

ID NO. 575032

DHC - 5586

Revised March 23, 2017

RECEIVED: 04/14/26	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: Allison Unit 1R **API:** 30-045-28957
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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

4/14/2026

Date

Amanda Walker

Print or Type Name

346.237.2177

Phone Number

Signature

mwalker@hilcorp.com

e-mail Address

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised August 1, 2011

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

x

 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company

382 Road 3100, Aztec, NM 87410

Operator

Address

Allison Unit

1R

E Sec. 17, T32N, R06W

San Juan

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 372171 Property Code 318864 API No. 30-045-28957 Lease Type: Federal State X 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)	HZ Window: ~2,878' - 5,393' MD Vertical Perf: ~3,059' - 3,144' TVD	4297' - 6005'	7937' - 8022'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Zone TA'd
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)	112 psi	122 psi	Zone TA'd
Oil Gravity or Gas BTU (Degree API or Gas BTU)	964 BTU	1010 BTU	Zone TA'd
Producing, Shut-In or New Zone	New Zone	Producing	Zone TA'd
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: 1/1/2026 Rates: Oil: 0 bbls Gas: 3,669 mcf Water: 40 bbls	Date: 1/1/2026 Rates: Oil: 0 bbls Gas: 0 mcf Water: 0 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

N/A

 No

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-13106 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

Amanda Walker

TITLE Operations/Regulatory Technician Sr

DATE 04/14/2026

TYPE OR PRINT NAME Amanda Walker

TELEPHONE NO. (346) 237.2177

E-MAIL ADDRESS mwalker@hilcorp.com

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-28957		Pool Code 72319/71599		Pool Name Blanco Mesaverde/Basin Dakota	
Property Code 6784		Property Name Allison Unit			Well Number 1R
OGRID No. 14538		Operator Name Burlington Resources Oil & Gas Company			Elevation 6548' GR

¹⁰ 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	17	32N	6W		1915	North	655	West	San Juan

¹¹ 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

¹² Dedicated Acres W/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

Original plat from Neale C. Edwards 4-8-93.	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Peggy Cole</i> Signature Peggy Cole Printed Name Regulatory Supervisor Title 1-24-01 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. Date of Survey Signature and Seal of Professional Surveyer:	
	Certificate Number	
	1915' 655' 17 JAN 2001	

Allison Unit 1R - 30-045-28957

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:

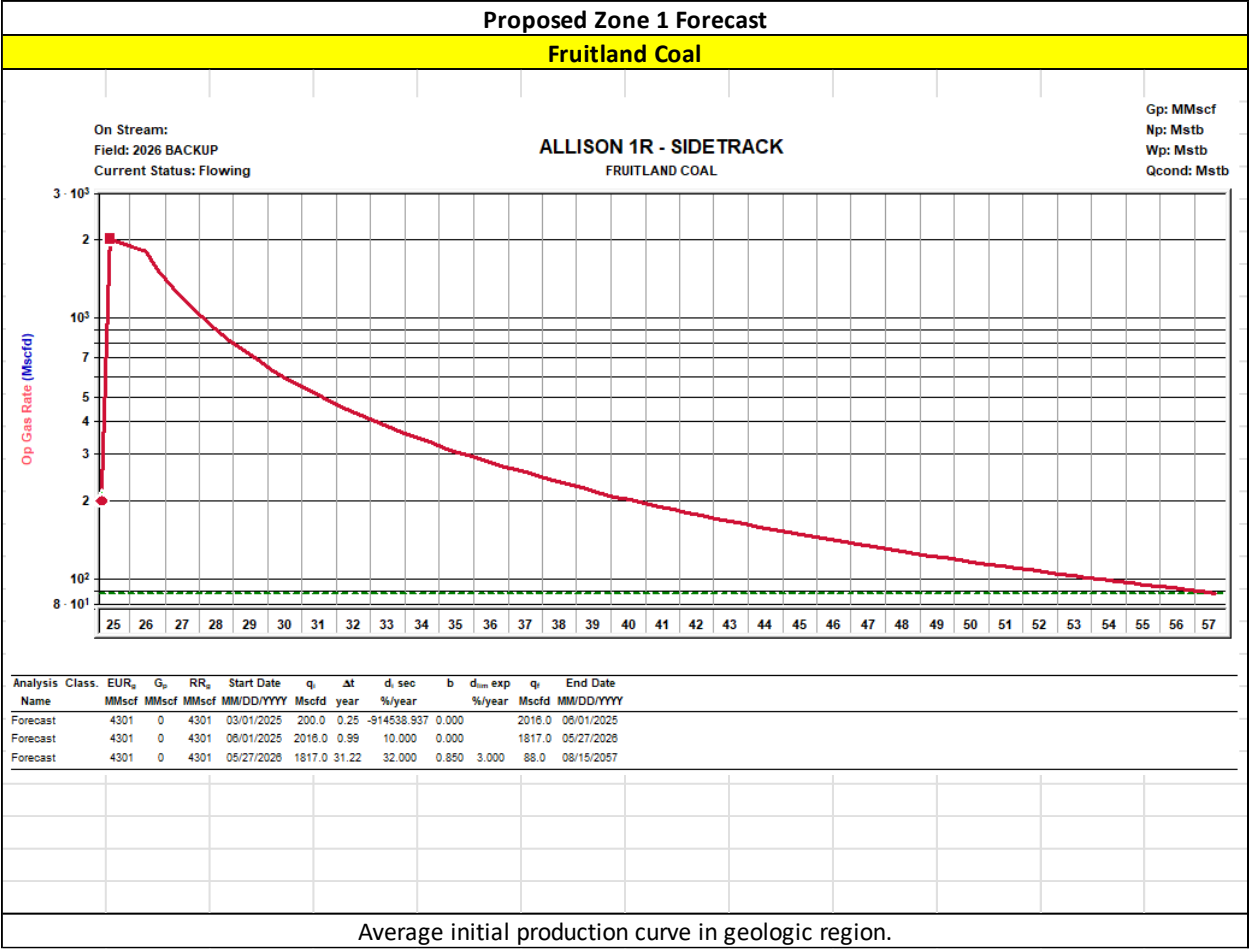
- 1) Wells were shut in for 24 hours
- 2) Echometer was used to obtain a fluid level
- 3) Shut in BHP was calculated for the proposed commingled completion

List of wells used to calculate BHPs for the Project:			
3004527171	ALLISON UNIT 110		FRC
3004534464	ALLISON UNIT 2BB		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.

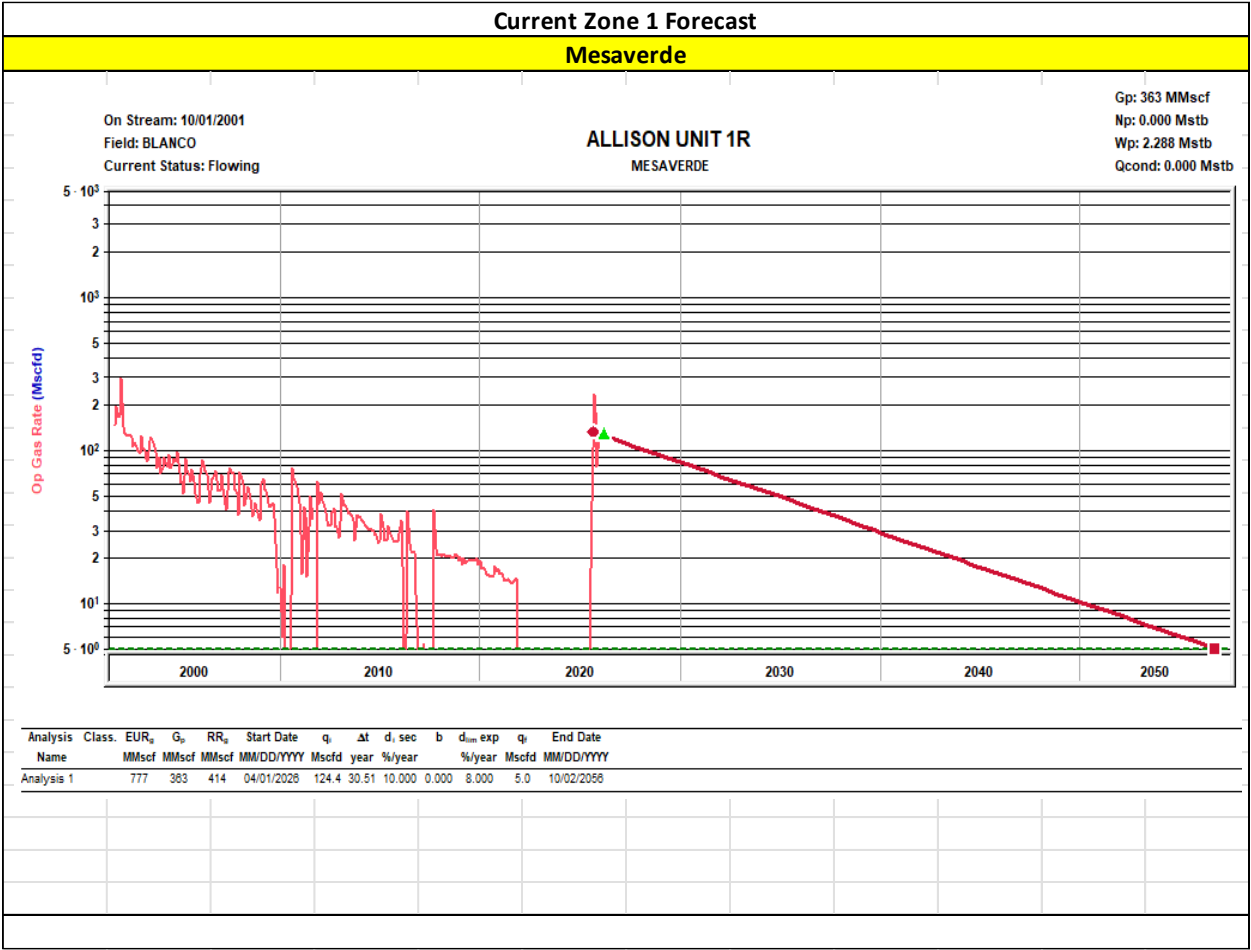
Production Allocation Method - Subtraction

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Blanco Mesaverde (Prorated Gas) and the added formation to be commingled is the Basin Fruitland Coal (Gas). 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.

Note: Hilcorp intends to leave the isolation plug over the Dakota Formation to keep the formation in a TA status. The only formations to be commingled will be the FC/MV.



