Revised March 23, 2017

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

FOR OCD ONLY
☐ Notice Complete
☐ Application Content Complete

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

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.

_____ Date

_____ Print or Type Name

_____ Phone Number

Kandis Roland _____ _____ e-mail Address

Signature

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
____Single Well
____Establish Pre-Approved Pools
EXISTING WELLBORE
_X_Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company — Operator
382 ROAD 3100, Aztec NM 87410 — Address

San Juan 28-5 Unit — Lease
75 — Well No.
UL G – Sec. 17, T28N, R5W — Unit Letter-Section-Township-Range
Rio Arriba — County

OGRID No. 372171 Property Code 318708 API No. 30-039-20108 Lease Type: _X_Federal ____State ____Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO MESAVERDE (PRORATED GAS)	MUNOZ CANYON GALLUP (GAS)	BASIN DAKOTA (PRORATED GAS)
Pool Code	72319	96767	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4150’ – 5822’ - Estimated	6376’-7500’	7734’- 7928’
Method of Production (Flowing or Artificial Lift)	NEW ZONE	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	347 psi	409 psi	462 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1230	BTU 1040	BTU 1040
Producing, Shut-In or New Zone	NEW ZONE	PRODUCING	PRODUCING
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates:	Date: 2/1/22 Rates: 94 MCF – GAS 0 BBL – Oil 0 BBL - Water	Date: 2/1/22 Rates: 427 MCF – GAS 0 BBL – Oil 0 BBL - Water
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Please see attachments	Oil Gas Please see attachments	Oil Gas Please see attachments

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ____ No__X__
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes_____ No___X__

Are all produced fluids from all commingled zones compatible with each other? Yes___X__No_____

Will commingling decrease the value of production? Yes____ No___X__

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes___X___ No_____

NMOCD Reference Case No. applicable to this well: R-13764

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE Kandis Roland TITLE Operation/Regulatory Tech DATE 5/9/2022

TYPE OR PRINT NAME Kandis Roland TELEPHONE NO. (713) 757-5246

E-MAIL ADDRESS kroland@hilcorp.com

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
30-039-20108	96767/71599	Munoz Canyon Gallup/Basin Dakota

⁴ Property Code	⁵ Property Name	⁶ Well Number
7460	San Juan 28-5 Unit	75

⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
14538	Burlington Resources Oil & Gas Company	6589 GR

¹⁰ Surface Location

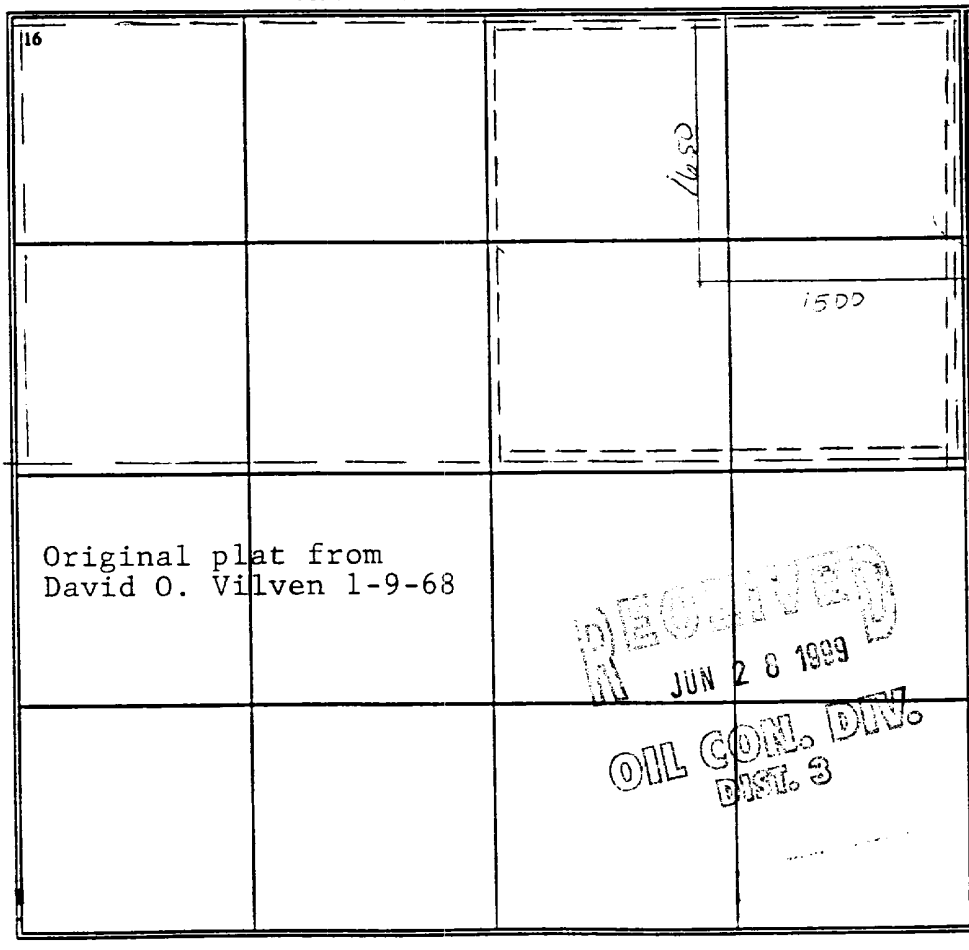
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	28N	5W		1650	North	1500	East	RA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
Gal-160 DK-N/320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

