

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-039-23158
5. Indicate Type of Lease STATE [ ] FEE [ ]
6. State Oil & Gas Lease No. Federal - NMNM03404
7. Lease Name or Unit Agreement Name San Juan 31-6 Unit
8. Well Number 49
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6461' GR

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 H: 1780 feet from the North line and 880 feet from the East line
Section 05 Township 30N Range 06W NMPM San Juan County

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

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

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

It is intended to recomplete the subject well in the Blanco Mesaverde (pool 72319) and downhole commingle the existing Basin Dakota (pool 71599) with the Mesaverde. The production will be commingled per Oil Conservation Division Order Number 11363. See attached allocation methodology. Commingling will not reduce the value of the production. The Bureau of Land Management has been notified in writing of this application.

Proposed perforations are: MV - 5056' - 6090'; DK - 7864' - 7909' These perforations are in TVD.

If the expected allocation changes, then the Operator shall submit a Form C-103 to the OCD Engineering Bureau with the amended allocation and all data used to determine it.

As referenced in Order # R- 11188 interest owners were not re-notified.

No later than ninety (90) days after the fourth year, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it.

Spud Date: [ ]

Rig Release Date: [ ]

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

SIGNATURE [Signature] TITLE Operations/Regulatory Technician Sr, DATE 04/04/2022

Type or print name Amanda Walker E-mail address: mwalker@hilcorp.com PHONE: 346-237-2177

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 04/13/2022

Conditions of Approval (if any):

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
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**District IV**  
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 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**

Form C-102  
 August 1, 2011  
 Permit 296437

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |  |   |
|-------------------------------|--|---|
| 1. API Number<br>30-039-23158 | 2. Pool Code<br>72319                      | 3. Pool Name<br>BLANCO-MESAVERDE (PRORATED GAS) |
| 4. Property Code<br>318839    | 5. Property Name<br>SAN JUAN 31 6 UNIT     | 6. Well No.<br>049                              |
| 7. OGRID No.<br>372171        | 8. Operator Name<br>HILCORP ENERGY COMPANY | 9. Elevation<br>6461                            |

**10. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County     |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|------------|
| H        | 5       | 30N      | 06W   |         | 1780      | N        | 880       | E        | RIO ARRIBA |

**11. Bottom Hole Location If Different From Surface**

| UL - Lot                          | Section | Township | Range               | Lot Idn | Feet From              | N/S Line | Feet From | E/W Line      | County |
|-----------------------------------|---------|----------|---------------------|---------|------------------------|----------|-----------|---------------|--------|
| 12. Dedicated Acres<br>319.67 E/2 |         |          | 13. Joint or Infill |         | 14. Consolidation Code |          |           | 15. 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**

