Submit 1 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

Form C-103
Revised July 18, 2013

WELL API NO. 30-045-38407

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: TITT

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number 2M

2. Name of Operator: Hilcorp Energy Company

9. OGRID Number: 372171

3. Address of Operator: 382 Road 3100, Aztec, NM 87410

10. Pool name or Wildcat: Blanco Mesaverde / Basin Dakota

4. Well Location
Unit Letter K: 1855 feet from the South line and 2630 feet from the West line
Section 35 Township 030N Range 011W NMPM County SAN JUAN

ID NO. 419613

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 5790' GL

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☒						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐	SIDETRACK		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 drill and complete the subject well in the Blanco Mesaverde (pool 72319) and Basin Dakota (pool 71599). The production will be commingled per Oil Conservation Division Order Number 11363. Commingling will not reduce the value of the production.

Proposed perforations are: ~MV 4,100' – 4,960'; ~DK 6,700' – 7,000'. These perforations are in TVD.

Hilcorp Energy will use a spinner method using the attached procedure. We will run this procedure after initial completion, 3 months, 6 months and 12 months to ensure allocations are stabilizing. Annual spinners will be ran until the allocations have stabilized, at which point a fixed allocation will provided.

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 Cherylene Weston TITLE Operations/Regulatory Tech-Sr. DATE 1/10/2025

Type or print name Cherylene Weston E-mail address: cweston@hilcorp.com PHONE: 713-289-2615

For State Use Only

APPROVED BY: TITLE Petroleum Engineer DATE 04/02/25
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.

The Operator shall utilize production logs to allocate gas production from the Well to each of the Pools. Once the gas allocation is determined, the Operator shall then consider the gas oil ratio for each pool to allocate oil production from the Well to each of the Pools. The Operator shall conduct a production log:

a. following the initial completion;
b. three (3) months after the initial completion;
c. six (6) months after the initial completion;
d. twelve (12) months after the initial completion;
e. annually thereafter until the allocation has stabilized; and
f. additionally, as directed by OCD.

No later than ninety (90) days after conducting each production log, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the results of the production log and the oil and gas allocations for each of the Pools. Upon request from OCD, the Operator shall provide documentation supporting the allocations and if OCD determines that the allocations are inaccurate, the Operator shall proceed as directed by OCD.

Once the allocations have stabilized, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes a tabulation of the oil and gas allocation following each of the conducted production logs and a proposed fixed percentage for allocating the oil and gas production from the Well to each of the Pools. If OCD approves the proposed fixed percentage, then the Operator shall allocate accordingly. If OCD denies the proposed fixed percentage, then the Operator shall continue conducting annual production logs.

A production log shall consist of either using a turbine/spinner flowmeter to determine the stabilized flow rate from each of the Pools under normal operating conditions or by another method OCD has specifically approved.

C-102

Submit Electronically
Via OCD Permitting

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

Revised July 9, 2024

Submittal Type
- ☒ Initial Submittal
- ☐ Amended Report
- ☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
30-045-38407	72319	BLANCO MESAVERDE

Property Code	Property Name	Well Number
319229	TITT	2M

OGRID No.	Operator Name	Ground Level Elevation
372171	HILCORP ENERGY COMPANY	5790'

Surface Owner: ☐ State ☒ Fee ☐ Tribal ☐ Federal

Mineral Owner: ☐ State ☒ Fee ☐ Tribal ☐ Federal

Surface Location

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
K	35	31N	11W		1855' SOUTH	2630' WEST	36.853199 °N	-107.960404 °W	SAN JUAN

Bottom Hole Location

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County

Dedicated Acres	Penetrated Spacing Unit:	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit	Consolidation Code
320.00	S/2 - Section 35, T31N, R11W	Infill	30-045-30675	☐ Yes ☒ No	C

Order Numbers

Well setbacks are under Common Ownership: ☐ Yes ☐ No

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County

Unitized Area or Area of Uniform Interest	Spacing Unit Type	Ground Floor Elevation
	☐ Horizontal ☒ Vertical ☐ Directional	5790'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Cherylene Weston
Signature

11/25/2024
Date

Cherylene Weston, Operations/Regulatory Tech-Sr.
Printed Name

cweston@hilcorp.com
E-mail Address

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.