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

Signature

Peggy Bradfield
Printed Name

Regulatory Administrator
Title

6-17-99
Date

¹⁸ SURVEYOR CERTIFICATION

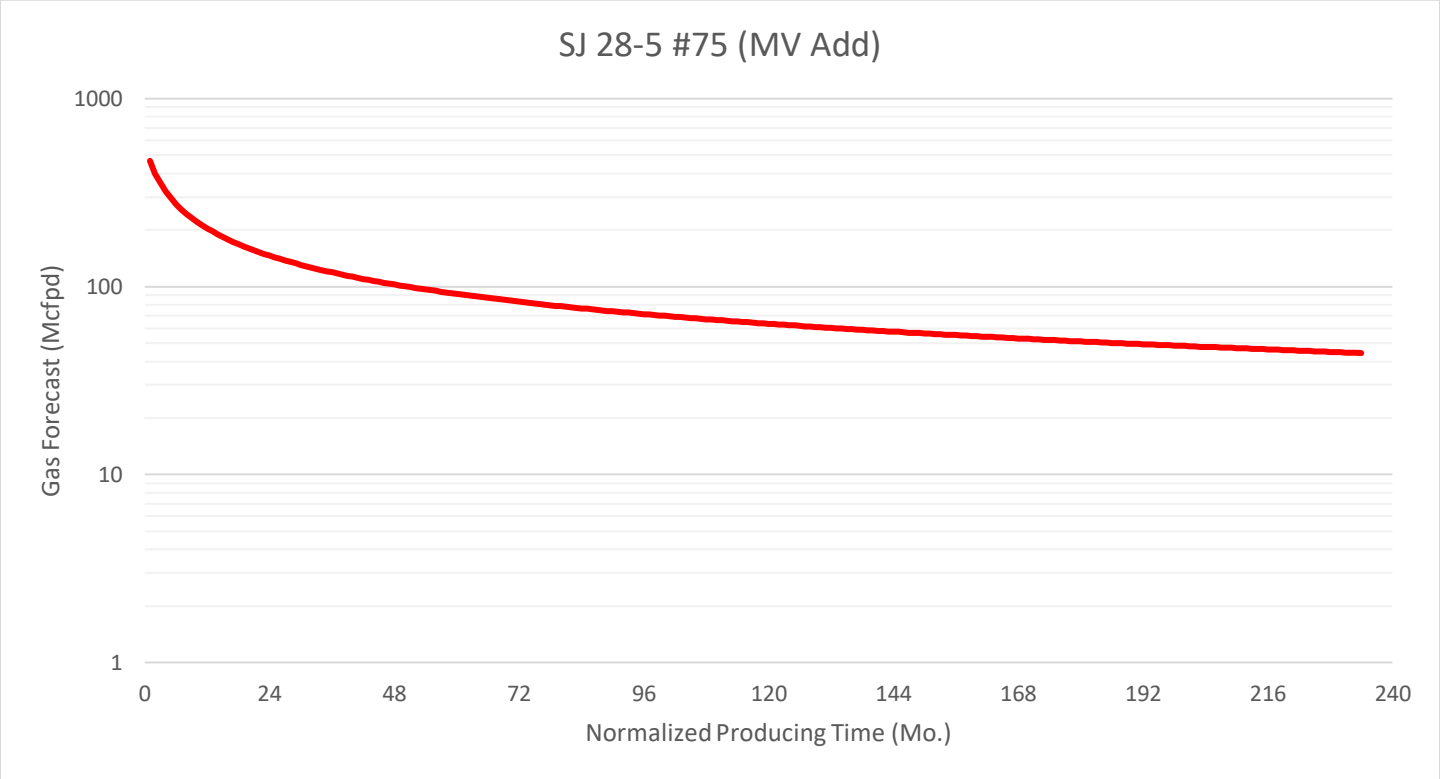
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyer:

Certificate Number

OK (2)



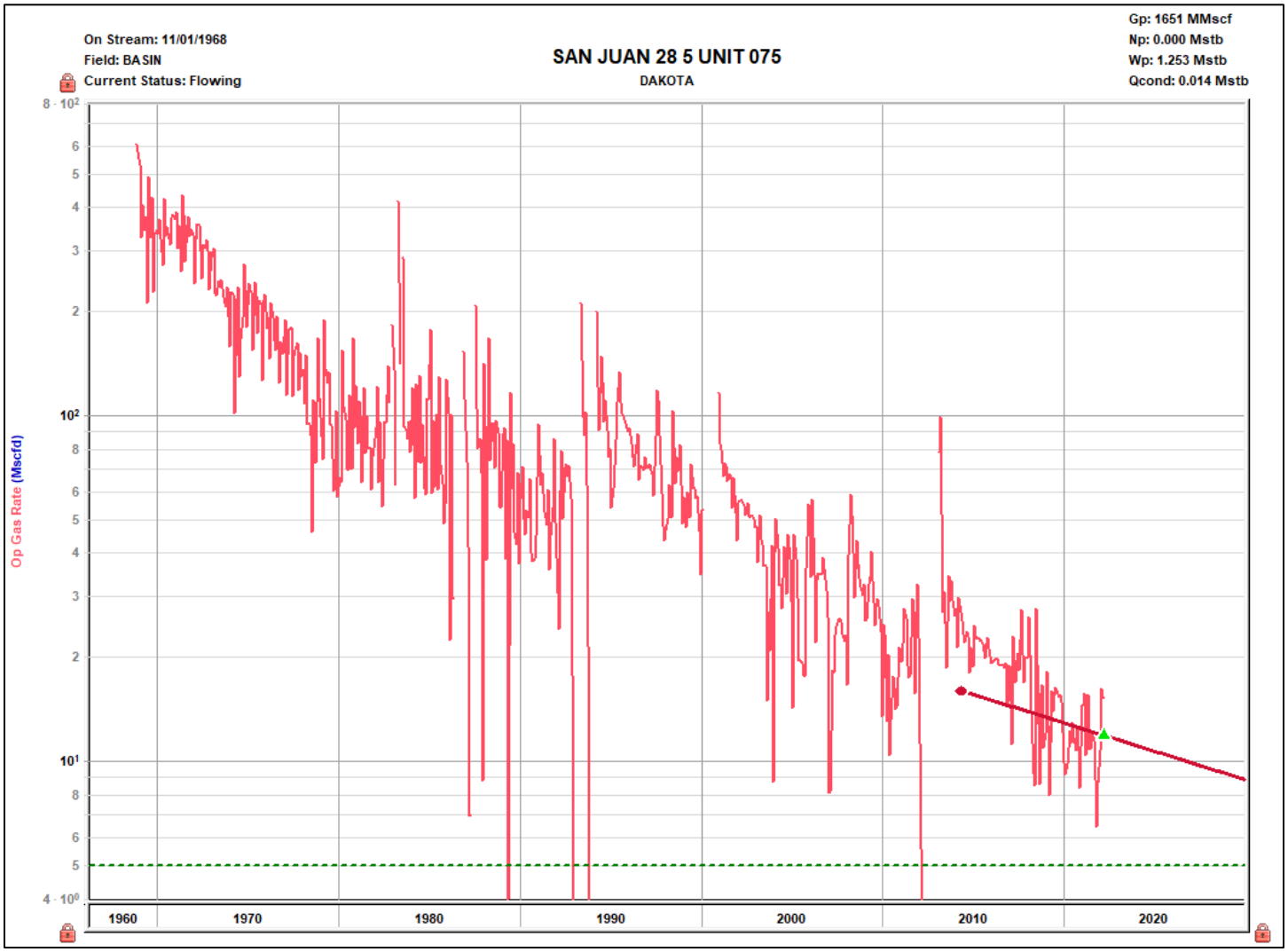
The forecast for Mesa Verde production has been generated using a type curve of MV gas production in the surrounding production trend.