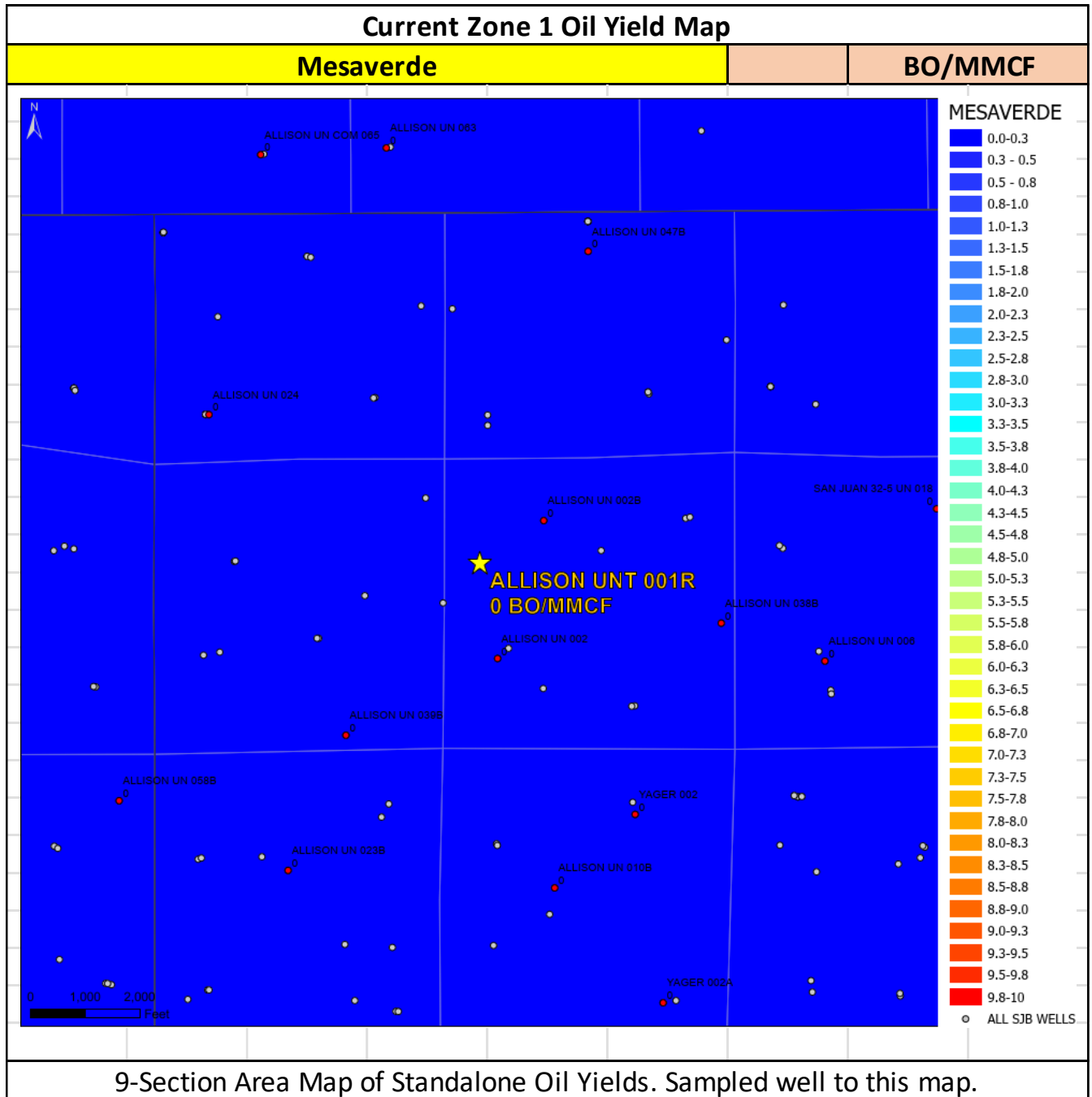
Oil Allocation:

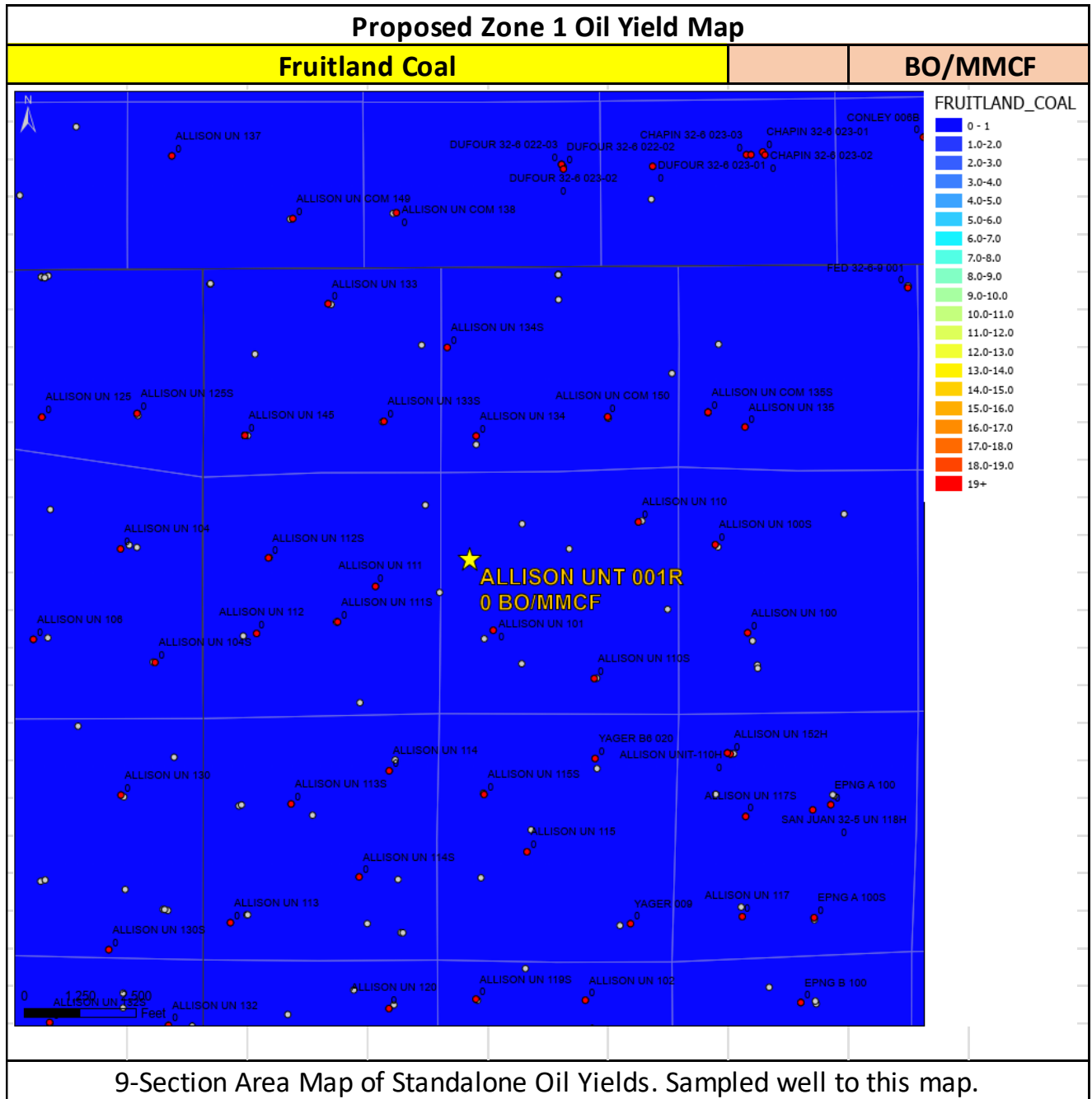
The existing Mesaverde zone has historically not produced any oil. Any oil production will be 100% allocated to the new zone.

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	0	414	0%
FRC	0	4301	100%
			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.

Well Name	ALLISON UNIT 1R
API	3004528957

FRC Offset (0.62 miles)		MV Offset (0.26 miles)	
API	3004531235	API	3004534464
Property	ALLISON UNIT 111S	Property	ALLISON UNIT 2B
CationBarium	3.75	CationBarium	0
CationBoron		CationBoron	
CationCalcium	4.5	CationCalcium	3.38
CationIron	86.1	CationIron	105
CationMagnesium	3.61	CationMagnesium	0.63
CationManganese	1.16	CationManganese	1.19
CationPhosphorus		CationPhosphorus	
CationPotassium		CationPotassium	
CationStrontium	1.18	CationStrontium	0.32
CationSodium	1307.26	CationSodium	112.05
CationSilica		CationSilica	
CationZinc		CationZinc	
CationAluminum		CationAluminum	
CationCopper		CationCopper	
CationLead		CationLead	
CationLithium		CationLithium	
CationNickel		CationNickel	
CationCobalt		CationCobalt	
CationChromium		CationChromium	
CationSilicon		CationSilicon	
CationMolybdenum		CationMolybdenum	
AnionChloride	1302.43	AnionChloride	106.12
AnionCarbonate	0	AnionCarbonate	0
AnionBicarbonate		AnionBicarbonate	
AnionBromide		AnionBromide	
AnionFluoride		AnionFluoride	
AnionHydroxyl	0	AnionHydroxyl	0
AnionNitrate		AnionNitrate	
AnionPhosphate		AnionPhosphate	
AnionSulfate	600	AnionSulfate	0
phField	7.1	phField	7.6
phCalculated		phCalculated	
TempField	75	TempField	86
TempLab		TempLab	
OtherFieldAlkalinity		OtherFieldAlkalinity	103.87
OtherSpecificGravity	1	OtherSpecificGravity	1
OtherTDS	3718.66	OtherTDS	566.67
OtherCaCO3		OtherCaCO3	11.03
OtherConductivity	5810.41	OtherConductivity	568
DissolvedCO2	220	DissolvedCO2	134
DissolvedO2		DissolvedO2	
DissolvedH2S	0.43	DissolvedH2S	0.43
GasPressure	130	GasPressure	172
GasCO2	5	GasCO2	2
GasCO2PP	6.5	GasCO2PP	3.44
GasH2S	0	GasH2S	0.2
GasH2SPP	0	GasH2SPP	0
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.

Well Name	ALLISON UNIT 1R
API	3004528957

FRC Offset (0.41 miles)		MV Offset (0.26 miles)	
AssetCode	3004527165	AssetCode	3004534464
AssetName	ALLISON UNIT 111	AssetName	ALLISON UNIT 2B
CO2	0.05	CO2	0.03
N2	0	N2	0
C1	0.94	C1	0.95
C2	0	C2	0.02
C3	0	C3	0.01
ISOC4	0	ISOC4	0
NC4	0	NC4	0
ISOC5	0	ISOC5	0
NC5	0	NC5	0
NEOC5		NEOC5	
C6	0	C6	0
C6_PLUS		C6_PLUS	
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		CO2GPM	
N2GPM		N2GPM	
C1GPM		C1GPM	
C2GPM		C2GPM	
C3GPM		C3GPM	
ISOC4GPM		ISOC4GPM	
NC4GPM		NC4GPM	
ISOC5GPM		ISOC5GPM	
NC5GPM		NC5GPM	
C6_PLUSGPM		C6_PLUSGPM	

Well Name: ALLISON UNIT	Well Location: T32N / R6W / SEC 17 / SWNW / 36.9825 / -107.48842	County or Parish/State: SAN JUAN / NM
Well Number: 1R	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: FEE	Unit or CA Name: ALLISON UNIT--DK, ALLISON UNIT--MV	Unit or CA Number: NMNM78372A, NMNM78372B
US Well Number: 3004528957	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2903922

Type of Submission: Notice of Intent	Type of Action: Recompletion
Date Sundry Submitted: 04/09/2026	Time Sundry Submitted: 08:36
Date proposed operation will begin: 04/01/2026	

