

Submit Copy 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 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

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

WELL API NO. 30-045-30252
5. Indicate Type of Lease STATE [ ] FEE [ ]
6. State Oil & Gas Lease No. NMSF078390A
7. Lease Name or Unit Agreement Name Price
8. Well Number 5
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/Otero Chacra
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6412'

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 P\_: 755 feet from the South line and 790 feet from the East line
Section 12 Township 28N Range 8W 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)/Otero Chacra (pool 82329) and downhole commingle the two zones. The existing Basin Dakota will remain temporary abandoned and will not be commingled with the Mesaverde and Chacra. 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 - 4500' - 5440'; CH - 3980' - 4350' These perforations are in TVD.

Interest is common, no notification is necessary.

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 Kandis Roland TITLE Operations/Regulatory Technician Sr, DATE 8/12/2022

Type or print name Kandis Roland E-mail address: kroland@hilcorp.com PHONE: 713-757-5246

For State Use Only

APPROVED BY: Dean R McClure TITLE Petroleum Engineer DATE 12/27/2022

Conditions of Approval (if any):

## CONDITIONS OF APPROVAL

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 Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator 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 Permit shall terminate on the date of such action.

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 the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.

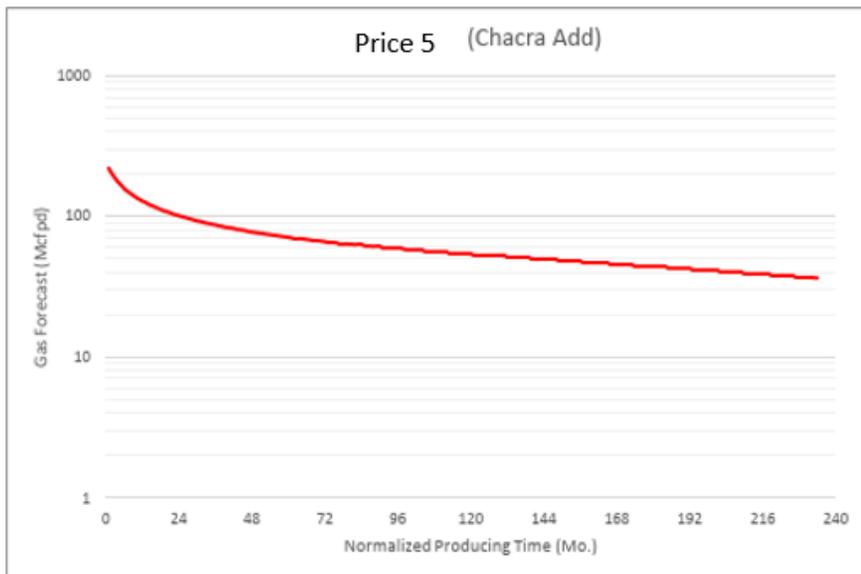
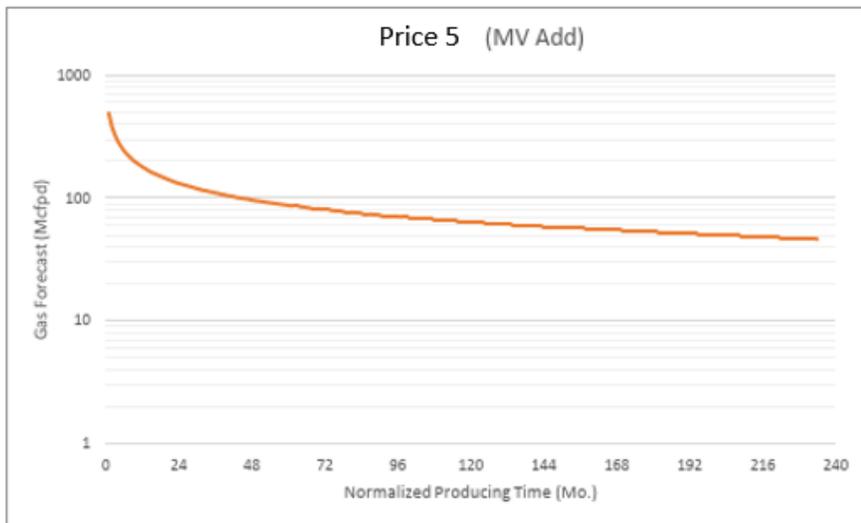
If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