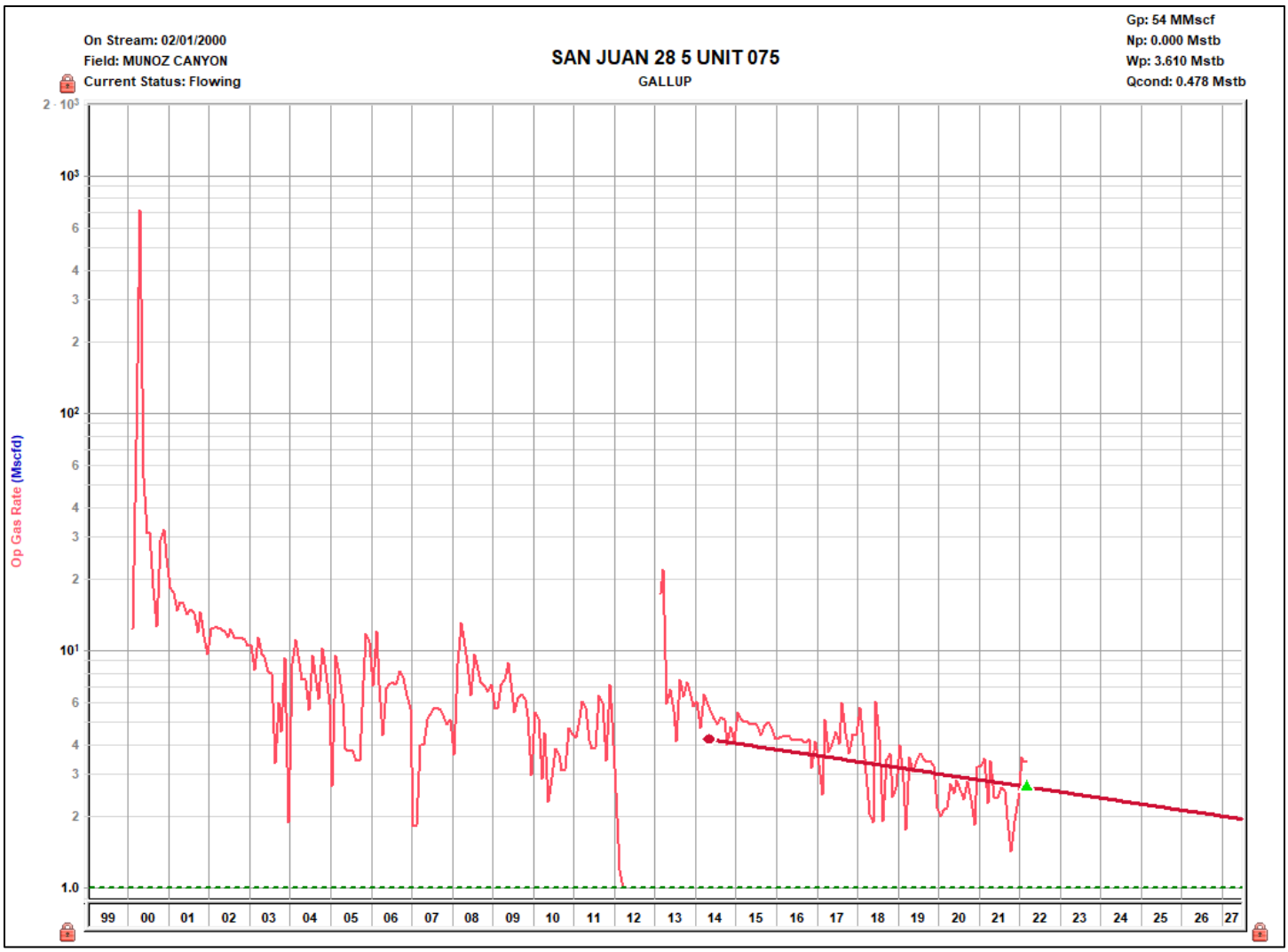
These zones are proposed to be commingled because the application of dual completions impedes the ability to produce the shallow zone without artificial lift and the deeper zones with reduced artificial lift efficiency. All horizons will require artificial lift due to low bottomhole pressure (BHP) and permeability.

The BHPs of all zones, producing and non-producing, were estimated based upon basinwide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin, in conjunction with shut-in pressure build-ups. These models were constructed incorporating reservoir dynamics and physics, historic production, and observed pressure data. Historic commingling operations have proven reservoir fluids are compatible.

San Juan 28-5 Unit 75-Production Allocation Method - Subtraction

Gas Allocation:
Production for the downhole trimmingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota/Gallup and the added formation to be trimmingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the base formations using historic production. All production from this well exceeding the forecast will be allocated to the new formation.
Dakota/Gallup will continue to be allocated using the fix allocation that was approved 2/13/2002. Please see attached approval.
After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.



