

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

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-107-B  
 Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
 1220 S. St Francis Drive  
 Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

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

**APPLICATION FOR SURFACE COMMINGLING (IDENTICAL OWNERSHIP)**

OPERATOR NAME: Hilcorp Energy Company  
 OPERATOR ADDRESS: 1111 Travis Street, Houston, TX 77002

APPLICATION TYPE:  
 Pool Commingling    Lease Commingling    Pool and Lease Commingling    Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:    Fee    State    Federal

Is this an Amendment to existing Order?    Yes    No   If "Yes", please include the appropriate Order No. \_\_\_\_\_  
 Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes    No

**(A) POOL COMMINGLING**  
 Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Blanco Mesaverde - 72319	1280 BTU	1150 BTU	\$2.6506/MMBtu (price realization Q1 2026)	110 mcf/d
Basin Fruitland Coal - 71629	1054 BTU * well has been DHC FRC & PC since completed in 2007			150 mcf/d PC/FRC
Blanco Pictured Cliffs - 72359	1054 BTU * well has been DHC FRC & PC since completed in 2007			DHC Split 81 mcf/d PC 69 mcf/d FRC

(2) Are any wells producing at top allowables?    Yes    No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?    Yes    No. Not required for Identical Ownership  
 (4) Measurement type:    Metering    Other (Specify)  
 (5) Will commingling decrease the value of production?    Yes    No   If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
 Please attach sheets with the following information

(1) Pool Name and Code.  
 (2) Is all production from same source of supply?    Yes    No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?    Yes    No  
 (4) Measurement type:    Metering    Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
 Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
 Please attached sheets with the following information

(1) Is all production from same source of supply?    Yes    No  
 (2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
 Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
 (3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: \_\_\_\_\_ TITLE: L48W Regulatory Advisor DATE: 4/30/2026  
 TYPE OR PRINT NAME Jamie Olivarez TELEPHONE NO.: 713-289-2838  
 E-MAIL ADDRESS: jolivarez@hilcorp.com

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE:  TITLE: L48W Regulatory Advisor DATE: 4/30/2026  
TYPE OR PRINT NAME Jamie Olivarez TELEPHONE NO.: 713-289-2838  
E-MAIL ADDRESS: jolivarez@hilcorp.com

Digitally signed by Jamie Olivarez  
DN: cn=720b7516-43be-4e1f-8c5e-c3f34eaf017c  
Location: Houston, TX  
Date: 2026.05.14 15:11:08 -05'00'

RECEIVED:	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

<b>Applicant:</b> <u>Hilcorp Energy Company</u>	<b>OGRID Number:</b> <u>372171</u>
<b>Well Name:</b> <u>Howell C 1A, Howell C 200S</u>	<b>API:</b> <u>3004521778, 3004533666</u>
<b>Pool:</b> <u>Blanco Mesaverde/ Basin Fruitland Coal / Blanco Pictured Cliffs</u>	<b>Pool Code:</b> <u>72319/ 71629 / 72359</u>

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling – Storage – Measurement  
 DHC    CTB    PLC    PC    OLS    OLM
- [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

FOR OCD ONLY

Notice Complete

Application Content Complete

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

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

Jamie Olivarez  
 \_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
 Signature

5/19/2026  
 \_\_\_\_\_  
 Date

713 289 2838  
 \_\_\_\_\_  
 Phone Number

jolivarez@hilcorp.com  
 \_\_\_\_\_  
 e-mail Address

Digitally signed by 723b7516-43ba-4e11-8c5a-c3f4ee017c  
 DN: cn=720b7516-43ba-4e11-8c5a-c3f4ee017c  
 Location: Houston, TX  
 Date: 2026.05.19 12:22:17 -0500

**Exhibit 6****Howell C 1A & Howell C 200S- Surface Commingling Project Summary**

Hilcorp Energy Company requests the approval of a pool surface commingle for the Howell C 1A and Howell C 200S listed in this table. Additionally, approval is sought to maintain royalty free uses upstream of the new royalty meter. This project will not decrease the value of production but will positively impact the ultimate recovery of the reserves in all the wells.

API	Well Name	Pools	Legals	Federal Lease Number
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	O-01-29N-08W	NMSF078596
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	O-01-29N-08W	NMSF078596
		Blanco Pictured Cliffs - 72359		

The commingled production will only include gas from the wells. Both wells on the pad will be equipped with a meter maintained by HEC for allocation purposes. The royalty meter, operated by Enterprise Products, will also reside on the pad. Please refer to the detailed allocation methodology document in this application.

All interest types in the two wells are identical as attested to by a certified Landman. Since the two wells reside on the same federal lease (NMSF078596) and federal royalty is identical, no pre-notification to the BLM is required. A sundry communicating changes to the equipment, fuel use and measurement will be filed with the Farmington NM BLM office after the work is completed. No NM state lands, tribal lands or interests are involved.

This project offers significant value and benefits. Currently, there are two compressors operating on the pad, one for each well. Reducing to a single central compressor that will be utilized by both wells is anticipated to reduce fuel use by approximately forty percent, which in turn will increase the gas sent through the sales meter at the CDP for royalty payments. Additionally, reducing maintenance from two compressors to one compressor will lower operating expenses and gain labor efficiency. These reductions in fuel use and operating costs will extend the economic operating life of the wells, allowing for more complete recovery of the reserves in place.

The project's additional benefits include emission reductions and diminished physical impacts to the locations and roads. There will be a reduction in emissions by running a single compressor that will more fully utilize the available horsepower versus continuing to operate two separate compressors less efficiently.

Overall, project conclusively improves economic longevity for all ownership by generating more royalty-bearing gas at the CDP meter and extending the life of the wells.

Exhibit 7

Allocation Methodology for Howell C 1A / 200S Surface Commingle

**Proposed Gas Allocation Methodology :** Gas production from each well is individually measured by an allocation meter to be operated by Hilcorp Energy. The MMBTU at the CDP meter will be allocated back to each well based on the MMBTU of the well's respective allocation meter. Additionally, fuel used at the CDP and any produced water recovered at the CDP will also be allocated back to each contributing well in proportion to each well's allocated gas MMBTU. This surface commingle excludes oil or condensate production.

**Calculation of Ratio of CDP gas to each well**

$$\frac{\text{Each individual well's allocation meter MMBTU}}{\text{CDP/FMP Meter MMBTU}} = \text{Percentage of gas to allocate to well}$$

**Calculation of Ratio of CDP fuel gas to each well**

$$\frac{\text{Each individual well's allocation meter MMBTU}}{\text{CDP Fuel Use (Upstream of FMP meter) MMBTU}} = \text{Percentage of fuel to allocate to well}$$

The CDP custody transfer / product sales meter, which is operated by Enterprise Products, is requested as the field measurement point (FMP) for royalty payment. Approval is also sought that the uses upstream of this FMP meter be authorized as beneficial use as it is advantageous in the extending the economic life of all the wells.

All meters will be maintained in accordance with respective state and federal metering regulations.

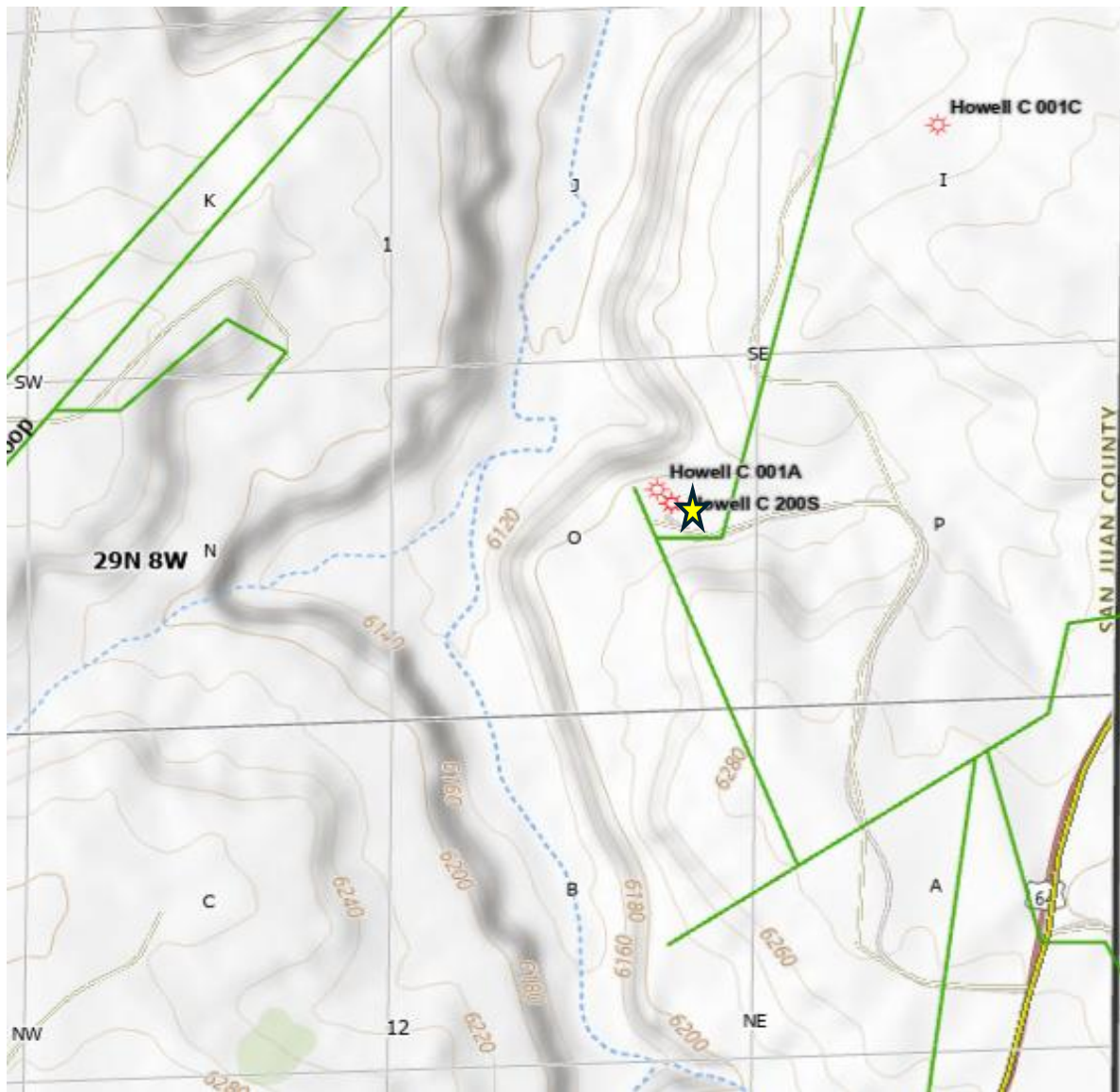
CDP Meter Operator/Gas Purchaser	CDP Meter Number
Enterprise Products - Purchaser	# TBD

API	Well	Allocation Meter at Each Wellsite	Pools
3004521778	HOWELL C 1A	# TBD	Blanco Mesaverde - 72319
3004533666	HOWELL C 200S	# TBD	Basin Fruitland Coal - 71629 Blanco Pictured Cliffs - 72359

Exhibit 09

**Topographic Map with Current and Proposed FMP Locations**

API	Well Name	Pools	Legals	Federal Lease Number	Current FMP meter at Well Site
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	O-01-29N-08W	NMSF078596	89-521-01
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	O-01-29N-08W	NMSF078596	86-986-01
		Blanco Pictured Cliffs - 72359			
Proposed HOWELL C 1A / 200S CDP			O-01-29N-08W	NMSF078596	



	Enterprise Pipeline
	Meter for FMP new Howell C 1A / 200S CDP operated by Enterprise
	Gas Well and current location of FMP meter / Future location of allocation meter

