

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

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

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

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

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 Road 3100, Aztec, NM 87410
Operator Address

Sunray H Com 6 A, 11, 30N, 10W, Lot 1 San Juan
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 319340 API No. 30-045-29242 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Mesaverde	Wildcat Gallup	Dakota
Pool Code	72319	96360	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3814' – 4700'	6310' – 7034'	7582' – 7763'
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)	627 psi	1262 psi	1480 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1232 BTU	1236 BTU	1056 BTU
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: N/A	Date: 10/1/2022 Rates: Oil: 0 BBL Gas: 335 mcf Water: 0 BBL	Date: 10/1/2022 Rates: Oil: 0 BBL Gas: 747 mcf Water: 0 BBL
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 % %	Oil Gas % %	Oil Gas % %

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 X No _____

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 _____

NMOC Reference Case No. applicable to this well: _____

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  TITLE Operations/Regulatory Technician DATE 02/06/2023

TYPE OR PRINT NAME Amanda Walker TELEPHONE NO. (346) 237-2177

E-MAIL ADDRESS mwalker@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 30-045-		2 Pool Code 71599/96360		3 Pool Name Basin Dakota/Wildcat; (30N10W11) Gallup	
4 Property Code 7571		5 Property Name Sunray H Com			6 Well Number 6
7 OGRID No. 14538		8 Operator Name Meridian Oil Inc.			9 Elevation 6538'

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
A	11	30N	10W		820	North	1060	East	S.J.

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 E/314.74-160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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 4 3 2 820' 1060' NM-0607	5305.08'		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Peggy Bradford</i> Signature Peggy Bradford Printed Name Regulatory Affairs Title 4-17-95 Date	
	5	6		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 knowledge and belief. Date of Survey: 9-29-94 Signature and Seal of Registered Surveyor:  6857 Certificate Number
	12	11		
13	14	15	16	
5163.84		5231.16		

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

District I
1025 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-29242	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 319340	5. Property Name SUNRAY H COM	6. Well No. 006
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6538

10. Surface Location

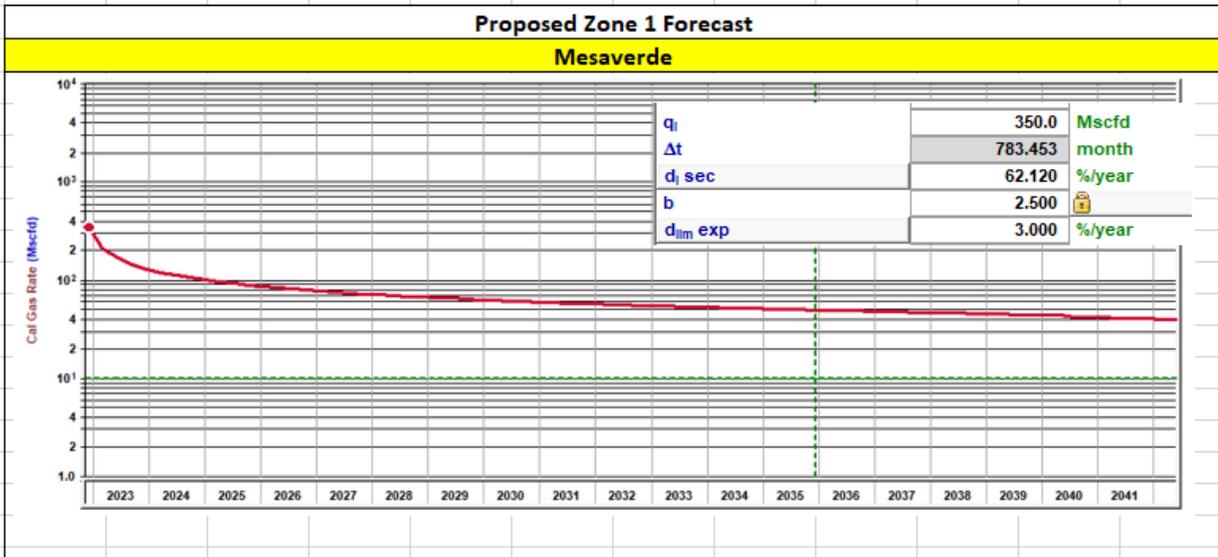
UL - Lot A	Section 11	Township 30N	Range 10W	Lot Idn 1	Feet From 820	N/S Line N	Feet From 1060	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 313.10	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

	OPERATOR CERTIFICATION
	<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: <i>M. Walker</i> Title: Operations Regulatory Tech Sr Date: 6/14/2022</p>
	SURVEYOR CERTIFICATION
	<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: 9/29/1994 Certificate Number: 6857</p>



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. These models were constructed incorporating reservoir dynamics and physics, historic production, and observed pressure data. Historic commingling operations have proven reservoir fluids are compatible.

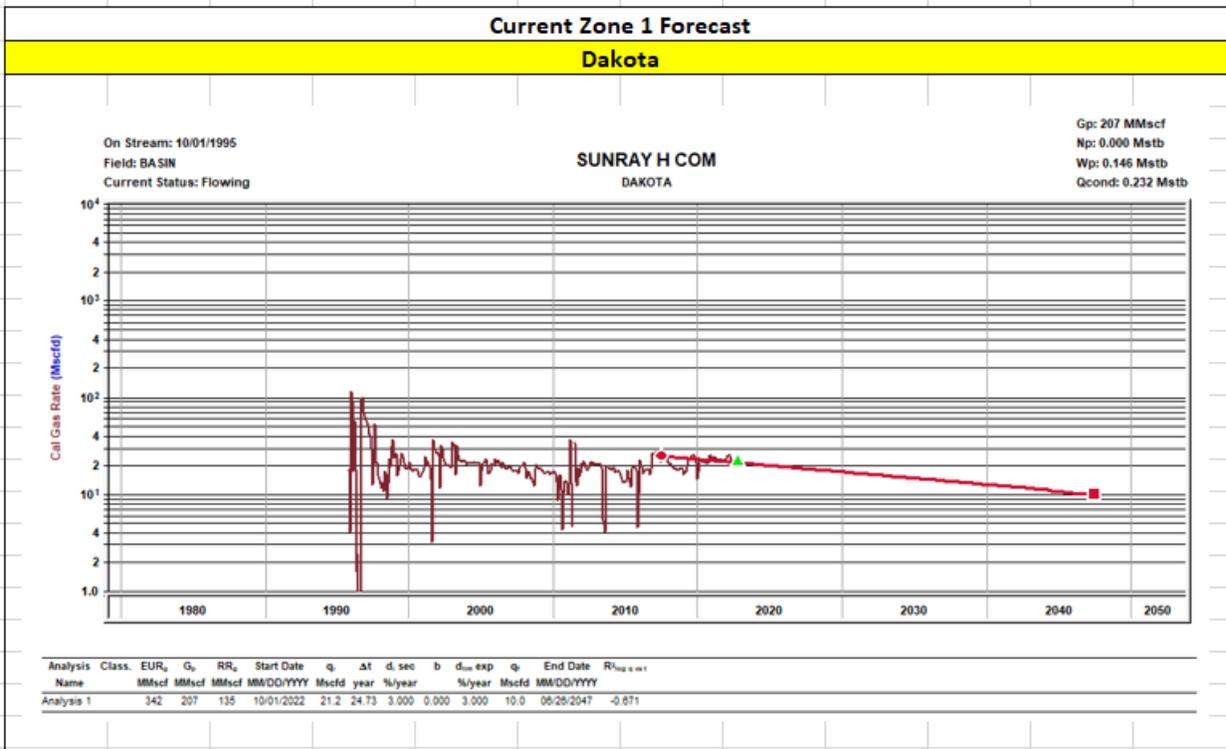
Production Allocation Method - Subtraction