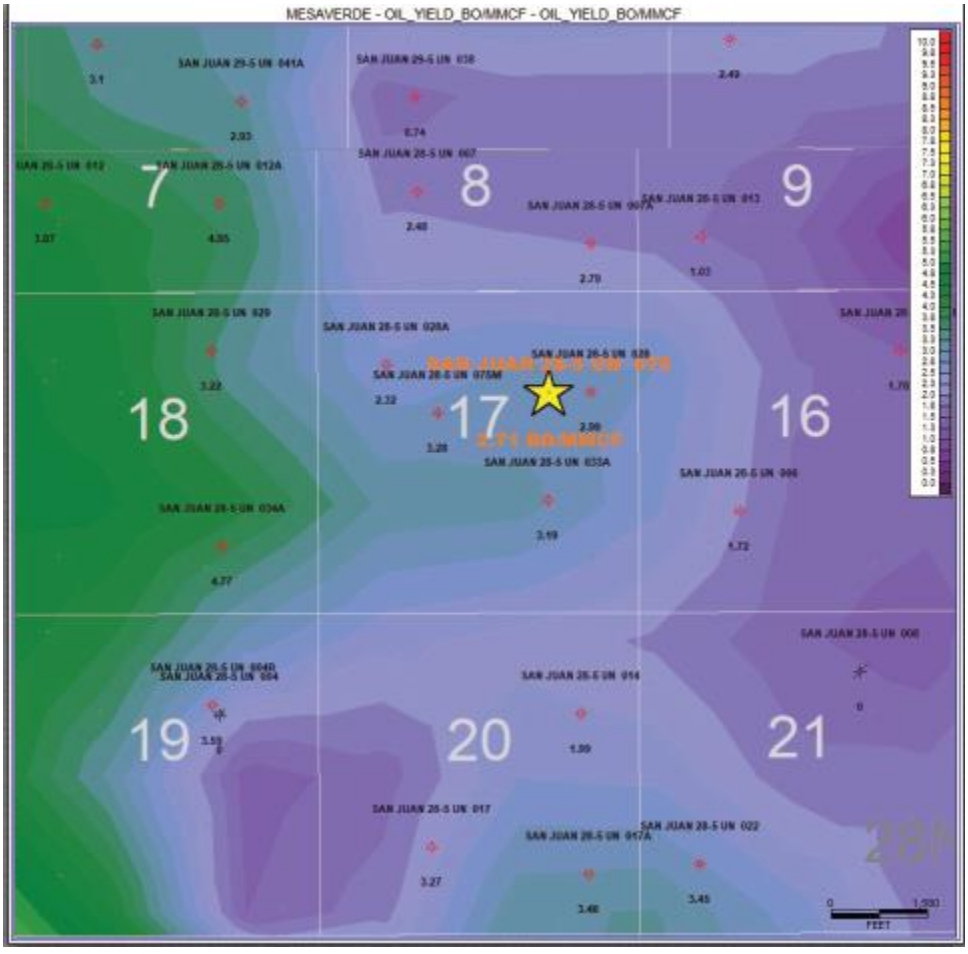

On Stream: 02/01/2000
Field: MUNOZ CANYON
Current Status: Flowing
SAN JUAN 28 5 UNIT 075
GALLUP
Gp: 54 MMscf
Np: 0.000 Mstb
Wp: 3.610 Mstb
Qcond: 0.478 Mstb
Op Gas Rate (Mscfd)
2 · 10³
10³
6
4
3
2
10²
6
4
3
2
10¹
6
4
3
2
1.0
99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27

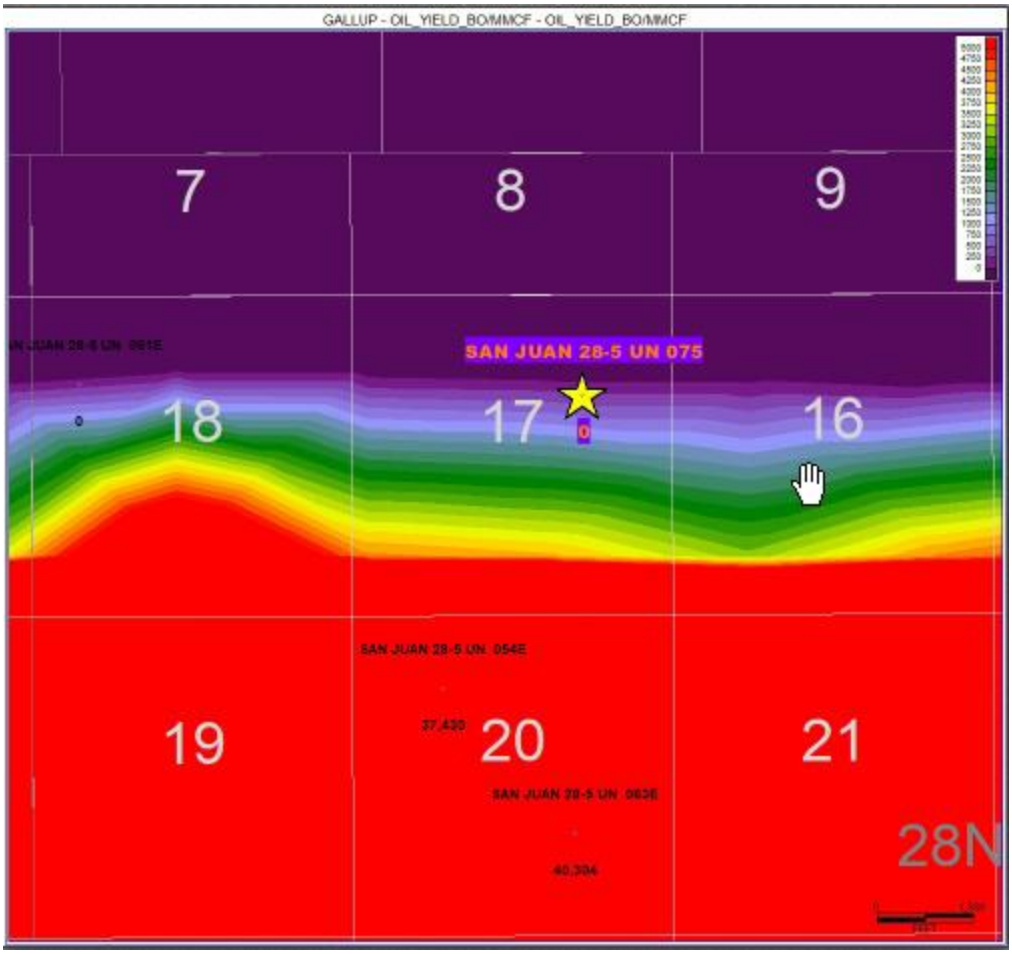
Oil Allocation:
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.

Historically Dakota formation has never produced oil. Oil will be split between the Gallup and Mesaverde.

Lack of GP standalone wells. Estimated oil yields based on prior allocations and sequence of completions.