Exhibit 8 - Lease Map

Howell C 1A / 200S Surface Commingle Proposal

Federal Lease NMSF078596

Wells located in			
Township	Range	Section	Unit
29N	08W	1	O

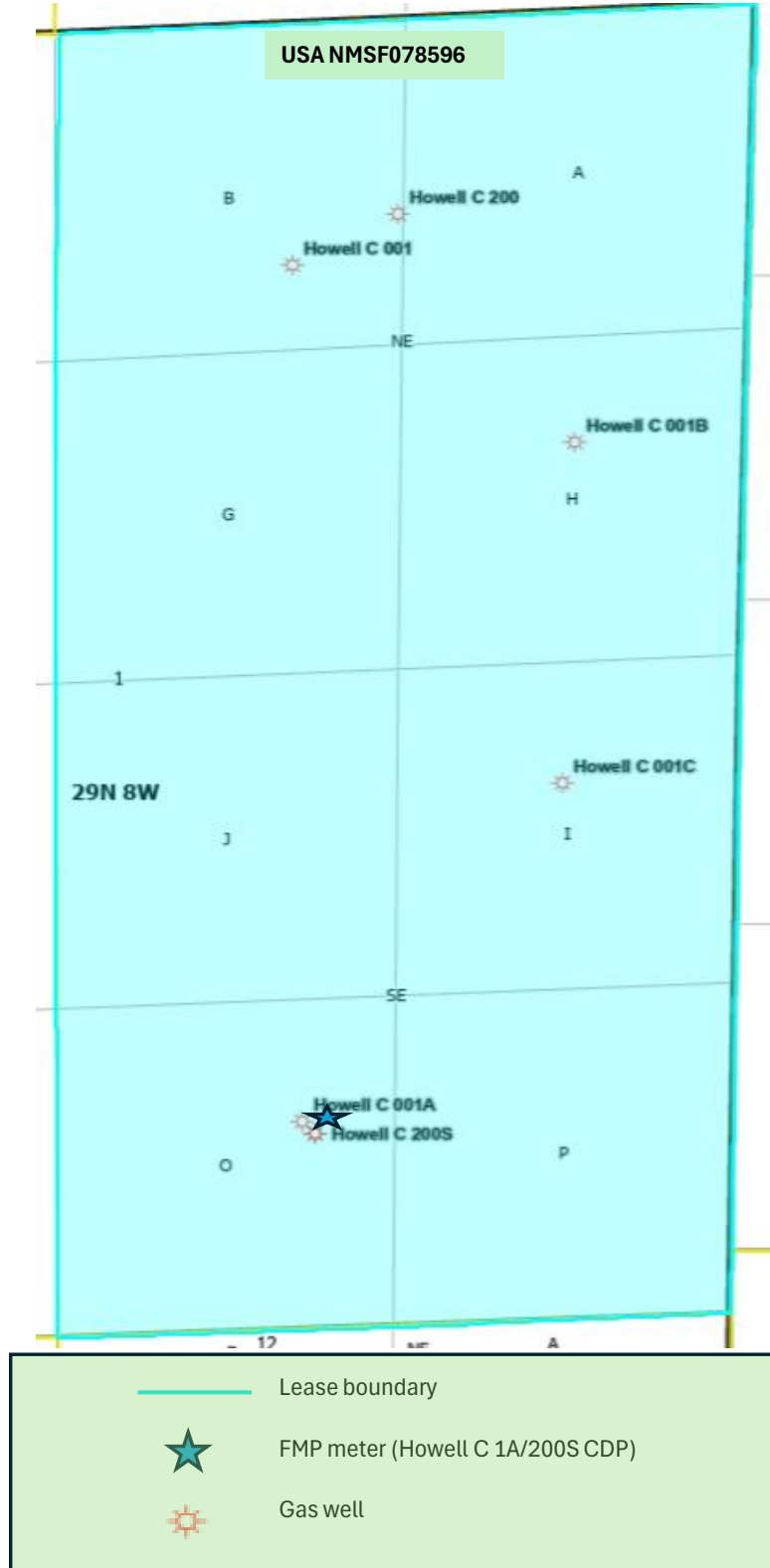


Exhibit 3

Support Document for Form C-107-B - Section E - Additional Information - (1) Schematic Diagram

HILCORP ENERGY COMPANY - Proposed Surface Commingle Site Howell C 1A/200S CDP								Date: 4/29/2026
API	WELL/SITE NAME	Pool	LAT/LONG NAD83		Legals	FOOTAGES:	Lease	
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	36.748996	-107.624244	O-01-29N-08W	800' FSL & 1655' FEL	NMSF078596	
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	36.7489204	-107.6240234	O-01-29N-08W	770' FSL & 1590' FEL	NMSF078596	
		Blanco Pictured Cliffs - 72359						

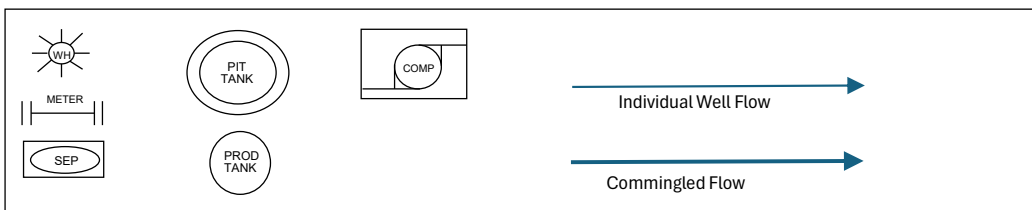
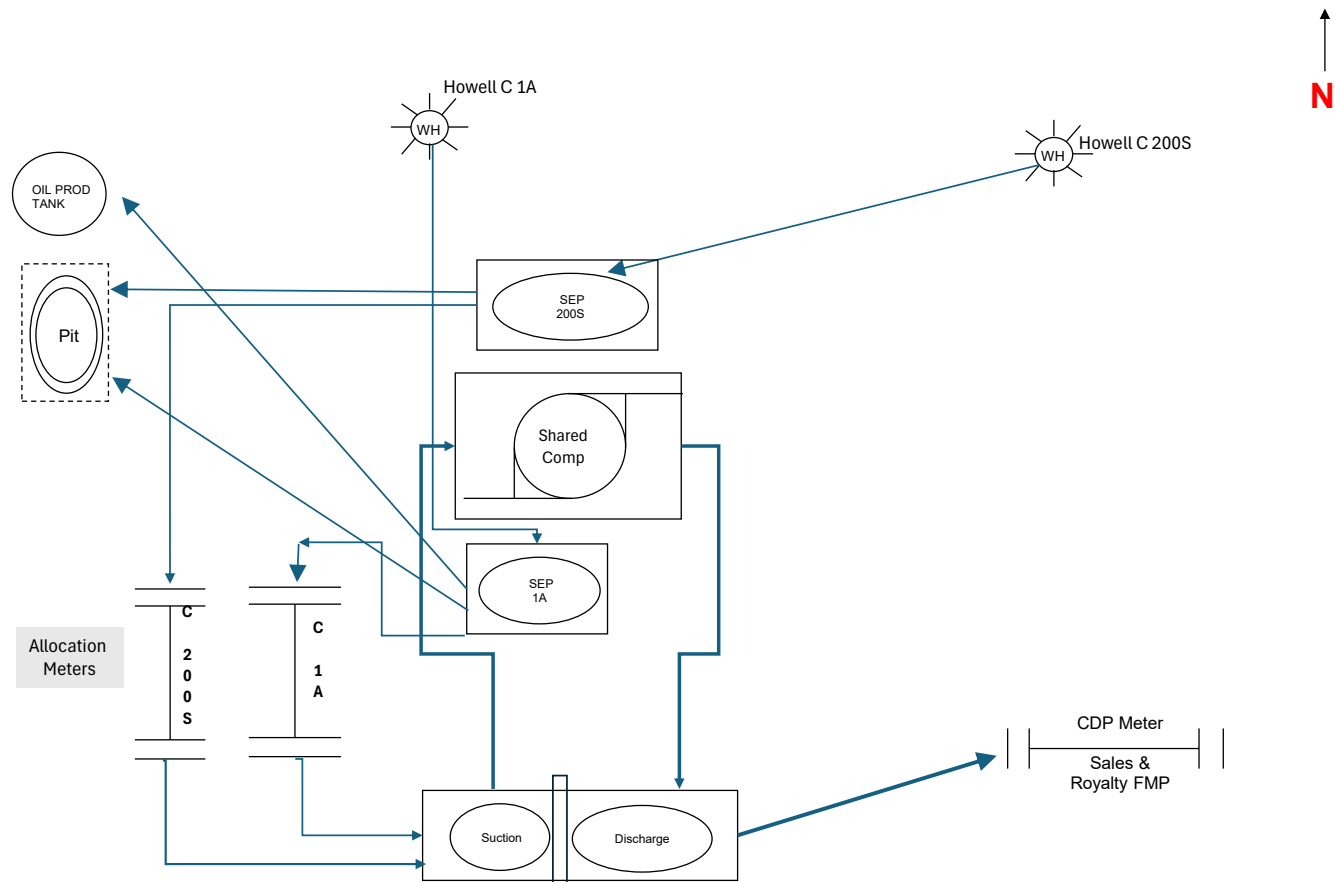


Exhibit 3

Support Document for Form C-107-B - Section E - Additional Information - (1) Schematic Diagram

Hilcorp Calculations for On Lease Beneficial Fuel Use By Well/Facility

API	Well/Facility	Equipment	Notes	Example Calculation 1 Day Fuel Use
3004521778	HOWELL C 1A	3 Phase Separator - 250000 BTU Burner Rating	Pilot in use Year-Round Assume 24 hour/day runtime	0.005 MCF/Hr x 24 Hours = 0.12 MCF/Day
		TANK,WATER,210BBL	No fuel use	None
3004533666	HOWELL C 200S	2 Phase Separator - 250000 BTU Burner Rating	Pilot in use Oct-Mar Assume 24 hour/day runtime	0.005 MCF/Hr x 24 Hours = 0.12 MCF/Day
3004521778 / 3004533666	HOWELL C 1A / HOWELL C 200S CDP	Compressor Package - GM IND,5.7L V-8,LEROI,HG12123HF	Uses Meter Runtime for calculation <b>Current compressor in use for the Howell C 200S and to be used by both wells with surface commingling</b>	0.54612 MCF/Hr x 24 Hours = 13.1 MCF/Day plus pneumatic fuel = 0.7 MCF/Day
		120 BBL Pit Tank - Water	No fuel use - Currently shared and will continue to be after surface commingle	None
		2 Phase Separator -Suction/Discharge	No fuel use	None

Compressor to be removed as part of the surface commingle project			Reduction of 11.3 MCF/Day	
3004521778	HOWELL C 1A	Compressor Package - CAT,G3304NA,GEMINI,MPD-2	Uses Meter Runtime for calculation reducing fuel use and emissions on location	0.427436 MCF/Hr x 24 Hours = 10.3 MCF/Day plus pneumatic fuel = 1.0 MCF/Day



Post Office Box 61229  
Houston, Texas 77208-1229

1111 Travis Street  
Houston, Texas 77002

May 5, 2026

NEW MEXICO OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DRIVE  
SANTA FE, NEW MEXICO 87505

Re: Surface Commingle Application  
HOWELL C #001A Well (API: 30-045-21778) – *MESAVERDE*  
HOWELL C #200S Well (API: 30-045-33666) – *PICTURED CLIFFS*  
HOWELL C #200S Well (API: 30-045-33666) – *FRUITLAND COAL*  
San Juan County, New Mexico

To whom it may concern:

This letter serves to confirm the following regarding Hilcorp Energy Company's application to surface commingle production in the subject wells:

All working, royalty, and overriding royalty interests are identical in the spacing unit dedicated to the target formations below. No notice to interest owners is required.

- BLANCO MESAVERDE GAS POOL (72319)
- BLANCO PICTURED CLIFFS GAS POOL (72359)
- BASIN FRUITLAND COAL GAS POOL (71629)

Please contact the undersigned should you have any questions.

Sincerely,

HILCORP SAN JUAN, LLC

A handwritten signature in blue ink that reads 'G Brown'.

Gatewood D. Brown  
Senior Landman – New Mexico  
gabrown@hilcorp.com  
713-289-2767

Exhibit 5

Support Document for Form C-107-B - Section E - Additional Information - (3)

Lease Names, Lease and Well Numbers, and API Numbers			
API	Well Name	Pools	Federal Lease Number
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	NMSF078596
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	NMSF078596
3004533666	HOWELL C 200S	Blanco Pictured Cliffs - 72359	NMSF078596



Hilcorp Energy Company  
382 Road 3100  
Aztec, NM 87410

Sarah Clelland  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Sanra Fe, NM 87505

RE: Application of Hilcorp Energy Company for administrative approval of a pool surface commingle located in Unit O, Section 1 of Township 29N and Range 8W

5/7/2026

Dear Ms. Clelland,

Hilcorp Energy Company (HEC) requests administrative approval for a pool surface commingle of natural gas for the following wells: Howell C 1A and Howell C 200S. These wells require compression to optimize production, so commingling the gas so a single central compressor may be utilized by both wells will lower operating expenses, lessen fuel use and mitigate emissions. The surface commingling will not decrease the value of production.

Both wells will be equipped meters maintained by HEC for allocation purposes, and the royalty meter, operated by Enterprise Products, will reside on the surface commingling location. All meters will be maintained in accordance with state and federal metering regulations. Oil will not be surface commingled. All interest is identical in the two wells.