Procedure Description: Hilcorp Energy Company requests permission to drill a lateral sidetrack in the Basin Fruitland Coal using the existing wellbore and downhole commingle with the existing Blanco Mesaverde. The Basin Dakota will remain in a TA status. Please see the attached procedure, current and proposed wellbore diagram, plat, natural gas management plan, and directional plans. 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

- Allison_Unit_1R_Sidetrack_C_102_Plat_20260409083536.pdf
- Allison_Unit__1R___Drilling_Technical_Plan___Rev_4_20260409083457.pdf
- Hilcorp_Allison_Unit_1R_ST01_P2_WP_20260409083456.pdf

Received by OCD: 4/14/2026 9:29:00 AM

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Well Name: ALLISON UNIT	Well Location: T32N / R6W / SEC 17 / SWNW / 36.9825 / -107.48842	County or Parish/State: SAN JUAN / NM
Well Number: 1R	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: FEE	Unit or CA Name: ALLISON UNIT--DK, ALLISON UNIT--MV	Unit or CA Number: NMNM78372A, NMNM78372B
US Well Number: 3004528957	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: APR 09, 2026 08:35 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: 04/09/2026
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 <i>Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.</i>		5. Lease Serial No. FEE
		6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2		7. If Unit of CA/Agreement, Name and/or No. ALLISON UNIT--DK, ALLISON UNIT--MV/NMNM78372A, NMNM78372B
1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other		8. Well Name and No. Hilcorp Energy Company
2. Name of Operator HILCORP ENERGY COMPANY		9. API Well No. 3004528957
3a. Address mwalker@hilcorp.com	3b. Phone No. (include area code) (713) 209-2400	10. Field and Pool or Exploratory Area BLANCO MESAVERDE/BASIN DAKOTA
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SEC 17/T32N/R6W/NMP		11. Country or Parish, State SAN JUAN/NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA				
TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☒ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Hilcorp Energy Company requests permission to drill a lateral sidetrack in the Basin Fruitland Coal using the existing wellbore and downhole commingle with the existing Blanco Mesaverde. The Basin Dakota will remain in a TA status. Please see the attached procedure, current and proposed wellbore diagram, plat, natural gas management plan, and directional plans. 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 4/14/2026

THE SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by KENNETH G RENNICK / Ph: (505) 564-7742 / Approved	Title Petroleum Engineer	Date 04/09/2026
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 / 1915 FNL / 655 FWL / TWSP: 32N / RANGE: 6W / SECTION: 17 / LAT: 36.9825 / LONG: -107.48842 (TVD: 0 feet, MD: 0 feet)

BHL: SWNW / 1915 FNL / 655 FWL / TWSP: 32N / SECTION: / LAT: 36.9825 / LONG: 107.48842 (TVD: 0 feet, MD: 0 feet)

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type	☐ Initial Submittal
			☒ Amended Report
		☐ As Drilled	

WELL LOCATION INFORMATION

API Number 30-045-28957	Pool Code 71629	Pool Name BASIN FRUITLAND COAL (Gas)
Property Code 318864	Property Name ALLISON UNIT	Well Number 001R
OGRID No. 372171	Operator Name HILCORP ENERGY COMPANY	Ground Level Elevation 6546'
Surface Owner: ☐ State ☒ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☒ Fee ☐ Tribal ☒ Federal

Surface Location

UL E	Section 17	Township 32N	Range 6W	Lot	Feet from N/S Line 1916' NORTH	Feet from E/W Line 650' WEST	Latitude 36.982457 °N	Longitude -107.488741 °W	County SAN JUAN
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Bottom Hole Location

UL C	Section 17	Township 32N	Range 6W	Lot	Feet from N/S Line 377' NORTH	Feet from E/W Line 2537' WEST	Latitude 36.986706 °N	Longitude -107.482263 °W	County SAN JUAN
---------	---------------	-----------------	-------------	-----	----------------------------------	----------------------------------	--------------------------	-----------------------------	--------------------

Dedicated Acres 320.00	Penetrated Spacing Unit N/2 - Section 17, T32N, R6W	Infill or Defining Well Defining	Defining Well API N/A	Overlapping Spacing Unit ☐ Yes ☒ No	Consolidation Code Unit
Order Numbers R-24 / Case Number 224			Well setbacks are under Common Ownership: ☒ Yes ☐ No		

Kick Off Point (KOP)

UL E	Section 17	Township 32N	Range 6W	Lot	Feet from N/S Line 1916' NORTH	Feet from E/W Line 650' WEST	Latitude 36.982457 °N	Longitude -107.488741 °W	County SAN JUAN
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First Take Point (FTP)

UL E	Section 17	Township 32N	Range 6W	Lot	Feet from N/S Line 1891' NORTH	Feet from E/W Line 678' WEST	Latitude 36.982526 °N	Longitude -107.488644 °W	County SAN JUAN
---------	---------------	-----------------	-------------	-----	-----------------------------------	---------------------------------	--------------------------	-----------------------------	--------------------

Last Take Point (LTP)

UL C	Section 17	Township 32N	Range 6W	Lot	Feet from N/S Line 377' NORTH	Feet from E/W Line 2537' WEST	Latitude 36.986706 °N	Longitude -107.482263 °W	County SAN JUAN
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Unitized Area or Area of Uniform Interest Allison Unit Fruitland Coal Participating Area	Spacing Unit Type ☒ Horizontal ☐ Vertical ☐ Directional	Ground Floor Elevation
---	--	------------------------

OPERATOR CERTIFICATION 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.  4/1/2026 Signature 4/1/2026 Date Amanda Walker Printed Name mwalker@hilcorp.com E-mail Address	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.  JASON C. EDWARDS Signature and Seal of Professional Surveyor Certificate Number 15269 Date of Survey JANUARY 14, 2026
--	---

SURFACE LOCATION (A)
1916' FNL 650' FWL
SECTION 17, T32N, R6W
LAT 36.982452°N
LONG -107.488136°W
DATUM: NAD1927

KICK OFF POINT (B)
1916' FNL 650' FWL
SECTION 17, T32N, R6W
LAT 36.982452°N
LONG -107.488136°W
DATUM: NAD1927

LAT 36.982457°N
LONG -107.488741°W
DATUM: NAD1983

LAT 36.982457°N
LONG -107.488741°W
DATUM: NAD1983

FIRST TAKE POINT (C)
1891' FNL 678' FWL
SECTION 17, T32N, R6W
LAT 36.982520°N
LONG -107.488039°W
DATUM: NAD1927

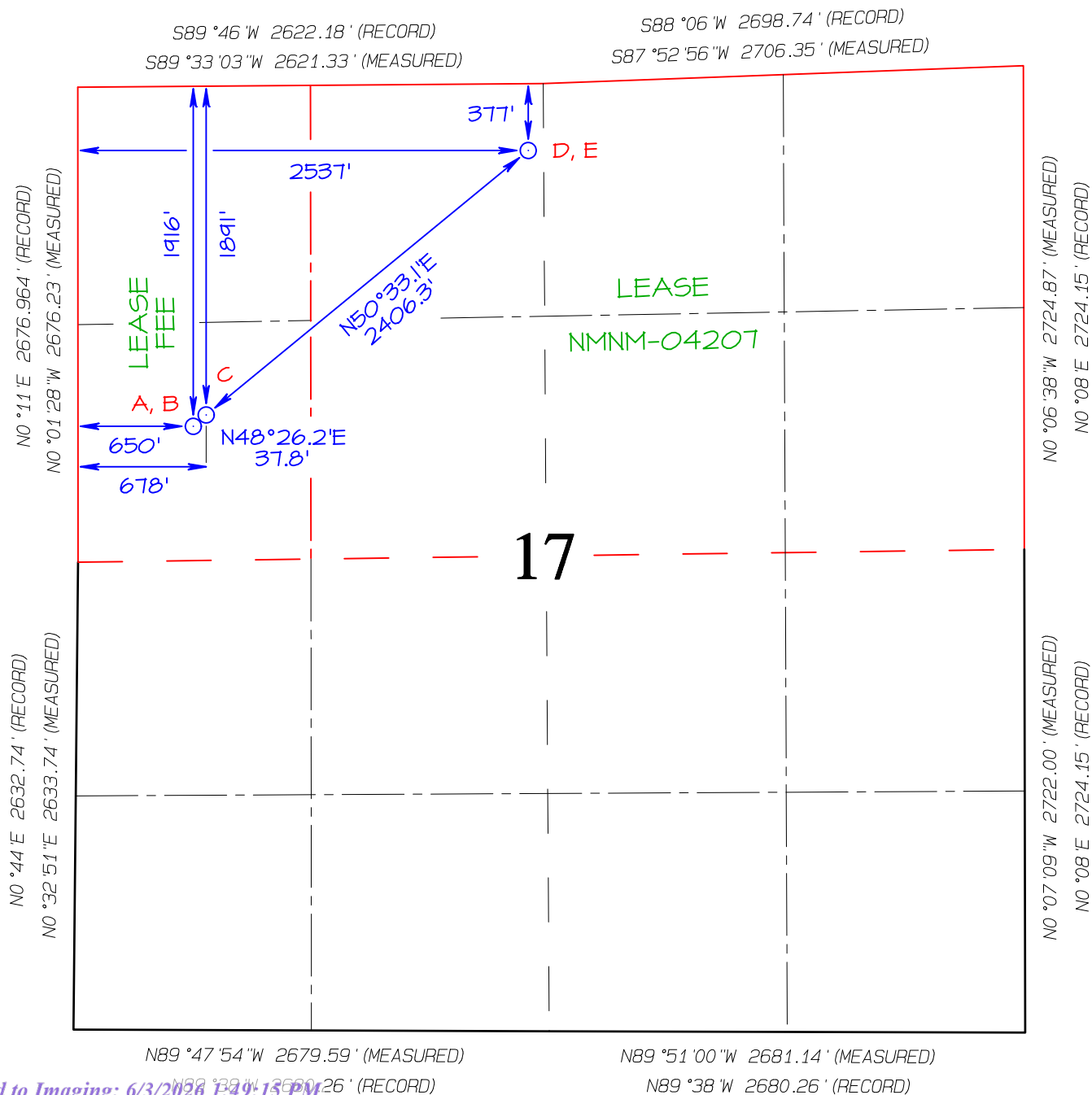
LAST TAKE POINT (D)
377' FNL 2537' FWL
SECTION 17, T32N, R6W
LAT 36.986701°N
LONG -107.481658°W
DATUM: NAD1927