Price 5 – Production Allocation

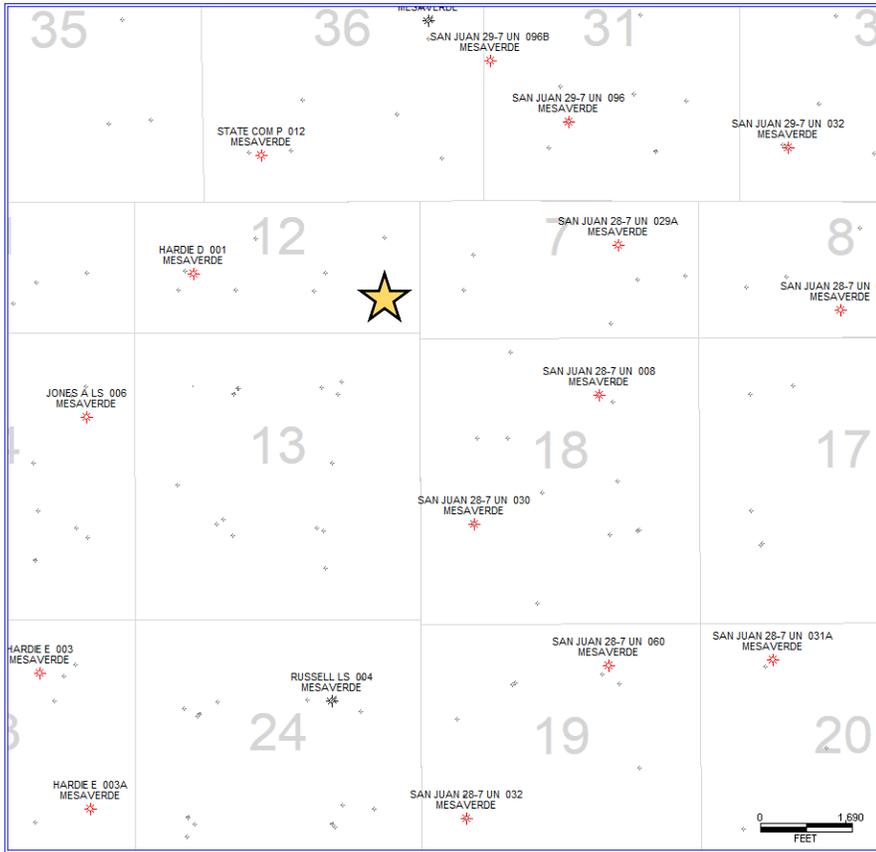
**Gas Allocation:**

Well is currently a standalone Dakota well and will be recompleted into the Mesaverde and Chacra zones. The Dakota is temporarily abandoned and will not be returned to production. Historical offsets were used to create a fixed rate allocation between Chacra & Mesaverde. A new allocation will be submitted if the Dakota is ever returned to production.

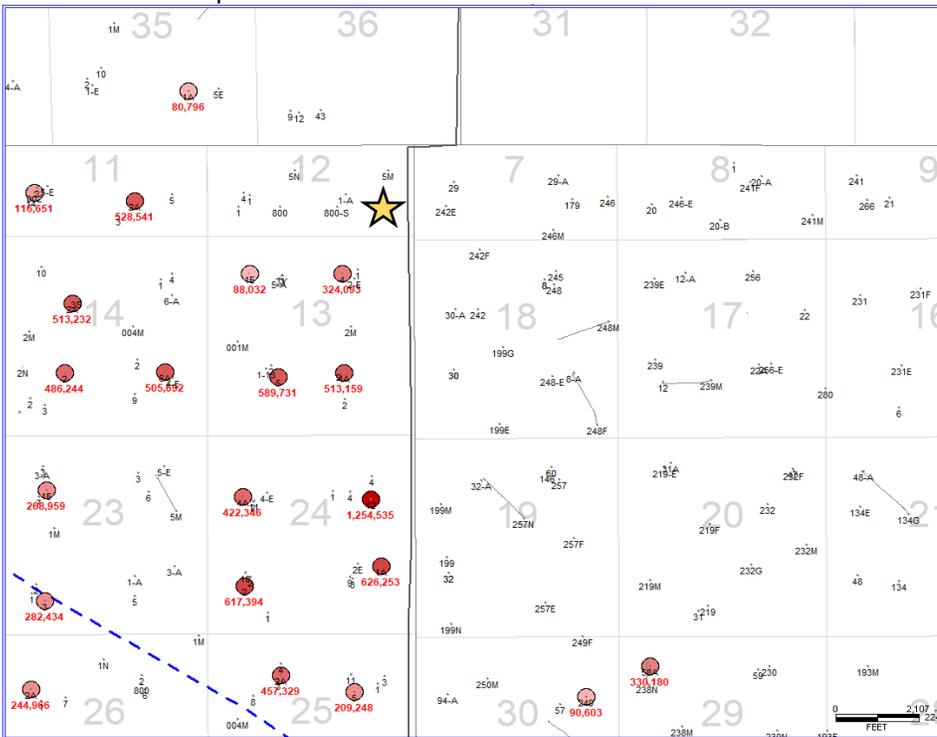
Formation	Oil Yield (bbl/MM)	Forecasted 4-year AVG Gas Rate (MCFD)	% Gas Allocation	Forecasted 4-year Oil Rate (BOPD)	% Oil Allocation
Chacra	3.4	112	41.5%	0.38	29.5%
MV	5.73	158	58.5%	0.91	70.5%