The following attachments are included with this application:

- 1) Administrative Application Checklist
- 2) State form C-107-B application for surface pool commingling - identical ownership
- 3) Schematic flow diagram of proposed surface commingled pad
- 4) Form C-102 for each well (plats)
- 5) Table of well and pool information
- 6) Commingling Project Summary
- 7) Details of allocation methodology
- 8) Lease Map
- 9) Topographic Map
- 10) Letter from certified landman attesting to identical ownership in the wells

Sincerely,

*Pamela Harper*

Pamela Harper  
Sr. Measurement Business Analyst  
pharper@hilcorp.com  
Office: 505-324-5154

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005

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

OIL CONSERVATION DIVISION

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

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

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

2006 MAR 24 AM 8 48

AMENDED REPORT

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

RECEIVED  
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045- <i>331066</i>		<sup>2</sup> Pool Code <i>72359</i> 71280/71629		<sup>3</sup> Pool Name <i>Blanco</i> <del>Artec</del> Pictured Cliffs / Basin Fruitland Coal	
<sup>4</sup> Property Code 7120 ✓		<sup>5</sup> Property Name HOWELL C		<sup>6</sup> Well Number 200S ✓	
<sup>7</sup> OGRID No. 14538 ✓		<sup>8</sup> Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP		<sup>9</sup> Elevation 6205 ✓	

<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
0	1	29-N	8-W		770	SOUTH	1590	EAST	SAN JUAN

<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
0									
<sup>12</sup> Dedicated Acres PC 160.0 ac SE4 FC 321.05 ac E2 <i>321.05</i>		<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

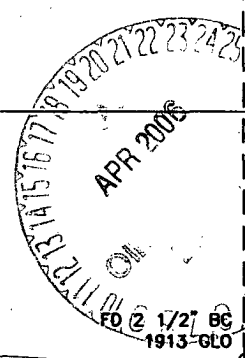
16

LOT 4	LOT 3	LOT 2	LOT 1
USA SF-078596			
LAT: 36.74896° N (NAD 83) LONG: 107.62404° W (NAD 83) LAT: 36°44.9372' N. (NAD 27) LONG: 107°37.4057' W. (NAD 27)		N 00°49'28" E 2634.66' (C)	
S 87°54'00" W 5113.25' (C)		770'	1590'
FD 3 1/4" BC 1955 BLM		CALC'D COR. BY SGL. PROP.	

**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

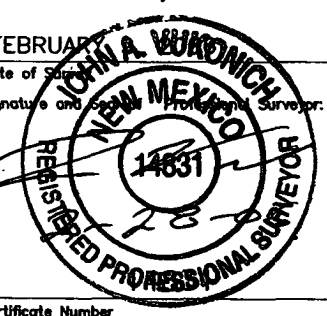
*Joni Clark*  
 Signature \_\_\_\_\_ Date 3/16/06  
 Printed Name

  
 FD 2 1/2" BC  
 1913-GLO

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plot 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.

FEBRUARY \_\_\_\_\_  
 Date of Signature  
 Signature and Title of Registered Professional Surveyor:

  
 Certificate Number

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

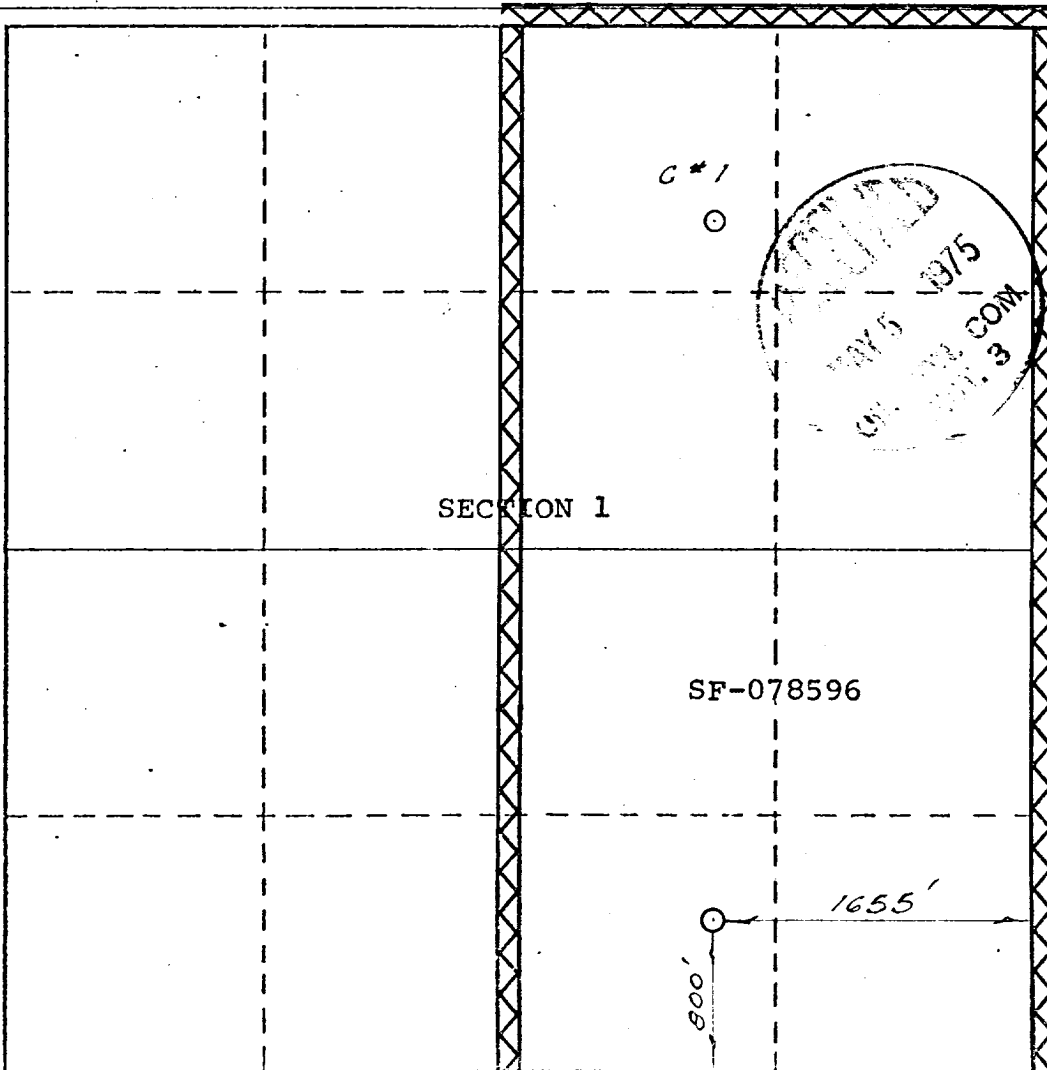
Operator <b>EL PASO NATURAL GAS COMPANY</b>		Lease <b>HOWELL C (SF-078596)</b>		Well No. <b>1A</b>
Unit Letter <b>O</b>	Section <b>1</b>	Township <b>29-N</b>	Range <b>8-W</b>	County <b>SAN JUAN</b>
Actual Footage Location of Well: <b>800</b> feet from the <b>SOUTH</b> line and <b>1655</b> feet from the <b>EAST</b> line				
Ground Level Elev. <b>6208</b>	Producing Formation <b>MESA VERDE</b>	Pool <b>BLANCO MESA VERDE</b>	Dedicated Acreage: <b>321.05</b> Acres	

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

Yes  No If answer is "yes," type of consolidation **Communitization**

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

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



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  
Original Signed by  
**D. G. Brisco**

Name  
**Drilling Clerk**

Position  
**El Paso Natural Gas Company**

Company  
**April 29, 1975**

Date

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

Date Surveyed  
**FEBRUARY 27, 1975**

Registered Professional Engineer and/or Land Surveyor  
*[Signature]*

Certificate No. **1760**

**Exhibit 6****Howell C 1A & Howell C 200S- Surface Commingling Project Summary**

Hilcorp Energy Company requests the approval of a pool surface commingle for the Howell C 1A and Howell C 200S listed in this table. Additionally, approval is sought to maintain royalty free uses upstream of the new royalty meter. This project will not decrease the value of production but will positively impact the ultimate recovery of the reserves in all the wells.

API	Well Name	Pools	Legals	Federal Lease Number
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	O-01-29N-08W	NMSF078596
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	O-01-29N-08W	NMSF078596
		Blanco Pictured Cliffs - 72359		

The commingled production will only include gas from the wells. Both wells on the pad will be equipped with a meter maintained by HEC for allocation purposes. The royalty meter, operated by Enterprise Products, will also reside on the pad. Please refer to the detailed allocation methodology document in this application.

All interest types in the two wells are identical as attested to by a certified Landman. Since the two wells reside on the same federal lease (NMSF078596) and federal royalty is identical, no pre-notification to the BLM is required. A sundry communicating changes to the equipment, fuel use and measurement will be filed with the Farmington NM BLM office after the work is completed. No NM state lands, tribal lands or interests are involved.

This project offers significant value and benefits. Currently, there are two compressors operating on the pad, one for each well. Reducing to a single central compressor that will be utilized by both wells is anticipated to reduce fuel use by approximately forty percent, which in turn will increase the gas sent through the sales meter at the CDP for royalty payments. Additionally, reducing maintenance from two compressors to one compressor will lower operating expenses and gain labor efficiency. These reductions in fuel use and operating costs will extend the economic operating life of the wells, allowing for more complete recovery of the reserves in place.

The project's additional benefits include emission reductions and diminished physical impacts to the locations and roads. There will be a reduction in emissions by running a single compressor that will more fully utilize the available horsepower versus continuing to operate two separate compressors less efficiently.

Overall, project conclusively improves economic longevity for all ownership by generating more royalty-bearing gas at the CDP meter and extending the life of the wells.

Exhibit 7

Allocation Methodology for Howell C 1A / 200S Surface Commingle

**Proposed Gas Allocation Methodology :** Gas production from each well is individually measured by an allocation meter to be operated by Hilcorp Energy. The MMBTU at the CDP meter will be allocated back to each well based on the MMBTU of the well's respective allocation meter. Additionally, fuel used at the CDP and any produced water recovered at the CDP will also be allocated back to each contributing well in proportion to each well's allocated gas MMBTU. This surface commingle excludes oil or condensate production.

**Calculation of Ratio of CDP gas to each well**

$$\frac{\text{Each individual well's allocation meter MMBTU}}{\text{CDP/FMP Meter MMBTU}} = \text{Percentage of gas to allocate to well}$$

**Calculation of Ratio of CDP fuel gas to each well**

$$\frac{\text{Each individual well's allocation meter MMBTU}}{\text{CDP Fuel Use (Upstream of FMP meter) MMBTU}} = \text{Percentage of fuel to allocate to well}$$

The CDP custody transfer / product sales meter, which is operated by Enterprise Products, is requested as the field measurement point (FMP) for royalty payment. Approval is also sought that the uses upstream of this FMP meter be authorized as beneficial use as it is advantageous in the extending the economic life of all the wells.

All meters will be maintained in accordance with respective state and federal metering regulations.

CDP Meter Operator/Gas Purchaser	CDP Meter Number
Enterprise Products - Purchaser	# TBD

API	Well	Allocation Meter at Each Wellsite	Pools
3004521778	HOWELL C 1A	# TBD	Blanco Mesaverde - 72319
3004533666	HOWELL C 200S	# TBD	Basin Fruitland Coal - 71629 Blanco Pictured Cliffs - 72359