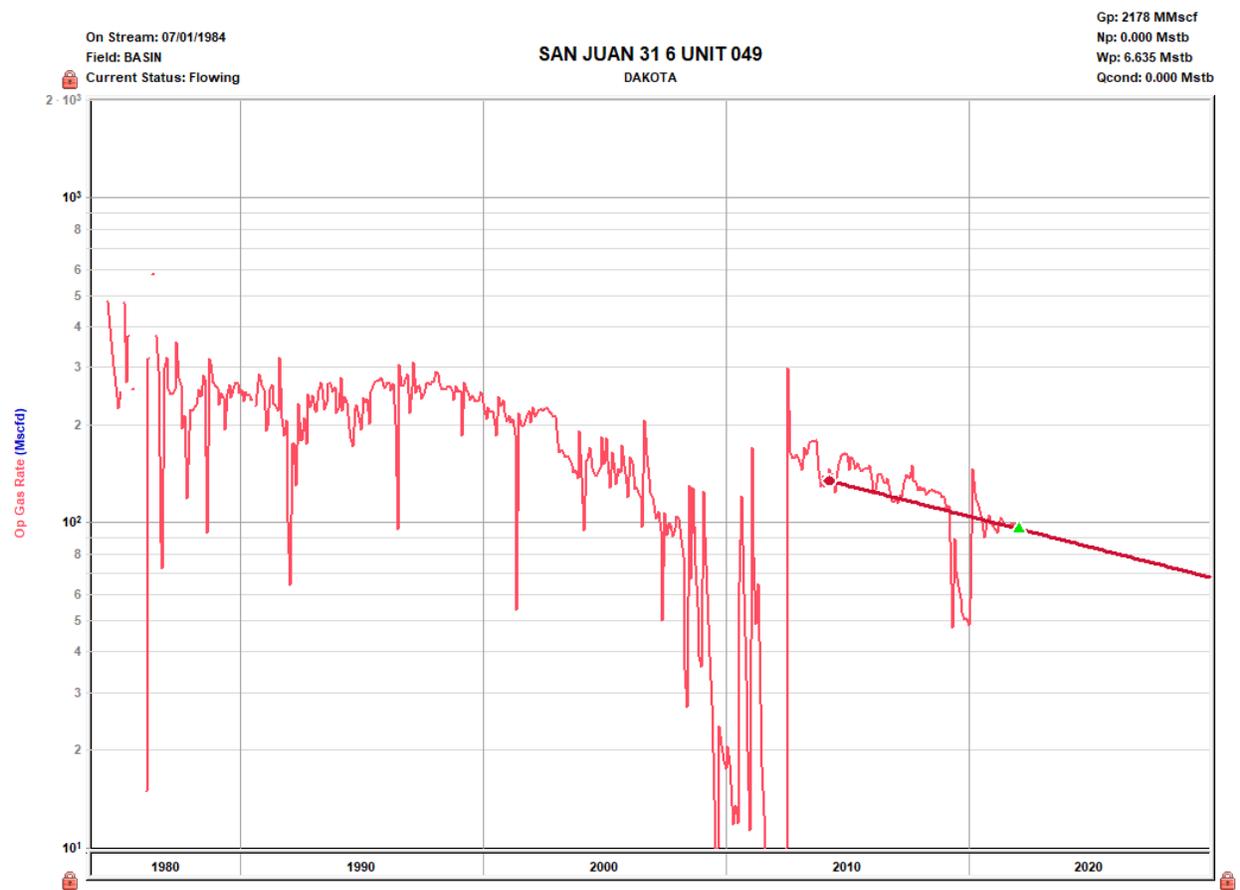
|  |   |  |
|--|---|--|
|  | <b>OPERATOR CERTIFICATION</b>   |  |
|  | <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) 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.</i> |  |
|  | E-Signed By: Kandis Roland<br>Title: Regulatory Tech<br>Date: 5/20/2021   |  |
|  | <b>SURVEYOR CERTIFICATION</b>   |  |
| <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> |   |  |
| Surveyed By: Fred B Kerr Jr.<br>Date of Survey: 10/15/1982<br>Certificate Number: 3950   |   |  |

### Production Allocation Method - Subtraction

#### Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formation to be commingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the forecast will be allocated to the new formation.

