

Submit 3 Copies To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rs., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

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

WELL API NO. 30-045-35364
5. Indicate Type of Lease STATE FEE X
6. State Oil & Gas Lease No. FEE
7. Lease Name or Unit Agreement Name HEATON LS
8. Well Number 3M
9. OGRID Number 372171
10. Pool name or Wildcat DK - BASIN::DAKOTA MV - BLANCO::MESAVERDE

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well Gas Well X Other
2. Name of Operator Hilcorp Energy Company
3. Address of Operator 382 Road 3100 Aztec, NM 87410
4. Well Location Unit Letter D Footage 721' FNL & 1221' FWL Section 32 Township 031N Range 011W SAN JUAN COUNTY
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5822' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
TEMPORARILY ABANDON CHANGE PLANS
PULL OR ALTER CASING MULTIPLE COMPL
DOWNHOLE COMMINGLE
CLOSED-LOOP SYSTEM
OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. P AND A
CASING/CEMENT JOB
OTHER: X

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

Please see attached incident report and notifications.

Spud Date: 7/27/2012

Rig Released Date:

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

SIGNATURE Tammy Jones TITLE Operations/Regulatory Tech - Sr. DATE 6/20/2024

Type or print name Tammy Jones E-mail address: tajones@hilcorp.com PHONE: 505.324.5185

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

| | | |
|-----------------------------------|--|--|
| Well Name: HEATON LS | Well Location: T31N / R11W / SEC 32 / NWNW / 36.8607967 / -108.0178538 | County or Parish/State: SAN JUAN / NM |
| Well Number: 3M | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: FEE | Unit or CA Name: DKOT - N/2, MV - W/2 | Unit or CA Number: NMNM129463, NMNM73338 |
| US Well Number: 3004535364 | Operator: HILCORP ENERGY COMPANY | |

Subsequent Report

Sundry ID: 2796296

Type of Submission: Subsequent Report

Type of Action: Other

Date Sundry Submitted: 06/20/2024

Time Sundry Submitted: 08:32

Date Operation Actually Began: 06/17/2024

Actual Procedure: Please see attached incident report and notifications.

SR Attachments

Actual Procedure

Oil_MishandleEVENT_Sundry_Notice_HeatonLS3M_20240620083157.pdf

Well Name: HEATON LS

Well Location: T31N / R11W / SEC 32 / NWNW / 36.8607967 / -108.0178538

County or Parish/State: SAN JUAN / NM

Well Number: 3M

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: FEE

Unit or CA Name: DKOT - N/2, MV - W/2

Unit or CA Number: NMNM129463, NMNM73338

US Well Number: 3004535364

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: TAMMY JONES

Signed on: JUN 20, 2024 08:32 AM

Name: HILCORP ENERGY COMPANY

Title: Regulatory Compliance Specialist

Street Address: 382 ROAD 3100

City: AZTEC

State: NM

Phone: (505) 324-5185

Email address: TAJONES@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: Accepted

Disposition Date: 06/20/2024

Signature: Kenneth Rennick

HEATON LS 3M
30-045-35364
Date: 6/19/2024

Reporting Company/Individuals - Hilcorp Energy Company:

Cary Green – Area 3 Production Foreman
Jamie Huffman – San Juan Logistics Foreman
Jamie Olivarez – L48W Regulatory Advisor
Ryan Carreno – San Juan Compliance Reporting Manager

Incident Report: Mishandling of Oil

State Lease No.: FEE

Agreement Name: NMNM73338, NMNM129463

Well Name & No.: HEATON LS 3M

Location: D – Sec. 32 - T31N - R11W, 721’FNL, 1221’FWL

- 5/29/24 Manual Gauge – Top 4’ 3”; Btm 0’ 3.5” = Total Vol 150.37 bbls; Color Cut 10.32 bbls; Gross Vol 140.05
- 6/17/24 Manual Gauge – Top 1’ 5”; Btm 0’ 3.5” = Total Vol 50.12 bbls; Color Cut 10.32 bbls; Gross Vol 39.8
- Every 1” volume = 2.948 bbls of fluid (286.00 bbl tank / (8’ 1” * 12”)

Est. Volume Removed: 140.05 bbls last known gauge – 39.8 bbls current gauge = **100.25 bbls oil**

Mishandling Event: This serves as written notice to the Federal and New Mexico State agencies of an Oil Loss on the HEATON LS 3M for 06/2024 Production Month for Hilcorp Energy Company (OGRID: 372171). Please be advised of an ‘oil theft’ type of event that occurred in June 2024 production month. A third party, Three Rivers Trucking Inc., was to haul off water and accidentally pulled approximately 100 bbls of condensate. Our Production Department will be accounting for this event appropriately as AVOIDABLE LOST once additional information is received from the field and operations groups on the exact barrels of Oil Lost. State Royalties and Taxes will be paid on these loss volumes. Please forward this notice to any impacted departments.