Exhibit 8 - Lease Map

Howell C 1A / 200S Surface Commingle Proposal

Federal Lease NMSF078596

Wells located in			
Township	Range	Section	Unit
29N	08W	1	O

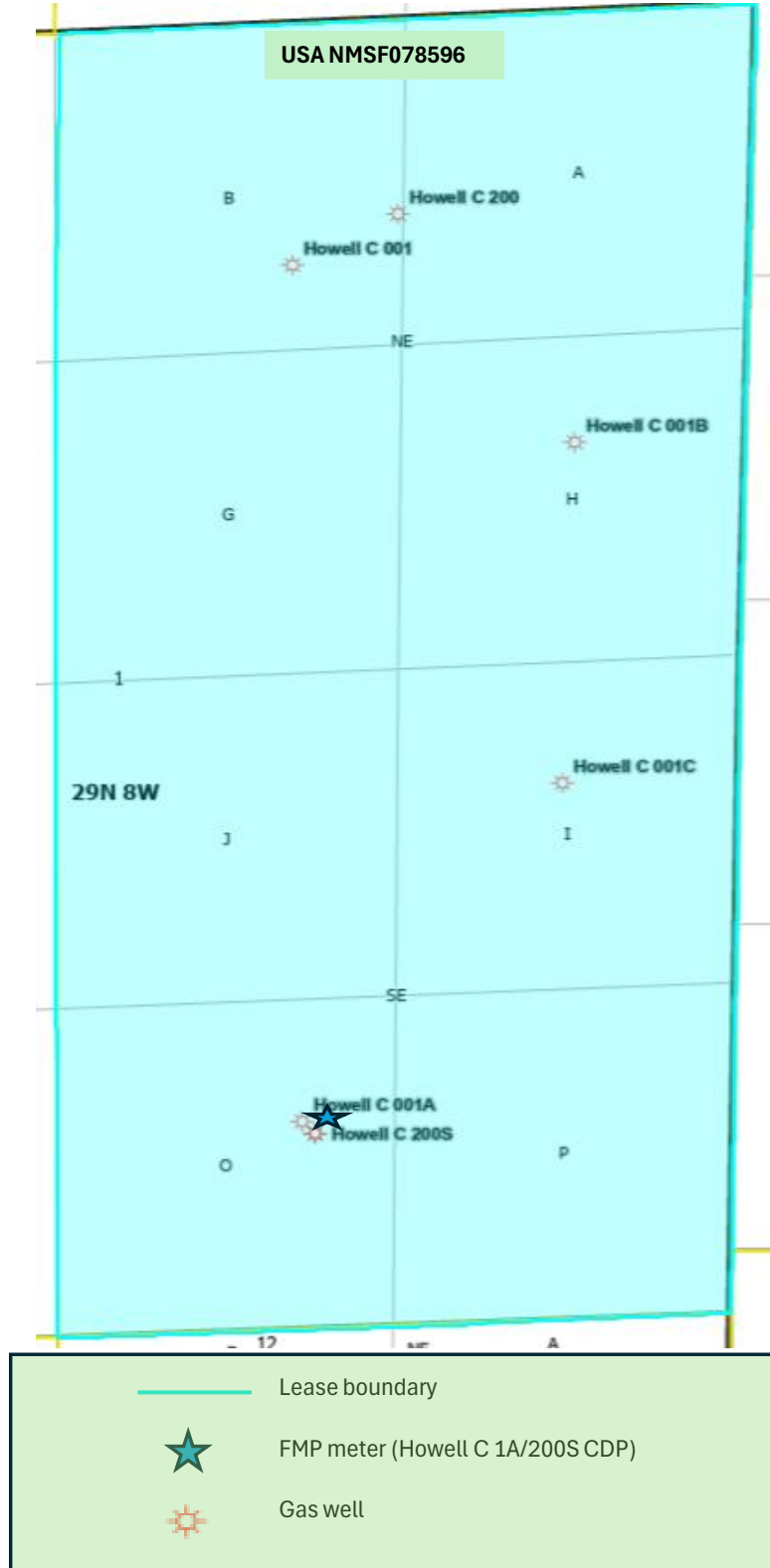


Exhibit 3

Support Document for Form C-107-B - Section E - Additional Information - (1) Schematic Diagram

HILCORP ENERGY COMPANY - Proposed Surface Commingle Site Howell C 1A/200S CDP							Date: 4/29/2026
API	WELL/SITE NAME	Pool	LAT/LONG NAD83		Legals	FOOTAGES:	Lease
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	36.748996	-107.624244	O-01-29N-08W	800' FSL & 1655' FEL	NMSF078596
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	36.7489204	-107.6240234	O-01-29N-08W	770' FSL & 1590' FEL	NMSF078596
		Blanco Pictured Cliffs - 72359					

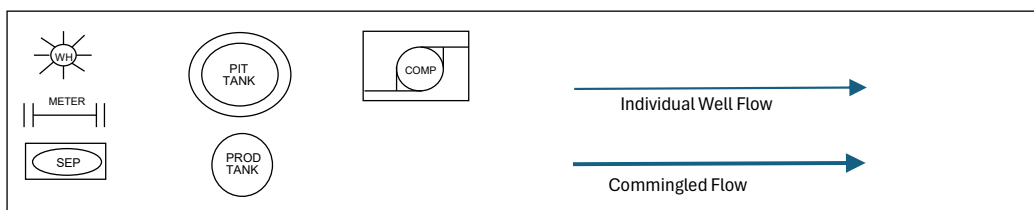
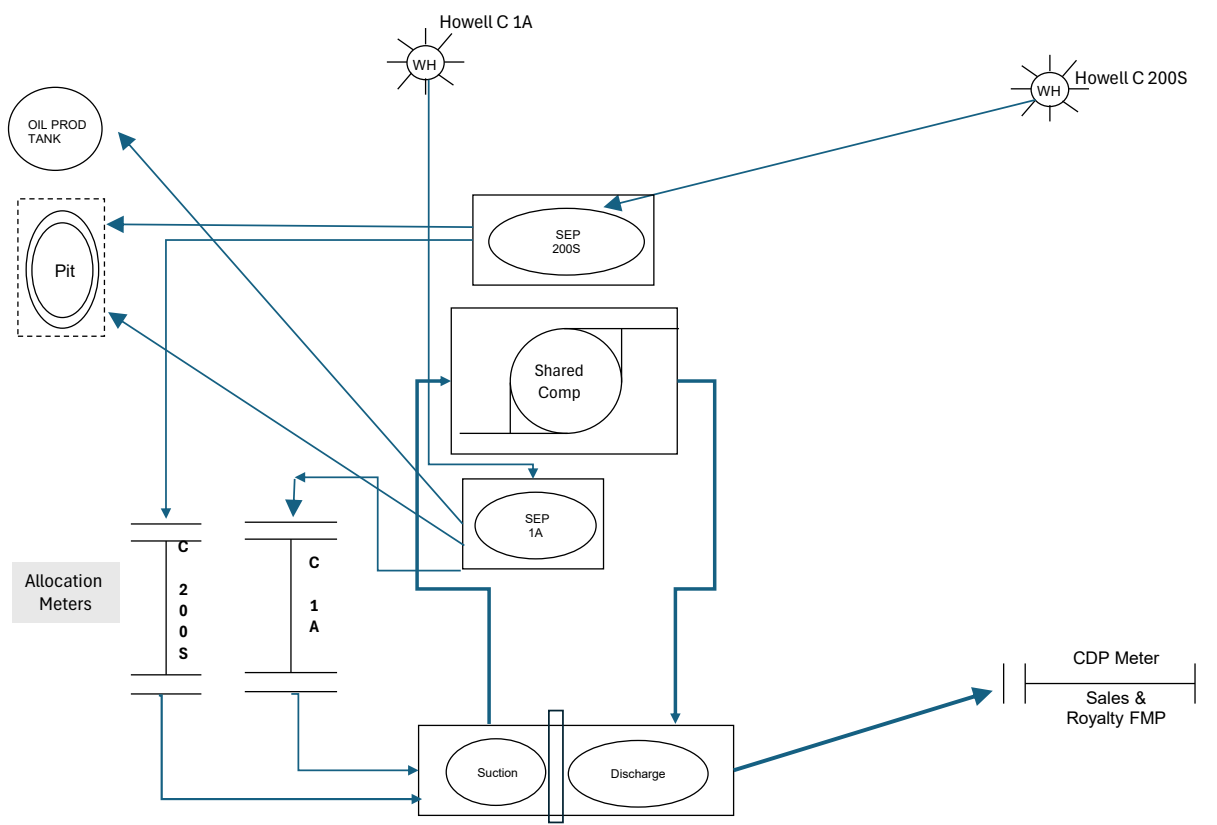


Exhibit 3

Support Document for Form C-107-B - Section E - Additional Information - (1) Schematic Diagram

Hilcorp Calculations for On Lease Beneficial Fuel Use By Well/Facility

API	Well/Facility	Equipment	Notes	Example Calculation 1 Day Fuel Use
3004521778	HOWELL C 1A	3 Phase Separator - 250000 BTU Burner Rating	Pilot in use Year-Round Assume 24 hour/day runtime	0.005 MCF/Hr x 24 Hours = 0.12 MCF/Day
		TANK,WATER,210BBL	No fuel use	None
3004533666	HOWELL C 200S	2 Phase Separator - 250000 BTU Burner Rating	Pilot in use Oct-Mar Assume 24 hour/day runtime	0.005 MCF/Hr x 24 Hours = 0.12 MCF/Day
3004521778 / 3004533666	HOWELL C 1A / HOWELL C 200S CDP	Compressor Package - GM IND,5.7L V-8,LEROI,HG12123HF	Uses Meter Runtime for calculation <b>Current compressor in use for the Howell C 200S and to be used by both wells with surface commingling</b>	0.54612 MCF/Hr x 24 Hours = 13.1 MCF/Day plus pneumatic fuel = 0.7 MCF/Day
		120 BBL Pit Tank - Water	No fuel use - Currently shared and will continue to be after surface commingle	None
		2 Phase Separator -Suction/Discharge	No fuel use	None

Compressor to be removed as part of the surface commingle project			Reduction of 11.3 MCF/Day	
3004521778	HOWELL C 1A	Compressor Package - CAT,G3304NA,GEMINI,MPD-2	Uses Meter Runtime for calculation reducing fuel use and emissions on location	0.427436 MCF/Hr x 24 Hours = 10.3 MCF/Day plus pneumatic fuel = 1.0 MCF/Day



Post Office Box 61229  
Houston, Texas 77208-1229

1111 Travis Street  
Houston, Texas 77002

May 5, 2026

NEW MEXICO OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DRIVE  
SANTA FE, NEW MEXICO 87505

Re: Surface Commingle Application  
HOWELL C #001A Well (API: 30-045-21778) – *MESAVERDE*  
HOWELL C #200S Well (API: 30-045-33666) – *PICTURED CLIFFS*  
HOWELL C #200S Well (API: 30-045-33666) – *FRUITLAND COAL*  
San Juan County, New Mexico

To whom it may concern:

This letter serves to confirm the following regarding Hilcorp Energy Company's application to surface commingle production in the subject wells:

All working, royalty, and overriding royalty interests are identical in the spacing unit dedicated to the target formations below. No notice to interest owners is required.

- BLANCO MESAVERDE GAS POOL (72319)
- BLANCO PICTURED CLIFFS GAS POOL (72359)
- BASIN FRUITLAND COAL GAS POOL (71629)

Please contact the undersigned should you have any questions.

Sincerely,

HILCORP SAN JUAN, LLC

A handwritten signature in blue ink that reads 'G Brown'.

Gatewood D. Brown  
Senior Landman – New Mexico  
gabrown@hilcorp.com  
713-289-2767

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
HOWELL C	1A	3004521778	NMSF078596	NMSF078596	HILCORP
HOWELL C	200S	3004533666	NMSF078596	NMSF078596	HILCORP

**Notice of Intent**

**Sundry ID:** 2913888

**Type of Submission:** Notice of Intent

**Type of Action:** Commingling (Surface)

**Date Sundry Submitted:** 06/01/2026

**Time Sundry Submitted:** 07:21

**Date proposed operation will begin:** 07/01/2026

**Procedure Description:**

**Surface Disturbance**

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

**NOI Attachments**

**Procedure Description**

NOI\_to\_BLM\_20260601072109.pdf

**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:** PAMELA HARPER

**Signed on:** JUN 01, 2026 07:21 AM

**Name:** HILCORP ENERGY COMPANY

**Title:** Senior Business Analyst Measurement

**Street Address:** 382 COUNTY ROAD 3100

**City:** AZTEC **State:** NM

**Phone:** (505) 324-5154

**Email address:** PHARPER@HILCORP.COM

**Field**

**Representative Name:**

**Street Address:**

**City:** **State:** **Zip:**

**Phone:**

**Email address:**

CONFIDENTIAL

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.*

<b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>		5. Lease Serial No.
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator		7. If Unit of CA/Agreement, Name and/or No.
3a. Address	3b. Phone No. (include area code)	8. Well Name and No.
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)		9. API Well No.
		10. Field and Pool or Exploratory Area
		11. Country or Parish, State

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

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

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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.)

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

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

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

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

(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

### Batch Well Data

HOWELL C 1A, US Well Number: 3004521778, Case Number: NMSF078596, Lease Number: NMSF078596,  
Operator:HILCORP ENERGY COMPANY

HOWELL C 200S, US Well Number: 3004533666, Case Number: NMSF078596, Lease Number: NMSF078596,  
Operator:HILCORP ENERGY COMPANY

**Howell C 1A & Howell C 200S- Surface Commingling Project Summary**

Hilcorp Energy Company plans to surface commingle gas production only from the Howell C 1A and Howell C 200S; the wells are co-located on a pad on lease NMSF078596. Federal royalty in both wells is 12.5%; there are not tribal or state lands/interests involved.

API	Well Name	Pools	Legals	Federal Lease Number
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	O-01-29N-08W	NMSF078596
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	O-01-29N-08W	NMSF078596
		Blanco Pictured Cliffs - 72359		

NMOCD requires HEC as an operator to provide the BLM notice of an application to surface commingle gas from multiple formations, even with identical interests and wells residing on the same lease. A pool surface comingling application has been filed with the NMOCD and attached to this NOI. Work will commence when the NMOCD application is approved. After work is completed a site facility diagram sundry will be filed communciating FMP and equipment changes for the BLM's review and approval.