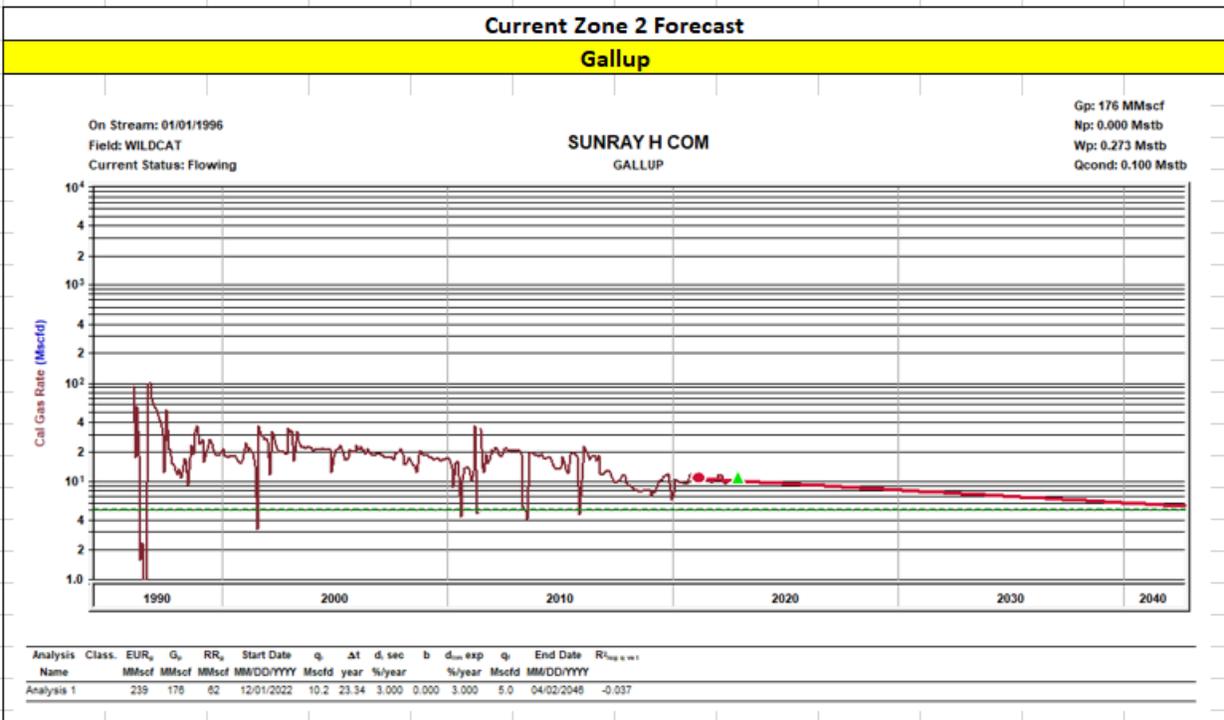
Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formations are the Dakota/Gallup 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 4th year and will be utilized to create a fixed percentage based allocation.

Hilcorp intends to continue to allocate the projected base production on the same fixed percentages to the following pools 69% (Dakota) 31% (Gallup) while the subtraction method is being used to determine the allocation to the new zone.





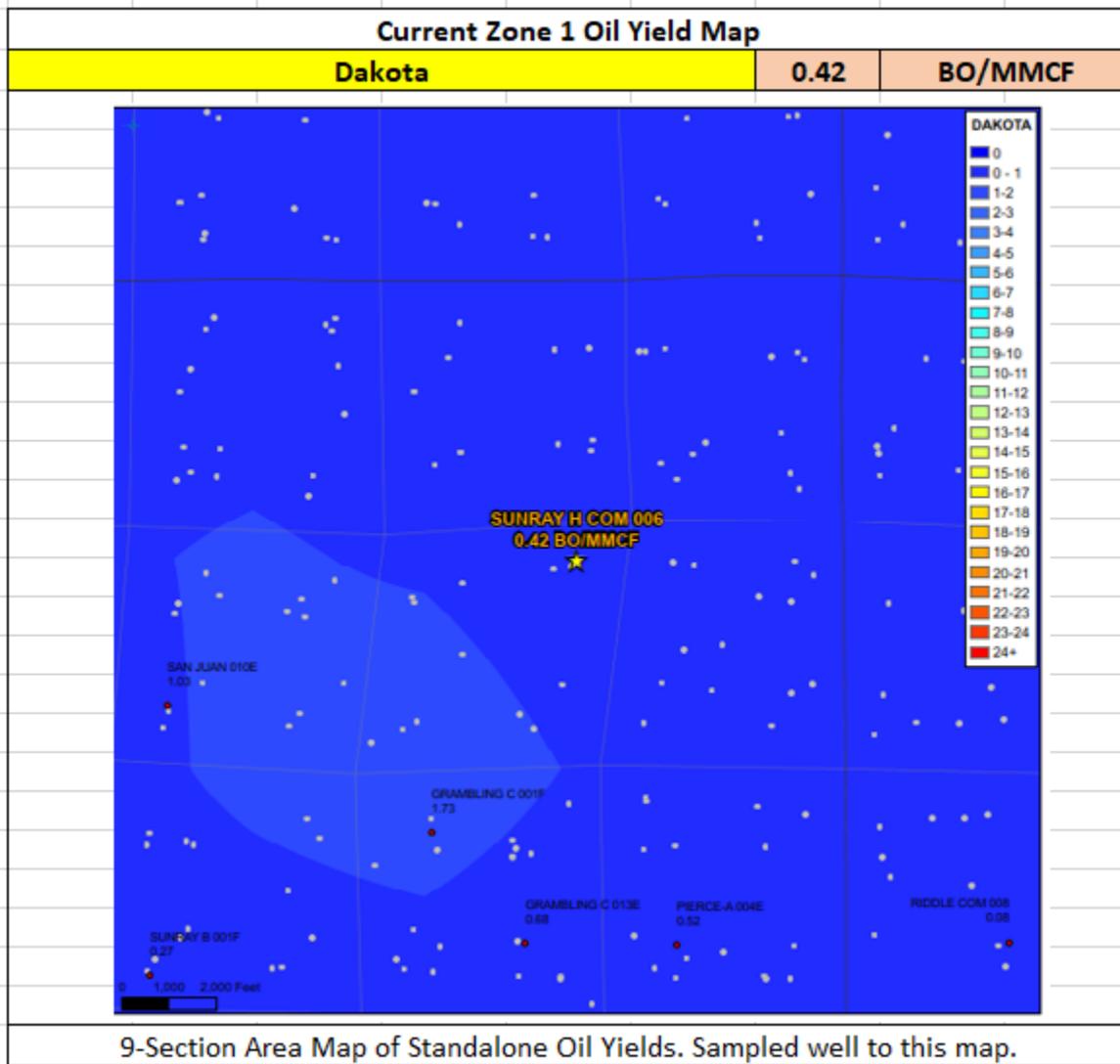
Oil Allocation:

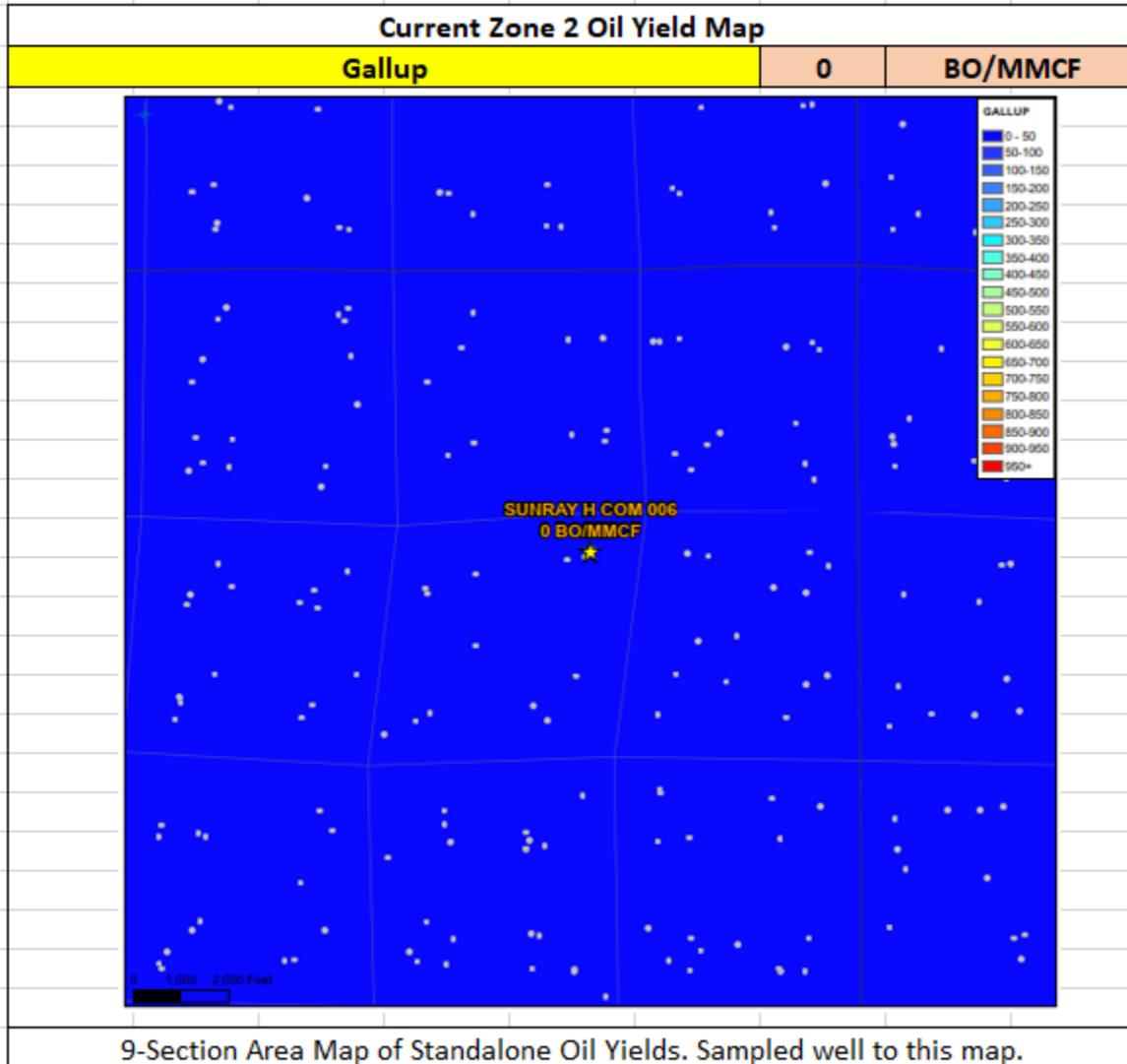
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

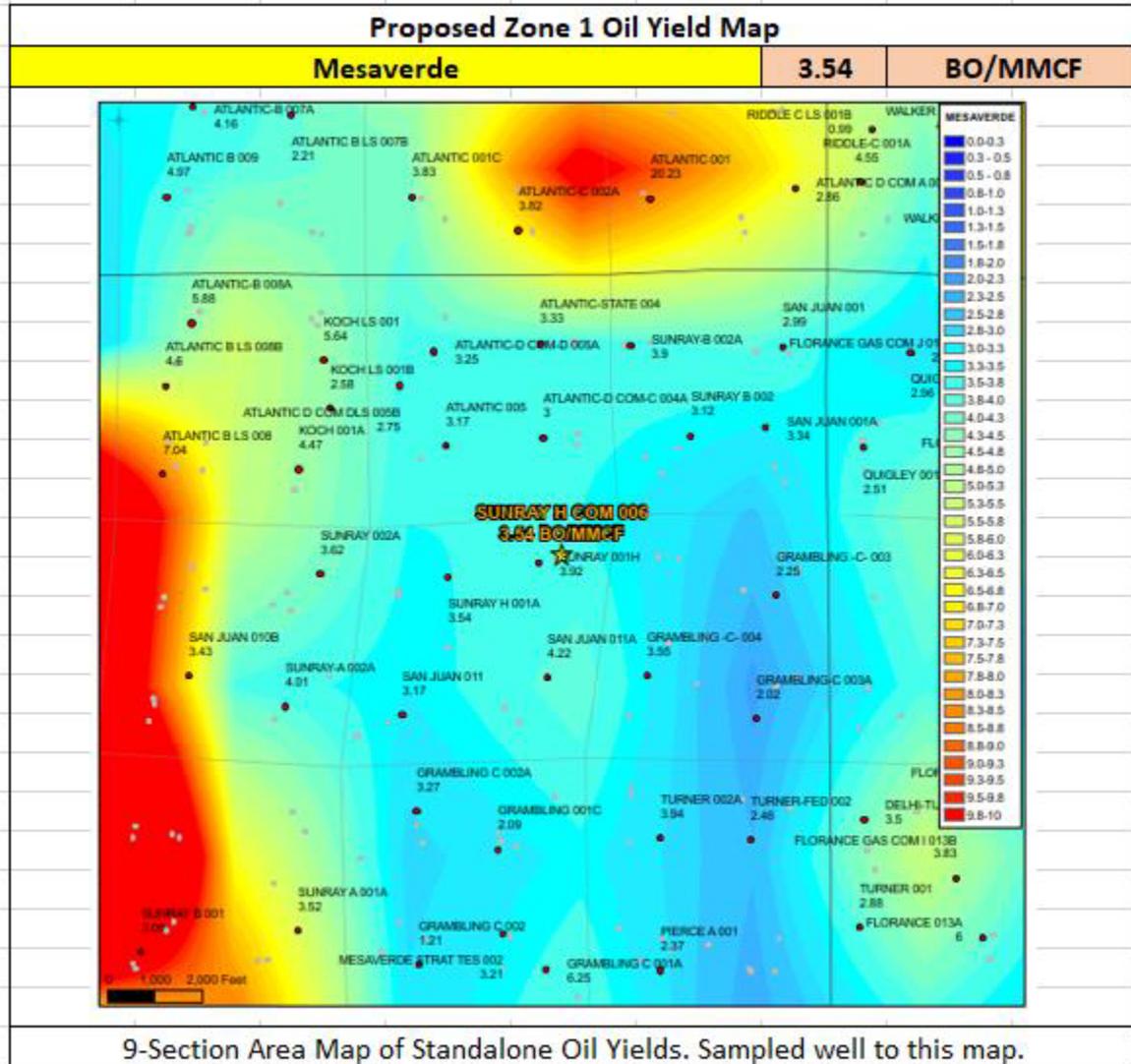
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	0.42	135	1%
GL	0	62	0%
MV	3.54	1117	99%
			100%

All documentation will be submitted to NMOCD.









February 6, 2023

Mailed Certified / Return Receipt Requested

To: ALL INTEREST OWNERS

RE: Application to Downhole Commingle Production
Well: SUNRAY H COM #006
API: 30-045-29242
Township 30 North, Range 10 West, Section 11
San Juan County, New Mexico

Ladies and Gentlemen:

Hilcorp Energy Company (“Hilcorp”), as Operator of the subject well, has filed application with the New Mexico Oil Conservation Division for approval to downhole commingle production from the **Blanco Mesaverde**, a formation Hilcorp soon intends to perforate, with existing production from the **Basin Dakota** and **Wildcat Gallup** formations. This letter and the application copy enclosed serve to provide you, an owner in one or more of the aforementioned formations, with written notice as prescribed by Subsection C of 19.15.12.11 New Mexico Administrative Code.

No action is required by you unless you wish to pursue a formal protest (see details italicized below).