BOTTOM HOLE LOCATION (E)
377' FNL 2537' FWL
SECTION 17, T32N, R6W
LAT 36.986701°N
LONG -107.481658°W
DATUM: NAD1927

LAT 36.982526°N
LONG -107.488644°W
DATUM: NAD1983

LAT 36.986706°N
LONG -107.482263°W
DATUM: NAD1983

LAT 36.986706°N
LONG -107.482263°W
DATUM: NAD1983



SURFACE LOCATION (A)
1916' FNL 650' FWL
SECTION 17, T32N, R6W
LAT 36.982452°N
LONG -107.488136°W
DATUM: NAD1927

LAT 36.982457°N
LONG -107.488741°W
DATUM: NAD1983

KICK OFF POINT (B)
1916' FNL 650' FWL
SECTION 17, T32N, R6W
LAT 36.982452°N
LONG -107.488136°W
DATUM: NAD1927

LAT 36.982457°N
LONG -107.488741°W
DATUM: NAD1983

FIRST TAKE POINT (C)
1891' FNL 678' FWL
SECTION 17, T32N, R6W
LAT 36.982520°N
LONG -107.488039°W
DATUM: NAD1927

LAT 36.982526°N
LONG -107.488644°W
DATUM: NAD1983

LEASE X-ING (1)
1375' FNL 1311' FWL
SECTION 17, T32N, R6W
LAT 36.983945°N
LONG -107.485865°W
DATUM: NAD1927

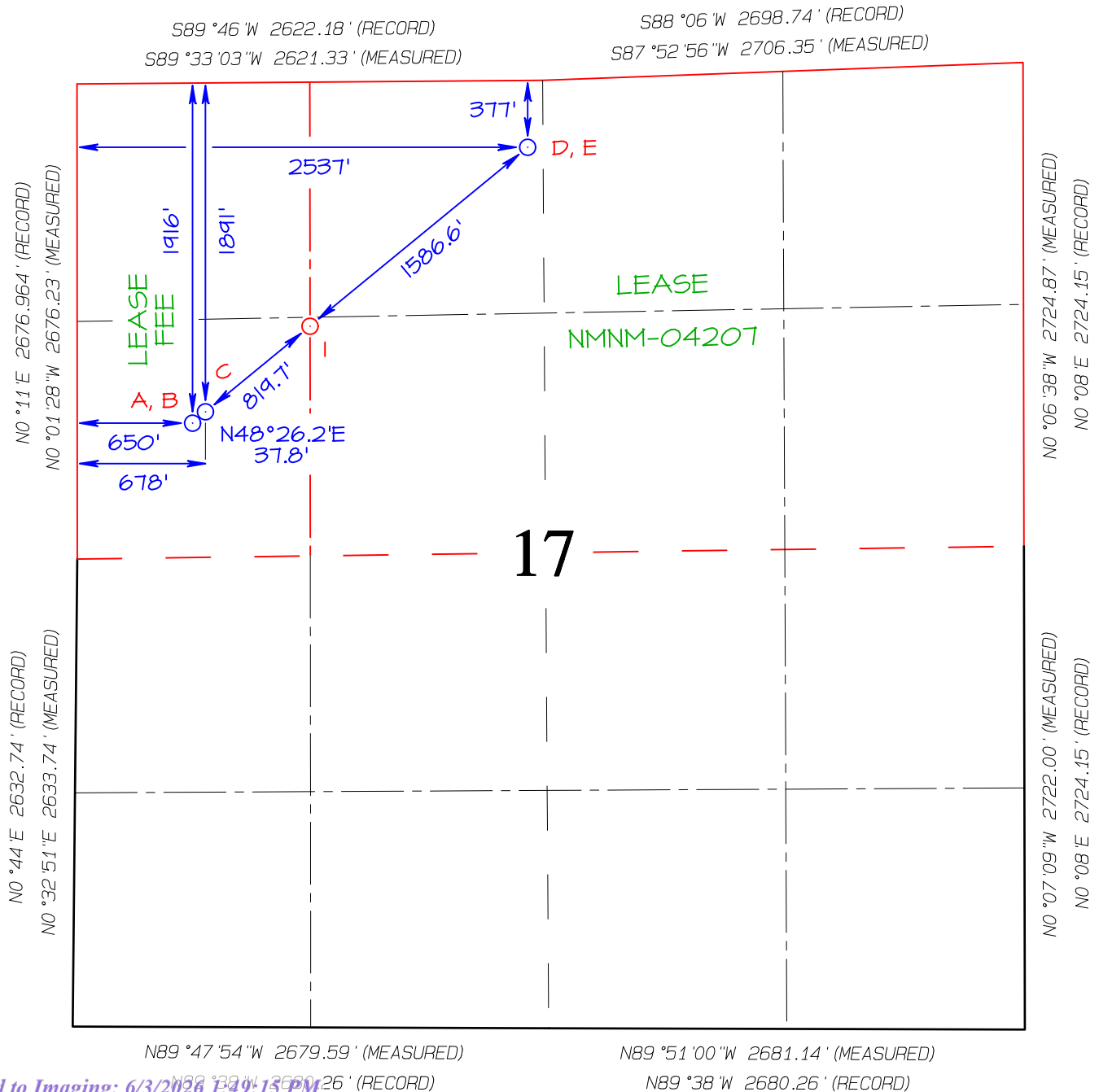
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LAST TAKE POINT (D)
377' FNL 2537' FWL
SECTION 17, T32N, R6W
LAT 36.986701°N
LONG -107.481658°W
DATUM: NAD1927

LAT 36.986706°N
LONG -107.482263°W
DATUM: NAD1983

BOTTOM HOLE LOCATION (E)
377' FNL 2537' FWL
SECTION 17, T32N, R6W
LAT 36.986701°N
LONG -107.481658°W
DATUM: NAD1927

LAT 36.986706°N
LONG -107.482263°W
DATUM: NAD1983



San Juan County, NM

Allison Unit #1R



Technical Drilling Plan (Rev. 4)

Hilcorp Energy Company proposes to side track, drill, and complete the referenced lateral horizontal well targeting a coal seam in the Fruitland formation.

Note: This technical drilling plan will be adjusted based upon actual conditions.

1. Location

Date:	March 27, 2026	Pool:	Fruitland Coal
Well Name:	Allison Unit #1R	Ground Elevation (ft. MSL):	6,546'
Surface Hole Location:	36.982452° N, 107.488136° W	Total Depth (ft. TMD/TVD)	5,393'/2,950'
Bottom Hole Location:	36.986701° N, 107.481658° W	County, State:	San Juan County, NM

Note: All geographic coordinates on the drilling tech plan and the directional drilling plan refer to NAD 27 geodetic coordinate system. All depths on the drilling tech plan and the directional drilling plan are referenced from an estimated RKB datum of 17' above ground level.

2. Geological Markers

Anticipated formation tops with comments of any possible water, gas or oil shows are indicated below:

Formation	Depth (ft. TVD)	Remarks
Ojo Alamo	2,116	Water (fresh/useable)
Kirtland	2,212	None
Fruitland Coal	2,761	Gas, Water
Pictured Cliffs	3,395	None

Pre-Drill Preparation Procedure

1. RU slickline and clear tubing
2. MIRU workover rig and associated equipment; NU and test BOP per HEC, State, and Federal guidelines
3. TOOH with tubing and lay down string
4. WL set a bridge plug within 50' of upper-most existing perforations
5. Review CBL results with engineering and regulatory agencies. Perform cement remediation if required, after obtaining necessary approvals.
6. Perform a witnessed Mechanical Integrity Test on casing with appropriate regulatory agencies (notify NMOCD 24 hrs before test)
7. Set a 7" CIBP for base of whipstock plug
8. RDMO workover rig

San Juan County, NM

Allison Unit #1R



3. Pressure Control Equipment

A. BOP Equipment

See Appendix A for BOP equipment and choke manifold diagram.

- BOP equipment will be nipped up on top of the wellhead after surface casing is set and cemented.
- All pressure control equipment will be rated to meet a 3M minimum.
- A rotating head will be installed on top of the annular as seen in the attached diagram.

B. BOP Pressure Testing

- For all BOP pressure testing, a test unit with a chart recorder and a BOP test plug will be utilized.
- All tests and inspections will be recorded and logged with time and results.
- A full BOP pressure test will be conducted when initially installed or if a seal subject to test pressure is broken, following related repairs, and at a minimum in 30-day intervals.
- **The New Mexico Oil & Gas Conservation Division and the BLM will be notified 24 hours in advance of pressure testing BOPE.**
- The BOPE will be tested to **250 psi (Low) for 5 minutes and 3,000 psi (High) for 10 minutes.**

C. BOP Function Testing

- Annular preventors will be functionally tested at least once per week.
- Pipe and blind rams will be function tested each trip.

D. Casing Pressure Testing

- For all casing pressure testing, a test unit with a chart recorder will be utilized.
- **Surface casing will be pressure tested to 600 psi for 30 minutes.**
- **Intermediate casing will be pressure tested to 1,500 psi for 30 minutes.**

San Juan County, NM

Allison Unit #1R



4. Casing Program

A. Proposed Casing Program:

Proposed Casing Design							
Casing String	Hole Size	Casing (size/weight/grade)	Top Depth (MD/TVD)	Btm. Depth (MD/TVD)	Collapse	Burst	Tensile
Surface (Pre-Existing)	12-1/4"	9-5/8"-36#-K55	0'	219'/219'	2,020 psi	3,520 psi	564 klbs
Intermediate (Pre-Existing)	8-3/4"	7"-23#-N80	0'	3,800'/3,800'	3,270 psi	4,360 psi	532 klbs
Production Liner (Pre-Existing)	6-1/4"	4-1/2"-11.6#-N80	3,610'/3,610'	8,059'/8,056'	7,780 psi	6,350 psi	267 klbs
Production Liner (Side Track)	6-1/4"	4-1/2"-11.6#-J55 (or equiv.)-LTC/BTC	2,888'/2,888'	5,393'/2,950'	4,960 psi	5,350 psi	184 klbs

Proposed Casing Design Safety Factors				
Casing String	Burst Design SF	Collapse Design SF	Joint Tensile Design SF	Connection Tensile Design SF
Surface	34.3	25.1	82.9	62.2
Intermediate	2.3	2.2	7.1	5.4
Original Production Liner	1.9	1.9	3.4	2.7
Side Track Production Liner	3.5	4.0	3.5	4.2

San Juan County, NM

Allison Unit #1R

**B. Casing Design Parameters & Calculations (designed for full wellbore evacuation):**

- Mud Weights used for calculations:

Surface:	9.0 ppg	Intermediate:	9.5 ppg	Production:	10.0 ppg
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- Minimum Acceptable Safety Factors:

Burst:	1.15	Collapse:	1.15	Tensile:	1.50
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- Casing Safety Factor Calculations:

$$\text{Casing Burst Safety Factor} = \frac{\text{Casing Burst Rating (psi)}}{\text{Maximum Mud Weight (ppg)} \times \text{TVD (ft)} \times 0.052}$$

$$\text{Casing Collapse Safety Factor} = \text{Hydrostatic of Mud Weight in Annulus (psi)} - \left[\text{TVD of Casing Shoe (ft)} \times 0.10 \frac{\text{psi}}{\text{ft}} \right]$$

$$\text{Tensile Safety Factor} = \frac{\text{Tensile Rating of Casing String (lbs)}}{\text{Measured Depth of Casing (ft)} \times \text{Casing Weight} \frac{\text{lb}}{\text{ft}} \times \text{Drilling Fluid Bouyancy Factor}}$$

Surface Casing Notes:

Surface hole section was drilled to 219' MD and casing has already been set at 219' MD.

Intermediate Casing Notes:

Intermediate hole section was drilled to ~3,800' MD and casing has already been set at 3,800' MD.