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

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-107-B  
 Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
 1220 S. St Francis Drive  
 Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

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

**APPLICATION FOR SURFACE COMMINGLING (IDENTICAL OWNERSHIP)**

OPERATOR NAME: Hilcorp Energy Company  
 OPERATOR ADDRESS: 1111 Travis Street, Houston, TX 77002

APPLICATION TYPE:  
 Pool Commingling     Lease Commingling     Pool and Lease Commingling     Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:     Fee     State     Federal

Is this an Amendment to existing Order?     Yes     No    If "Yes", please include the appropriate Order No. \_\_\_\_\_  
 Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes     No

**(A) POOL COMMINGLING**  
 Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Blanco Mesaverde - 72319	1280 BTU	1150 BTU	\$2.6506/MMBtu (price realization Q1 2026)	110 mcf/d
Basin Fruitland Coal - 71629	1054 BTU * well has been DHC FRC & PC since completed in 2007			150 mcf/d PC/FRC
Blanco Pictured Cliffs - 72359	1054 BTU * well has been DHC FRC & PC since completed in 2007			DHC Split 81 mcf/d PC 69 mcf/d FRC

(2) Are any wells producing at top allowables?     Yes     No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?     Yes     No. Not required for Identical Ownership  
 (4) Measurement type:     Metering     Other (Specify)  
 (5) Will commingling decrease the value of production?     Yes     No    If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
 Please attach sheets with the following information

(1) Pool Name and Code.  
 (2) Is all production from same source of supply?     Yes     No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?     Yes     No  
 (4) Measurement type:     Metering     Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
 Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
 Please attached sheets with the following information

(1) Is all production from same source of supply?     Yes     No  
 (2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
 Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
 (3) Lease Names, Lease and Well Numbers, and API Numbers.

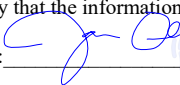
I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
 SIGNATURE:  TITLE: L48W Regulatory Advisor    DATE: 4/30/2026  
Digitally signed by Jamie Olivarez  
 DN: cn=720b7516-43be-4e1f-8c5e-c3f34eaf017c  
 Location: Houston, TX  
 Date: 2026.05.14 15:11:08 -05'00'  
 TYPE OR PRINT NAME Jamie Olivarez    TELEPHONE NO.: 713-289-2838  
 E-MAIL ADDRESS: jolivarez@hilcorp.com

Exhibit 3

Support Document for Form C-107-B - Section E - Additional Information - (1) Schematic Diagram

HILCORP ENERGY COMPANY - Proposed Surface Commingle Site Howell C 1A/200S CDP								Date: 4/29/2026
API	WELL/SITE NAME	Pool	LAT/LONG NAD83		Legals	FOOTAGES:	Lease	
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	36.748996	-107.624244	O-01-29N-08W	800' FSL & 1655' FEL	NMSF078596	
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	36.7489204	-107.6240234	O-01-29N-08W	770' FSL & 1590' FEL	NMSF078596	
		Blanco Pictured Cliffs - 72359						

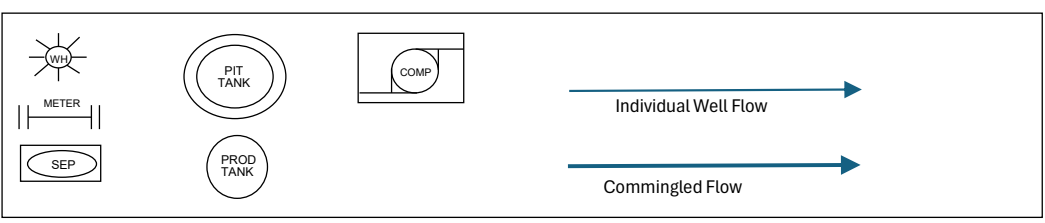
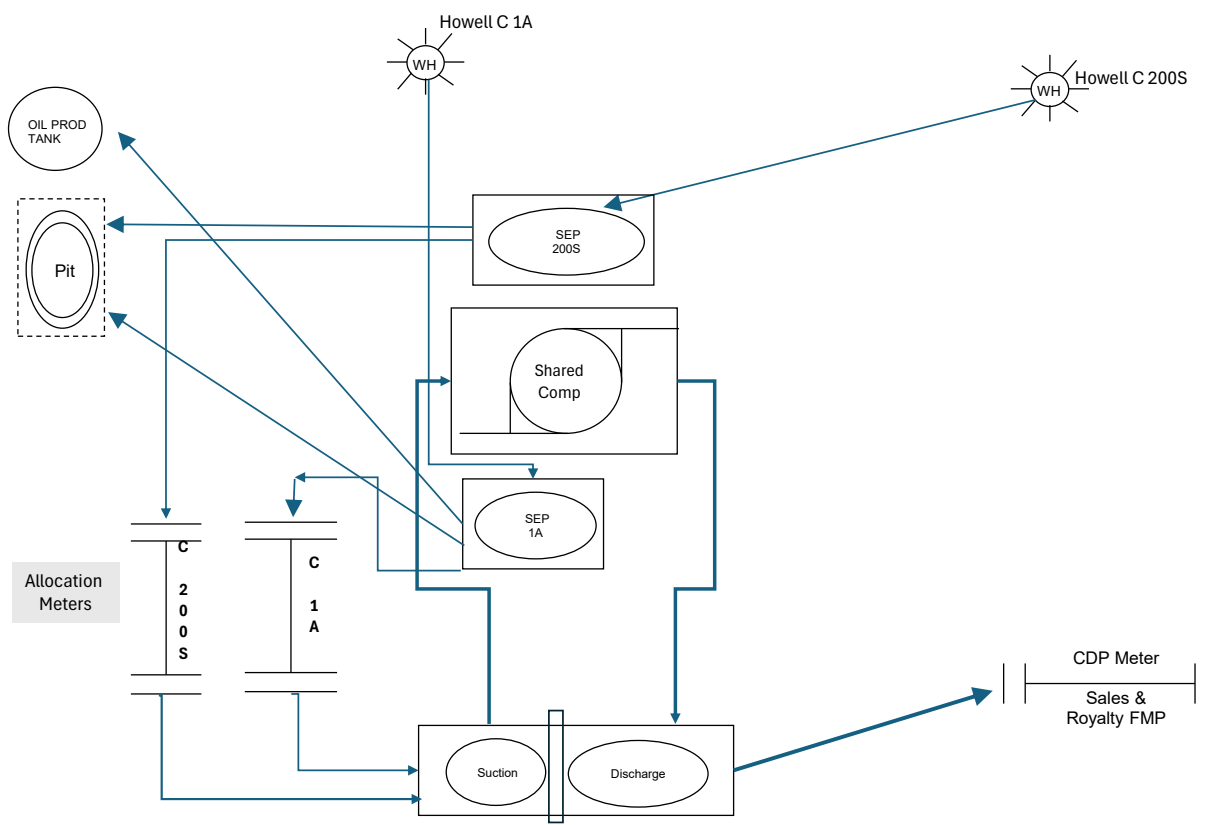


Exhibit 3

Support Document for Form C-107-B - Section E - Additional Information - (1) Schematic Diagram

Hilcorp Calculations for On Lease Beneficial Fuel Use By Well/Facility

API	Well/Facility	Equipment	Notes	Example Calculation 1 Day Fuel Use
3004521778	HOWELL C 1A	3 Phase Separator - 250000 BTU Burner Rating	Pilot in use Year-Round Assume 24 hour/day runtime	0.005 MCF/Hr x 24 Hours = 0.12 MCF/Day
		TANK,WATER,210BBL	No fuel use	None
3004533666	HOWELL C 200S	2 Phase Separator - 250000 BTU Burner Rating	Pilot in use Oct-Mar Assume 24 hour/day runtime	0.005 MCF/Hr x 24 Hours = 0.12 MCF/Day
3004521778 / 3004533666	HOWELL C 1A / HOWELL C 200S CDP	Compressor Package - GM IND,5.7L V-8,LEROI,HG12123HF	Uses Meter Runtime for calculation <b>Current compressor in use for the Howell C 200S and to be used by both wells with surface commingling</b>	0.54612 MCF/Hr x 24 Hours = 13.1 MCF/Day plus pneumatic fuel = 0.7 MCF/Day
		120 BBL Pit Tank - Water	No fuel use - Currently shared and will continue to be after surface commingle	None
		2 Phase Separator -Suction/Discharge	No fuel use	None

Compressor to be removed as part of the surface commingle project			Reduction of 11.3 MCF/Day	
3004521778	HOWELL C 1A	Compressor Package - CAT,G3304NA,GEMINI,MPD-2	Uses Meter Runtime for calculation reducing fuel use and emissions on location	0.427436 MCF/Hr x 24 Hours = 10.3 MCF/Day plus pneumatic fuel = 1.0 MCF/Day

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005

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

OIL CONSERVATION DIVISION

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

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

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

2006 MAR 24 AM 8 48

AMENDED REPORT

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

RECEIVED  
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045- <i>331066</i>		<sup>2</sup> Pool Code <i>72359</i> 71280/71629		<sup>3</sup> Pool Name <i>Blanco</i> <del>Artec</del> Pictured Cliffs / Basin Fruitland Coal	
<sup>4</sup> Property Code 7120 ✓		<sup>5</sup> Property Name HOWELL C		<sup>6</sup> Well Number 200S ✓	
<sup>7</sup> OGRID No. 14538 ✓		<sup>8</sup> Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP		<sup>9</sup> Elevation 6205 ✓	

<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
0	1	29-N	8-W		770	SOUTH	1590	EAST	SAN JUAN

<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
0									
<sup>12</sup> Dedicated Acres PC 160.0 ac SE4 FC 321.05 ac E2 <i>321.05</i>		<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

16

LOT 4	LOT 3	LOT 2	LOT 1
USA SF-078596			
LAT: 36.74896° N (NAD 83) LONG: 107.62404° W (NAD 83) LAT: 36°44.9372' N. (NAD 27) LONG: 107°37.4057' W. (NAD 27)		N 00°49'28" E 2634.66' (C)	
S 87°54'00" W 5113.25' (C)		770'	1590'
FD 3 1/4" BC 1955 BLM		CALC'D COR. BY SGL. PROP.	

**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Joni Clark*  
Signature  
Date: 3/16/06

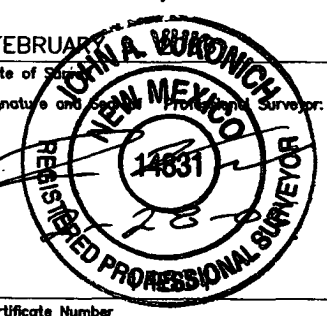
Joni Clark  
Printed Name

FD 2 1/2" BC  
1913-GLO

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plot 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.

FEBRUARY  
Date of Signature  
Signature and Title of Registered Professional Surveyor:



John A. Wurdnich  
Registered Professional Surveyor  
New Mexico  
14831

Certificate Number

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

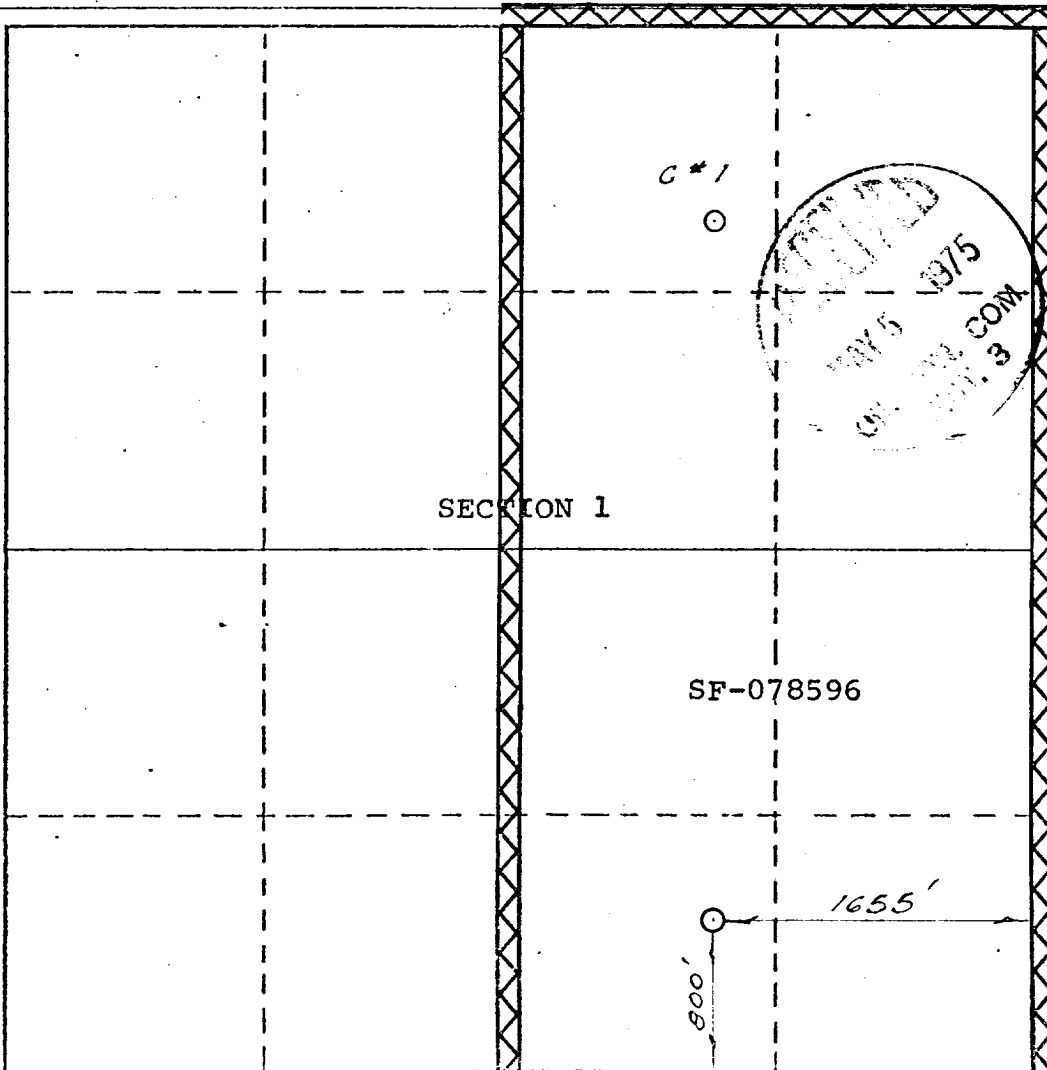
Operator <b>EL PASO NATURAL GAS COMPANY</b>		Lease <b>HOWELL C (SF-078596)</b>		Well No. <b>1A</b>
Unit Letter <b>O</b>	Section <b>1</b>	Township <b>29-N</b>	Range <b>8-W</b>	County <b>SAN JUAN</b>
Actual Footage Location of Well: <b>800</b> feet from the <b>SOUTH</b> line and <b>1655</b> feet from the <b>EAST</b> line				
Ground Level Elev. <b>6208</b>	Producing Formation <b>MESA VERDE</b>	Pool <b>BLANCO MESA VERDE</b>	Dedicated Acreage: <b>321.05</b> Acres	