If you no longer own an interest in this well or need to make changes to your address, etc., please email ownerrelations@hilcorp.com. For those without email access, please call (713) 209-2457.

Hilcorp is eager to explore this potential opportunity to enhance production. Thank you for your support.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Carlson'.

Robert Carlson
Sr. Landman
(832) 839-4596
rcarlson@hilcorp.com

RTC:dpk
Enclosures

Protesting:

Protests must be in writing and received within twenty (20) days from the date of this letter. In your response, please include your contact information, details referenced herein and the specific concerns and/or reasoning behind your decision. You are encouraged to email me an electronic copy and, subsequently, mailing (overnight) a hard copy to my attention at the address in the footer below. Upon receipt, I will follow up by phone to discuss your concerns. Should we be unable to resolve them, a formal protest will be set for hearing with the New Mexico Oil & Conservation Division in Santa Fe, NM, wherein your attendance and testimony will be required.

1111 Travis Street Houston, TX 77002
Phone: 713/209-2400 Fax 713/209-2420

92148969009997901820769334	Dani Kuzma	, ALISON A GOTTSTEIN, , CLYDE HILL, WA, 98004 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769341	Dani Kuzma	, APRIL CANTRELL, , WILLISTON, ND, 58801 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769358	Dani Kuzma	, BARBARA LONG ROTH, , CONCORD, CA, 94518 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769365	Dani Kuzma	, BILLIE DALE NEWBRO WILLIAMS, , LONG BEACH, CA, 90808 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769372	Dani Kuzma	, BRIAN BONALLO, , SPOKANE, WA, 99204 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769389	Dani Kuzma	, CEJA ROYALTIES LTD, , TYLER, TX, 75710-1360 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769396	Dani Kuzma	, CLINTON C CARNEY JR TR DTD 4/24/95, JOAQUIN C CARNEY TTEE, ALBUQUERQUE, NM, 87113 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769402	Dani Kuzma	, CORY BONALLO, , SPOKANE, WA, 99205 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769419	Dani Kuzma	, DAVID G NEWBRO, , NEWPORT BEACH, CA, 92660 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769426	Dani Kuzma	, DEVON ENERGY CORPORATION, DEVON OEI OPERATING INC., DALLAS, TX, 75284-2485 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769433	Dani Kuzma	, EDWIN R DEGENHARDT, and DAWN C DEGENHARDT, MADISON, WI, 53719 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769440	Dani Kuzma	, GEMOCO LTD, , DALLAS, TX, 75287-7504 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769457	Dani Kuzma	, GRAHAM L GOTTSTEIN, , CLYDE HILL, WA, 98004 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769464	Dani Kuzma	, HAWKINS LIVING TRUST NOV 21 2006, MARY R HAWKINS and JOHN D HAWKINS, SALEM, OR, 97302 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769471	Dani Kuzma	, HILCORP SAN JUAN LP - BURLINGTON/CO, , HOUSTON,, TX, 77002 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769488	Dani Kuzma	, IRISH FAMILY PROPERTIES LLC, , DALLAS, TX, 75205 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769495	Dani Kuzma	, JAMES EDWARD LONG, , MENLO PARK, CA, 94025 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	

				Signature Pending
92148969009997901820769501	Dani Kuzma	, JAY GOTTSTEIN TRUST NOV 11 1992, J JOSEPH MORRIS TRUSTEE, LEES SUMMIT, MO, 64064-1445 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769518	Dani Kuzma	, JEAN ANN MCFARLAND SEP PROP TRUST, JEAN ANN MCFARLAND TRUSTEE, LAGUNA BEACH, CA, 92651 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769525	Dani Kuzma	, JEANNE A DAVIS TRUST, JEANNE A DAVIS TRUSTEE, TYLER, TX, 75710-1461 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769532	Dani Kuzma	, JOANNE LONG BARNES, , SPANAWAY, WA, 98387 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769549	Dani Kuzma	, JON THOMAS NEWBRO, , GLENDALE, CA, 91214 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769556	Dani Kuzma	, JOSHUA HAUSER, , WESTFIELD, IN, 46074 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769563	Dani Kuzma	, KATHERINE LONG ANDERSEN, , LAKE FOREST, CA, 92630 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769570	Dani Kuzma	, LINDA STROBEL LIFE TENANT, , POWAY, CA, 92064 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769587	Dani Kuzma	, LISA DANIELLE KUHN, , POWAY, CA, 92064 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769594	Dani Kuzma	, LOUISE WILLSON PEETZ, , FALLS CHURCH, VA, 22046 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769600	Dani Kuzma	, M SEAN SMITH, , CYPRESS, TX, 77429 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769617	Dani Kuzma	, MADISON CAPITAL ENERGY INCOME FUND, III LP, MADISON, WI, 53719 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769624	Dani Kuzma	, MANSFIELD FAMILY 2001 REV TR, DTD 10 12 01 BENJAMIN J MANSFIELD and, RENO, NV, 89503 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769631	Dani Kuzma	, MELLENTHIN FAMILY TRUST, DONNA M and MICHAEL A MELLENTHIN TTEE, STUDIO CITY, CA, 91604 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769648	Dani Kuzma	, MICHAEL WILLSON, , FORT VALLEY, GA, 31030 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769655	Dani Kuzma	, NANCY O MABE TRUST DTD 9/21/1994, CYNTHIA BLANSIT TTEE, TONGANOXIE, KS, 66086 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending

92148969009997901820769662	Dani Kuzma	, OFFICE OF NATURAL RESOURCES REVENUE, LAKEWOOD ACCTG CENT ONSHORE, DENVER, CO, 80225-0627 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769679	Dani Kuzma	, OLIE ROYALTIES LLC, , TYLER, TX, 75710-1360 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769686	Dani Kuzma	, PACIFIC ONE FOURTEEN LLC, , TYLER, TX, 75710-1360 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769693	Dani Kuzma	, PALMER LONG 1997 EDUCATIONAL TR, SAMUEL ROTH TRUSTEE, CONCORD, CA, 94518 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769709	Dani Kuzma	, PATRICIA PARKER, LIFE ESTATE, PLANO, TX, 75023-1112 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769716	Dani Kuzma	, PAUL MASCHAK, , TEMPE, AZ, 85283-4156 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769723	Dani Kuzma	, PENELOPE WILLSON ARNETT, , ONTARIO, CA, 91762 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769730	Dani Kuzma	, PHILIP G DEMEREE, , SCOTTSDALE, AZ, 85258 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769747	Dani Kuzma	, RICHARD W ROWELL OREGON QTIP TR, 1 1 2010 MARLIE T ROWELL TTE, SALEM, OR, 97302 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769754	Dani Kuzma	, ROSE M BLOUNT ESTATE, MADONNA LEE TRUSTEE, GRAND RAPIDS, MI, 49546 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769761	Dani Kuzma	, ROWELL LIVING TRUST, DAVID P ROWELL TRUSTEE, SALEM, OR, 97302 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769778	Dani Kuzma	, SAMUEL D HAAS, , SANTA FE, NM, 87506-0000 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769785	Dani Kuzma	, SAN JUAN BASIN POOL LTD, , CLIFTON, TX, 76634 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769792	Dani Kuzma	, SAN JUAN ROYALTY PARTNERS LLC, , HOUSTON, TX, 77024 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769808	Dani Kuzma	, SCOTT BRIGHTBILL, , SAN DIEGO, CA, 92128 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769815	Dani Kuzma	, SIMCOE, LLC, , HOUSTON, TX, 77002-5632 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769822	Dani Kuzma	, STEPHEN BRIGHTBILL, , MERIDIAN, ID, 83646 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	