Individual discovered incident: Wayne Peace – Hilcorp Energy, San Juan Area 3 Lead Operator

Date and time of discovery: 6/17/2024 at 11:36 AM MST

Incident Reported to Agencies: Verbal phone call notice given to – Bureau of Land Management, Farmington Field Office via Cement Line on 6/17/2024. Verbal phone call notice given to – New Mexico Oil Conservation Division, North District on 6/17/2024; voicemail left with Monica Kuehling, Compliance Office Supervisor. Email notification given to New Mexico State Land Office on 6/19/2024; Dilia Borunda, Royalty Revenue Processing Manager and Estevan Armijo, Royalty Revenue Accountant. Email notification given to New Mexico Taxation & Revenue Department on 6/19/2024; JudyAnn Abeyta (see attached emailed notices).

From: Ryan Carreno
Sent: Wednesday, June 19, 2024 8:09 AM
To: JudyAnn.Abeyta@state.nm.us; Armijo, Estevan A.; Borunda, Dilia
Cc: Ashley Williams; Jamie Olivarez
Subject: Hilcorp- Oil Event
Attachments: Heaton LS 3M.pdf

Good morning,

I hope all is well with you.

This email is being sent to notify New Mexico State agencies of an Oil Loss on the HEATON LS 3M for 06/2024 Production Month for Hilcorp Energy Company (OGRID: 372171). Please be advised of an 'oil theft' type of event that occurred in June 2024 production month. A third party, Three Rivers Trucking Inc., was to haul off water and accidentally pulled approximately 100 bbls of condensate. Our Production Department will be accounting for this event appropriately as AVOIDABLE LOST once additional information is received from the field and operations groups on the exact barrels of Oil Lost. State Royalties and Taxes will be paid on these loss volumes. Please forward this notice to any impacted departments within SLO and TRD.

Please let me know if you have any questions or need additional information.

Thanks,

Ryan Carreno

San Juan Compliance Reporting Manager

Hilcorp Energy Company

1111 Travis Street

Houston, TX 77002

Office: (346) 237 2033

Cell: (817) 736 5932

Email: ryan.carreno@hilcorp.com

It is important to note that Hilcorp does not agree with the as stated gauges in the Remarks section of ticket #950220. Our last manual gauging reflected a top gauge of 4' 3" with 0' 3.5" color cut. By calculating the differential between our last known gauges, we calculate 100.25 bbls of oil removed from the lease.

OIL & WATER HAULING
NMSCC 3561

THREE RIVERS TRUCKING, INC.

R 302
950220

P.O. BOX 2728
FARMINGTON, NEW MEXICO 87499
(505) 632-5300

CUSTOMER Hilcorp LEASE Heater LS WELL 3M
TRUCK NO. 143/203 DRIVER Kyle D. Smith DATE 6-1-24
RIG WATER FRAC WATER OIL PITS OTHER Lionel Gleason
FROM 286 BBL Tank TO Basin

| BBLs. Hauled | STARTING TIME | STOP TIME | OFF DUTY HOURS | STAND-BY HOURS | HAUL HOURS | RECEIVED BY |
|----------------------------|---------------------------|-----------------------------|----------------|----------------|------------|---------------------|
| 1. Road Time Out | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 2. BBLs. Hauled | Starting Time <u>9:30</u> | A.M. Stop Time | A.M. P.M. | | | |
| 3. BBLs. Hauled <u>110</u> | Starting Time | A.M. Stop Time <u>11:30</u> | A.M. P.M. | | | |
| 4. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | <u>2</u> |
| 5. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 6. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 7. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 8. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 9. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 0. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 1. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 2. BBLs. Hauled | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| 3. ROAD TIME IN | Starting Time | A.M. Stop Time | A.M. P.M. | | | |
| TOTAL BBLs. <u>110</u> | | | XXXXX XXXXX | | | <u>2</u> TOTAL HOUR |

ROAD CONDITIONS: CLEAR ICE SNOWING RAINING MUD CHAINS REQ.

REMARKS: Top 3' 10" Dec 1'

FUEL _____ KEY NUMBER OR TANK _____

(OFFICE USE ONLY: CHECKED BY _____) SIGNED Kyle D. Smith



199113

SEAL CHANGE NOTIFICATION

DATE 6-17-24

WELL NAME/NO. HEATON LS 3M

TANK NO. WNR 13280 FOREMAN

SEAL OFF 0201799 SEAL OFF

SEAL ON 239051 SEAL ON

SEAL LOCATION:

SEAL LOCATION:

- WATER DRAIN
- LOAD LINE
- FILL LINE
- EQUALIZER LINE
- OTHER _____

- WATER DRAIN
- LOAD LINE
- FILL LINE
- EQUALIZER LINE
- OTHER _____

REASON CHANGED:

REASON CHANGED:

- BS & W DRAIN
- VALVE REPLACE/REPAIR
- TANK MAINT
- HOT OIL/TREAT
- OTHER THEET

- BS & W DRAIN
- VALVE REPLACE/REPAIR
- TANK MAINT
- HOT OIL/TREAT
- OTHER _____

GAUGE: BEFORE 4 FT 3 IN

GAUGE: BEFORE ___ FT ___ IN

GAUGE: AFTER 1 FT 5 IN

GAUGE: AFTER ___ FT ___ IN

WATER: BEFORE 0 FT 3 IN 2

WATER: BEFORE ___ FT ___ IN

WATER: AFTER 0 FT 3 IN 2

WATER: AFTER ___ FT ___ IN

REMARKS: Water hauler broke seal pulled oil tank not produced water tank

Signature

WHITE - Regional Accounting

YELLOW - Originator

SAN JUAN PRINTING 031944I

| | | | | | |
|----------------|--------------------|---------------------------|------------|---|--------|
| Tank List | Tank Detail | Strap Version | Straps | Connections | Seals |
| TK530WNR13280 | | HEATON LS 3M - 286BBL - O | | | |
| Install Date | 07/01/2017 | Monthly Close Using: | | <input type="radio"/> Tickets <input checked="" type="radio"/> Statements | |
| Product | COND - BBL | Condensate - Barrels | | | |
| Component | | | | | |
| Increment/inch | 1/4 | Quarter Inch Increment | | | |
| Cone Volume | 0.0000 | Default Shrink Factor | 0.00000000 | Capacity | 286.00 |

Tank for Entity HEATON LS 3M - 286BBL - O

| | | | | | |
|--------------------|-------------------------------------|---------------------------|---------------|--------------|-----------|
| Tank List | Tank Detail | Strap Version | Straps | Connections | Seals |
| TK530WNR13280 | | HEATON LS 3M - 286BBL - O | | | |
| Strap Version | 530WNR13280 HEATON LS 3M TK (3004E) | | | | |
| Effective Date | 07/01/2017 | | | | |
| Strap Ft/Inch/Frac | 8 1 0 /4 | | | | |
| Increments | 388 | Volume Factor | 0.73711340 | Strap Volume | 286.00000 |

Tank Gauge for Entity HEATON LS 3M - 286BBL - O

| Tank Gauge List | | Tank Gauge Detail | | | | | | | | | |
|---------------------|---------------------|---------------------------|-----------|------------------|-------------|---------|-----|----------|-----------|----------------|---------------------|
| TK530WNR13280 | | HEATON LS 3M - 286BBL - O | | 06/16/2024 | | 0 Days | | | | | |
| Date | 06/17/2024 12:00 AM | Top Gauge | | Color Cut | | | | | | | |
| | | 1 5 0 /4 | | 0 3 2 /4 | | | | | | | |
| COND Volume | 39.80 bbl | COND Gauge | 01-01-24 | Color Cut Volume | 10.32 bbl | | | | | | |
| Obs Temp | 0.00 | | | | | | | | | | |
| Date/Time | Gauge | Volume | Top Gauge | Color Cut | CCut Volume | Product | UOM | UOM Syst | Obs. Temp | Last Update ID | Last Updated |
| 06/17/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:30 PM |
| 06/16/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:30 PM |
| 06/15/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:30 PM |
| 06/14/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:30 PM |
| 06/13/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:30 PM |
| 06/12/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:30 PM |
| 06/11/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:30 PM |
| 06/10/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:30 PM |
| 06/09/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:29 PM |
| 06/08/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:29 PM |
| 06/07/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:29 PM |
| 06/06/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:29 PM |
| 06/05/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:29 PM |
| 06/04/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:29 PM |
| 06/03/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:29 PM |
| 06/02/2024 12:00 AM | 01-01-24 | 39.80 | 01-05-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | LDIEP | 06/17/2024 04:28 PM |
| 06/01/2024 12:00 AM | 03-11-24 | 140.05 | 04-03-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | Carryforward | 06/01/2024 01:00 AM |
| 05/31/2024 12:00 AM | 03-11-24 | 140.05 | 04-03-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | Carryforward | 05/31/2024 01:00 AM |
| 05/30/2024 12:00 AM | 03-11-24 | 140.05 | 04-03-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | Carryforward | 05/30/2024 01:01 AM |
| 05/29/2024 12:00 AM | 03-11-24 | 140.05 | 04-03-04 | 00-03-24 | 10.32 | COND | BBL | IMPRL | 0 | ch7274 | 05/29/2024 07:11 PM |
| 05/28/2024 12:00 AM | 03-07-04 | 126.78 | 03-10-04 | 00-03-04 | 8.85 | COND | BBL | IMPRL | 0 | Carryforward | 05/28/2024 01:01 AM |

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 356290

CONDITIONS

| | |
|--|--|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 356290 |
| | Action Type: [C-103] Sub. General Sundry (C-103Z) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| dmcclore | ACCEPTED FOR RECORD ONLY | 7/5/2024 |
| dmcclore | Report volume appropriately on Form C-115 | 7/5/2024 |