JASON C. EDWARDS
NEW MEXICO
15269
11/25/2024
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Signature and Seal of Professional Surveyor

Certificate Number	Date of Survey
15269	NOVEMBER 8, 2024

Note: 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.

C-102

Submit Electronically
Via OCD Permitting

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

Revised July 9, 2024

Submittal Type
- ☒ Initial Submittal
- ☐ Amended Report
- ☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
30-045-38407	71599	BASIN DAKOTA

Property Code	Property Name	Well Number
319229	TITT	2M

OGRID No.	Operator Name	Ground Level Elevation
372171	HILCORP ENERGY COMPANY	5790'

Surface Owner: ☐ State ☒ Fee ☐ Tribal ☐ Federal

Mineral Owner: ☐ State ☒ Fee ☐ Tribal ☐ Federal

Surface Location

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
K	35	31N	11W		1855' SOUTH	2630' WEST	36.853199 °N	-107.960404 °W	SAN JUAN

Bottom Hole Location

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County

Dedicated Acres	Penetrated Spacing Unit:	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit	Consolidation Code
320.00	S/2 - Section 35, T31N, R11W	Infill	30-045-30675	☐ Yes ☒ No	C

Order Numbers

Well setbacks are under Common Ownership: ☐ Yes ☐ No

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County

Unitized Area or Area of Uniform Interest	Spacing Unit Type	Ground Floor Elevation
	☐ Horizontal ☒ Vertical ☐ Directional	5790'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Cherylene Weston — Signature

11/25/2024 — Date

Cherylene Weston, Operations/Regulatory Tech-Sr. — Printed Name

cweston@hilcorp.com — E-mail Address

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.

JASON C. EDWARDS
NEW MEXICO
15269
11/25/2024
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS

Signature and Seal of Professional Surveyor

Certificate Number 15269 — Date of Survey NOVEMBER 8, 2024

Note: 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.

REVENUE ALLOCATION PROCEDURE

DAKOTA/MESAVERDE WELLS

1.) Frac and flowback the Dakota formation
2.) Frac and flowback and clean up Mesaverde formation
3.) Stabilize MV flow up casing against area line pressure
4.) Record a MV flow rate through a choke using an orifice meter
5.) Drill out bridge plug over DK formation
6.) Cleanup DK formation
7.) Run Spinner production profile across Dakota formation
8.) Add MV flow rate from previous test to DK flow rate from spinner to get total flow
9.) Allocation is based upon MV or DK rates as a percentage of total flow

Once allocation is established, it will be used for the life of the well. Below is a summary of how the testing is performed.

Field Test (Spinner Method)

Summary

This example covers the procedure used to allocate production using the spinner method with field tests. This method was used by ConocoPhillips prior to the Burlington Resources acquisition and has been chosen as the preferred allocation method on all future Mesaverde/ Dakota commingled wells. The allocation is based on two separate tests. The first is a stabilized rate test on the Mesaverde up the casing-tubing annulus with line pressure simulated by a choke at the surface. The second test is performed by running a production log over the Dakota interval. The rate from each layer is used in a simple calculation to determine the contribution percentage.

Procedure

Allocation testing is performed after the well has been completed. A composite bridge plug is normally located above the DK and a composite frac plug is sometimes located within the MV.