Production Casing Notes:

- Original 6-1/4" production hole was drilled to 8,090' MD and 4-1/2" liner was set at 8,059' MD with liner hanger at 3,610' MD.
- The side track pre-perforated production liner will be dropped off in the side track open hole (uncemented). The top of the side track production liner will be ~10' outside of the casing exit (no overlap between the liner and 7" casing).
- The side track production liner length and setting depth will vary depending on final TD of the 6-1/4" hole section.
- The 7" casing will be set across the setback boundary line and with the casing shoe within the drill block.

5. Proposed Centralizer Program:

Proposed Centralizer Program	
Casing String	Centralizers & Placement
Surface Casing	Pre-Existing
Intermediate Casing	Pre-Existing
Original Production Liner	Pre-Existing
Side Track Production Liner	N/A

San Juan County, NM

Allison Unit #1R

**6. Cement Program:**

Proposed Cement Design								
Interval	Depth (ft. MD)	Lead/Tail	Volume (ft ³)	Sacks	Excess (%)	Slurry	Density (ppg)	Planned TOC
Surface	219'	Lead	N/A	N/A	N/A	N/A – Pre-Existing	14.6	Surface
		Slurry Additives: N/A						
Intermediate	3,800'	Lead	N/A	N/A	N/A	N/A – Pre-Existing	N/A	260'
		Slurry Additives: N/A						
		Tail	N/A	N/A	N/A	N/A – Pre-Existing	N/A	N/A
		Slurry Additives: N/A						
Original Production Liner	8,059'	N/A	N/A	N/A	N/A	N/A – Pre-Existing	N/A	4,650'
Side Track Production Liner	5,393'	N/A	N/A	N/A	N/A	N/A – Uncemented pre-perforated liner.	N/A	N/A

Cement Program Notes:

- No cement jobs are planned. The originally set surface, intermediate, and production liner are already cemented in place. The planned side track will have an uncemented pre-perforated liner.

San Juan County, NM

Allison Unit #1R

Hilcorp Energy Company

7. Drilling Fluids Program**A. Proposed Drilling Fluids Program:**

Proposed Drilling Fluids Program					
Interval	Fluid Type	Density	Fluid Loss	Maximum Chlorides	Depth
		(ppg)	(mL/30 min)	(ppm)	(ft. MD)
Surface	N/A	N/A	N/A	N/A	N/A
Intermediate	N/A	N/A	N/A	N/A	N/A
Original Production	N/A	N/A	N/A	N/A	N/A
Side Track Production	LSND / Gel	8.4 – 9.2	6-16	5,000	2,878' – 5,393'

Drilling Fluids Notes:

- In the 6-1/4" side track production hole section, CaCl₂ brine will only be utilized if a weighting agent is necessary for either well control or wellbore stability.
- Lost circulation material may be added to the mud systems to manage fluid losses as hole conditions dictate.
- The well will be drilled utilizing a closed-loop circulating system. Drill cuttings for all hole sections will be transported to an approved disposal site.
- Estimated total volume of drill cuttings for disposal: 95 bbls (536 ft³).

8. Estimated Pressures & Drilling Hazards**A. Estimated Pressures**

- Fruitland Coal: 150-250 psi
- Pictured Cliffs: 300 psi
- No abnormal temperatures or drilling hazards are anticipated.
- Maximum anticipated surface pressure is 500 psi.

B. Water Flows

- Water flows are possible in the intermediate section. Water flows will be mitigated with increased mud weight.

C. Lost Circulation

- Lost circulation is possible in the intermediate and production sections. Losses will be mitigated by utilizing LCM in the mud system.

D. Hydrogen Sulfide

- No hydrogen sulfide is expected to be encountered based on nearby well production.

San Juan County, NM

Allison Unit #1R



Pre-Existing 7" Intermediate Casing

- For the side track production lateral, a whipstock will be set at ~2,878' to enable a window to be cut into the 7" intermediate casing and the 6-1/4" side track production hole to be drilled. After dropping off the pre-perforated liner in the side track production lateral, the whipstock will be retrieved.

9. Testing, Logging, Coring

A. Mud Logging

- Mud loggers will collect formation samples every 60' from the intermediate casing kick-off to the TD of the side track production hole.

B. MWD

- Measurement while drilling tools will be utilized from the intermediate casing kick-off to TD of the side track production hole to measure and record inclination and azimuth.

C. LWD

- Logging while drilling tools (gamma ray) will be utilized while drilling the side track production lateral from the intermediate casing kick-off to the side track production hole section TD to assist in staying in the desired coal seam while drilling the lateral section.

D. Open Hole Logging

- There are no plans to open hole log the well.

E. Coring & Formation Testing

- There are no plans for coring or formation testing.

F. Cased Hole Logging

- There are no plans for cased hole logging.

10. Directional Drilling Plan

- The well is planned as a directional wellbore. Surveys will be monitored to ensure adherence to the planned well path.
- The directional plan is attached in the NOI application.
- The directional plan is built from geologic targets from offset wells and lease boundaries. The production hole section will be landed and drilled horizontally within the target formation utilizing LWD tools to steer the wellbore. On-site adjustments to the directional plan will be made and formation and wellbore dictate.

San Juan County, NM

Allison Unit #1R



Completion

- Retrieve whipstock, drill out base of whipstock plug
- RIH with wireline to perforate the coal seam in the vertical wellbore from 3,059'-3,144'
- There are no plans to stimulate the well
- Drill out Mesaverde isolation plug
- RIH with tubing, set tubing, and, pending commingle approval, DHC Fruitland Coal with existing Mesaverde
- Return well to production

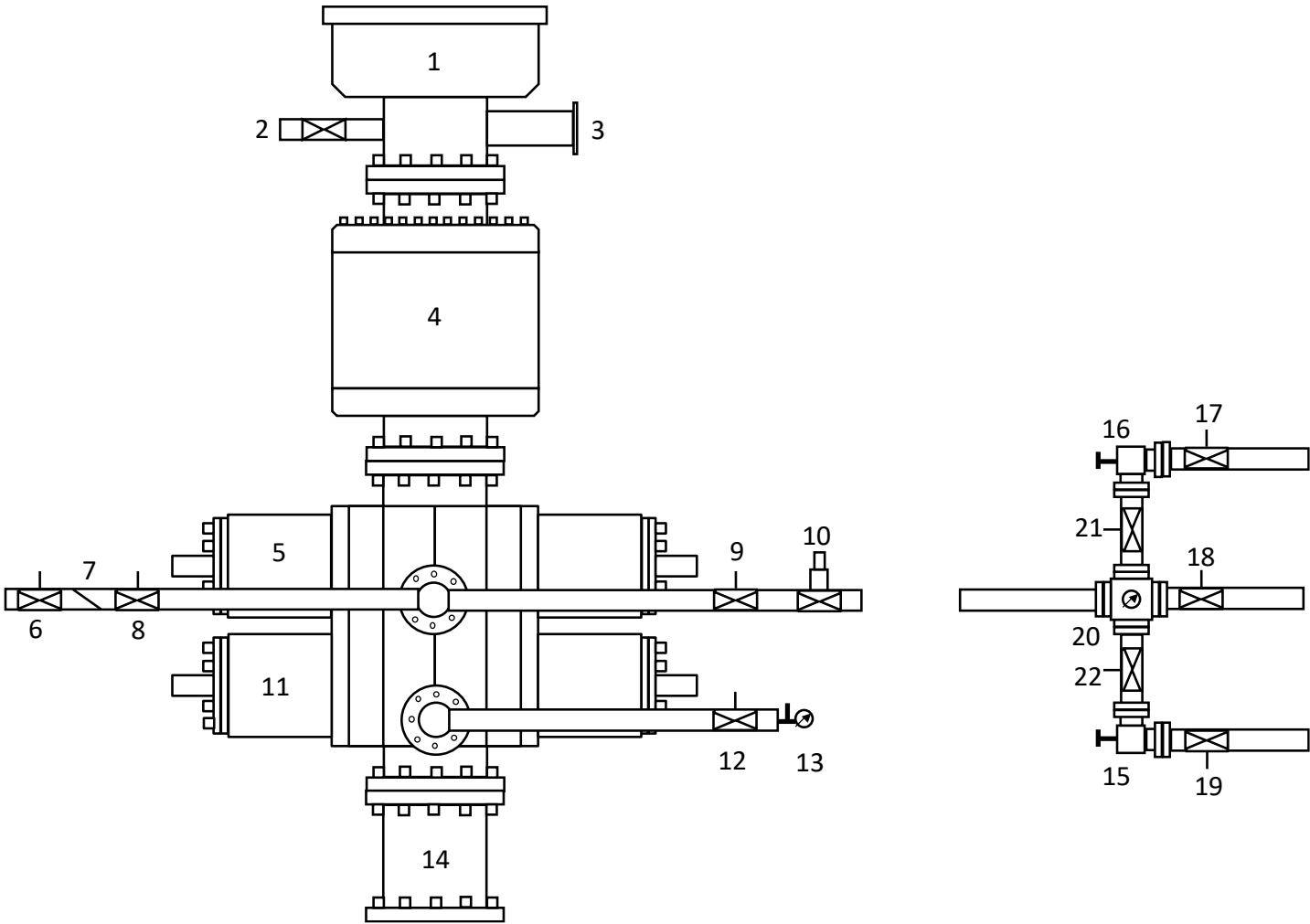
San Juan County, NM

Allison Unit #1R



Appendix A

11" 3M BOP & 3M Choke Manifold Configuration



1	Rotating Head	12	Manual Isolation Valve
2	Fill-Up Line	13	Needle Valve & Pressure Gauge
3	Flow Line	14	Spacer Spool (if needed)
4	3M Annular Preventer	15	Manual Choke
5	3M Pipe Rams	16	Hydraulically Operated Choke
6	Manual Isolation Valve	17	Manual Isolation Valve
7	Check Valve	18	Manual Isolation Valve
8	Manual Isolation Valve	19	Manual Isolation Valve
9	Manual Isolation Valve	20	Valve Block & Pressure Gauge
10	High Closing Ratio Valve	21	Manual Isolation Valve
11	3M Blind Rams	22	Manual Isolation Valve