				Signature Pending
92148969009997901820769839	Dani Kuzma	, STEVE JACOB HOUSTON, , CLYDE HILL, WA, 98004 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769846	Dani Kuzma	, TERA ELIZABETH JEFFRIES, , KIRBYVILLE, MO, 65676 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769853	Dani Kuzma	, WAYNE H KOSKI, , POST FALLS, ID, 83877 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending
92148969009997901820769860	Dani Kuzma	, YOUNGBLOOD FAMILY TRUST, , GRAND RAPIDS, MI, 49546 Code: SUNRAY H COM 6 DHC NOTICE	1/10/2023	Signature Pending

Notice by Hilcorp Energy Company for Downhole Commingling, San Juan County, New Mexico. Pursuant to Paragraph (2) of Subsection C of 19.15.12.11 NMAC, Hilcorp Energy Company, as Operator, has filed form C-107-A with the New Mexico Energy, Minerals and Natural Resources Department – Oil Conservation Division (NMOCD) seeking administrative approval to downhole commingle new production from the Blanco-Mesaverde Gas Pool (72319) with existing production from the Basin-Dakota Gas Pool (71599) and the Wildcat-Gallup Gas Pool (96360) in the **SUNRAY H COM #006** well (API No. 30-045-29242) located in Unit A, Section 11, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico. Commingling will not reduce the value of production. Allocation method to be determined upon completion of this project. This notice is intended for certain unlocatable royalty interest owners in the aforementioned well for which certified mail delivery is not possible. Should you (the interest owner for which this notice is intended) have an objection, you are required to respond within twenty (20) days from the date of this publication. Please mail your objection letter, referencing the well details above, to the following address: Hilcorp Energy Company, Attn: San Juan Land, 1111 Travis Street, Houston, TX 77002

Well Name: SUNRAY H COM	Well Location: T30N / R10W / SEC 11 / NENE / 36.831284 / -107.846298	County or Parish/State: SAN JUAN / NM
Well Number: 6	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM93313	Unit or CA Name:	Unit or CA Number: NMNM104884, NMNM116931
US Well Number: 3004529242	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2677193

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 06/16/2022

Time Sundry Submitted: 05:21

Date proposed operation will begin: 07/01/2022

Procedure Description: Hilcorp Energy Company requests permission to recomplate the subject well in the Mesaverde and downhole trimmingle with the existing Dakota/Gallup. 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 3/31/2022 with Roger Herrera/BLM. The reclamation plan is attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Sunray_H_Com_6_NOI_MV_RC_Packet_20220616052112.pdf

Well Name: SUNRAY F100M

Well Location: T30N / R10W / SEC 11 / NENE / 36.831284 / -107.846298

County or Parish/State: SAN JUAN / NM

Well Number: 6

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMNM93313

Unit or CA Name:

Unit or CA Number: NMNM104884, NMNM116931

US Well Number: 3004529242

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: AMANDA WALKER

Signed on: JUN 16, 2022 05:21 AM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Technician

Street Address: 1111 TRAVIS ST.

City: HOUSTON

State: TX

Phone: (346) 237-2177

Email address: mwalker@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: 06/16/2022

Signature: Kenneth Rennick



**HILCORP ENERGY COMPANY
SUNRAY H COM 6
MESA VERDE RECOMPLETION SUNDRY**

Prepared by:	Scott Anderson
Preparation Date:	June 6, 2022

WELL INFORMATION			
Well Name:	SUNRAY H COM 6	State:	NM
API #:	3004529242	County:	SAN JUAN
Area:	4	Location:	820' FNL & 1060' FEL - Unit A - Section 11 - T 030N - R 010W
Route:	0410	Latitude:	36.83128 N
Spud Date:	4/29/1995	Longitude:	-107.84629 W

PROJECT DESCRIPTION
Isolate the Dakota formation, perforate and stimulate the Mesa Verde formation in 1-2 stages and trimmingle the Mesa Verde production with the existing Dakota/Gallup formation production. Strip facilities if necessary; repair production eqmt as needed

CONTACTS			
Title	Name	Office Phone #	Cell Phone #
Engineer	Scott Anderson		248-761-3965
Area Foreman	Colter Faverino		326-9758
Lead	Ramon Florez		486-9680
Artificial Lift Tech	Chris Huff		599-3479
Operator	Patrick Sheets		970-769-2524



**HILCORP ENERGY COMPANY
SUNRAY H COM 6
MESA VERDE RECOMPLETION SUNDRY**

JOB PROCEDURES

- | | | |
|-------------------------------------|-------|---|
| <input checked="" type="checkbox"/> | NMOCD | Contact OCD and BLM (where applicable) 24 hrs prior to MIRU or running MITs. Record and document all casing pressures daily, including BH, IC (if present) and PC. Comply with all NMOCD, BLM (where applicable), and HEC safety and environmental regulations. |
| <input checked="" type="checkbox"/> | BLM | |
1. MIRU workover rig and associated equipment; NU and test BOP.
 2. PU to release FH packers at **6,702' and 7,532'**, TOOH with **2 3/8"** tubing set at **7,570'**.
 3. Set a **4-1/2"** bridge plug at +/- **7,532'** to isolate the **Dakota**.
 4. Set a **4-1/2"** bridge plug at +/- **6,260'** to isolate the **Gallup**.
 5. Load hole with KCI fluid and run a CBL on the 4-1/2" and 7" casing. Verify cement coverage across the **Mesa Verde** formations. Review CBL results with engineering/NMOCD/BLM and perform cmt remediation, if required.
 6. If needed, set a **7"** retrievable bridge plug at +/- **5,880'** to provide a base for the frac.
 7. Perforate the **Mesa Verde**. (Top perforation @ **4,743'**, Bottom perforation @ **5,840'**)
 8. Frac will be completed via a frac string. RIH w/ 2-7/8" frac string and set 7" pkr at **-4,643'**.
 9. N/D BOP, N/U frac stack (if necessary) and test frac stack to frac pressure. PT frac string to **9000#** against the ceramic disc.
 10. If necessary, RU slickline. RIH and break ceramic disc. RD slickline.
 11. Frac the **Mesa Verde** in a single stage.
 12. RU flowback eqmt if necessary. Flowback well until tubing pressure drops to working level and sand subsides or well loads up. RD flowback eqmt.
 13. MIRU workover rig. Nipple down frac stack, nipple up BOP and pressure test surface eqmt.
 14. Release the pkr and POOH LD frac string.
 15. PU workstring, RIH with retrieving tool, latch RBP at **5,880'**, release and POOH.
 16. TIH with a mill and clean out to the top of the Gallup isolation plug at **6,260'**. Drill out
 17. CIH to to of DK isolation plug at **7,532'**. Drill out and cleanout to PBTD of **7,960'**. TOOH.
 18. TIH and land production tubing. Get a trimmingle **Dakota/Gallup/Mesa Verde** flow rate.