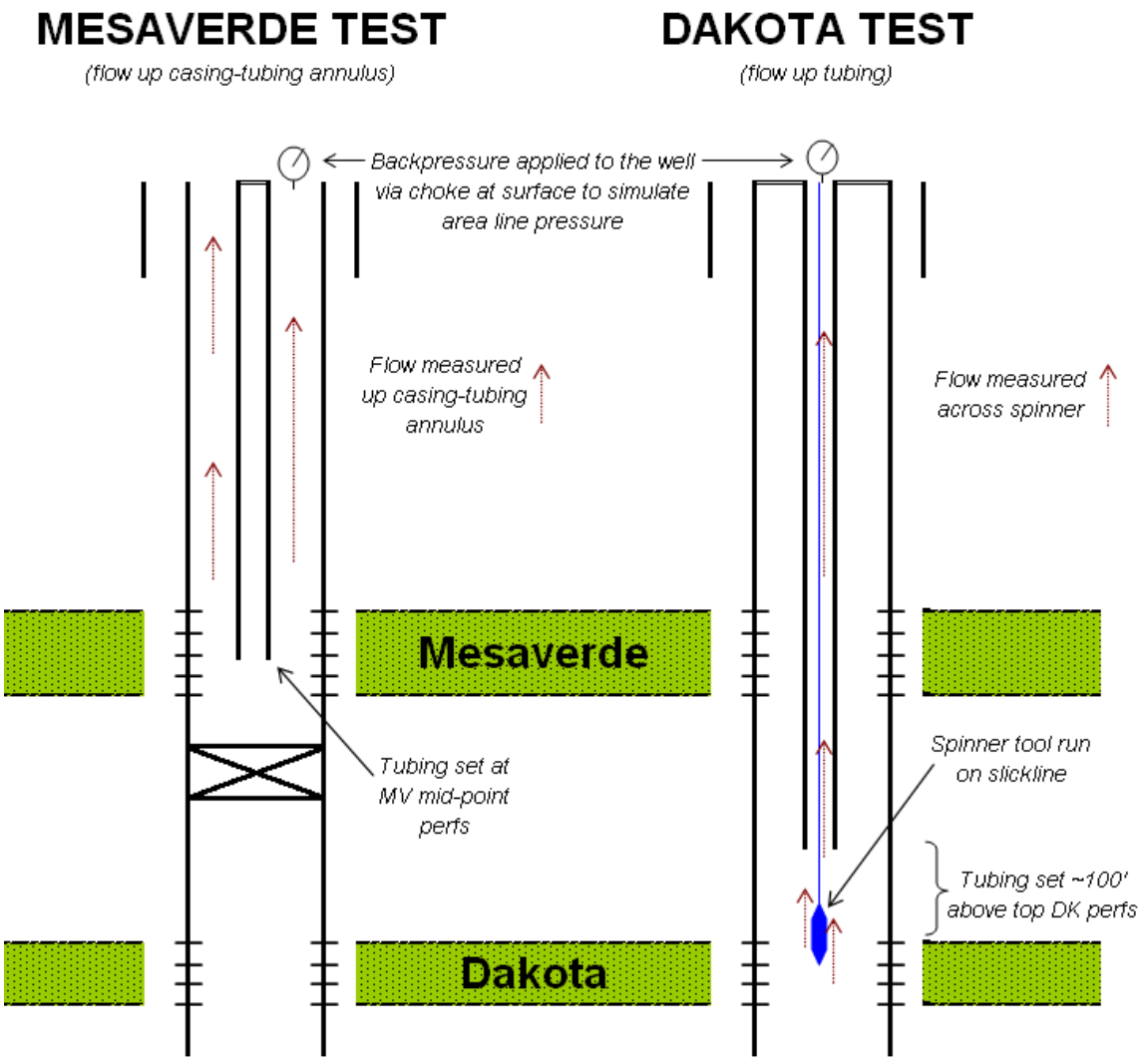
The first step in testing the MV is drilling out the plugs and cleaning out the well. Once water and sand volumes reach acceptable levels (less than 5 bph), the tubing is set at the mid-point of MV perfs. The well is then opened to flow up the casing-tubing annulus with a positive choke at the surface to simulate a back-pressure on the well. The MV is tested for a minimum of 4 hours or until pressure stabilizes. Tubing and casing pressures are reported every 15 minutes and when pressure is the same three times then it is considered stabilized. Metered gas, water, and condensate rates and volumes are all documented as well as testing conditions (tubing location, choke size, pressures).