### Gas Allocation Map - Mesaverde Standalone Completions in Price 5 Area



### Gas Allocation Map - Chacra Producers in Price 5 Area

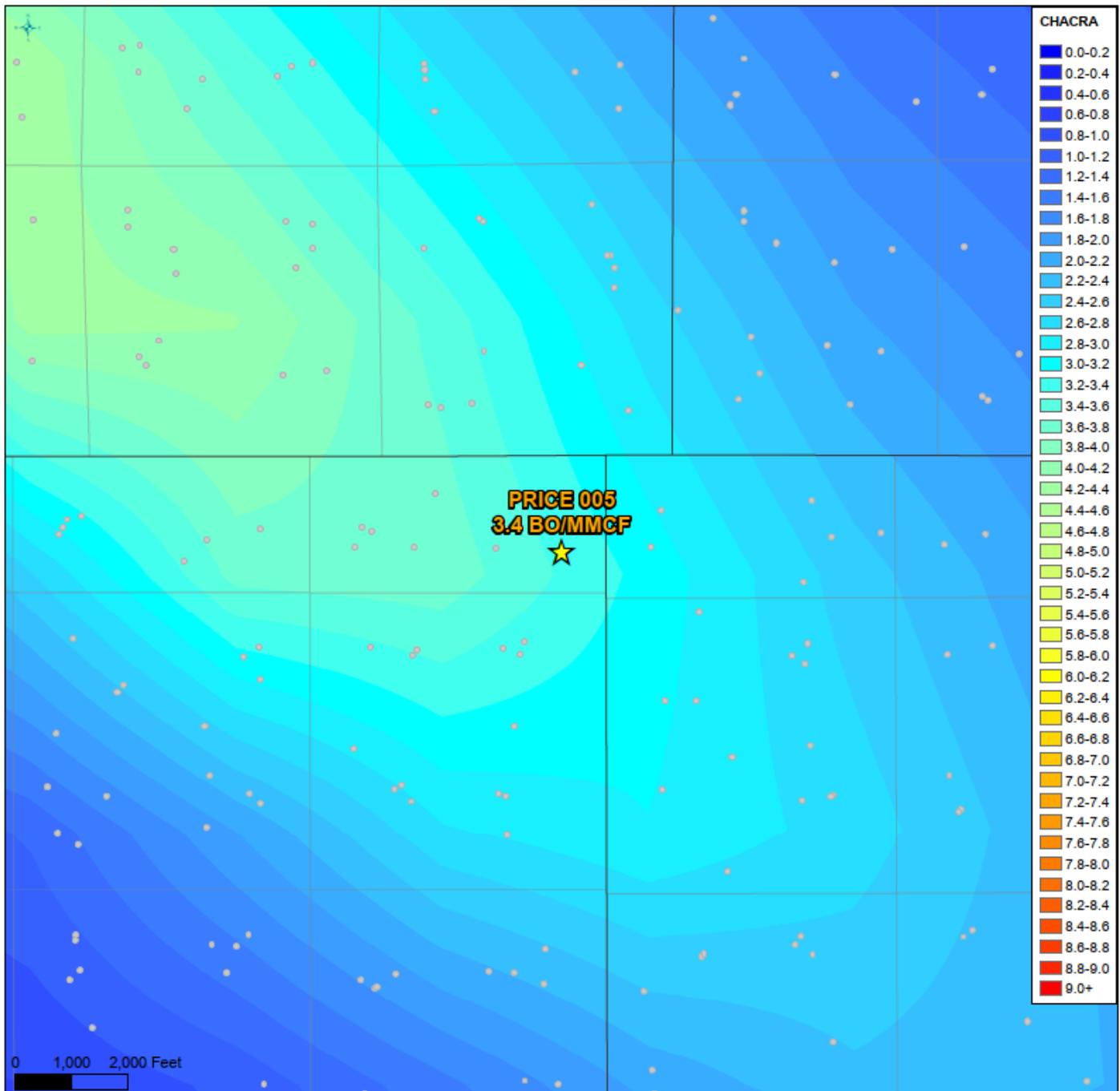


**Oil Allocation:**

Oil production will be a fixed allocation based on average formation yields from offset wells. See above table for oil split.