Formation	Yield	
Gallup	8.851	bbl/mmscf
Mesa Verde	2.710	bbl/mmscf




GALLUP - OIL_YIELD_BO/MMCF - OIL_YIELD_BO/MMCF
7
8
9
SAN JUAN 28-5 UN 075
18
17
16
SAN JUAN 28-5 UN 054E
19
20
21
28N

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
SF-079250
3162.7 (07100)

Feb 13, 2002

FEB 2002

Peggy Cole
Burlington Resource
3401 East 30 th
P.O. Box 4289
Farmington, New Mexico 87401

RE: Accept Commingle Applications and Allocation Method

Dear Ms. Cole

We have received your allocation factors and your Application for Downhole Commingling of the well listed below. We hereby accept your allocation factors using rate-time reserve estimate comparisons for each respective formation. DHC-2795 was issued for this well.

San Juan 28-6 Unit # 75
G Section 17, T-28-N, R-5-W: 1650 FNL - 1500' FEL
30-03920108
Rio Arriba Co, New Mmexico

Gas:	Dakota	82%
	Gallup	18%
Oil:	Dakota	0%
	Gallup	100%

Commingled production from each zone must be reported in accordance with the allocation factors identified above. The effective date will be the date downhole commingling actually occurs.

If you have any questions, please contact Matt Halbert at 505-599-6350

DHC2823

Sincerely.

Jim Lovato
Team Leader, Petroleum Management Team

cc: NMOCD, Santa Fe, NM
NMOCD, Aztec, NM

bcc:SF-079250
DOMR
07100: Mhalbert 1/28/02 Grenier # 15

Hilcorp

May 16, 2022

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

Re: C-107-A (Downhole Commingle)
San Juan 28-5 Unit 075
API No. 30-039-20108
Section 17, T28N-R05W
Rio Arriba County, NM

Concerning Hilcorp Energy Company's C-107-A application to downhole commingle production in the subject well, this letter serves to confirm the following:

Interest is not common between the formations listed below:

- *Munoz Canyon Gallup (Pool Code: 96767)*
- *Blanco Mesaverde (Pool Code: 72319)*
- *Basin Dakota (Pool Code: 71599)*

Order No. R-13764 waives the notice requirement and thus no notices will be sent.

The subject well is located within the bounds of a Federal Unit. Therefore, pursuant to Subsection C.(1) of 19.15.12.11 NMAC, a copy of the C-107-A has been sent to the Bureau of Land Management as of the date of this letter.

If you have any questions or concerns, please contact the undersigned using the information provided below.

Sincerely,

Chuck Creekmore

Charles E (Chuck) Creekmore
Division Landman
Hilcorp Energy Company
1111 Travis Street, Houston TX 77002
PO Box 61229, Houston TX 77208-1229
Main: 713/209-2400; Direct: 832/839-4601
ccreekmore@hilcorp.com

CEC:tam

Well Name: SAN JUAN 28-5 UNIT

Well Location: T28N / R5W / SEC 17 / SWNE / 36.66382 / -107.37801

County or Parish/State: RIO ARRIBA / NM

Well Number: 75

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF079250

Unit or CA Name: SAN JUAN 28-5 UNIT--DK

Unit or CA Number: NMNM78411B

US Well Number: 3003920108

Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2660553

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 03/07/2022

Time Sundry Submitted: 02:13

Date proposed operation will begin: 03/21/2022

Procedure Description: Hilcorp Energy Company requests permission to recomplete the subject well in the Mesaverde and downhole commingle with the existing Gallup & Dakota. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. A pre-reclamation site visit was held on 3/2/21 with Roger Herrera/BLM. The reclamation plan is attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

San_Juan_28_5_Unit_75_NOI_Procedure_20220307141105.pdf

SJ_28_5_Unit_75_MV_Plat_20220307141105.pdf

NGMP_SJ_28_5_Unit_75_20220307141105.pdf

San_Juan_28_5_75_Reclamation_Plan_20220307141104.pdf

Well Name: SAN JUAN 28-5 UNIT

Well Location: T28N / R5W / SEC 17 / SWNE / 36.66382 / -107.37801

County or Parish/State: RIO ARRIBA / NM

Well Number: 75

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF079250

Unit or CA Name: SAN JUAN 28-5 UNIT--DK

Unit or CA Number: NMNM78411B

US Well Number: 3003920108

Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: KANDIS ROLAND

Signed on: MAR 07, 2022 02:12 PM

Name: HILCORP ENERGY COMPANY

Title: Operation Regulatory Tech

Street Address: 382 Road 3100

City: Farmington **State:** NM

Phone: (505) 599-3400

Email address: kroland@hilcorp.com

Field Representative

Representative Name:

Street Address:

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

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 03/07/2022

Signature: Kenneth Rennick

San Juan 28-5 Unit 75

G-17-28N-05W 1650 FNL 1500 FEL

API#: 3003920108

Mesa Verde Recompletion Procedure

2/15/2022

Procedure:

1. MIRU service rig and associated equipment.
2. Test BOP's.
3. TOOH w/ 2-3/8" tubing currently set with EOT at 7,911'.
4. Set a CIBP to isolate the Gallup & Dakota @ +/- 6,326'.
5. Load the hole.
6. Pressure test casing to maximum fracture pressure.
   Note: CBL ran on 2/9/2000 shows TOC > 150' above top perf of Mesa Verde.
   Therefore, proceed to next step.
7. ND BOP's. NU frac stack and test same to maximum fracture pressure.
8. RDMO service rig.
9. MIRU frac spread.
10. Perforate and frac the Mesa Verde from 5,191' to 5,822'. RDMO frac spread.
11. MIRU service rig.
12. Test BOP's.
13. PU mill and RIH to clean out to Gallup isolation plug.
14. When water and sand rates are acceptable, flow test the Mesa Verde.
15. Drill out Gallup isolation plug and TOOH.
16. TIH and land production tubing. Obtain a commingled Gallup & Dakota flow rate.
17. ND BOP's, NU production tree.
18. RDMO service rig & turn well over to production.