After the MV has been tested, the composite drill plug over the DK is drilled out and the well is cleaned out to PBTD. Once the water and sand volumes reach acceptable levels (less than 5

bph), the bottom-hole assembly is configured and the tubing is landed approximately 100 feet above the DK perfs. A slickline or wireline unit is used to run the production loggings tools. The logging tools are lowered to the bottom perfs and the DK interval is logged while the well is producing up the tubing against a choke. Once again, the well is tested for a minimum or 4 hours or until the pressure has stabilized. The log is run across the entire DK interval to 50 feet above the top DK perforation. The log data is interpreted by the service company and returned to the completions group within a few days.

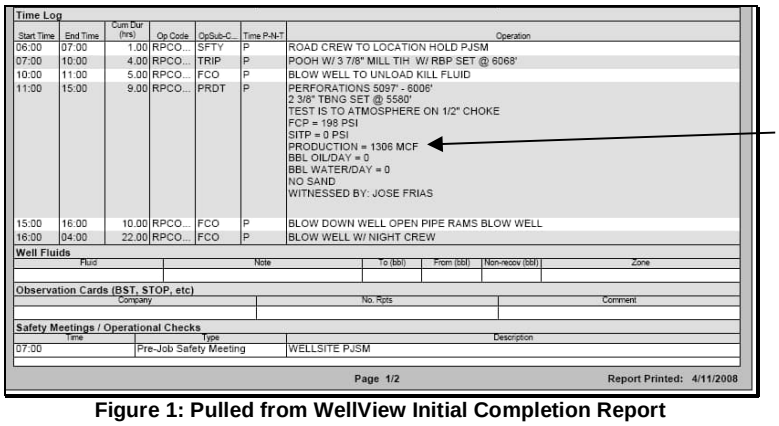
The stabilized MV rate is combined with the stabilized DK rate to come up with a total well production rate. The ratio of the MV rate to the total rate is used as the MV allocation percentage and the same is done for the DK. An example test and corresponding calculations are included in the report.

Diagram



Example- San Juan 31-6 Unit 40G

After the MV has been cleaned up and the well has stabilized, the MV is tested at 1,306 Mcfd (see report below). The test was performed up the tubing-casing annulus (4.5" casing/ 2.38" tubing) with a ½" choke at surface. The stabilized flowing casing pressure was 198 psi, which is similar to line pressure in the area.



Time Log

Start Time	End Time	Cum Dur (hrs)	Op Code	OpSub-C...	Time P-N-T	Operation
06:00	07:00	1.00	RPCO...	SFTY	P	ROAD CREW TO LOCATION HOLD PJSM
07:00	10:00	4.00	RPCO...	TRIP	P	POOH W/ 3 7/8" MILL TIH W/ RBP SET @ 6068'
10:00	11:00	5.00	RPCO...	FCO	P	BLOW WELL TO UNLOAD KILL FLUID
11:00	15:00	9.00	RPCO...	PRDT	P	PERFORATIONS 5097' - 6006' 2 3/8" TBNG SET @ 5580' TEST IS TO ATMOSPHERE ON 1/2" CHOKE FCP = 198 PSI SITP = 0 PSI PRODUCTION = 1306 MCF BBL OIL/DAY = 0 BBL WATER/DAY = 0 NO SAND WITNESSED BY: JOSE FRIAS
15:00	16:00	10.00	RPCO...	FCO	P	BLOW DOWN WELL OPEN PIPE RAMS BLOW WELL
16:00	04:00	22.00	RPCO...	FCO	P	BLOW WELL W/ NIGHT CREW

Well Fluids

Fluid	Note	To (bbl)	From (bbl)	Non-recov (bbl)	Zone

Observation Cards (BST, STOP, etc)

