b>
5.	RU pressure test truck. Perform a Mechanical Integrity Test on the wellbore above the plug at 3,950'. Chart record the MIT test (notify BLM and NMOCD +24hr before actual test).
6.	Note: A CBL on the <b>4-1/2"</b> was run during the initial completion. Prior to perforating - Review CBL with engineering and regulatory agencies. Perform cmt remediation as required, after obtaining necessary approvals.
7.	<b>If frac will be pumped down casing:</b> ND BOP, NU frac stack and test frac stack and casing to frac pressure.
8.	RU E-Line Crew. Perforate the <b>Fruitland Coal</b> . (Top perforation @ <b>2,755'</b> , Bottom perforation @ <b>2,983'</b> ).
9.	<b>If frac will be pumped down a frac string:</b> 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.
10.	RDMO service rig. RU Stimulation crew. Frac the <b>Fruitland Coal</b> in one or more stages. Set plugs in between stages, if necessary.
11.	MIRU service rig. Nipple down frac stack, nipple up BOP and test. Kill well with fluid, if necessary
12.	If frac was performed down frac string: POOH w/ frac string and packer.
13.	<b>Pending C107A approval</b> , drill out stage plugs and Mesaverde isolation plug. Clean out to PBTD at <b>7,470'</b> . TOOH w/cleanout assembly.
14.	TIH and land 2-3/8" production tubing. Run pump and rods, install pumping unit.
15.	<b>Flowback well thru flowback separator and sand trap. Get a trimmingle Fruitland Coal / Mesa Verde / Dakota flow rate.</b>



### HILCORP ENERGY COMPANY SAN JUAN 29-7 UNIT 34B FRUITLAND COAL RECOMPLETION SUNDRY

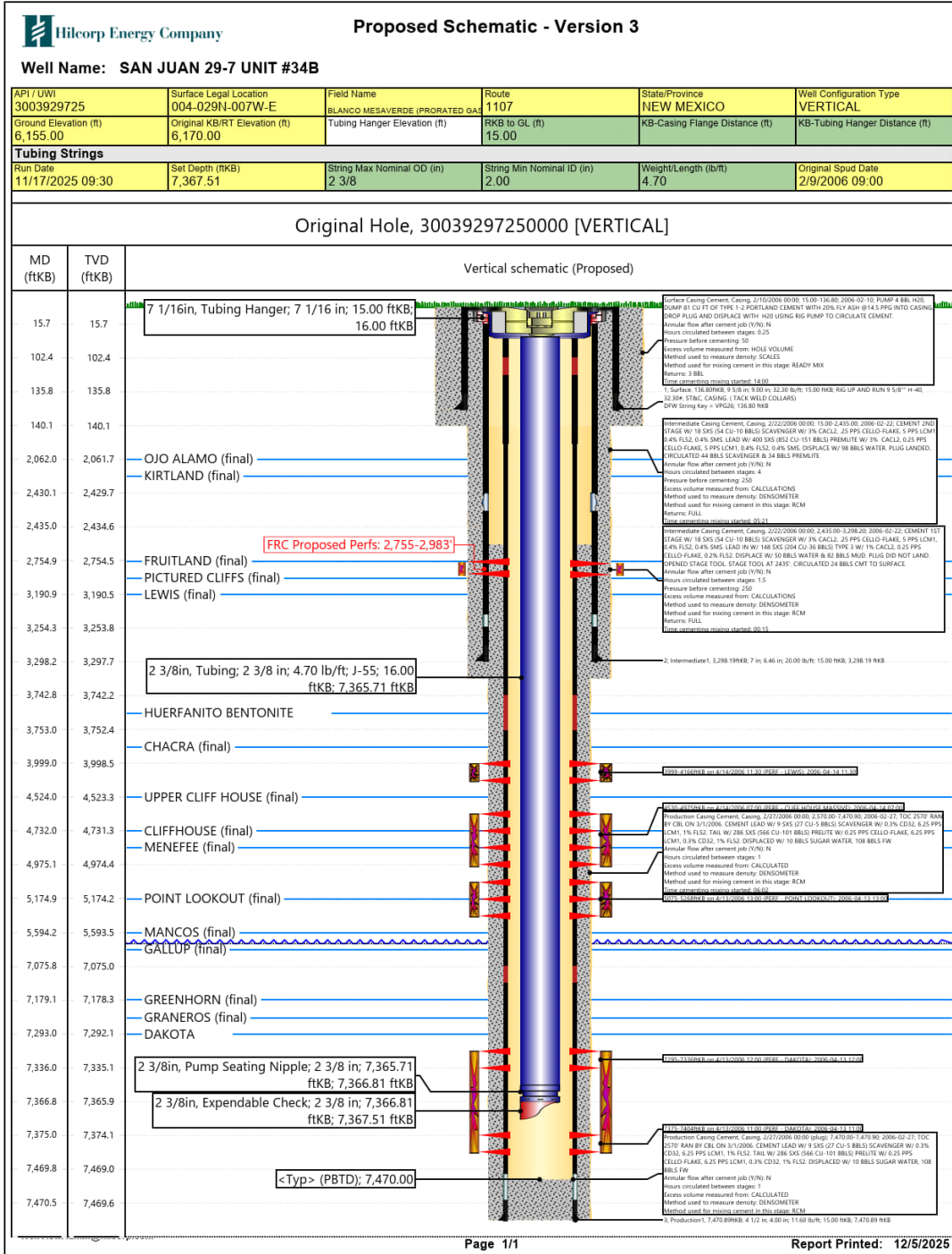
#### SAN JUAN 29-7 UNIT 34B - CURRENT WELLBORE SCHEMATIC