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

Yes  No If answer is "yes," type of consolidation **Communitization**

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

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



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  
Original Signed by  
**D. G. Brisco**

Name  
**Drilling Clerk**

Position  
**El Paso Natural Gas Company**

Company  
**April 29, 1975**

Date

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

Date Surveyed  
**FEBRUARY 27, 1975**

Registered Professional Engineer and/or Land Surveyor  
*[Signature]*

Certificate No. **1760**

Exhibit 5

Support Document for Form C-107-B - Section E - Additional Information - (3)

Lease Names, Lease and Well Numbers, and API Numbers			
API	Well Name	Pools	Federal Lease Number
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	NMSF078596
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	NMSF078596
3004533666	HOWELL C 200S	Blanco Pictured Cliffs - 72359	NMSF078596

**Exhibit 6****Howell C 1A & Howell C 200S- Surface Commingling Project Summary**

Hilcorp Energy Company requests the approval of a pool surface commingle for the Howell C 1A and Howell C 200S listed in this table. Additionally, approval is sought to maintain royalty free uses upstream of the new royalty meter. This project will not decrease the value of production but will positively impact the ultimate recovery of the reserves in all the wells.

API	Well Name	Pools	Legals	Federal Lease Number
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	O-01-29N-08W	NMSF078596
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	O-01-29N-08W	NMSF078596
		Blanco Pictured Cliffs - 72359		

The commingled production will only include gas from the wells. Both wells on the pad will be equipped with a meter maintained by HEC for allocation purposes. The royalty meter, operated by Enterprise Products, will also reside on the pad. Please refer to the detailed allocation methodology document in this application.

All interest types in the two wells are identical as attested to by a certified Landman. Since the two wells reside on the same federal lease (NMSF078596) and federal royalty is identical, no pre-notification to the BLM is required. A sundry communicating changes to the equipment, fuel use and measurement will be filed with the Farmington NM BLM office after the work is completed. No NM state lands, tribal lands or interests are involved.

This project offers significant value and benefits. Currently, there are two compressors operating on the pad, one for each well. Reducing to a single central compressor that will be utilized by both wells is anticipated to reduce fuel use by approximately forty percent, which in turn will increase the gas sent through the sales meter at the CDP for royalty payments. Additionally, reducing maintenance from two compressors to one compressor will lower operating expenses and gain labor efficiency. These reductions in fuel use and operating costs will extend the economic operating life of the wells, allowing for more complete recovery of the reserves in place.

The project's additional benefits include emission reductions and diminished physical impacts to the locations and roads. There will be a reduction in emissions by running a single compressor that will more fully utilize the available horsepower versus continuing to operate two separate compressors less efficiently.

Overall, project conclusively improves economic longevity for all ownership by generating more royalty-bearing gas at the CDP meter and extending the life of the wells.

Exhibit 7

Allocation Methodology for Howell C 1A / 200S Surface Commingle

**Proposed Gas Allocation Methodology :** Gas production from each well is individually measured by an allocation meter to be operated by Hilcorp Energy. The MMBTU at the CDP meter will be allocated back to each well based on the MMBTU of the well's respective allocation meter. Additionally, fuel used at the CDP and any produced water recovered at the CDP will also be allocated back to each contributing well in proportion to each well's allocated gas MMBTU. This surface commingle excludes oil or condensate production.

**Calculation of Ratio of CDP gas to each well**

$$\frac{\text{Each individual well's allocation meter MMBTU}}{\text{CDP/FMP Meter MMBTU}} = \text{Percentage of gas to allocate to well}$$

**Calculation of Ratio of CDP fuel gas to each well**

$$\frac{\text{Each individual well's allocation meter MMBTU}}{\text{CDP Fuel Use (Upstream of FMP meter) MMBTU}} = \text{Percentage of fuel to allocate to well}$$

The CDP custody transfer / product sales meter, which is operated by Enterprise Products, is requested as the field measurement point (FMP) for royalty payment. Approval is also sought that the uses upstream of this FMP meter be authorized as beneficial use as it is advantageous in the extending the economic life of all the wells.

All meters will be maintained in accordance with respective state and federal metering regulations.

CDP Meter Operator/Gas Purchaser	CDP Meter Number
Enterprise Products - Purchaser	# TBD

API	Well	Allocation Meter at Each Wellsite	Pools
3004521778	HOWELL C 1A	# TBD	Blanco Mesaverde - 72319
3004533666	HOWELL C 200S	# TBD	Basin Fruitland Coal - 71629 Blanco Pictured Cliffs - 72359

Exhibit 8 - Lease Map

Howell C 1A / 200S Surface Commingle Proposal

Federal Lease NMSF078596

Wells located in			
Township	Range	Section	Unit
29N	08W	1	0

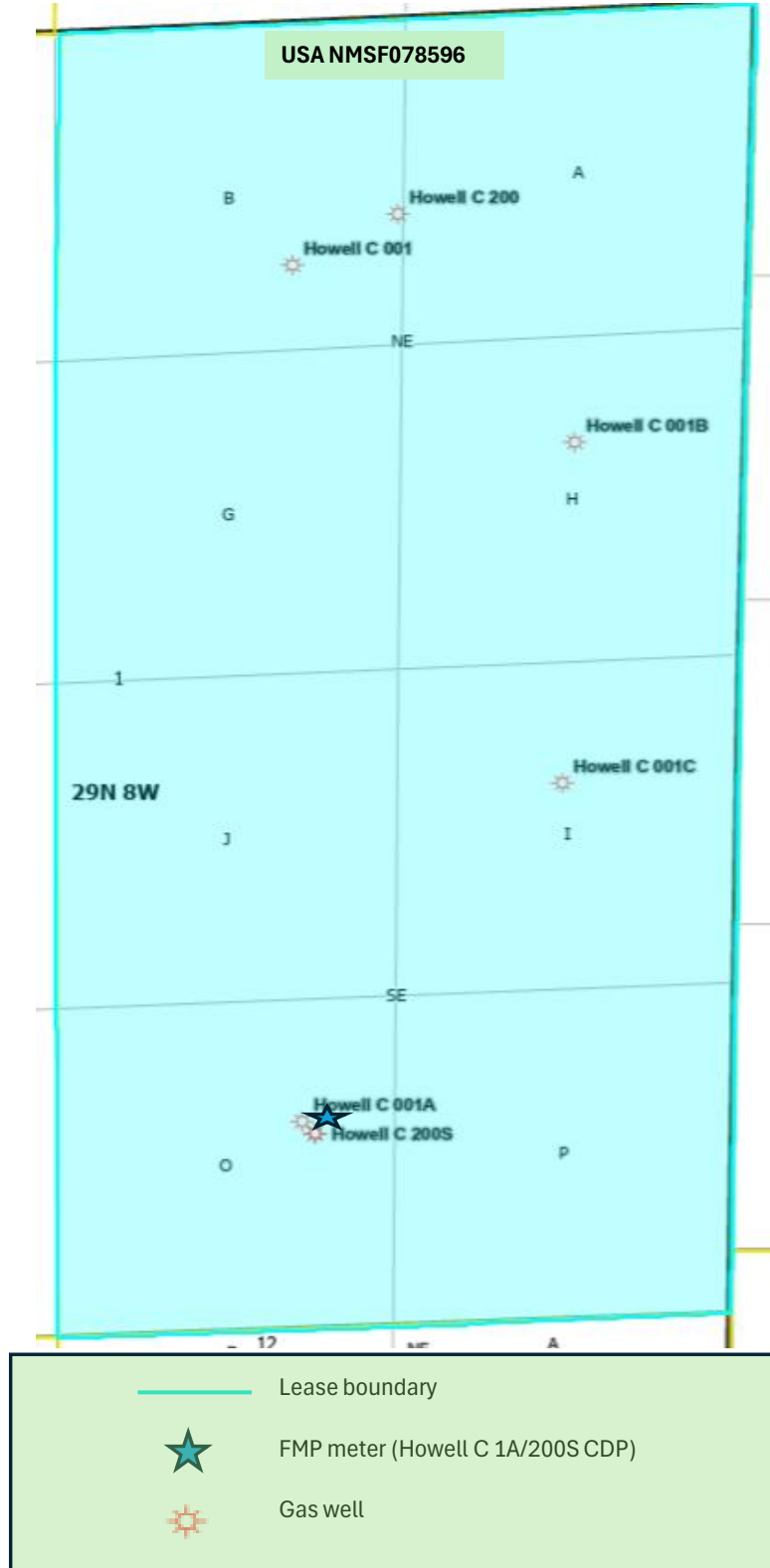
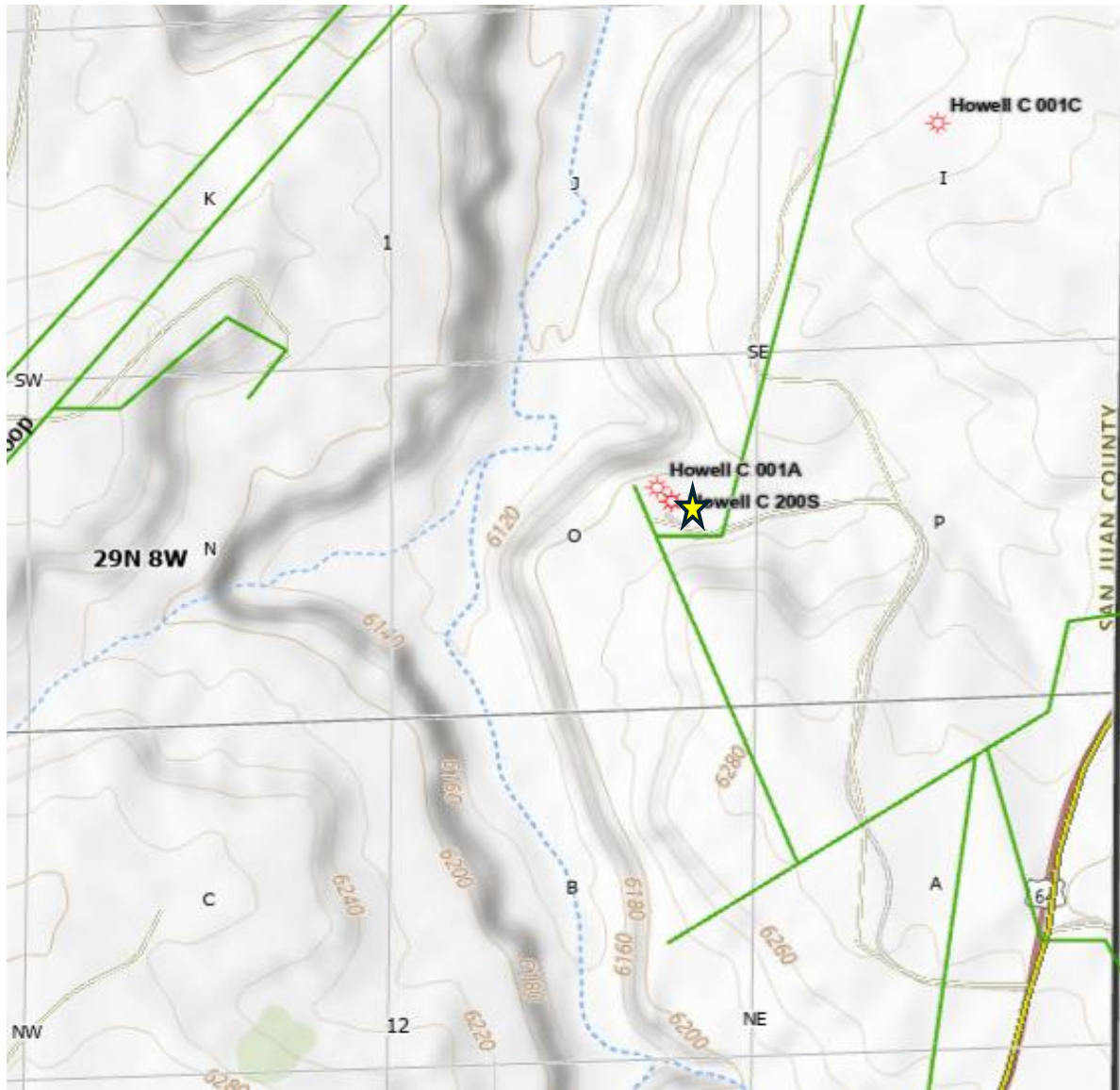