Company	No. Rpts	Comment

Safety Meetings / Operational Checks

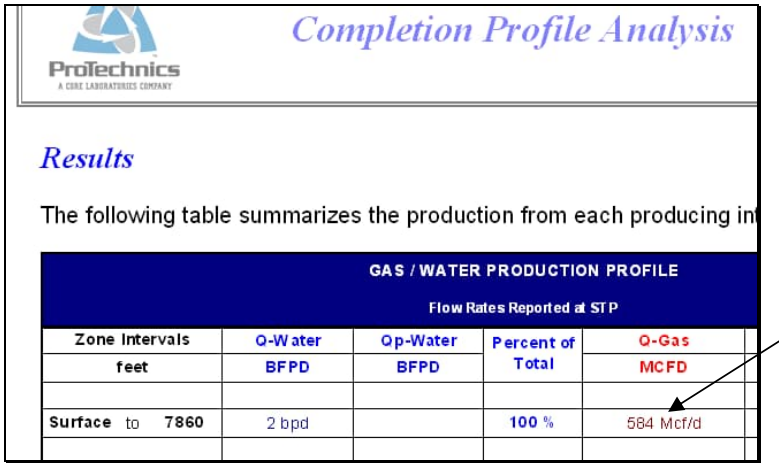
Time	Type	Description
07:00	Pre-Job Safety Meeting	WELLSITE PJSM

Page 1/2 Report Printed: 4/11/2008

Stabilized MV Production Rate

Figure 1: Pulled from WellView Initial Completion Report

The DK is then cleaned up and the logging tools are run. The reports from ProTechnics show a total rate from the DK equal to 584 Mcfd (see report below). The test was performed at a flowing tubing pressure of 125 psi with a ½" choke at surface.



ProTechnics
A CORE LABORATORIES COMPANY

Completion Profile Analysis

Results

The following table summarizes the production from each producing int

GAS / WATER PRODUCTION PROFILE

Flow Rates Reported at STP

Zone Intervals	Q-Water	Qp-Water	Percent of Total	Q-Gas
feet	BFPD	BFPD		MCFD
Surface to 7860	2 bpd		100 %	584 Mcf/d

Stabilized DK Production Rate

Figure 2: Pulled from Protechnics Report, pg. 6

The allocation is calculated as follows and an allocation form is completed for the well. See Appendix for allocation form, WellView report, and ProTechnics report including production logs.