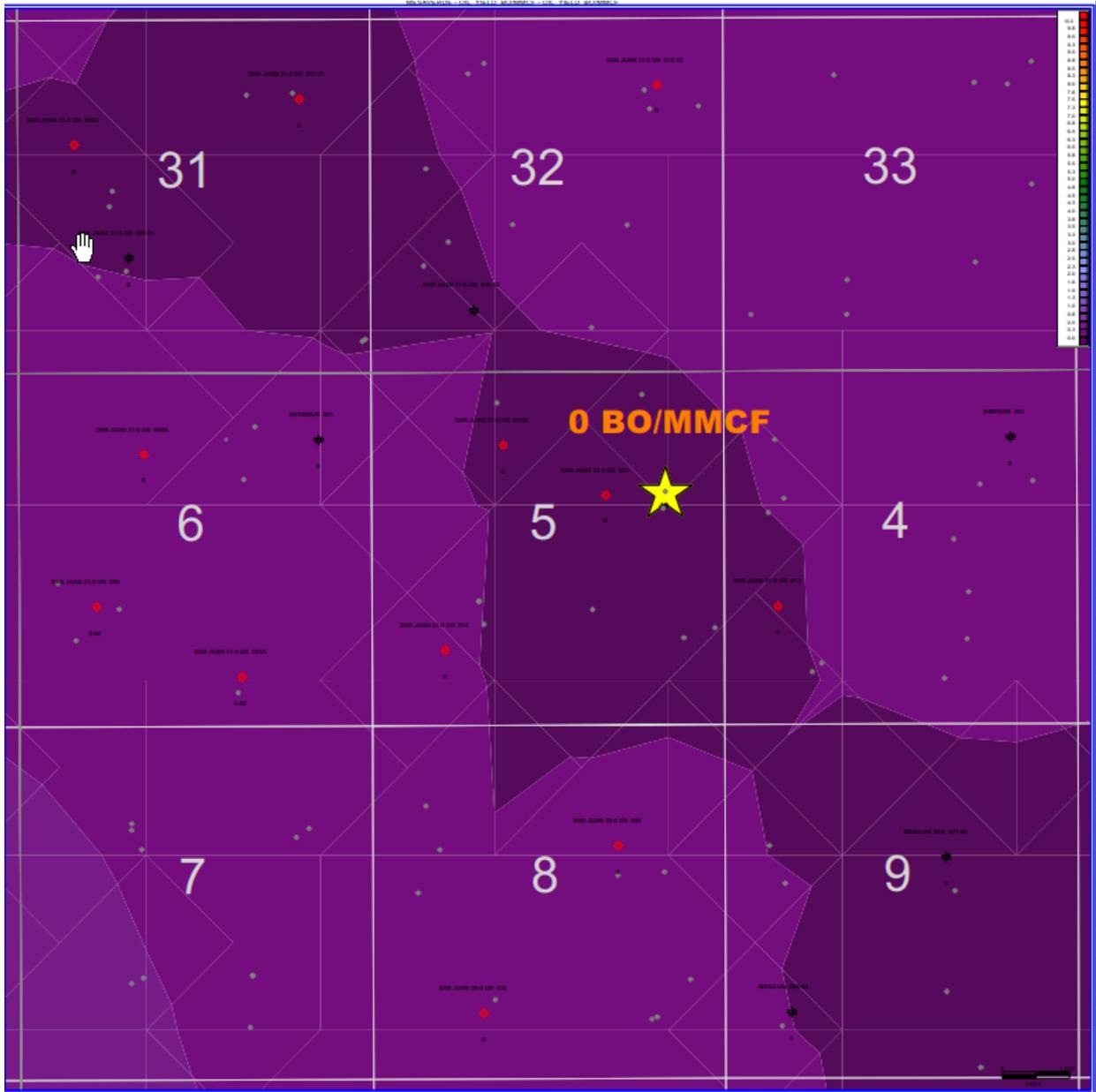
After 3 years production will stabilize. A production average will be gathered during the 4<sup>th</sup> year and will be utilized to create a fixed percentage based allocation.