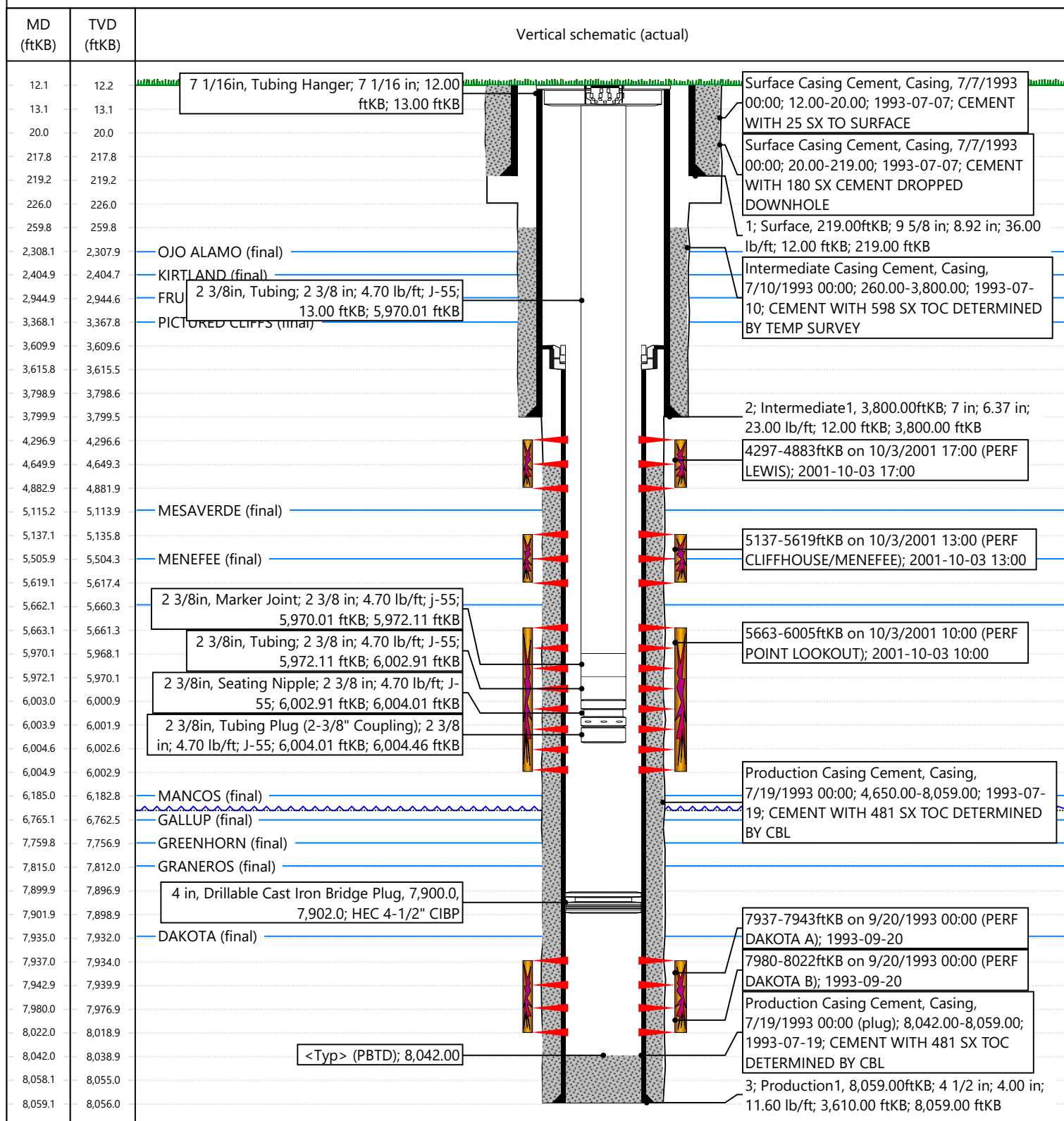


Current Schematic - Version 3

Well Name: ALLISON UNIT #1R

API / UWI 3004528957	Surface Legal Location 017-032N-006W-E	Field Name BSN DK(PRO GAS) #0068	Route 0508	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,548.00	Original KB/RT Elevation (ft) 6,560.00	Tubing Hanger Elevation (ft)	RKB to GL (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
Tubing Strings					
Run Date 8/19/2025 09:30	Set Depth (ftKB) 6,004.46	String Max Nominal OD (in) 2 3/8	String Min Nominal ID (in) 2.00	Weight/Length (lb/ft) 4.70	Original Spud Date 7/6/1993 20:00

Original Hole, 30045289570000 [Vertical]





Schematic - Proposed

Well Name: ALLISON UNIT #1R

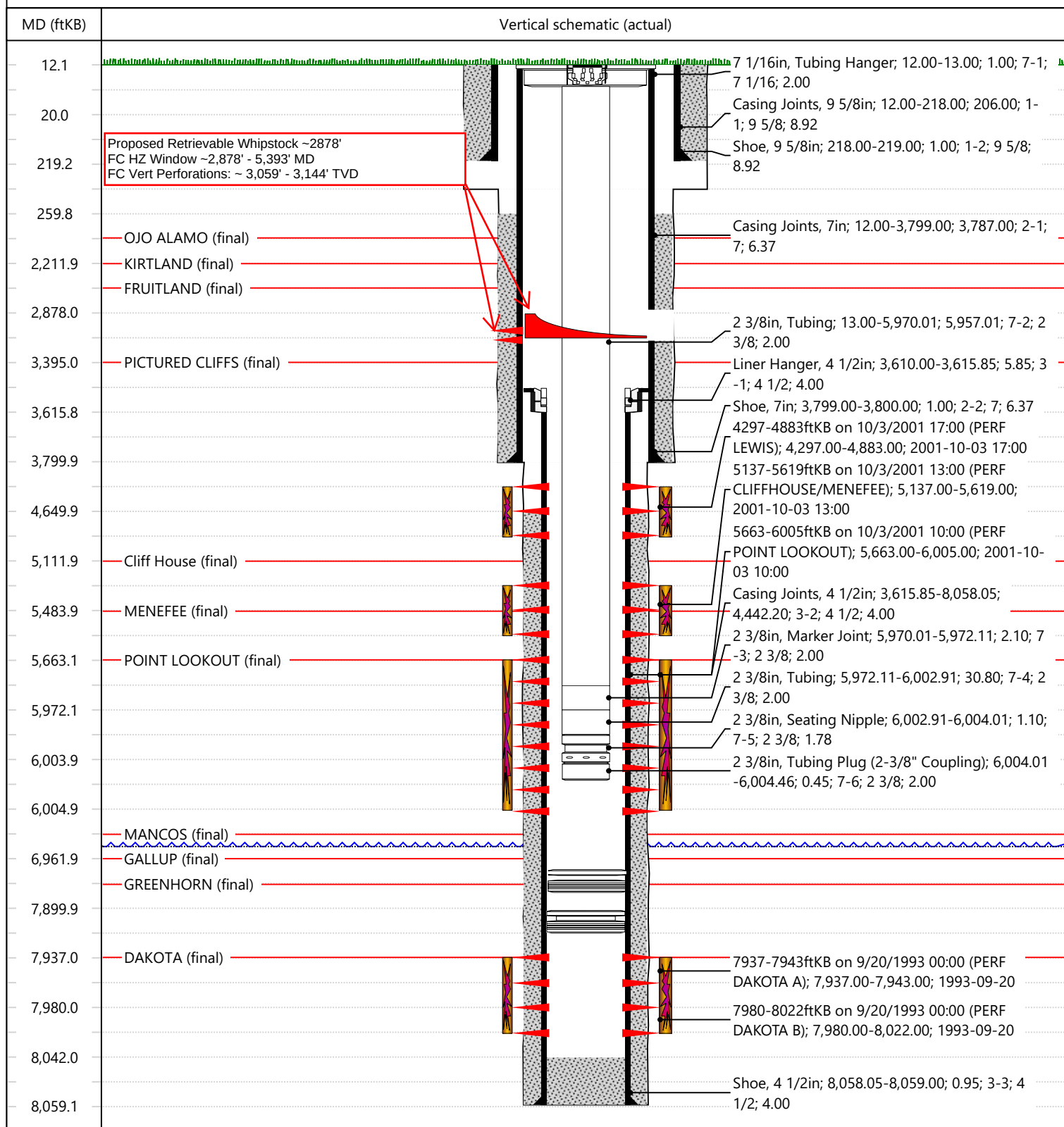
API / UWI 3004528957	Surface Legal Location 017-032N-006W-E	Field Name BSN DK (PRO GAS) #0068	License No. 04207	State/Province NEW MEXICO	Well Configuration Type Vertical
Original KB/RT Elevation (ft) 6,560.00	RKB to GL (ft) 12.00	Original Spud Date 7/6/1993 20:00	Rig Release Date	PBTD (All) Original Hole - 8,042.0	Total Depth All (TVD) Original Hole - 8,055.9

Most Recent Job

Job Category Capital Workover	Primary Job Type FC SIDETRACK	Secondary Job Type	Actual Start Date	End Date
----------------------------------	----------------------------------	--------------------	-------------------	----------

TD: 8,059.0

Original Hole, 30045289570000 [Vertical]



WellViewAdmin@hilcorp.com

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:** 4/1/2026

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
Allison Unit 1R	30-045-28957	E, Sec 17, T32N, R6W	1916' N & 650' W	0 bbl	1.5 mmcf	50 bbl

IV. Central Delivery Point Name: Ignacio 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>Allison Unit 1R</u>	<u>30-045-28957</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: mwalker@hilcorp.com
Date: 4/1/2026
Phone: 346.237.2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

Hilcorp Energy Natural Gas Management Plan Attachments

VI. Separation Equipment

The operator will select separation equipment for the maximum anticipated throughput and pressure to optimize gas capture. Separation equipment is sized according to manufacturer's design specifications. Separation vessels are built following the A.S.M.E. section VII division 1 codes for pressure vessel design, fabrication, inspection, testing and certification. Anticipated well pressures and production rates are evaluated to select separation equipment according to the equipment's designed operating pressure and throughput.

After completion, the operator utilizes flowback equipment, including separators, to manage wellbore fluids and solids during the initial separation period. After the initial flowback period is complete the operator utilizes iterative facility separation equipment to ensure that optimal separation is achieved.

VII. Operational Practices 19.15.27.8 NMAC A through F

- A. The operator will maximize the recovery of natural gas and minimize the amount of gas vented or flared when technically and safely feasible as further described and detailed within the following subsections (B-F of 19.15.27.8). In all cases where natural gas venting and flaring requires regulatory reporting, reporting will be submitted accurately and within the required time frames.
- B. Venting and flaring during drilling operations:
 - a. New Drill HZ Gas Wells: The operator drills wells in the area by utilizing a balanced mud to safely drill the wellbore. This technique prevents gas from coming to surface during the drilling process. If there is an emergency or malfunction and natural gas does come to surface the natural gas will be captured and routed to sales if technically and safely feasible.
- C. Venting and flaring during completion or recompletion operations:
 - a. New Drill HZ Gas Wells: The operator's facilities are designed to handle the maximum throughput and pressures from the newly drilled and completed wellbores. The amount of gas vented and flared will be minimized when technically and safely feasible. During initial flowback and initial separation flowback the operator will utilize contracted flowback equipment, including separators, to manage wellbore fluids and solids. The initial flowback period will be minimized and flow will be sent to separation equipment as soon as possible to reduce the amount of gas that is vented to atmosphere. The natural gas will be utilized on site as needed for fuel gas and natural gas will be sold.
- D. Venting and flaring during production operations:
 - a. New Drill HZ Gas Wells: The operator's facilities are designed to handle the maximum throughput and pressures from producing wellbores. The amount of gas vented and flared will be minimized when technically and safely feasible.