# HILCORP ENERGY COMPANY SAN JUAN 29-7 UNIT 34B FRUITLAND COAL RECOMPLETION SUNDRY

## SAN JUAN 29-7 UNIT 34B - 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: <a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a>	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	<p style="text-align: right;"><b>C-102</b></p> 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 30-039-29725	Pool Code 71629	Pool Name Basin Fruitland Coal (Gas)
Property Code 318713	Property Name San Juan 29-7 Unit	Well Number 34B
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6155
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input 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	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	04	029N	07W		1395' N	440' W	36.7580566	-107.5838013	Rio Arriba

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	04	029N	07W		1395' N	440' W	36.7580566	-107.5838013	Rio Arriba

Dedicated Acres 316.7	Infill or Defining Well Defining	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code Unit
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

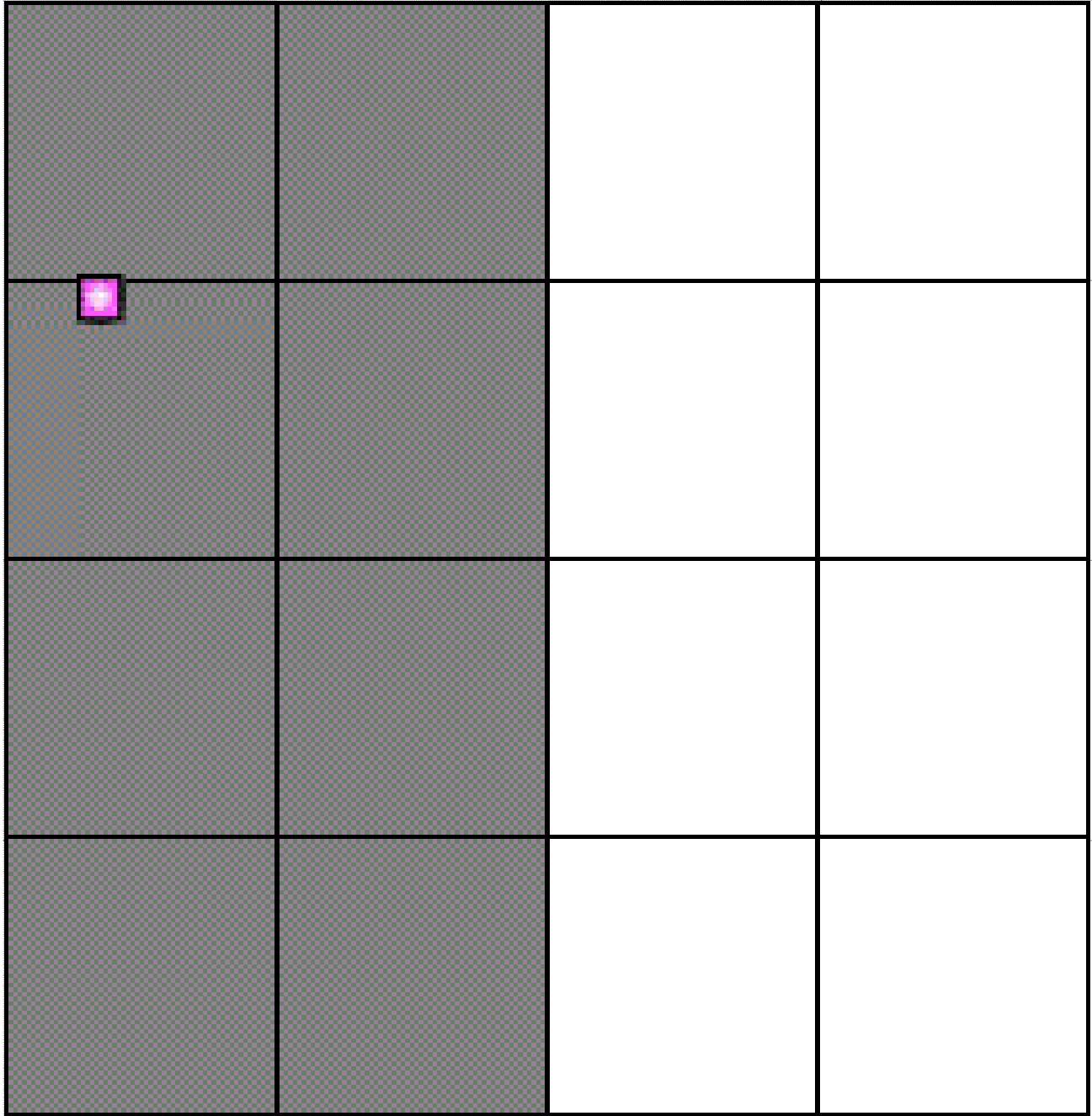
Unitized Area or Area of Uniform Interest SJ 29-7 Unit - Fruitland Coal PA	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation:
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<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby 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.</i></p> <p><i>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.</i></p> <p> 12/11/2025</p> <p>Signature Date</p> <p>Amanda Walker</p> <p>Printed Name</p> <p>mwalker@hilcorp.com</p> <p>Email Address</p>	<p><b>SURVEYOR CERTIFICATIONS</b></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 belief.</i></p> <p>Roy Rush</p> <p>Signature and Seal of Professional Surveyor</p> <p>8894 7/20/2005</p> <p>Certificate Number Date of Survey</p>
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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