Exhibit 09

**Topographic Map with Current and Proposed FMP Locations**

API	Well Name	Pools	Legals	Federal Lease Number	Current FMP meter at Well Site
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	O-01-29N-08W	NMSF078596	89-521-01
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	O-01-29N-08W	NMSF078596	86-986-01
		Blanco Pictured Cliffs - 72359			
Proposed HOWELL C 1A / 200S CDP			O-01-29N-08W	NMSF078596	



	Enterprise Pipeline
	Meter for FMP new Howell C 1A / 200S CDP operated by Enterprise
	Gas Well and current location of FMP meter / Future location of allocation meter



Post Office Box 61229  
Houston, Texas 77208-1229

1111 Travis Street  
Houston, Texas 77002

May 5, 2026

NEW MEXICO OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DRIVE  
SANTA FE, NEW MEXICO 87505

Re: Surface Commingle Application  
HOWELL C #001A Well (API: 30-045-21778) – *MESAVERDE*  
HOWELL C #200S Well (API: 30-045-33666) – *PICTURED CLIFFS*  
HOWELL C #200S Well (API: 30-045-33666) – *FRUITLAND COAL*  
San Juan County, New Mexico

To whom it may concern:

This letter serves to confirm the following regarding Hilcorp Energy Company's application to surface commingle production in the subject wells:

All working, royalty, and overriding royalty interests are identical in the spacing unit dedicated to the target formations below. No notice to interest owners is required.

- BLANCO MESAVERDE GAS POOL (72319)
- BLANCO PICTURED CLIFFS GAS POOL (72359)
- BASIN FRUITLAND COAL GAS POOL (71629)

Please contact the undersigned should you have any questions.

Sincerely,

HILCORP SAN JUAN, LLC

A handwritten signature in blue ink that reads 'G Brown'.

Gatewood D. Brown  
Senior Landman – New Mexico  
gabrown@hilcorp.com  
713-289-2767

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

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

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

2006 MAR 24 AM 8 48

AMENDED REPORT

RECEIVED  
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045- <i>331066</i>	<sup>2</sup> Pool Code <i>72359</i> 71280/71629	<sup>3</sup> Pool Name <i>Blanco</i> <del>Artec</del> Pictured Cliffs / Basin Fruitland Coal
<sup>4</sup> Property Code 7120 ✓	<sup>5</sup> Property Name HOWELL C	<sup>6</sup> Well Number 200S ✓
<sup>7</sup> OGRID No. 14538 ✓	<sup>8</sup> Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	<sup>9</sup> Elevation 6205 ✓

<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
0	1	29-N	8-W		770	SOUTH	1590	EAST	SAN JUAN

<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
0									
<sup>12</sup> Dedicated Acres PC 160.0 ac SE4 FC 321.05 ac E2 <i>321.05</i>		<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

16

LOT 4	LOT 3	LOT 2	LOT 1
USA SF-078596			
LAT: 36.74896° N (NAD 83) LONG: 107.62404° W (NAD 83) LAT: 36°44.9372' N. (NAD 27) LONG: 107°37.4057' W. (NAD 27)		N 00°49'28" E 2634.66' (C)	
S 87°54'00" W 5113.25' (C)		770'	1590'
FD 3 1/4" BC 1955 BLM		CALC'D COR. BY SGL. PROP.	

**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Joni Clark*  
Signature \_\_\_\_\_ Date 3/16/06

Joni Clark  
Printed Name

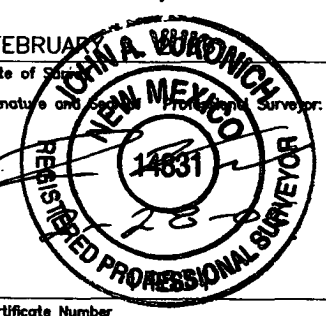
APR 2006  
FD 2 1/2" BC  
1913-GLO

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plot 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.

FEBRUARY \_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Signature and Title of Registered Professional Surveyor



Certificate Number \_\_\_\_\_

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

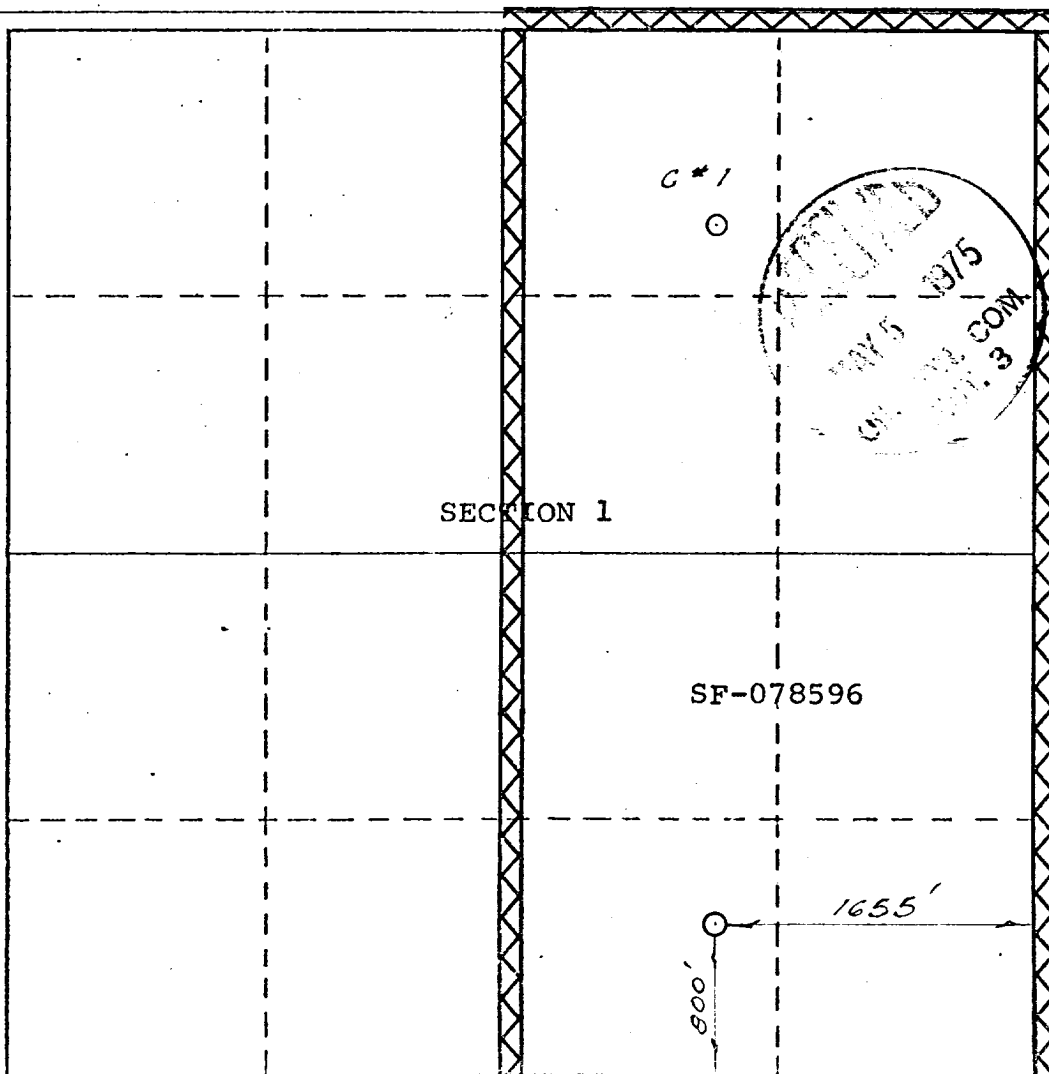
Operator <b>EL PASO NATURAL GAS COMPANY</b>		Lease <b>HOWELL C (SF-078596)</b>		Well No. <b>1A</b>
Unit Letter <b>O</b>	Section <b>1</b>	Township <b>29-N</b>	Range <b>8-W</b>	County <b>SAN JUAN</b>
Actual Footage Location of Well: <b>800</b> feet from the <b>SOUTH</b> line and <b>1655</b> feet from the <b>EAST</b> line				
Ground Level Elev. <b>6208</b>	Producing Formation <b>MESA VERDE</b>	Pool <b>BLANCO MESA VERDE</b>	Dedicated Acreage: <b>321.05</b> Acres	

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

Yes  No If answer is "yes," type of consolidation **Communitization**

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

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



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  
Original Signed by  
**D. G. Brisco**

Name  
**Drilling Clerk**

Position  
**El Paso Natural Gas Company**

Company  
**April 29, 1975**

Date

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

Date Surveyed  
**FEBRUARY 27, 1975**

Registered Professional Engineer and/or Land Surveyor  
*[Signature]*

Certificate No. **1760**

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



**ADMINISTRATIVE APPLICATION CHECKLIST**

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

**Applicant:** \_\_\_\_\_ **OGRID Number:** \_\_\_\_\_  
**Well Name:** \_\_\_\_\_ **API:** \_\_\_\_\_  
**Pool:** \_\_\_\_\_ **Pool Code:** \_\_\_\_\_

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC    CTB    PLC    PC    OLS    OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<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.**

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
e-mail Address



Hilcorp Energy Company  
382 Road 3100  
Aztec, NM 87410

Sarah Clelland  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Sanra Fe, NM 87505

RE: Application of Hilcorp Energy Company for administrative approval of a pool surface commingle located in Unit O, Section 1 of Township 29N and Range 8W

5/7/2026

Dear Ms. Clelland,

Hilcorp Energy Company (HEC) requests administrative approval for a pool surface commingle of natural gas for the following wells: Howell C 1A and Howell C 200S. These wells require compression to optimize production, so commingling the gas so a single central compressor may be utilized by both wells will lower operating expenses, lessen fuel use and mitigate emissions. The surface commingling will not decrease the value of production.

Both wells will be equipped meters maintained by HEC for allocation purposes, and the royalty meter, operated by Enterprise Products, will reside on the surface commingling location. All meters will be maintained in accordance with state and federal metering regulations. Oil will not be surface commingled. All interest is identical in the two wells.