Operations will effectively manage the following scenarios to minimize the quantity of natural gas that is vented or flared:

- (a) If there is an emergency or malfunction vented or flared natural gas will be reported, if required, and the emergency or malfunction will be resolved as soon as technically and safely feasible.
- (b) If the wellbore needs to be unloaded to atmosphere the operator will not vent the well after the well has achieved a stabilized rate and pressure. The operator will remain on site during unloading. Plunger lift systems will be optimized to reduce the amount of natural gas venting. Downhole maintenance, such as workovers, swabbing, etc. will only be conducted as needed and best management practices will be utilized to reduce venting of natural gas.
- (c) The operator will minimize the amount of time that natural gas is vented to atmosphere from gauging and sampling a storage tank or low pressure vessel. The formation is only anticipated to produce water and therefore tank emissions are anticipated to be negligible.
- (d) The operator will reduce the amount of time needed for loading out liquids from a storage tanks or other low-pressure vessels whenever feasible. Operations will always utilize the water transfer systems when available. Water loading emissions are anticipated to be negligible.
- (e) Equipment will be repaired and maintained routinely to minimize the venting or flaring of natural gas. Repairs and maintenance will be conducted in a manner that minimizes the amount of natural gas vented to atmosphere through the isolation of the equipment that is being repaired or maintained.
- (f) Electric controllers and pumps will be installed to replace pneumatic controllers whenever feasible. Pneumatic controllers and pumps will be inspected frequently to ensure that no excess gas is vented to atmosphere.
- (g) No dehydration or amine units are anticipated to be set on location.
- (h) Compressors, compressor engines, turbines, flanges, connectors, valves, storage tanks, and other low-pressure vessels and flanges will be routinely inspected to ensure that no excess venting occurs outside of normal operations.
- (i) Regulatory required testing, such as bradenhead and packer testing will be performed in a manner that minimizes the amount of natural gas vented to atmosphere.
- (j) If natural gas does not meet gathering pipeline specifications gas samples will be collected twice per week to determine when pipeline specification gas content has been achieved. During this time frame gas will be flared and not vented to atmosphere. Natural gas that meets pipeline specifications will be sold via pipeline and natural gas that can be utilized for fuel gas will be used during this time.
- (k) If pipeline, equipment, or facilities need purged of impurities gas losses will be minimized as much as technically and safely feasible.

E. Performance standards:

- a. The production facilities are designed to handle the maximum throughput and pressures from producing wellbores and will be designed to minimize waste. The amount of gas vented and flared will be minimized when technically and safely feasible.
 - b. All tanks that are routed to a control device that is installed after 5/25/2021 will have an automatic gauging system to minimize the amount of vented natural gas.
 - c. If a flare stack is installed or replaced after 5/25/2021 it will be equipped with an automatic ignitor or continuous pilot. The flare stack will be properly sized and designed to ensure proper combustion efficiency. The flare stack will be located 100 feet away from the nearest wellhead or storage tank.
 - d. AVO inspections will be conducted weekly for the year after completion and for all wells producing greater than 60,000 cubic feet of natural gas daily. The AVO inspection will include all components, including flare stacks, thief hatches, closed vent systems, pumps, compressors, pressure relief devices, valves, lines, flanges, connectors, and associated pipeline to identify any leaks and releases by comprehensive auditory, visual, and olfactory inspection. The AVO inspection records will be maintained for 5 years which will be available at the department's request. Identified leaks will be repaired as soon as feasible to minimize the amount of vented natural gas. F. Measurement or estimation of vented and flared natural gas.
- a. The volume of natural gas that is vented, flared or consumed for beneficial use will be measured when possible, or estimated, during drilling, completions, or production operations.
 - b. Equipment will be installed to measure the volume of natural gas flared for all APD's issued after 5/25/2021 on facilities that will have an average daily gas rate greater than 60,000 cubic feet of natural gas. Measurement equipment will conform to API MPMS Chapter 14.10 regulations. The measurement equipment will not have a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment. If metering is not practical then the volume of gas will be estimated.



PROJECT DETAILS: San Juan NM
 Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: New Mexico West 3003
 System Datum: Mean Sea Level



Azimuths to Grid North
 True North: -0.21°
 Magnetic North: 8.22°
 Magnetic Field
 Strength: 49224.1nT
 Dip Angle: 63.26°
 Date: 2/5/2026
 Model: IGRF2025

Field: San Juan NM
 Location: Allison 1R
 Well: Allison 1R
 ST01

Plan: Plan2
 GL:6546.17' KB:17' @ 6563.17usft

WELL DETAILS: Allison 1R

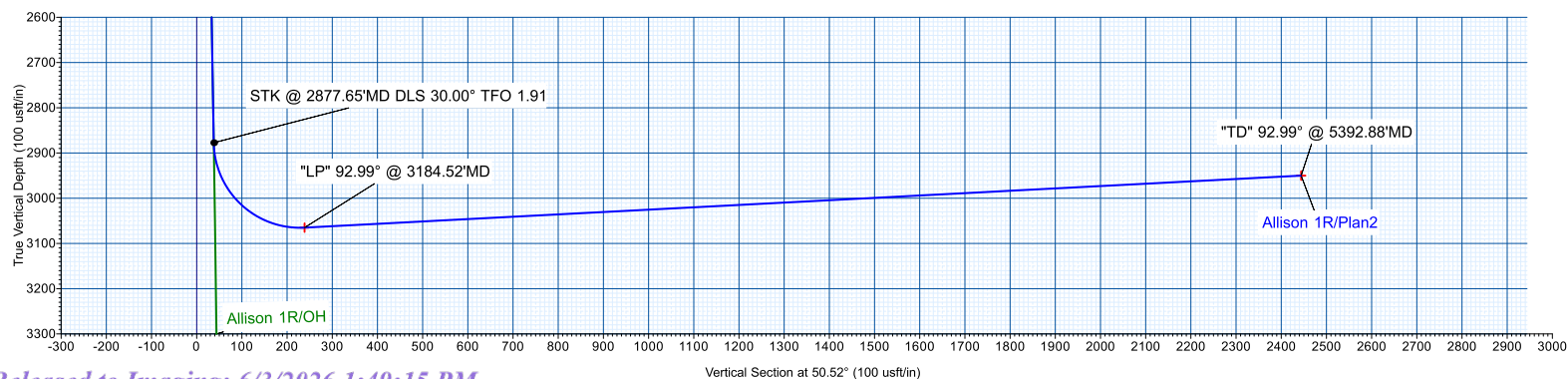
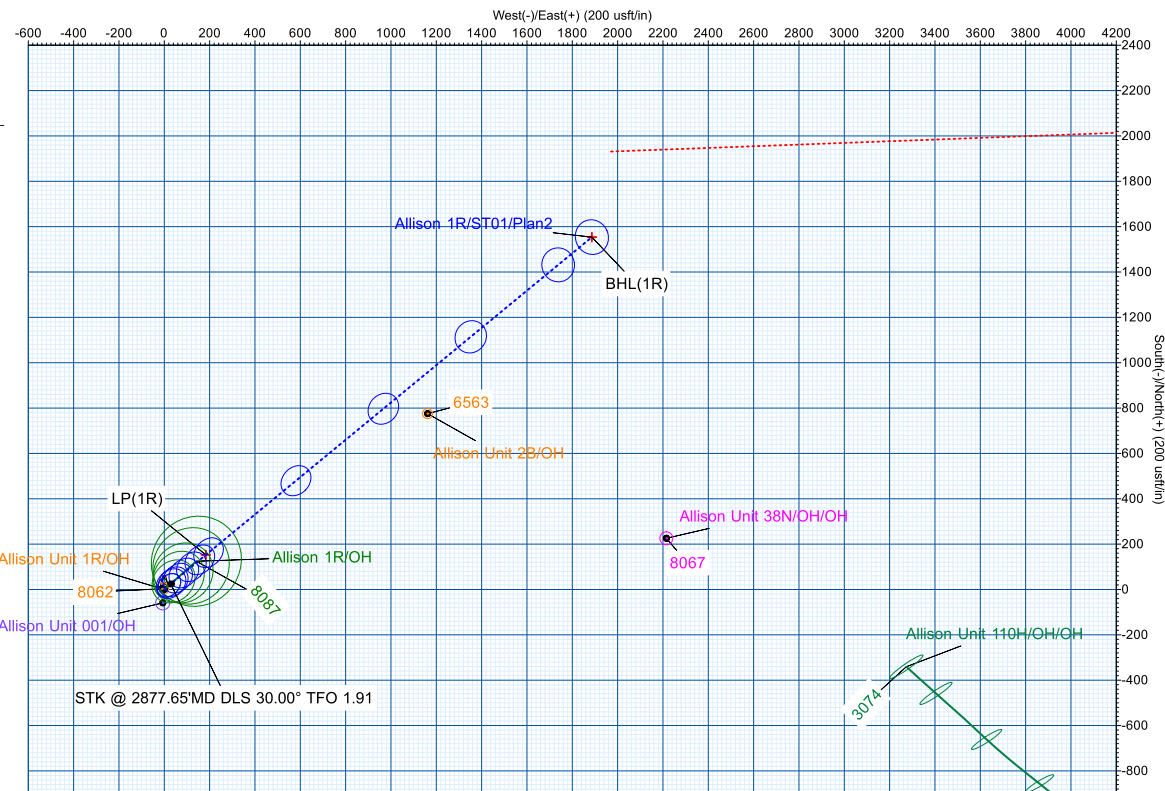
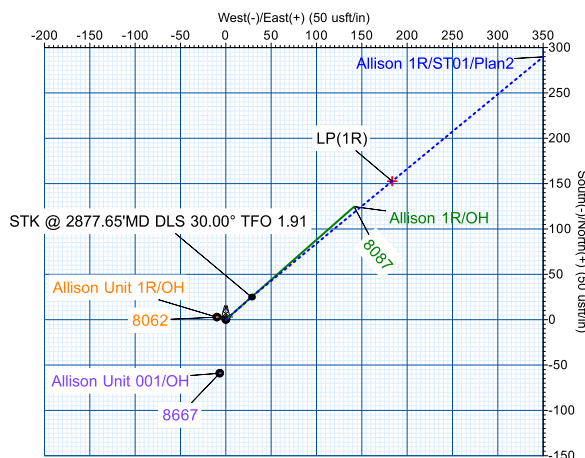
GL:6546.17' KB:17' @ 6563.17usft 6546.17
 Northing Easting Latitude Longitude
 2177063.90 600826.20 36.982452 -107.488136

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
BHL(1R)	2950.00	1553.90	1886.50	2178617.80	602712.70	36.986701	-107.481658	Point
LP(1R)	3065.00	152.72	183.47	2177216.62	601009.67	36.982870	-107.487506	Point

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect
2877.65	0.93	48.64	2877.39	24.99	28.39	0.00	0.00	37.80
3184.52	92.99	50.55	3065.03	152.72	183.47	30.00	1.91	238.71
5392.88	92.99	50.55	2950.00	1553.90	1886.50	0.00	0.00	2444.07



Hilcorp

San Juan NM

Allison 1R

Allison 1R

ST01

Plan: Plan2

Standard Planning Report

16 March, 2026

Planning Report

Database:	EDM_WA	Local Co-ordinate Reference:	Well Allison 1R
Company:	Hilcorp	TVD Reference:	GL:6546.17' KB:17' @ 6563.17usft
Project:	San Juan NM	MD Reference:	GL:6546.17' KB:17' @ 6563.17usft
Site:	Allison 1R	North Reference:	Grid
Well:	Allison 1R	Survey Calculation Method:	Minimum Curvature
Wellbore:	ST01		
Design:	Plan2		

Project	San Juan NM		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico West 3003		

Site	Allison 1R				
Site Position:		Northing:	2,177,063.90 usft	Latitude:	36.982452
From:	Map	Easting:	600,826.20 usft	Longitude:	-107.488136
Position Uncertainty:		0.00 usft	Slot Radius:	13-3/16 "	