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 Effective May 25, 2021

**I. Operator:** Hilcorp Energy Company **OGRID:** 372171 **Date:** 12/9/2025

**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 29-7 Unit 34B	3003929725	E, Sec. 4, T29N, R7W	1395' FNL & 440' FWL	0	300	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 29-7 Unit 34B</u>	<u>3003929725</u>				<u>2026</u>	<u>2026</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: <a href="mailto:mwalker@hilcorp.com">mwalker@hilcorp.com</a>
Date: 12/9/2025
Phone: 346-237-2177
<b>OIL CONSERVATION DIVISION</b> <b>(Only applicable when submitted as a standalone form)</b>
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 recompleting project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recompleting 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 recompleting operations.

## VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas
  - o 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
  - o This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompleting
  - 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.
  - o 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
  - o 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
  - o 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.
  - o 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-5569**

**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-70697.
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. This Order supersedes Order DHC-2125.
3. 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);
  - b. ninety four percent (94%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319); and
  - c. six percent (6%) shall be allocated to the Basin Dakota pool (pool ID: 71599).

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); and
- b. the Basin Dakota pool (pool ID: 71599).

Until a different plan to allocate gas production is approved by OCD, of the projected gas production allocated to the current pools:

- a. eighty nine percent (89%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319); and
- b. eleven percent (11%) shall be allocated to the Basin Dakota pool (pool ID: 71599).

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.

4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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).
10. 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**



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**ALBERT CHANG  
DIVISION DIRECTOR**

**DATE:** 4/26/2026

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **DHC-5569**

Operator: **Hilcorp Energy Company**

Well Name: **San Juan 29 07 Unit Well No. 34B**

Well API: **30-039-29725**

	Pool Name: <b>Basin Fruitland Coal</b>		
<b>Upper Zone</b>	Pool ID: <b>71629</b>	Current:	New: <b>X</b>
	Allocation: <b>Subtraction</b>	Oil: <b>0.0%</b>	Gas: <b>SUBT</b>
		Top: <b>2,755</b>	Bottom: <b>2,983</b>

	Pool Name: <b>Blanco Mesaverde</b>		
<b>Intermediate Zone</b>	Pool ID: <b>72319</b>	Current: <b>X</b>	New:
	Allocation:	Oil: <b>94.0%</b>	Gas: <b>89.0%</b>
		Top: <b>3,999</b>	Bottom: <b>5,268</b>
	Bottom of Interval within 150% of Upper Zone's Top of Interval:		<b>NO</b>

	Pool Name: <b>Basin Dakota</b>		
<b>Lower Zone</b>	Pool ID: <b>71599</b>	Current: <b>X</b>	New:
	Allocation:	Oil: <b>6.0%</b>	Gas: <b>11.0%</b>
		Top: <b>7,295</b>	Bottom: <b>7,404</b>
	Bottom of Interval within 150% of Upper Zone's Top of Interval:		<b>NO</b>

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 535539

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 535539
	Action Type: [C-107] Down Hole Commingle (C-107A)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	4/21/2026