HILCORP ENERGY COMPANY SUNRAY H COM 6 MESA VERDE RECOMPLETION SUNDRY

SUNRAY H COM 6 - CURRENT WELLBORE SCHEMATIC

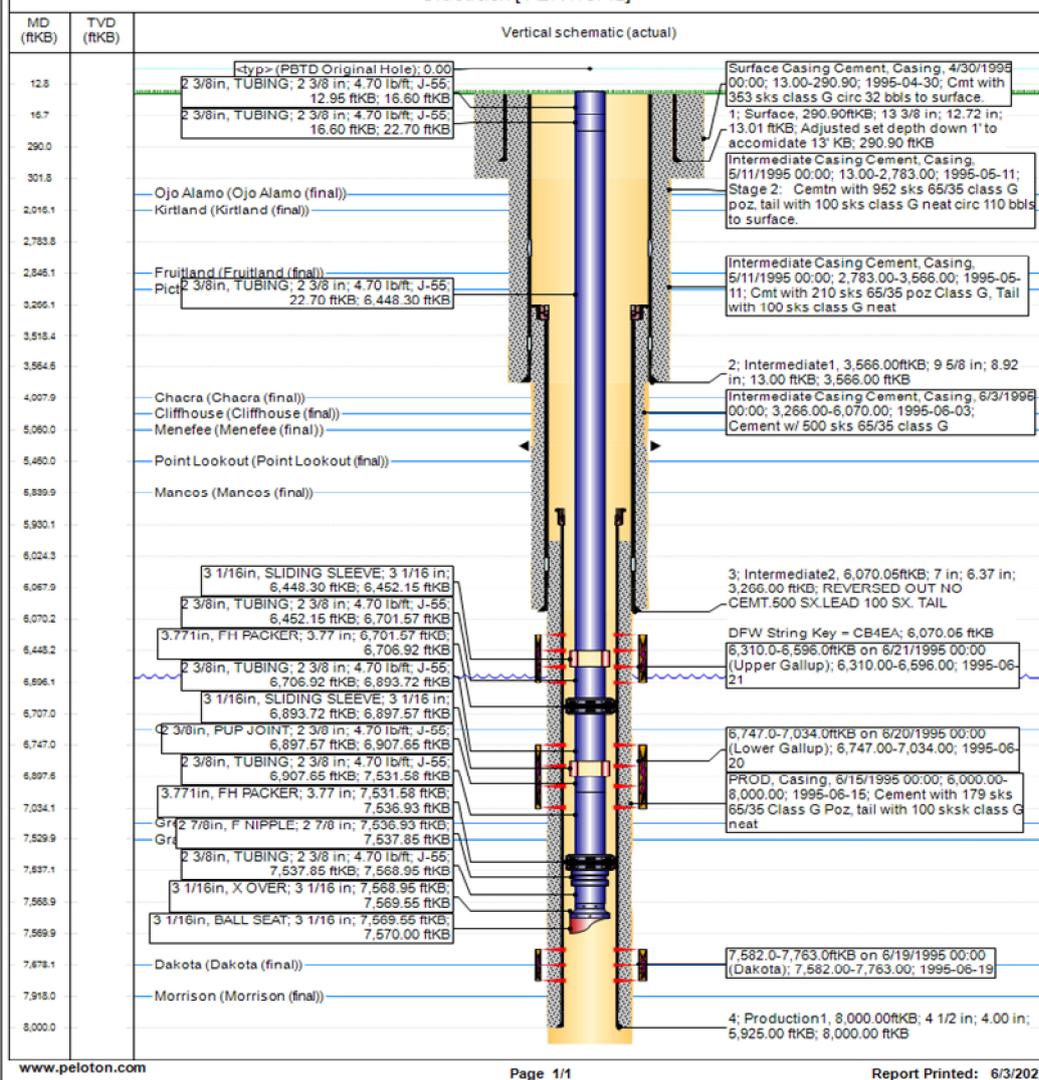


Current Schematic - Version 3

Well Name: SUNRAY H COM #6

API / UWI 3004529242	Surface Legal Location 011-030N-010W-A	Field Name RSN DK(PRO GAS)	#0068	Route 0410	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,536.00	Original KBRT Elevation (ft) 6,551.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)		

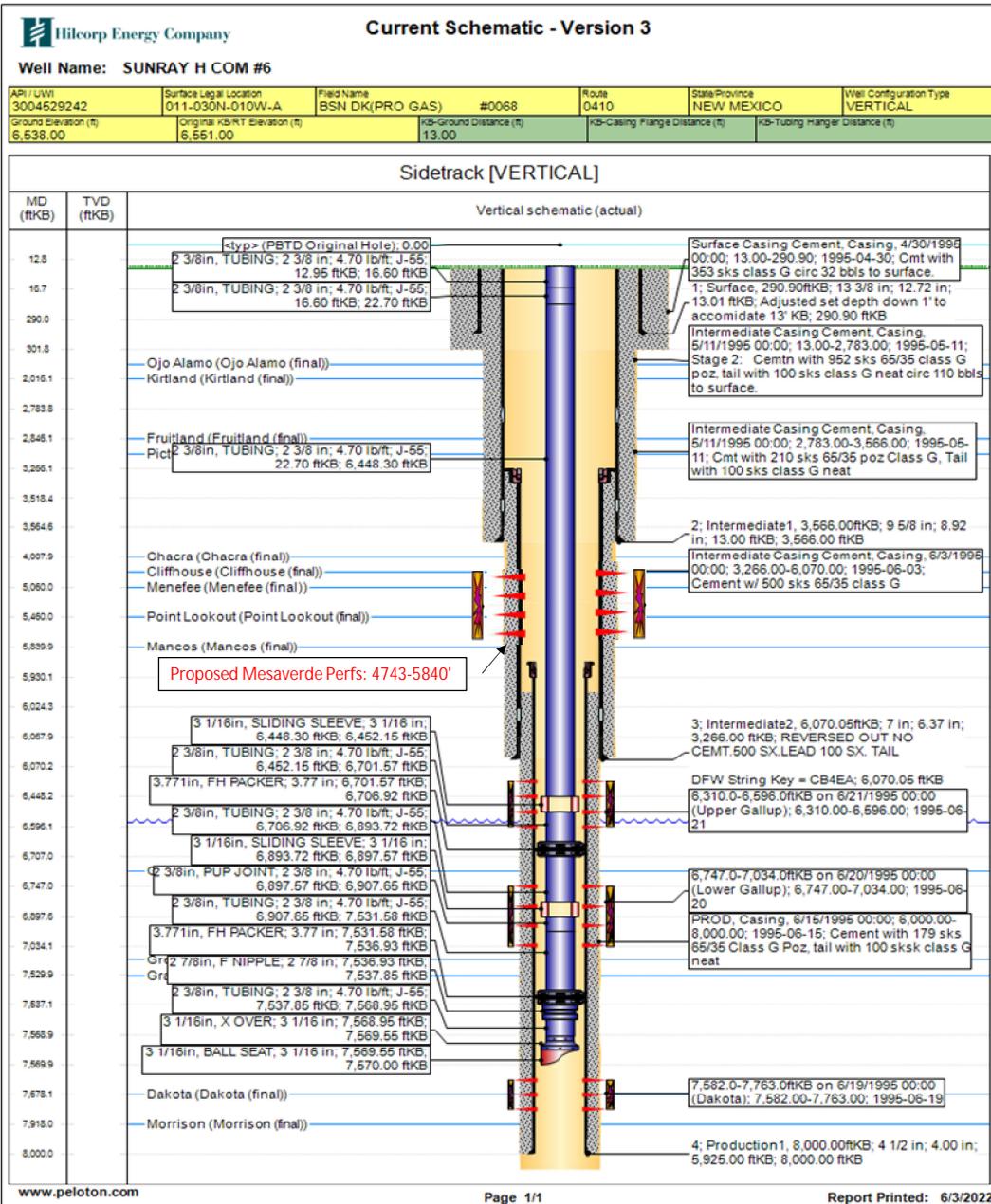
Sidetrack [VERTICAL]





HILCORP ENERGY COMPANY SUNRAY H COM 6 MESA VERDE RECOMPLETION SUNDRY

SUNRAY H COM 6 - PROPOSED WELLBORE SCHEMATIC



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

August 1, 2011

Permit 319019

District I
1025 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-29242	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 319340	5. Property Name SUNRAY H COM	6. Well No. 006
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6538

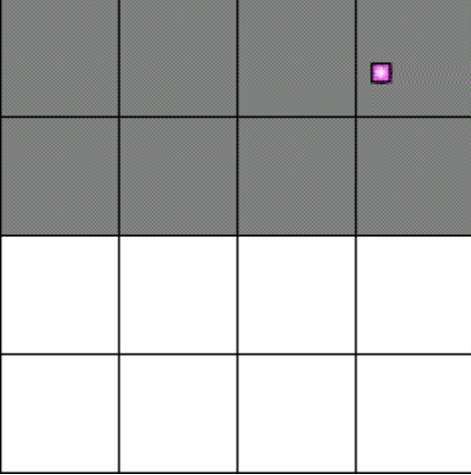
10. Surface Location

UL - Lot A	Section 11	Township 30N	Range 10W	Lot Idn 1	Feet From 820	N/S Line N	Feet From 1060	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 313.10	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">OPERATOR CERTIFICATION</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: <i>AWalker</i> Title: Operations Regulatory Tech Sr Date: 6/14/2022</p>
	<p align="center">SURVEYOR CERTIFICATION</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: 9/29/1994 Certificate Number: 6857</p>

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:** 6/14/2022

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 BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Sunray H Com 6	3004529242	A,11,30N,10W	820' FNL & 1060' FEL	0.25	430	3

IV. Central Delivery Point Name: Chaco 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
<u>Sunray H Com 6</u>	<u>3004529242</u>					<u>2022</u>

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 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system will will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator does does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

Attach Operator’s plan to manage production in response to the increased line pressure.