Well	Allison 1R					
Well Position	+N/-S	0.00 usft	Northing:	2,177,063.90 usft	Latitude:	36.982452
	+E/-W	0.00 usft	Easting:	600,826.20 usft	Longitude:	-107.488136
Position Uncertainty		0.00 usft	Wellhead Elevation:	usft	Ground Level:	6,546.17 usft
Grid Convergence:		0.21 °				

Wellbore	ST01				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2025	2/5/2026	8.43	63.26	49,224.08716723

Design	Plan2				
Audit Notes:					
Version:		Phase:	PLAN	Tie On Depth:	2,877.65
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	0.00	0.00	0.00	50.52	

Plan Survey Tool Program	Date	3/16/2026			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	2,877.65	5,392.84	Plan2 (ST01)	MWD	
				OWSG MWD - Standard	

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
2,877.65	0.93	48.64	2,877.39	24.99	28.39	0.00	0.00	0.00	0.00	
3,184.52	92.99	50.55	3,065.03	152.72	183.47	30.00	30.00	0.62	1.91	
5,392.88	92.99	50.55	2,950.00	1,553.90	1,886.50	0.00	0.00	0.00	0.00	BHL(1R)

Planning Report

Database:	EDM_WA	Local Co-ordinate Reference:	Well Allison 1R
Company:	Hilcorp	TVD Reference:	GL:6546.17' KB:17' @ 6563.17usft
Project:	San Juan NM	MD Reference:	GL:6546.17' KB:17' @ 6563.17usft
Site:	Allison 1R	North Reference:	Grid
Well:	Allison 1R	Survey Calculation Method:	Minimum Curvature
Wellbore:	ST01		
Design:	Plan2		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
2,877.65	0.93	48.64	2,877.39	24.99	28.39	37.80	0.05	-0.05	0.00	
STK @ 2877.65'MD DLS 30.00° TFO 1.91										
2,880.00	1.63	49.47	2,879.74	25.03	28.43	37.85	30.00	29.99	35.20	
2,890.00	4.63	50.17	2,889.72	25.38	28.84	38.40	30.00	30.00	7.04	
2,900.00	7.63	50.32	2,899.66	26.06	29.67	39.47	30.00	30.00	1.51	
2,910.00	10.63	50.39	2,909.53	27.07	30.89	41.05	30.00	30.00	0.66	
2,920.00	13.63	50.43	2,919.31	28.41	32.51	43.15	30.00	30.00	0.37	
2,930.00	16.63	50.45	2,928.96	30.07	34.52	45.76	30.00	30.00	0.24	
2,940.00	19.63	50.47	2,938.47	32.05	36.92	48.87	30.00	30.00	0.17	
2,950.00	22.63	50.48	2,947.79	34.35	39.70	52.48	30.00	30.00	0.13	
2,960.00	25.63	50.49	2,956.92	36.95	42.85	56.57	30.00	30.00	0.10	
2,970.00	28.63	50.50	2,965.82	39.85	46.37	61.13	30.00	30.00	0.08	
2,980.00	31.63	50.50	2,974.46	43.04	50.24	66.14	30.00	30.00	0.06	
2,990.00	34.63	50.51	2,982.84	46.52	54.46	71.61	30.00	30.00	0.05	
3,000.00	37.63	50.51	2,990.91	50.27	59.01	77.50	30.00	30.00	0.05	
3,010.00	40.63	50.52	2,998.67	54.28	63.88	83.82	30.00	30.00	0.04	
3,020.00	43.63	50.52	3,006.08	58.54	69.06	90.52	30.00	30.00	0.04	
3,030.00	46.63	50.52	3,013.14	63.05	74.53	97.61	30.00	30.00	0.03	
3,040.00	49.63	50.53	3,019.81	67.78	80.27	105.05	30.00	30.00	0.03	
3,050.00	52.63	50.53	3,026.09	72.73	86.28	112.84	30.00	30.00	0.03	
3,060.00	55.63	50.53	3,031.95	77.88	92.54	120.94	30.00	30.00	0.02	
3,070.00	58.63	50.53	3,037.37	83.22	99.02	129.34	30.00	30.00	0.02	
3,080.00	61.63	50.54	3,042.35	88.73	105.71	138.01	30.00	30.00	0.02	
3,081.52	62.09	50.54	3,043.07	89.58	106.75	139.35	30.00	30.00	0.02	
Top Of Seam										
3,090.00	64.63	50.54	3,046.87	94.40	112.60	146.93	30.00	30.00	0.02	
3,100.00	67.63	50.54	3,050.92	100.21	119.66	156.07	30.00	30.00	0.02	
3,110.00	70.63	50.54	3,054.48	106.15	126.87	165.42	30.00	30.00	0.02	
3,120.00	73.63	50.54	3,057.55	112.20	134.22	174.93	30.00	30.00	0.02	
3,130.00	76.63	50.55	3,060.12	118.34	141.68	184.60	30.00	30.00	0.02	
3,140.00	79.63	50.55	3,062.17	124.56	149.24	194.38	30.00	30.00	0.02	
3,150.00	82.63	50.55	3,063.71	130.83	156.87	204.26	30.00	30.00	0.02	
3,160.00	85.63	50.55	3,064.74	137.15	164.55	214.21	30.00	30.00	0.02	
3,170.00	88.63	50.55	3,065.24	143.50	172.26	224.19	30.00	30.00	0.02	
3,180.00	91.63	50.55	3,065.21	149.85	179.98	234.19	30.00	30.00	0.02	
3,184.52	92.99	50.55	3,065.03	152.72	183.47	238.71	29.97	29.97	0.02	
"LP" 92.99° @ 3184.52'MD - LP(1R)										
3,200.00	92.99	50.55	3,064.23	162.54	195.40	254.17	0.00	0.00	0.00	
3,300.00	92.99	50.55	3,059.02	225.99	272.52	354.03	0.00	0.00	0.00	
3,400.00	92.99	50.55	3,053.81	289.44	349.64	453.90	0.00	0.00	0.00	
3,500.00	92.99	50.55	3,048.60	352.89	426.76	553.76	0.00	0.00	0.00	
3,600.00	92.99	50.55	3,043.39	416.34	503.87	653.62	0.00	0.00	0.00	
3,700.00	92.99	50.55	3,038.18	479.79	580.99	753.49	0.00	0.00	0.00	
3,800.00	92.99	50.55	3,032.97	543.24	658.11	853.35	0.00	0.00	0.00	
3,900.00	92.99	50.55	3,027.76	606.68	735.23	953.22	0.00	0.00	0.00	
4,000.00	92.99	50.55	3,022.55	670.13	812.34	1,053.08	0.00	0.00	0.00	
4,100.00	92.99	50.55	3,017.35	733.58	889.46	1,152.95	0.00	0.00	0.00	
4,200.00	92.99	50.55	3,012.14	797.03	966.58	1,252.81	0.00	0.00	0.00	
4,300.00	92.99	50.55	3,006.93	860.48	1,043.70	1,352.67	0.00	0.00	0.00	
4,400.00	92.99	50.55	3,001.72	923.93	1,120.81	1,452.54	0.00	0.00	0.00	
4,500.00	92.99	50.55	2,996.51	987.38	1,197.93	1,552.40	0.00	0.00	0.00	
4,600.00	92.99	50.55	2,991.30	1,050.83	1,275.05	1,652.27	0.00	0.00	0.00	
4,700.00	92.99	50.55	2,986.09	1,114.27	1,352.17	1,752.13	0.00	0.00	0.00	

Planning Report

Database:	EDM_WA	Local Co-ordinate Reference:	Well Allison 1R
Company:	Hilcorp	TVD Reference:	GL:6546.17' KB:17' @ 6563.17usft
Project:	San Juan NM	MD Reference:	GL:6546.17' KB:17' @ 6563.17usft
Site:	Allison 1R	North Reference:	Grid
Well:	Allison 1R	Survey Calculation Method:	Minimum Curvature
Wellbore:	ST01		
Design:	Plan2		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
4,800.00	92.99	50.55	2,980.88	1,177.72	1,429.28	1,852.00	0.00	0.00	0.00	
4,900.00	92.99	50.55	2,975.67	1,241.17	1,506.40	1,951.86	0.00	0.00	0.00	
5,000.00	92.99	50.55	2,970.47	1,304.62	1,583.52	2,051.72	0.00	0.00	0.00	
5,100.00	92.99	50.55	2,965.26	1,368.07	1,660.64	2,151.59	0.00	0.00	0.00	
5,200.00	92.99	50.55	2,960.05	1,431.52	1,737.75	2,251.45	0.00	0.00	0.00	
5,300.00	92.99	50.55	2,954.84	1,494.97	1,814.87	2,351.32	0.00	0.00	0.00	
5,392.88	92.99	50.55	2,950.00	1,553.90	1,886.50	2,444.07	0.00	0.00	0.00	
"TD" 92.99° @ 5392.88'MD - BHL(1R)										

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
- hit/miss target									
- Shape									
BHL(1R)	0.00	0.00	2,950.00	1,553.90	1,886.50	2,178,617.80	602,712.70	36.986701	-107.481658
- plan hits target center									
- Point									
LP(1R)	0.00	0.00	3,065.00	152.72	183.47	2,177,216.62	601,009.67	36.982870	-107.487506
- plan misses target center by 0.03usft at 3184.52usft MD (3065.03 TVD, 152.72 N, 183.47 E)									
- Point									

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
3,081.52	3,043.07	Top Of Seam	Empty	-2.91	48.56	

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment	
		+N/-S (usft)	+E/-W (usft)		
2,877.65	2,877.39	24.99	28.39	STK @ 2877.65'MD DLS 30.00° TFO 1.91	
3,184.52	3,065.03	152.72	183.47	"LP" 92.99° @ 3184.52'MD	
5,392.88	2,950.00	1,553.90	1,886.50	"TD" 92.99° @ 5392.88'MD	

**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-5586

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-13106.
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-531.
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); and
 - b. one hundred percent (100%) shall be allocated to the Blanco Mesaverde pool (pool ID: 72319).

Applicant shall allocate gas production to the new pool(s) equal to the total gas production from the Well minus the projected gas production from the current pool(s) until a different plan to allocate gas production is approved by OCD. The new pool(s) are:

- a. the Basin Fruitland Coal pool (pool ID: 71629).

The current pool(s) are:

- a. the Blanco Mesaverde pool (pool ID: 72319).

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**



**ALBERT CHANG
DIVISION DIRECTOR**

DATE: 05/22/2026

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5586**

Operator: **Hilcorp Energy Company**

Well Name: **Allison Unit Well No. 1R**

Well API: **30-045-28957**

Pool Name: **Basin Fruitland Coal**

Upper Zone

Pool ID: **71629**

Current:

New: **X**

Allocation:

Oil: **0.0%**

Gas:

Top: **3,059** Bottom: **3,144**

Pool Name: **Blanco Mesaverde**

Intermediate Zone

Pool ID: **72319**

Current:

X

New:

Allocation:

Oil: **100.0%**

Gas:

Top: **4,297** Bottom: **6,005**

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

Pool Name:

Lower Zone

Pool ID:

Current:

New:

Allocation:

Oil:

Gas:

Top:

Bottom:

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

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 575032

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 575032
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	5/21/2026