

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO.
30-045-09520
5. Indicate Type of Lease
STATE [X] FEE []
6. State Oil & Gas Lease No.
B-10796
7. Lease Name or Unit Agreement Name
Gonsales State Com
8. Well Number 1
9. OGRID Number
372171
10. Pool name or Wildcat
Basin DK / Blanco MV

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [] Gas Well [X] Other []
2. Name of Operator
HILCORP ENERGY COMPANY
3. Address of Operator
382 ROAD 3100, AZTEC NM 87410
4. Well Location
Unit Letter G : 1470 feet from the North line and 1770 feet from the East line
Section 16 Township 30N Range 11W NMPM San Juan County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5720 GL

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

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

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

See the attached REVISED Fixed Production Allocation

Spud Date: []

Rig Release Date: []

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

SIGNATURE [Signature] TITLE Operations/Regulatory Tech Sr. DATE 5/23/2022

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

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 06/02/2022
Conditions of Approval (if any):

Area: <TEAM>

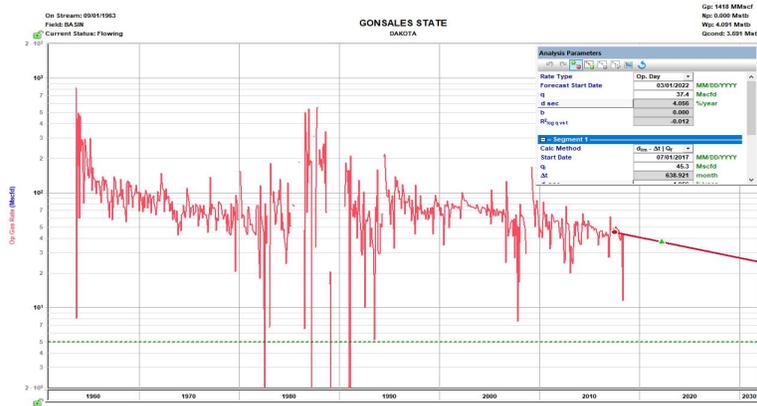
<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input checked="" type="checkbox"/>
					Date: 5/23/22 API No. 30-045-09520 DHC No. DHC4002AZ Lease No. B-10796
Well Name Gonsales State Com					Well No. 1
Unit Letter G	Section 16	Township 030N	Range 011W	Footage 1470' FNL & 1770' FEL	County, State San Juan County, New Mexico
Completion Date	Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>				
FORMATION	GAS	PERCENT	CONDENSATE	PERCENT	
MESAVERDE	155 MCFD	80%		68%	
DAKOTA	38 MCFD	20%		32%	
JUSTIFICATION OF ALLOCATION: **REVISED Oil allocation due to miscalculation. Effective Date 5/1/2022. No change to gas allocation.** Hilcorp Energy Company requests that production for the down hole commingle to be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Oil allocated based on average formation yields in surrounding area and new fixed allocations.					
APPROVED BY 	DATE	TITLE		PHONE	
X Amanda Walker	5/23/22	Operations/Regulatory Tech Sr.		346-237-2177	
For Technical Questions:	Justin Nall	Reservoir Engineer – Sr.		346-237.2231	

Gonsales State Com 1

The Mesaverde and the Dakota formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage based allocation.

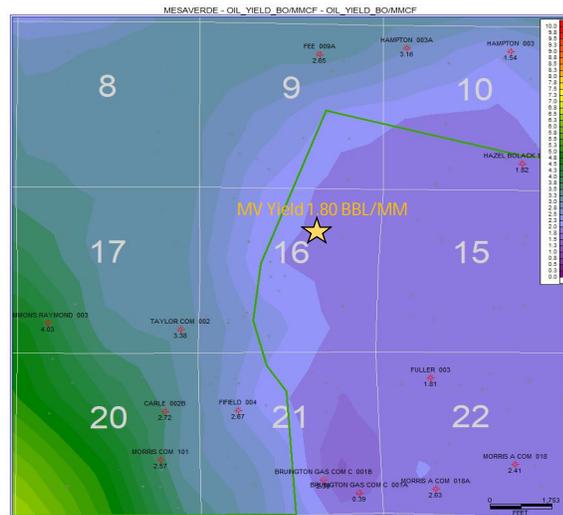
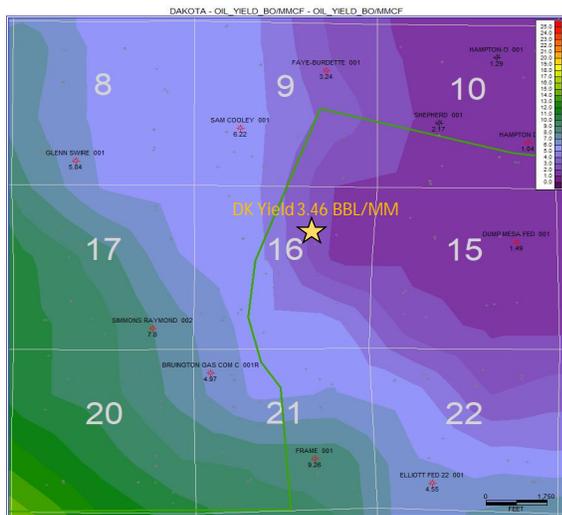
The new fixed percentage based allocation will be calculated from average production rates from the past twelve months.

Date	Gas Production		
	Dakota	Mesaverde	Total
Jan-21	38.6	165.8	204.4
Feb-21	38.5	170.5	209.0
Mar-21	38.4	166.8	205.2
Apr-21	38.3	157.5	195.8
May-21	38.2	158.6	196.8
Jun-21	38.0	162.5	200.5
Jul-21	37.9	154.7	192.6
Aug-21	37.7	152.6	190.3
Sep-21	37.7	145.1	182.8
Oct-21	37.5	149.7	187.2
Nov-21	37.4	130.3	167.7
Dec-21	37.3	146.3	183.6
Averages	38.0	155.0	193.0
% of Total	20%	80%	



Oil will be reallocated based on the average formation yields in surrounding area and new fixed allocations.

Formation	Yield	Oil Allocation
Dakota	3.46 bbl/mmscf	32%
Mesaverde	1.8 bbl/mmscf	68%



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

CONDITIONS

Action 109379

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 109379
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclore	None	6/2/2022