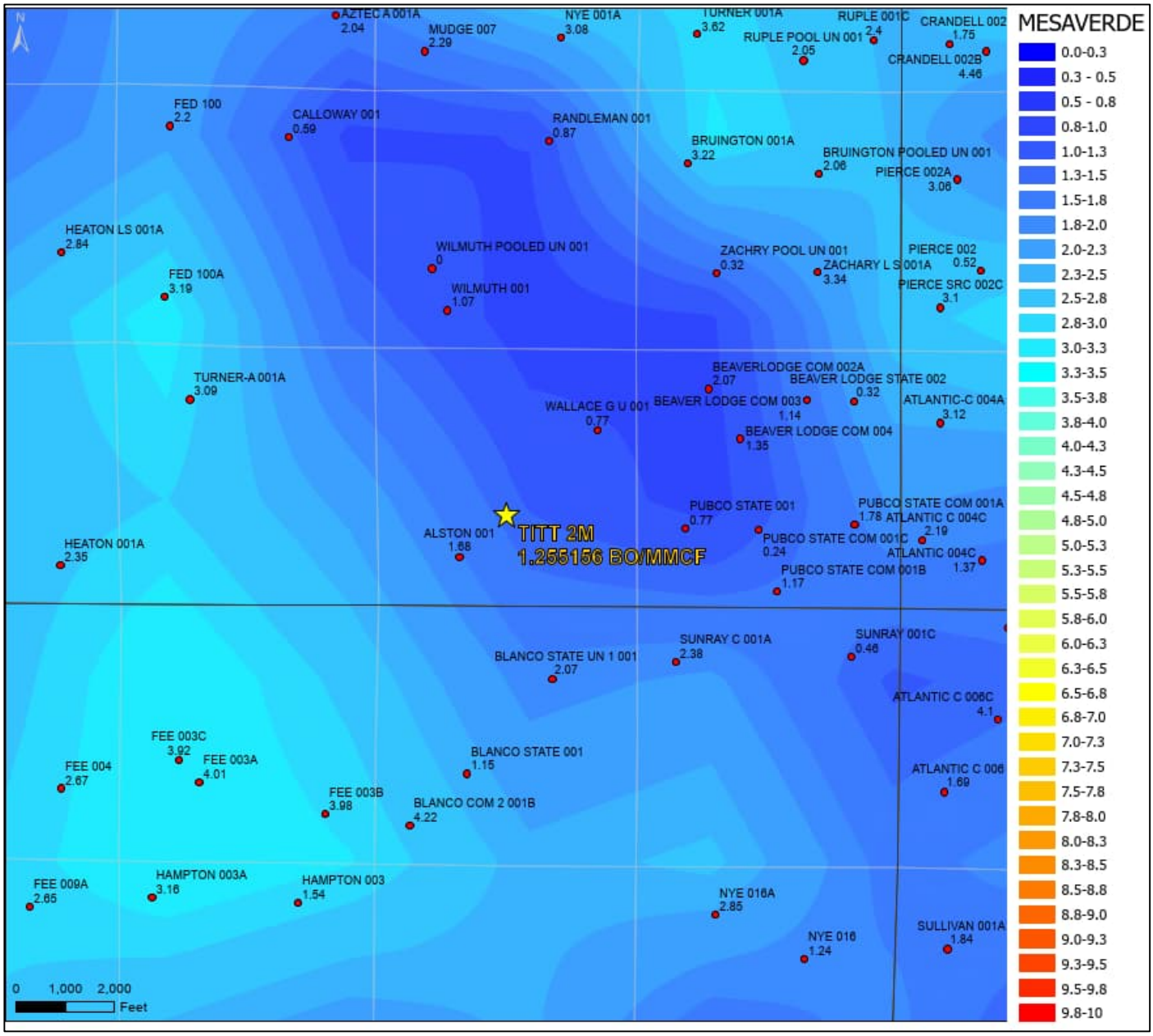
MV Rate	1306	% MV= 1306/1890=	69%
DK Rate	584	% DK= 584/1890=	31%
Total Rate	1890		

Oil Allocation:

Oil production will be allocated utilizing GOR in terms of oil yield based on actual production from offset Dakota and Mesaverde wells. Once gas allocation split is obtained from spinner, oil yield values will be applied to get final oil allocation split.