XIV. Confidentiality: Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

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: 
Printed Name: Amanda Walker
Title: Operations Regulatory Tech Sr
E-mail Address: mwalker@hilcorp.com
Date: 6/14/2022
Phone: 346-237-2177

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
 - o Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - o 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
Interim Reclamation Plan
Sunray H COM 6
API: 30-045-29242
Unit A – Sec 11-T30N-R10W
Lat:36.83128, Long: -107.84629
Footage: 820' FNL & 1060' FEL
San Juan County, NM

1. PRE- INTERIM RECLAMATION SITE INSPECTION
 - 1.1) A pre-interim reclamation onsite inspection was conducted on March 31, 2022 with BLM Environmental Protection Specialist Roger Herrera and Bobby Spearman Construction Foreman for Hilcorp Energy.
 - 1.2) Location surface will be brush hogged or mulched and bladed as required within original disturbance to acquire additional working surface for well recompletion activities.
2. LOCATION INTERIM RECLAMATION PROCEDURE
 - 2.1) Interim reclamation work will be completed after well recompletion.
 - 2.2) Location tear drop will be re-defined as applicable during interim reclamation.
 - 2.3) All disturbed areas will be seeded, any disturbed areas that are compacted will be ripped before seeding.
 - 2.4) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.
3. ACCESS ROAD RECLAMATION PROCEDURE:
 - 3.1) No lease access road issues were identified at the time of onsite.
4. SEEDING PROCEDURE
 - 4.1) A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the location.
 - 4.2) Drill seeding 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.
 - 4.3) Timing of the seeding will take place when the ground is not frozen or saturated.
5. WEED MANAGEMENT
 - 5.1) No action is required at this time for weed management, no noxious weeds were identified during the onsite.

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 118411

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 118411
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	DHC required	6/22/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	6/22/2022

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Mandi Walker](#); [Cheryl Weston](#)
Cc: [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Adam Rankin](#)
Subject: Approved Administrative Order DHC-5276
Date: Friday, June 9, 2023 12:45:22 PM
Attachments: [DHC5276 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5276 which authorizes Hilcorp Energy Company (372171) to downhole commingle production within the following well:

Well Name: Sunray H Com #6
Well API: 30-045-29242

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

From: [Mandi Walker](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Kandis Roland](#)
Subject: RE: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed
Date: Wednesday, April 5, 2023 1:17:24 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[REVISED_DHC C-107A.pdf](#)

Dean, attached please find the updated C-107A, updated with the correct depths from the NOI.

Thank you,
Mandi

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Wednesday, April 5, 2023 2:07 PM
To: Mandi Walker <mwalker@hilcorp.com>
Cc: Kandis Roland <kroland@hilcorp.com>
Subject: RE: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

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

Mandi,

There is a discrepancy between the MV depths described on the C-107A and those on the C-103E. Please confirm the depths and if the Form C-107A is incorrect, please send me an amended C-107A with the correct depths.

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

From: Mandi Walker <mwalker@hilcorp.com>
Sent: Monday, April 3, 2023 8:37 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Kandis Roland <kroland@hilcorp.com>
Subject: Re: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

Good morning Dean,

I know you have been swamped, I just wanted to check on the status of your review for the Sunray H Com 6. Hilcorp has filed an application to dismiss the DHC component from the existing order on the upcoming docket for April 6th.

Thanks!
Mandi

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Thursday, March 23, 2023 10:26:50 AM
To: Mandi Walker <mwalker@hilcorp.com>
Cc: Kandis Roland <kroland@hilcorp.com>
Subject: RE: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

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Hello Mandi,

I've been out on sick leave for a little bit now until yesterday afternoon, but am back now and will take a look at this as soon as a few other fires which flared up during my absence have been stomped out.

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

From: Mandi Walker <mwalker@hilcorp.com>
Sent: Tuesday, March 21, 2023 1:19 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Kandis Roland <kroland@hilcorp.com>
Subject: FW: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

Good afternoon Dean,

I just wanted to check in with you to make sure that you had everything you needed for the continued review of the DHC application. I did a double check and that packet that I submitted is for a tri-mingle.

Thanks!
Mandi

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Thursday, March 16, 2023 11:09 AM
To: Rob Carlson <rcarlson@hilcorp.com>
Cc: Paula M. Vance <PMVance@hollandhart.com>
Subject: FW: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

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Rob,

See email correspondence from the OCD below. They want us to proceed to address the hearing order, so we'll proceed with a hearing to dismiss the authority for the two existing zones. I've asked the Division to proceed with the administrative application review and approval and let them know that I would ask

Hilcorp to follow up with Dean to make sure he has everything he needs to approve DHC for all three zones administratively. Can you have your regulatory folks follow up with him to make sure he has what he needs to do that? They might need to add a request to DHC all three zones and may need to provide additional notice, but it is easier than going to hearing on it.

I will prepare a self-affirmed statement for you to review and sign off on in advance of the 4/6 hearing that should be everything we need.

Talk to you soon!

Adam

Adam Rankin

Partner, Holland & Hart LLP

agrarkin@hollandhart.com | T: (505) 954-7294 | M: (505) 570-0377

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From: Adam Rankin

Sent: Thursday, March 16, 2023 10:03 AM

To: 'Tremaine, Jesse, EMNRD' <JesseK.Tremaine@emnrd.nm.gov>; McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Cc: Moander, Chris, EMNRD <Chris.Moander@emnrd.nm.gov>

Subject: RE: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

Thanks for the follow up, Jesse. We'll go forward with a hearing on the motion to dismiss. We ask that the Division to nevertheless proceed with the pending administrative application review and approval to avoid creating a gap in DHC authority in this well. I will ask Hilcorp to reach out to Dean on the administrative application to make sure the Division has what it needs to review and approve downhole commingling authority for the three zones.

All best,
Adam

Adam Rankin

Partner, Holland & Hart LLP

agrarkin@hollandhart.com | T: (505) 954-7294 | M: (505) 570-0377

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From: Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>

Sent: Thursday, March 16, 2023 9:47 AM

To: Adam Rankin <AGRankin@hollandhart.com>; McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Cc: Moander, Chris, EMNRD <Chris.Moander@emnrd.nm.gov>

Subject: RE: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

Good morning Adam,

After looking into this issue, we determined that the appropriate action is for Hilcorp to continue to pursue the changes through hearing. Future changes may be possible administratively, assuming the Amended R-10385 provides for administrative approval or is not otherwise controlling or defining of a downhole commingling approval.

Please reach out with any additional questions,

Jesse

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Tuesday, March 7, 2023 11:54 AM
To: Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>; McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Moander, Chris, EMNRD <Chris.Moander@emnrd.nm.gov>
Subject: RE: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

Jesse/Chris and Dean,

Just checking back on this one, as well. Much appreciated.