Hilcorp Energy Company

Schematic - Current

Well Name: SAN JUAN 28-5 UNIT #75

API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3003920108	017-028N-005W-G	BASIN DAKOTA (PRORATED G #0008		NEW MEXICO	

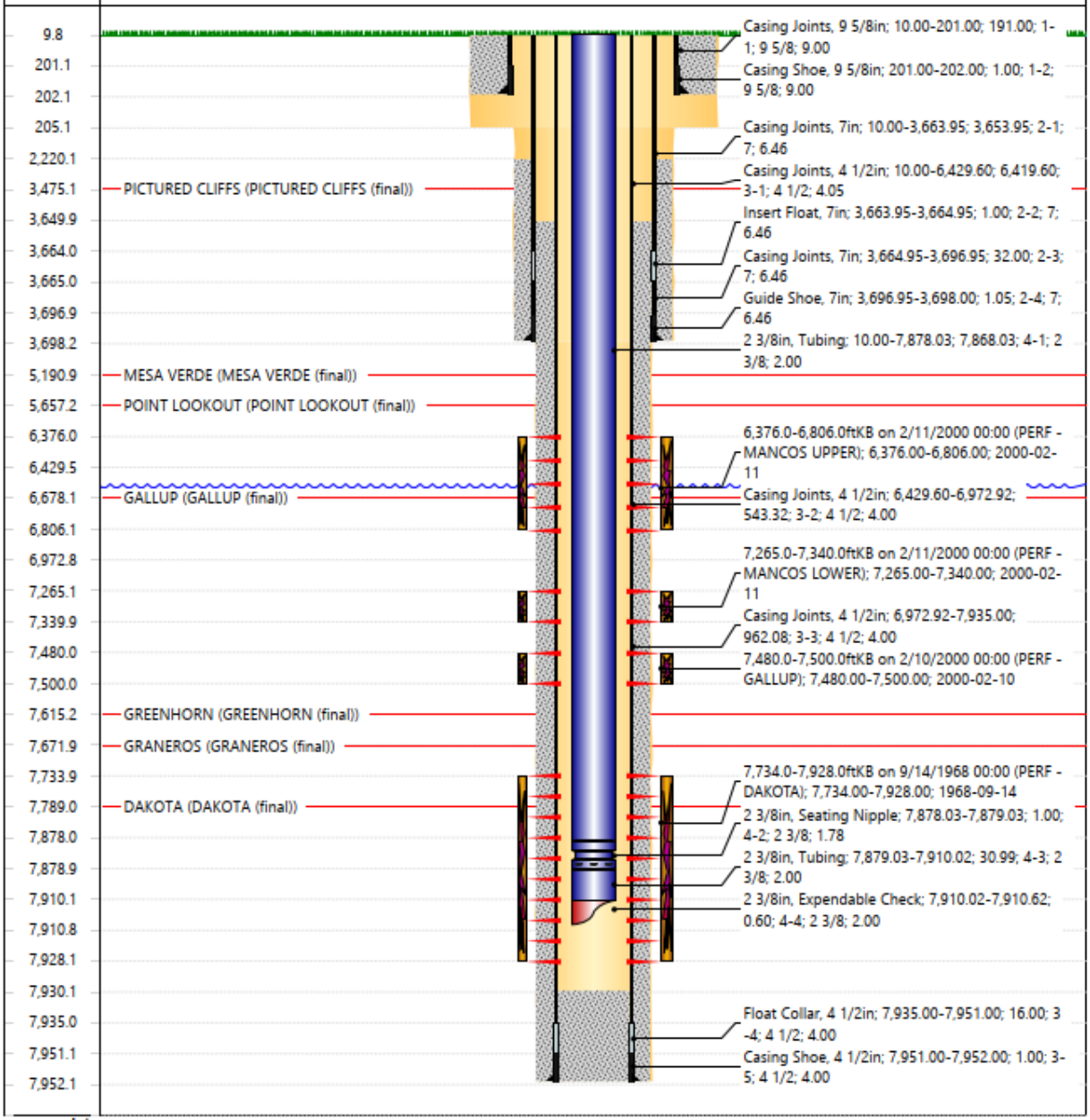
Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	Original Spud Date	Rig Release Date	PBTD (All) (ftKB)	Total Depth All (TVD) (ftKB)
6,599.00	10.00	6/23/1968 00:00	5/22/1998 15:00	Original Hole - 7,930.0	

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
FACILITIES			10/8/2006	

TD: 7,952.0

Original Hole



Hilcorp Energy Company

Proposed: Post-Frac

Well Name: SAN JUAN 28-5 UNIT #75

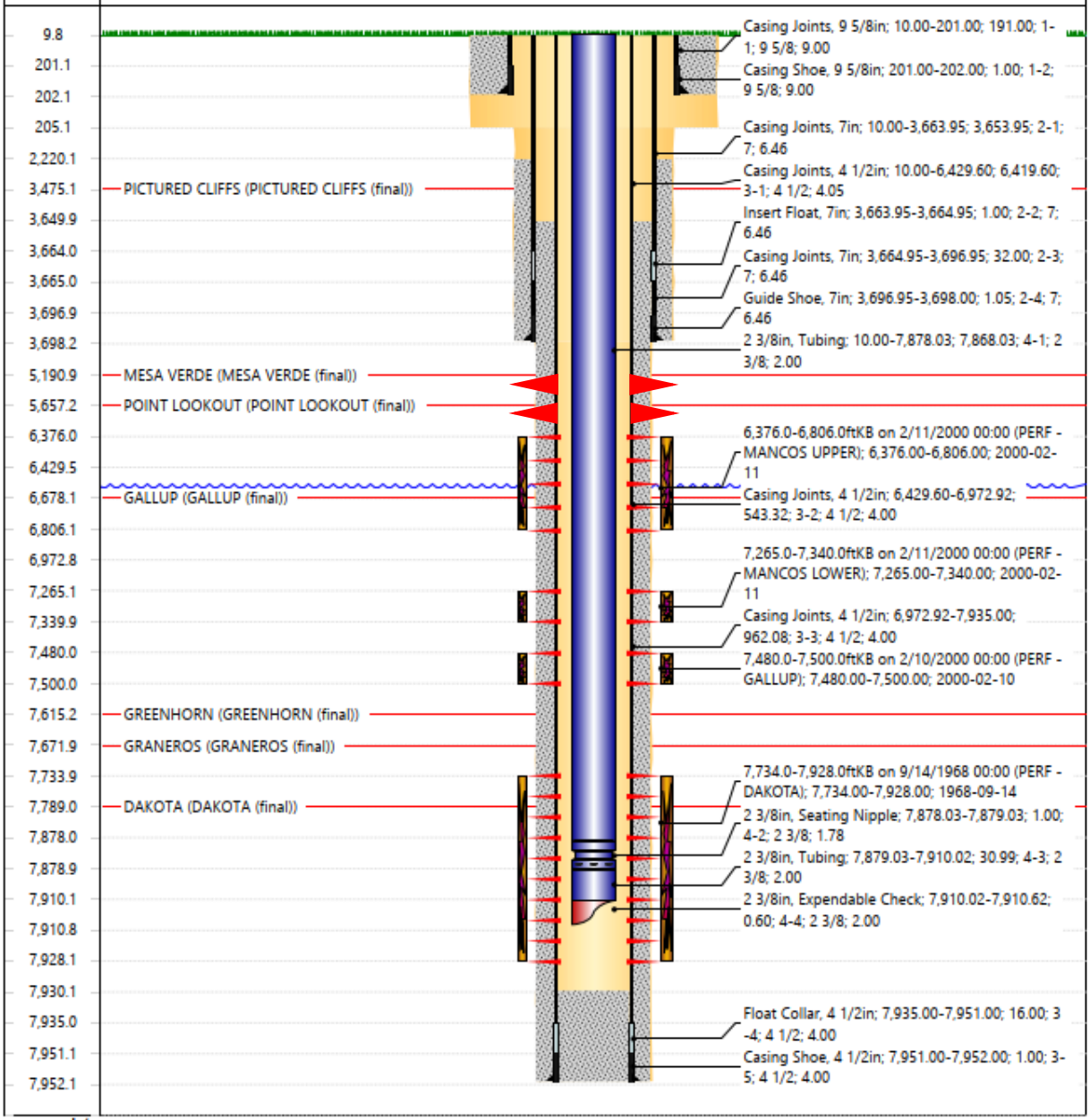
API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3003920108	017-028N-005W-G	BASIN DAKOTA (PRORATED G #0068		NEW MEXICO	

Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	Original Spud Date	Rig Release Date	PBTD (All) (ftKB)	Total Depth All (TVD) (ftKB)
6,599.00	10.00	6/23/1968 00:00	5/22/1998 15:00	Original Hole - 7,930.0	

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
FACILITIES			10/8/2006	

TD: 7,952.0 — Original Hole



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

Form C-102
August 1, 2011

Permit 309055

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-039-20108	72319	BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code	**5. Property Name**	**6. Well No.**
318708	SAN JUAN 28 5 UNIT	075
7. OGRID No.	**8. Operator Name**	**9. Elevation**
372171	HILCORP ENERGY COMPANY	6589

10. Surface Location

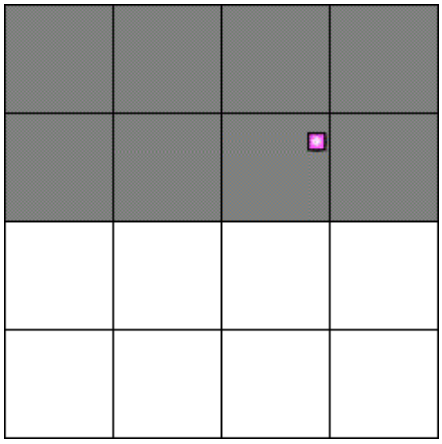
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	17	28N	05W		1650	N	1500	E	RIO ARRIBA

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	13. Joint or Infill	14. Consolidation Code	15. Order No.
320.00 N/2			

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



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(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.

E-Signed By: Kandis Roland
Title: Regulatory Tech
Date: 2/21/2022

SURVEYOR CERTIFICATION

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

Surveyed By: David Kilven
Date of Survey: 1/9/1968
Certificate Number: 1760

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: Hilcorp Energy Company **OGRID:** 372171 **Date:** 3/3/2022

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
San Juan 28-5 Unit 75	3003920108	G-17-28N-5W	1650' FNL & 1500' FEL	0.2	600	5

IV. Central Delivery Point Name: Chaco-Blanco Processing Plant [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
San Juan 28-5 Unit 75	**3003920108**	**N/A**	**N/A**	**N/A**	**N/A**	**Not Yet Scheduled**

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. ***If Operator checks this box, Operator will select one of the following:***

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Kandis Roland
Printed Name: Kandis Roland
Title: Operations/Regulatory Tech Sr.
E-mail Address: kroland@hilcorp.com
Date: 3/3/2022
Phone:713-757-5246

OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. Separation Equipment:

Hilcorp Energy Company (HEC or Operator) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our recomplete project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomplete to optimize gas capture and send gas to sales or flare based on analytical composition. HEC operates facilities that are typically one-well facilities. Production separation equipment is upgraded prior to well being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the recomplete operations.

VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas
   - HEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
2. Subsection (B) Venting and Flaring during drilling operations
   - This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompletion
   - Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
   - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
4. Subsection (D) Venting and flaring during production operations
   - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
   - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
   - HEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 1-4.
5. Subsection (E) Performance standards
   - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
   - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
   - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
6. Subsection (F) Measurement or estimation of vented and flared natural gas
   - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
   - When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

1. Operator has adequate storage and takeaway capacity for wells it chooses to recomplete as the flowlines at the sites are already in place and tied into a gathering system.
2. Operator will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
3. Operator combusts natural gas that would otherwise be vented or flared, when technically feasible.
4. Operator will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.

Hilcorp Energy
Recomplete Reclamation Plan
SAN JUAN 28-5 UNIT 75
API: 30-039-20108
T28N-R5W-Sec.17-G
LAT: 36.66382 LONG: - 107.37801 (NAD 27)
Footage: 1650' FNL & 1500' FEL
Rio Arriba County, NM

1. **PRE- RECLAMATION SITE INSPECTION**

A pre-reclamation site inspection was completed with Roger Herrera from the BLM and Travis Munkres Hilcorp Energy SJ East Construction Foreman on March 2, 2022.

2. **LOCATION RECLAMATION PROCEDURE**

1. Reclamation work will begin when all the recompletion activities are completed.
2. All trash and debris will be removed within a 25’ buffer outside of the location disturbance during reclamation.
3. Cut in a teardrop ditch.
4. Clean the existing diversion ditch on the north side of the location.
5. Move excess gravel to the roadway and spread.
6. Reseed all disturbed area being used for recompletion activities.