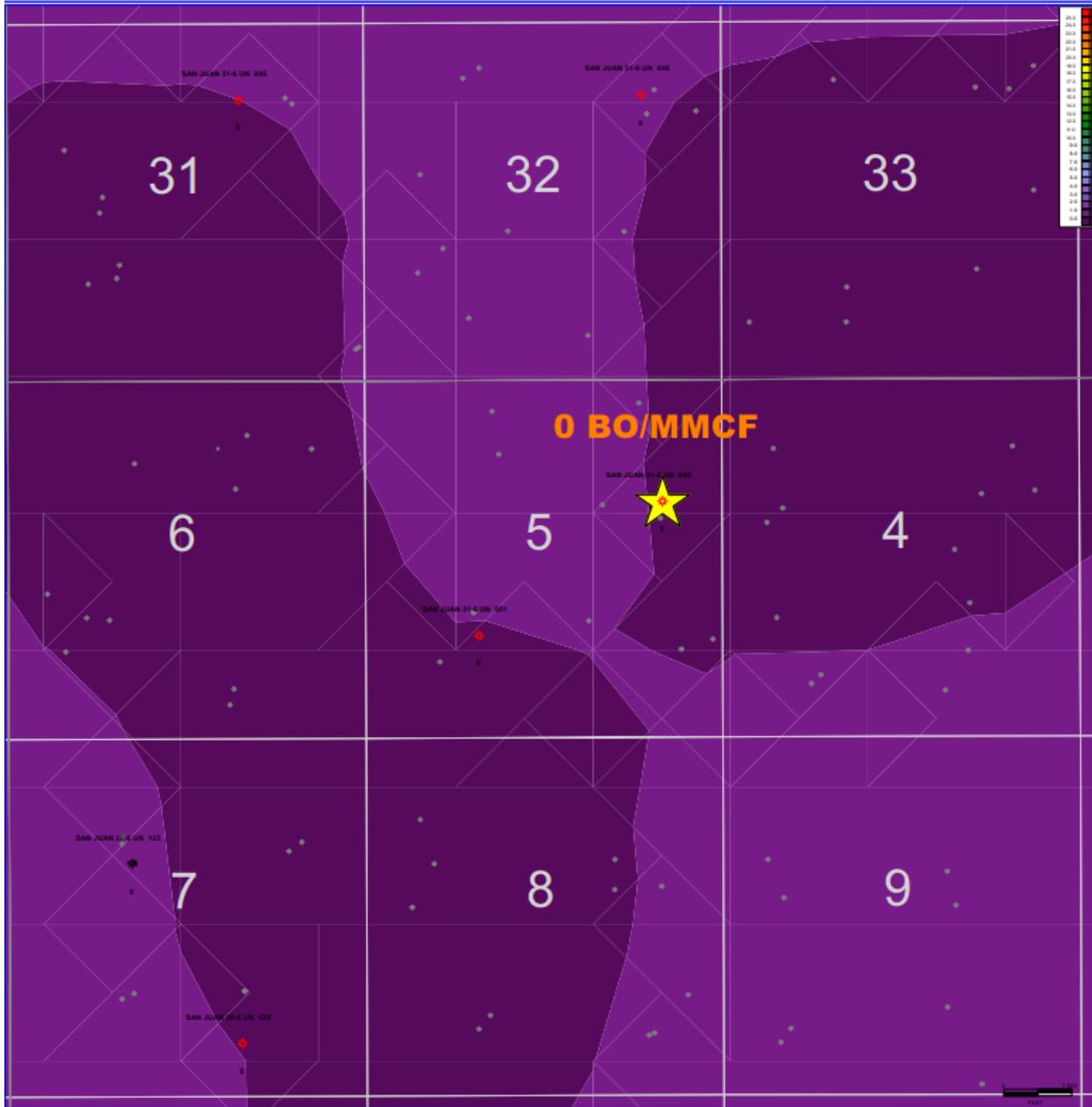
**Oil Allocation:**

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

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



9- Section Area Map of MV Standalone Oil Yields. Sampled well to this map.



9- Section Area Map of DK Standalone Oil Yields. Sampled well to this map.

Historically the Dakota formation has not produced any oil therefore all oil will be allocated to the Meaverde zone.

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CONDITIONS  
 Action 78007

**CONDITIONS**

|  |  |
|--|--|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                     |
|  | Action Number:<br>78007                              |
|  | Action Type:<br>[C-107] Down Hole Commingle (C-107A) |

**CONDITIONS**

| Created By | Condition  | Condition Date |
|------------|--|----------------|
| dmccure    | If the expected allocation changes, then the Operator shall submit a Form C-103 to the OCD Engineering Bureau with the amended allocation and all data used to determine it.                                     | 4/13/2022      |
| dmccure    | No later than ninety (90) days after the fourth year, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. | 4/13/2022      |