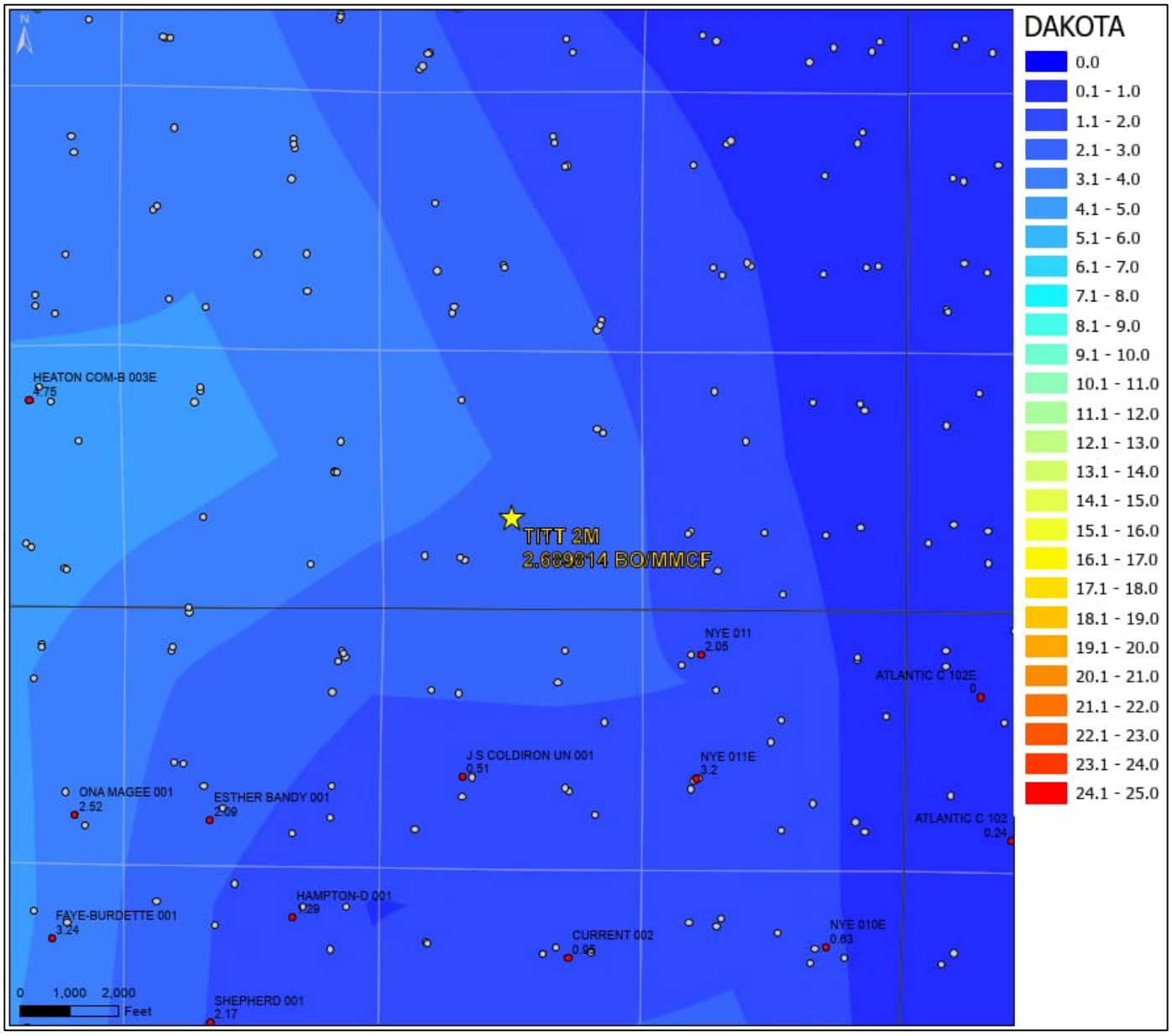
MESAVERDE OIL YIELD MAP

***Condensate Yield (BBL/MMCF) - Based on all DK wells and MV wells. Not filtered to standalones - incorporates allocated production.**



DAKOTA OIL YIELD MAP

****Condensate Yield (BBL/MMCF) - Based on all DK wells and MV wells. Not filtered to standalones - incorporates allocated production.**



Hilcorp

April 2, 2025

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

Re: C-103 (Downhole Commingle)
Titt 2M
API No. 30-045-38407
K-35, T30N-R11W
San Juan County, NM

Gentlemen:

Concerning Hilcorp Energy Company's C-103 application to downhole commingle production in the subject well, this letter serves to confirm the following:

All working, royalty and overriding royalty interests are identical between the Blanco Mesaverde (Pool Code: 72319) and Basin Dakota (Pool Code: 71599) in the spacing units dedicated to these formations. Therefore, no notice to interest owners is required.

The spacing unit contains a Federal Lease. Therefore, pursuant to Subsection C.(1) of 19.15.12.11 NMAC, written notice 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,

By: HILCORP ENERGY COMPANY,
Its General Partner

Carson Parker Rice
Landman – San Juan Basin
Hilcorp Energy Company
1111 Travis Street
Houston, Texas 77002
713-757-7108 Direct
Email: carice@hilcorp.com

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 419613

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 419613
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	4/2/2025