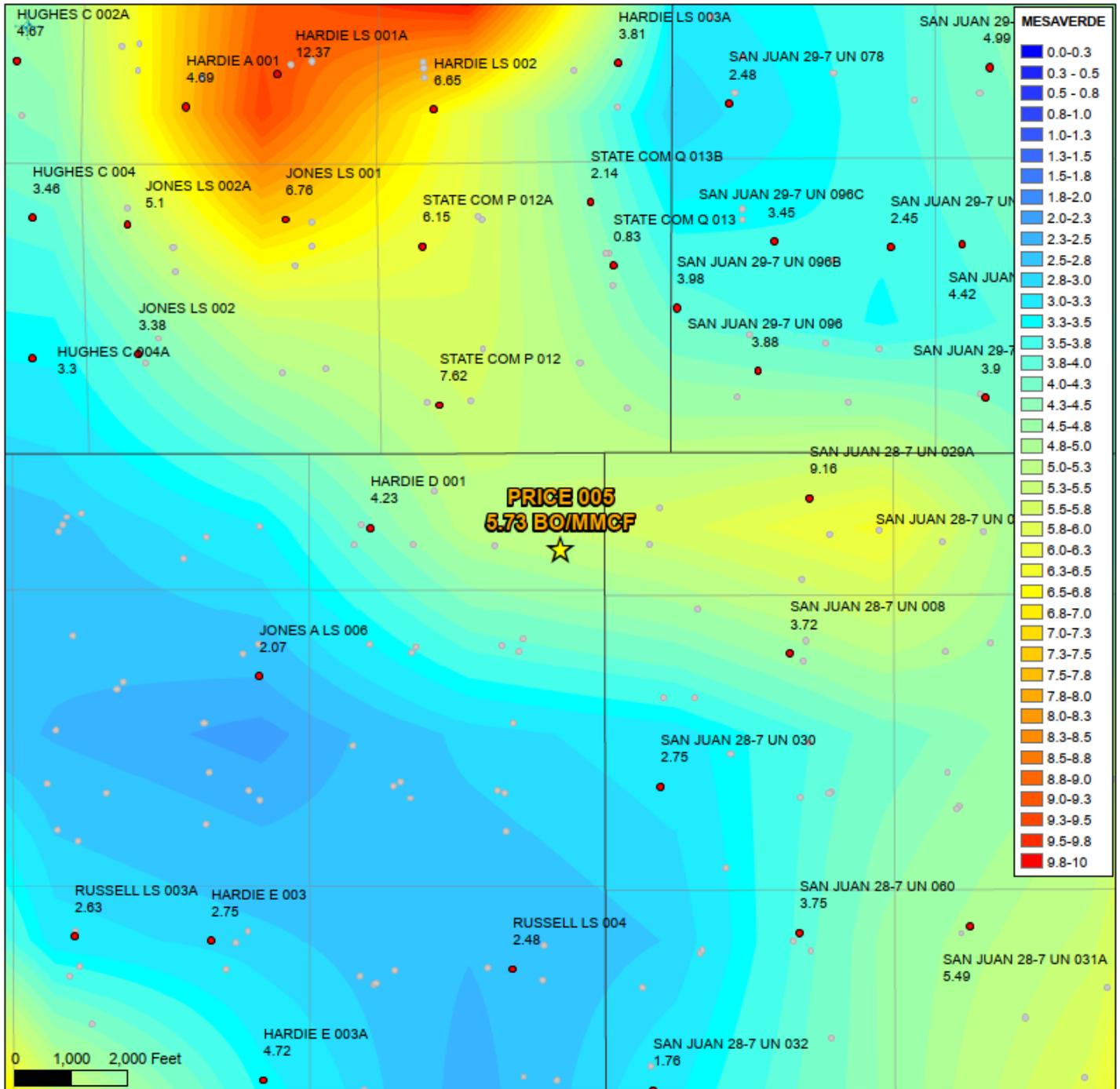
9- Section Area Map of Chacra Standalone Oil Yields

Sampled well to this map.



9- Section Area Map of MV Standalone Oil Yields

Sampled well to this map.



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**District IV**

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Phone:(505) 476-3470 Fax:(505) 476-3462

Form C-102  
August 1, 2011

Permit 322454

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-30252	2. Pool Code 82329	3. Pool Name OTERO CHACRA (GAS)
4. Property Code 318661	5. Property Name PRICE	6. Well No. 005
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6412

**10. Surface Location**

UL - Lot P	Section 12	Township 28N	Range 08W	Lot Idn	Feet From 755	N/S Line S	Feet From 790	E/W Line E	County SAN JUAN
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**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 294.72	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**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By: Kandis Roland Title: Regulatory Tech Date: 8/2/22</p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Neale Edwards Date of Survey: 3/10/2000 Certificate Number: 6857</p>

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Energy, Minerals and Natural  
Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-30252	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318661	5. Property Name PRICE	6. Well No. 005
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6412

**10. Surface Location**

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**Santa Fe, NM 87505**

CONDITIONS

Action 133633

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 133633
	Action Type: [C-107] Down Hole Commingle (C-107A)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclosure	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 Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator 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 Permit shall terminate on the date of such action.	12/27/2022
dmcclosure	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 the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.	12/27/2022
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