Best,
Adam

Adam Rankin
Partner, Holland & Hart LLP
agrankin@hollandhart.com | T: (505) 954-7294 | M: (505) 570-0377

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From: Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>
Sent: Friday, March 3, 2023 9:03 AM
To: Adam Rankin <AGRankin@hollandhart.com>; McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Moander, Chris, EMNRD <Chris.Moander@emnrd.nm.gov>
Subject: RE: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

Good morning Adam,

Chris and I will look into this and get back to you.

Jesse

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Thursday, March 2, 2023 4:17 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Cc: Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>; Moander, Chris, EMNRD <Chris.Moander@emnrd.nm.gov>

Subject: [EXTERNAL] Hilcorp - Action ID 183136 / DHC-5276 - question on how to proceed

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean, copied below is an email exchange with Hilcorp. I want to touch base to make sure I understand the Division's guidance/instructions.

Reviewing the case file for Order R-10385, it appears the only reason the referenced matter went to hearing back in 1995 was that Division rules required hearings at that time when interest ownership was not identical. OCD's rules now allow for administrative approval for DHC after notice and opportunity for hearing when ownership is not identical. Given that administrative approval is authorized by the rules now, I am not clear why Hilcorp would need to go to hearing to add a third pool to the downhole commingling authority approved under Order R-10385, as requested in their administrative application. As I understand, the affected parties have been noticed of the administrative application and if there is an objection then the case will go to hearing.

Is it the Division's position that the administrative application filed by Hilcorp should be filed as a hearing application to amend Order R-10385 to add a third pool? If so, I would urge the Division to reconsider that position because the rules now allow for administrative approval and it seems a waste of time and resources (for Hilcorp and the OCD) to require Hilcorp to file an application to either amend Order R-10385 to add a third pool to the DHC authority or to dismiss the DHC from the order.

If OCD's position is firm, however, then the easiest thing to do is to file a hearing application to amend R-10385 to dismiss the DHC approval from the case and allow the Division to administratively approve Hilcorp's pending administrative application that would cover all three pools. That application has already been filed and noticed. But before I file an application to dismiss the DHC portion from Order R-10385, I want to be sure that the administrative application Hilcorp filed is approvable and that you have what you need to approve it. I don't want to put Hilcorp in a bind by dismissing the DHC approval from Order R-10385 because Hilcorp is currently commingling 2 zones under that order.

Can we have a quick call to discuss this? I need to know what direction the Division is going to go on this because the hearing application deadline is on Tuesday.

Thanks for your consideration and guidance.

All best,
Adam

Hello Mandi,

In order to amend R-10385 to exclude the commingling or even to dismiss R-10385 entirely and handle the NSPs administratively as well; Hilcorp will need to come back to hearing.

If Hilcorp does intend to handle the commingling administratively, please let me know and I will proceed with the review of the current application so as to have everything addressed and ready to issue concurrently with whatever is done with R-10385. On the other hand, if Hilcorp wishes to handle the commingling via hearing by amending R-10385 to include the 3rd pool, then the current application for DHC-5276 would no longer serve a purpose although I do recommend to operators that they not request the application to be withdrawn until the alternate process is finished just in case.

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

From: Mandi Walker <mwalker@hilcorp.com>
Sent: Wednesday, February 22, 2023 5:27 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>; Kandis Roland <kroland@hilcorp.com>
Subject: RE: [EXTERNAL] Action ID: 183136; DHC-5276

Good morning Dean,

I spoke with our Landman and he wanted to know what would need to happen to remove the DHC component from the R-10385? If removing the DHC does not require a hearing, then we would like to request to have the DHC removed from the R-10385 and the new DHC approved via the C-107A.

Please let us know if you have any questions.

Thank you!
Mandi

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Monday, February 20, 2023 10:32 AM
To: Mandi Walker <mwalker@hilcorp.com>; Kandis Roland <kroland@hilcorp.com>
Subject: [EXTERNAL] Action ID: 183136; DHC-5276

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To whom it may concern (c/o Amanda Walker for Hilcorp Energy Company),

The Division is reviewing the following application:

Action ID	183136
Admin No.	DHC-5276
Applicant	Hilcorp Energy Company (372171)
Title	Sunray H Com #6

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

-

Additional notes:

- Order R-10385 will need to be addressed prior to review of this application. R-10385 authorizes 2 NSPs and the DHC of 2 pools within the subject well. Off the cuff, 2 possible solutions may be for Hilcorp to amend R-10385 to either add the 3rd pool or else remove the DHC component entirely allowing for the DHC to be authorized via an administrative order.

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

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



Holland
& Hart

Adam Rankin

Partner

HOLLAND & HART LLP

110 North Guadalupe Street, Suite 1, Santa Fe, NM 87501

agrankin@hollandhart.com | T: (505) 954-7294 | M: (505) 570-0377

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District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

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

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 Road 3100, Aztec, NM 87410
Operator Address

Sunray H Com 6 A, 11, 30N, 10W, Lot 1 San Juan
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 319340 API No. 30-045-29242 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Mesaverde	Wildcat Gallup	Dakota
Pool Code	72319	96360	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4743' – 5840'	6310' – 7034'	7582' – 7763'
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)	627 psi	1262 psi	1480 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1232 BTU	1236 BTU	1056 BTU
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: N/A	Date: 10/1/2022 Rates: Oil: 0 BBL Gas: 335 mcf Water: 0 BBL	Date: 10/1/2022 Rates: Oil: 0 BBL Gas: 747 mcf Water: 0 BBL
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 % %	Oil Gas % %	Oil Gas % %

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 X No _____

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 _____

NMOC Reference Case No. applicable to this well: _____

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  TITLE Operations/Regulatory Technician DATE 04/05/2023

TYPE OR PRINT NAME Amanda Walker TELEPHONE NO. (346) 237-2177

E-MAIL ADDRESS mwalker@hilcorp.com

**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-5276

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 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.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
8. Order R-10385 was issued June 8, 1995, and authorized the commingling of production from the Basin Dakota and Gallup pools within the well bore of the Well and approved non-standard proration units for the Basin Dakota and Gallup pools comprising of Lots 1, 2, 7, and 8 (the NE/4 equivalent) of Section 11 of Township 30 North and Range 10 West, NMPM.
9. Order R-10385-A has now been issued, revoking the commingling authorized under R-10385.

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. 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-nine percent (99%) shall be allocated to the BLANCO-MESAVERDE (PRORATED GAS) pool (pool ID: 72319);
 - b. zero percent (0%) shall be allocated to the WILDCAT 30N10W11A;GALLUP (G) pool (pool ID: 96360); and
 - c. one percent (1%) 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 WILDCAT 30N10W11A;GALLUP (G) pool (pool ID: 96360); 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:

- a. thirty-one percent (31%) shall be allocated to the WILDCAT 30N10W11A;GALLUP (G) pool (pool ID: 96360); and

- b. sixty-nine percent (69%) 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.

3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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).

9. 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**



**DYLAN M. FUGE
DIRECTOR**

DATE: 6/8/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5276**

Operator: **Hilcorp Energy Company (372171)**

Well Name: **Sunray H Com #6**

Well API: **30-045-29242**

Upper Zone

Pool Name: **BLANCO-MESAVERDE (PRORATED GAS)**

Pool ID: **72319**

Current:

New: **X**

Allocation:

Oil: **99%**

Gas:

Interval: **Perforations**

Top: **4,743**

Bottom: **5,840**

Intermediate Zone

Pool Name: **WILDCAT 30N10W11A;GALLUP (G)**

Pool ID: **96360**

Current: **X**

New:

Allocation:

Oil: **0%**

Gas: **31%**

Interval: **Perforations**

Top: **6,310**

Bottom: **7,034**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**

Lower Zone

Pool Name: **BASIN DAKOTA (PRORATED GAS)**

Pool ID: **71599**

Current: **X**

New:

Allocation:

Oil: **1%**

Gas: **69%**

Interval: **Perforations**

Top: **7,582**

Bottom: **7,763**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **NO**

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 183136

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 183136
	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.	6/9/2023