3. **SEEDING PROCEDURE**

1. A BLM Special seed mix will be used for all reclaimed and disturbed areas of the well pad and lease road.
2. Drill seed will be done where applicable and all other disturbed areas will be broadcast seeded and harrowed. Broadcast seeding will be applied at a double the rate of seed.
3. Timing of the seeding will be when the ground is not frozen or saturated.

4. **WEED MANAGEMENT**

1. No action is required at this time for weed management, no noxious weeds were identified during this onsite.

District I
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District III
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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

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	372171
	Action Number: 89050
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	DHC required	3/15/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	3/15/2022

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

Sundry Print Report

05/02/2022

Well Name: SAN JUAN 28-5 UNIT

Well Location: T28N / R5W / SEC 17 / SWNE / 36.66382 / -107.37801

County or Parish/State: RIO ARRIBA / NM

Well Number: 75

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF079250

Unit or CA Name: SAN JUAN 28-5 UNIT--DK

Unit or CA Number: NMNM78411B

US Well Number: 3003920108

Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2669290

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 05/02/2022

Time Sundry Submitted: 07:10

Date proposed operation will begin: 05/16/2022

Procedure Description: Hilcorp requests to amend the Mesaverde perforations from 5191' - 5822' to 4150' - 5822' for the recomplete NOI that was previously approved 3/15/2022. Requested perforations are still within the Mesaverde zone.

Surface Disturbance

Is any additional surface disturbance proposed?: No

Well Name: SAN JUAN 28-5 UNIT

Well Location: T28N / R5W / SEC 17 / SWNE / 36.66382 / -107.37801

County or Parish/State: RIO ARRIBA / NM

Well Number: 75

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF079250

Unit or CA Name: SAN JUAN 28-5 UNIT--DK

Unit or CA Number: NMNM78411B

US Well Number: 3003920108

Well Status: Producing Gas Well

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: KANDIS ROLAND

Signed on: MAY 02, 2022 07:10 AM

Name: HILCORP ENERGY COMPANY

Title: Operation Regulatory Tech

Street Address: 382 Road 3100

City: Farmington **State:** NM

Phone: (505) 599-3400

Email address: kroland@hilcorp.com

Field

Representative Name:

Street Address:

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

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 05/02/2022

Signature: Kenneth Rennick

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

CONDITIONS

Action 103290

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	372171
	Action Number: 103290
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Adhere to previous NMOCD Conditions of Approval	5/5/2022

From: Engineer, OCD, EMNRD
To: Kandis Roland; Mandi Walker
Cc: McClure, Dean, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis, Kyle O
Subject: Approved Administrative Order DHC-5201
Date: Thursday, June 16, 2022 3:36:05 PM
Attachments: DHC5201 Order.pdf

NMOCD has issued Administrative Order DHC-5201 which authorizes Hilcorp Energy Company (372171) to downhole commingle production within the following well:

Well Name: San Juan 28 5 Unit #75
Well API: 30-039-20108

The administrative order is attached to this email and can also be found online at OCD Imaging.

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 contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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

APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY HILCORP ENERGY COMPANY **ORDER NO. DHC-5201**

ORDER

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

FINDINGS OF FACT

1. Hilcorp Energy Company ("Applicant") submitted a complete application ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure.
4. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
5. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
6. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
7. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
8. An exception to the notification requirements within 19.15.12.11(C)(1)(b) NMAC was granted by the Division within Order R-13764.
9. 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

10. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.

11. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.

12. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

13. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.

14. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.

15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.

2. This Order supersedes Order DHC-2823.

3. Applicant shall allocate a fixed percentage of the oil production from the Well to each of the Pools until a different plan to allocate oil production is approved by OCD. Of the oil production from the Well:
    a. ninety-six percent (96%) shall be allocated to the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319);
    b. four percent (4%) shall be allocated to the MUNOZ CANYON;GALLUP (G) pool (pool ID: 96767); and
    c. zero percent (0%) shall be allocated to the BASIN DAKOTA (PRORATED GAS) pool (pool ID: 71599).

    Applicant shall allocate gas production to the new pool(s) equal to the total gas production from the Well minus the projected gas production from the current pool(s) until a different plan to allocate gas production is approved by OCD. The new pool(s) are:
    a. the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319).

    The current pool(s) are:
    a. the MUNOZ CANYON;GALLUP (G) pool (pool ID: 96767); and
    b. the BASIN DAKOTA (PRORATED GAS) pool (pool ID: 71599).

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

d. eighteen percent (18%) shall be allocated to the MUNOZ CANYON;GALLUP (G) pool (pool ID: 96767); and
e. eighty-two percent (82%) shall be allocated to the BASIN DAKOTA (PRORATED GAS) pool (pool ID: 71599).

Applicant shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools ("fixed percentage allocation plan"). No later than ninety (90) days after the fourth year, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. If Applicant fails to do so, this Order shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Order shall terminate on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.

4. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.

5. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.

6. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.

7. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

8. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DATE: 6/16/2022

ADRIENNE E. SANDOVAL
DIRECTOR

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

	Order:	DHC-5201		
	Operator:	Hilcorp Energy Company (372171)		
	Well Name:	San Juan 28 5 Unit #75		
	Well API:	30-039-20108		
Upper Zone	Pool Name:	BLANCO-MESAVERDE (PRORATED GAS)		
	Pool ID:	72319	Current:	New: X
	Allocation:	Mixed	Oil: 96%	Gas: subtract
	Interval:	Perforations	Top: 4,150	Bottom: 5,822
Intermediate Zone	Pool Name:	MUNOZ CANYON;GALLUP (G)		
	Pool ID:	96767	Current: X	New:
	Allocation:	Mixed	Oil: 4%	Gas: 18%
	Interval:	Perforations	Top: 6,376	Bottom: 7,500
	Bottom of Interval within 150% of Upper Zone's Top of Interval:	NO		
Lower Zone	Pool Name:	BASIN DAKOTA (PRORATED GAS)		
	Pool ID:	71599	Current: X	New:
	Allocation:	Mixed	Oil: 0%	Gas: 82%
	Interval:	Perforations	Top: 7,734	Bottom: 7,928
	Bottom of Interval within 150% of Upper Zone's Top of Interval:	NO		

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State of New Mexico
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Santa Fe, NM 87505

CONDITIONS

Action 109098

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 109098
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	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 contact me.	6/16/2022