The following attachments are included with this application:

- 1) Administrative Application Checklist
- 2) State form C-107-B application for surface pool commingling - identical ownership
- 3) Schematic flow diagram of proposed surface commingled pad
- 4) Form C-102 for each well (plats)
- 5) Table of well and pool information
- 6) Commingling Project Summary
- 7) Details of allocation methodology
- 8) Lease Map
- 9) Topographic Map
- 10) Letter from certified landman attesting to identical ownership in the wells

Sincerely,

*Pamela Harper*

Pamela Harper  
Sr. Measurement Business Analyst  
pharper@hilcorp.com  
Office: 505-324-5154

Exhibit 5

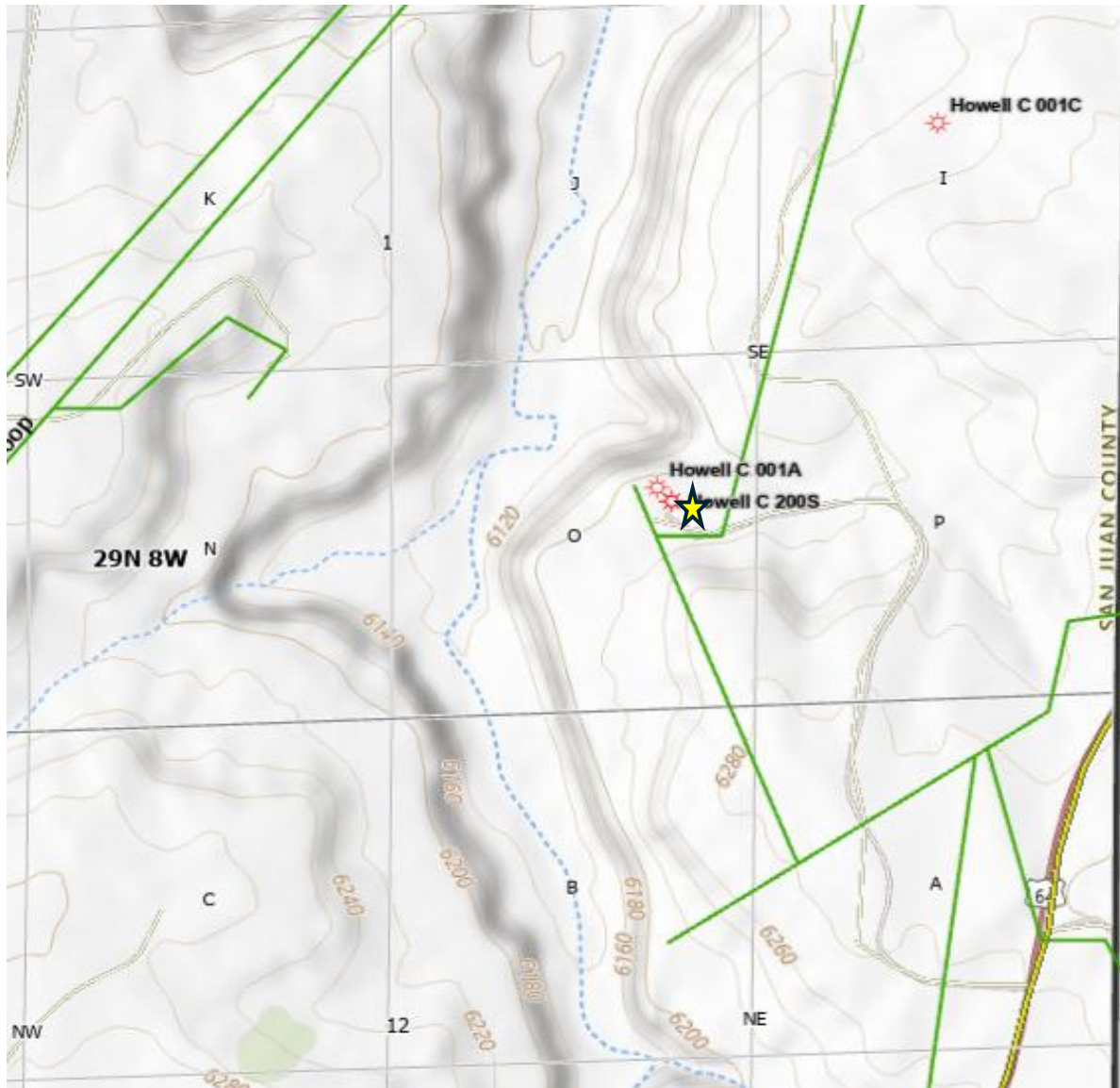
Support Document for Form C-107-B - Section E - Additional Information - (3)




Lease Names, Lease and Well Numbers, and API Numbers			
API	Well Name	Pools	Federal Lease Number
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	NMSF078596
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	NMSF078596
3004533666	HOWELL C 200S	Blanco Pictured Cliffs - 72359	NMSF078596

Exhibit 09

**Topographic Map with Current and Proposed FMP Locations**

API	Well Name	Pools	Legals	Federal Lease Number	Current FMP meter at Well Site
3004521778	HOWELL C 1A	Blanco Mesaverde - 72319	O-01-29N-08W	NMSF078596	89-521-01
3004533666	HOWELL C 200S	Basin Fruitland Coal - 71629	O-01-29N-08W	NMSF078596	86-986-01
		Blanco Pictured Cliffs - 72359			
Proposed HOWELL C 1A / 200S CDP			O-01-29N-08W	NMSF078596	



	Enterprise Pipeline
	Meter for FMP new Howell C 1A / 200S CDP operated by Enterprise
	Gas Well and current location of FMP meter / Future location of allocation meter

**From:** [Jamie Olivarez](#)  
**To:** [Clelland, Sarah, EMNRD](#); [Pamela Harper](#)  
**Subject:** RE: [EXTERNAL] Question on Hilcorp project to create a new surface commingle  
**Date:** Monday, June 1, 2026 7:36:22 AM  
**Attachments:** [image001.png](#)  
[20260601\\_BLM\\_Sundry\\_Package\\_Report.pdf](#)

---

Sarah,  
Hilcorp has filed a sundry notice with BLM to provide them our surface commingling application on file with NMOCD. Please let us know if you need anything else.

Jamie Olivarez, MLS  
L48W Regulatory Advisor  
Hilcorp Energy Company  
Office: (713) 289-2838  
Fax: (713) 289-2756  
Cell: (361) 935-2795  
[jolivarez@hilcorp.com](mailto:jolivarez@hilcorp.com)



---

**From:** Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>  
**Sent:** Friday, May 29, 2026 9:52 AM  
**To:** Jamie Olivarez <jolivarez@hilcorp.com>; Pamela Harper <pharper@hilcorp.com>  
**Subject:** RE: [EXTERNAL] Question on Hilcorp project to create a new surface commingle

**CAUTION:** External sender. DO NOT open links or attachments from UNKNOWN senders.

Email is fine

Thanks,

*Sarah Clelland*

**Petroleum Specialist**  
State of New Mexico

Energy, Minerals, and Natural Resources Department  
Oil Conservation Division  
Cell: (505) 537-0627  
[Sarah.Clelland@emnrd.nm.gov](mailto:Sarah.Clelland@emnrd.nm.gov)

---

**From:** Jamie Olivarez <[jolivarez@hilcorp.com](mailto:jolivarez@hilcorp.com)>  
**Sent:** Friday, May 29, 2026 8:52 AM  
**To:** Clelland, Sarah, EMNRD <[Sarah.Clelland@emnrd.nm.gov](mailto:Sarah.Clelland@emnrd.nm.gov)>; Pamela Harper <[pharper@hilcorp.com](mailto:pharper@hilcorp.com)>  
**Subject:** RE: [EXTERNAL] Question on Hilcorp project to create a new surface commingle

Will email suffice or are you looking for a sundry notice?

Jamie Olivarez, MLS  
L48W Regulatory Advisor  
Hilcorp Energy Company  
Office: (713) 289-2838  
Fax: (713) 289-2756  
Cell: (361) 935-2795  
[jolivarez@hilcorp.com](mailto:jolivarez@hilcorp.com)



---

**From:** Clelland, Sarah, EMNRD <[Sarah.Clelland@emnrd.nm.gov](mailto:Sarah.Clelland@emnrd.nm.gov)>  
**Sent:** Friday, May 29, 2026 9:15 AM  
**To:** Pamela Harper <[pharper@hilcorp.com](mailto:pharper@hilcorp.com)>; Jamie Olivarez <[jolivarez@hilcorp.com](mailto:jolivarez@hilcorp.com)>  
**Subject:** RE: [EXTERNAL] Question on Hilcorp project to create a new surface commingle

**CAUTION:** External sender. DO NOT open links or attachments from UNKNOWN senders.

We need proof that they have received information of the application you submit to OCD. Has nothing to do with a surface commingle being needed through the BLM.

Thanks,

*Sarah Clelland*

**Petroleum Specialist**

State of New Mexico  
Energy, Minerals, and Natural Resources Department  
Oil Conservation Division  
Cell: (505) 537-0627  
[Sarah.Clelland@emnrd.nm.gov](mailto:Sarah.Clelland@emnrd.nm.gov)

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**From:** Pamela Harper <[pharper@hilcorp.com](mailto:pharper@hilcorp.com)>  
**Sent:** Thursday, May 21, 2026 2:00 PM  
**To:** Jamie Olivarez <[jolivarez@hilcorp.com](mailto:jolivarez@hilcorp.com)>  
**Subject:** FW: [EXTERNAL] Question on Hilcorp project to create a new surface commingle

Below is the response from the Farmington BLM Engineer, Kenneth Rennick. I attached the lease map that I provided him as well.

The BLM does not require pre-notice for changes where production is on lease and the federal (and tribal if present) is identical. They have requested I simply provide the updated FMP (meter) and fuel use information after the work is complete. This is not a surface commingle per BLM as we are not commingling any leases, PAs, CAs, Tribal, State, Fee lands, and the federal royalty in the 2 wells is identical. This is a surface commingle per NMOCD rules solely because of the mixed pools.

§ 3173.1 Definitions and acronyms. (a)  
Commingling and allocation approval (CAA) means a formal allocation agreement to combine production from two or more sources (leases, unit PAs, CAs, or non-Federal or non-Indian properties) before that product reaches an FMP.

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**From:** Rennick, Kenneth G <[krennick@blm.gov](mailto:krennick@blm.gov)>  
**Sent:** Thursday, May 7, 2026 1:50 PM  
**To:** Pamela Harper <[pharper@hilcorp.com](mailto:pharper@hilcorp.com)>; Fachan, Shannon L <[sfachan@blm.gov](mailto:sfachan@blm.gov)>  
**Subject:** Re: [EXTERNAL] Question on Hilcorp project to create a new surface commingle

**CAUTION:** External sender. DO NOT open links or attachments from UNKNOWN senders.

Hello Pamela,

Since the interest is similar then a SFD with equipment, fuel use, and FMP will be appropriate.

Let us know if you need additional clarifications.

Kenny Rennick

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management  
Farmington Field Office  
6251 College Blvd  
Farmington, NM 87402

Email: [krennick@blm.gov](mailto:krennick@blm.gov)

Mobile & Text: 505.497.0019

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**From:** Pamela Harper <[pharper@hilcorp.com](mailto:pharper@hilcorp.com)>

**Sent:** Thursday, May 7, 2026 11:40 AM

**To:** Fachan, Shannon L <[sfachan@blm.gov](mailto:sfachan@blm.gov)>; Rennick, Kenneth G <[krennick@blm.gov](mailto:krennick@blm.gov)>

**Subject:** [EXTERNAL] Question on Hilcorp project to create a new surface commingle

**This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.**

Good morning,

I have another question related to surface comingling. Currently, I am preparing another surface commingle, where both wells reside on the same federal lease (No CA or PA nor tribal or state land). ONRR royalty is 12.5% in both wells. ( I attached the lease map to explain the example scenario more clearly.)

For the state of NM, I must apply for a pool commingle approval (even though interest is identical) as there are 3 formations (MV/FRC/PC) included in the proposed surface

commingle.

I am trying to determine if prior to the work, the BLM needs to receive a sundry (and if so, what type). Or do I simply file a SFD sundry post work identifying equipment, fuel use and FMP.

Sorry for all the questions around these types of projects. As I am creating new projects, I am also working to develop scenario templates so we may be consistent in how we apply and/or notify agencies. Hopefully, this will assist all of us gain efficiencies. Very much appreciate your commentary to help me with this.

Pamela Harper  
Sr. Business Analyst - Measurement  
Hilcorp Energy Company  
(505) 324-5154

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY HILCORP ENERGY COMPANY**

**ORDER NO. PC-1420**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Hilcorp Energy Company (“Applicant”) submitted a complete application to surface commingle the gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the gas production to the pools, leases, and wells to be commingled.
4. Applicant certified the commingling of gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the gas production to less than if it had remained segregated.
5. Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
6. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2) NMAC, 19.15.12.10(C)(4)(c) NMAC, and 19.15.12.10(C)(4)(e) NMAC, as applicable.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC and 19.15.23.9(A)(6) NMAC, as applicable.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) NMAC or 19.15.12.10(C)(1) NMAC, as applicable.
11. Commingling of gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) NMAC and 19.15.12.10(C)(4)(h) NMAC.
12. 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 surface commingle gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure gas production off-lease, as applicable, from the pools and leases as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
3. If Applicant recovers gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
4. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
6. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10(C)(2) NMAC.
7. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure gas production.

8. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled 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 surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose gas production 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.
9. Applicant shall not commence commingling gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
10. 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).
11. 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 C. S. CHANG  
DIRECTOR**

**DATE:** 06/05/2026

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Exhibit A**

**Order: PC-1420**  
**Operator: Hilcorp Energy Company (372171)**  
**Central Tank Battery: Howell C 1A/200S Central Delivery Point (GAS ONLY)**  
**Central Tank Battery Location: UL O, Section 1, Township 29 North, Range 8 West**  
**Gas Title Transfer Meter Location: UL O, Section 1, Township 29 North, Range 8 West**

**Pools**

Pool Name	Pool Code
BASIN FRUITLAND COAL (GAS)	71629
BLANCO-MESAVERDE (PRORATED GAS)	72319
BLANCO PICTURED CLIFFS (GAS)	72359

**Leases as defined in 19.15.12.7(C) NMAC**

Lease	UL or Q/Q	S-T-R
BLM Lease NMNM 105367729 (NMSF 0078596)	E2	01-29N-08W

**Wells**

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-045-21778	HOWELL C #001A	E2	01-29N-08W	72319
30-045-33666	HOWELL C #200S	E2	01-29N-08W	71629
		SE4	01-29N-08W	72359

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 585363

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 585363
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> .	6/9/2026