

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

Lease Number: NMNM03380

Sundry Print Report

Well Name: FLORANCE Well Location: T27N / R8W / SEC 18 /

NWNE / 36.57935 / -107.71883

County or Parish/State: SAN

JUAN / NM

Well Number: 66E Type of Well: CONVENTIONAL GAS

WELL

Allottee or Tribe Name:

•••

Unit or CA Name:

Unit or CA Number:

COMPANY

Notice of Intent

Sundry ID: 2835669

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 02/06/2025 Time Sundry Submitted: 08:55

Date proposed operation will begin: 03/01/2025

Procedure Description: Hilcorp Energy Company requests permission to recomplete the subject well in the Mesaverde/Mancos and downhole commingle with the existing Dakota. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. Hilcorp will contact the FFO Surface group within 90 days after the well has been recompleted, before any interim reclamation work, to conduct the onsite. A reclamation plan will be submitted after the onsite.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Florance_66E_RC_NOI_20250206085331.pdf

eceived by OCD: 2/6/2025 10:25:17 AM Well Name: FLORANCE

Well Location: T27N / R8W / SEC 18 /

NWNE / 36.57935 / -107.71883

County or Parish/State: SAN 2 of

JUAN / NM

Well Number: 66E

Type of Well: CONVENTIONAL GAS

Allottee or Tribe Name:

Lease Number: NMNM03380

Unit or CA Name:

Unit or CA Number:

Zip:

US Well Number: 3004525585

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

Signed on: FEB 06, 2025 08:55 AM Operator Electronic Signature: DAWN NASH-DEAL

Name: HILCORP ENERGY COMPANY

Title: Operations Regulatory Tech Street Address: 1111 TRAVIS ST

City: HOUSTON State: TX

Phone: (505) 324-5132

Email address: DNASH@HILCORP.COM

Field

Representative Name:

Street Address:

City: State:

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: 02/06/2025

Signature: Kenneth Rennick

Form 3160-5 (June 2019)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 202

BUR	EAU OF LAND MANAGEMENT	5. Lease Serial No.		
Do not use this t	IOTICES AND REPORTS ON Vitorm for proposals to drill or t Use Form 3160-3 (APD) for su	o re-enter an	6. If Indian, Allottee or Tribe N	Vame
SUBMIT IN	TRIPLICATE - Other instructions on pag	ge 2	7. If Unit of CA/Agreement, N	Iame and/or No.
1. Type of Well Oil Well Gas W	Vell Other		8. Well Name and No.	
2. Name of Operator			9. API Well No.	
3a. Address	3b. Phone No	. (include area code)	10. Field and Pool or Explorate	ory Area
4. Location of Well (Footage, Sec., T., K	R.,M., or Survey Description)	11. Country or Parish, State		
12. CHE	CK THE APPROPRIATE BOX(ES) TO IN	DICATE NATURE	OF NOTICE, REPORT OR OTH	HER DATA
TYPE OF SUBMISSION		TYP	E OF ACTION	
Notice of Intent	Acidize Dee	pen raulic Fracturing	Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity
Subsequent Report		Construction	Recomplete	Other
Final Abandonment Notice		g and Abandon g Back	Temporarily Abandon Water Disposal	
completion of the involved operation completed. Final Abandonment No is ready for final inspection.)	I be perfonned or provide the Bond No. on one. If the operation results in a multiple contices must be filed only after all requirement times must be filed only after all requirement true and correct. Name (Printed/Timed)	mpletion or recomple	etion in a new interval, a Form 3	160-4 must be filed once testing has been
14. I hereby certify that the foregoing is	true and correct. Name (Printed/Typed)	Title		
		Title		
Signature		Date		
	THE SPACE FOR FED	ERAL OR STA	ATE OFICE USE	
Approved by		Title	ı	Date
	hed. Approval of this notice does not warranguitable title to those rights in the subject laduct operations thereon.	nt or	1	
Title 18 U.S.C Section 1001 and Title 4	3 U.S.C Section 1212, make it a crime for a	ny person knowingl	y and willfully to make to any de	epartment or agency of the United States

any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

 $0. \ SHL: \ NWNE \ / \ 980 \ FNL \ / \ 1760 \ FEL \ / \ TWSP: \ 27N \ / \ RANGE: \ 8W \ / \ SECTION: \ 18 \ / \ LAT: \ 36.57935 \ / \ LONG: \ -107.71883 \ (\ TVD: \ 0 \ feet, \ MD: \ 0 \ feet \)$ $BHL: \ NWNE \ / \ 980 \ FNL \ / \ 1760 \ FEL \ / \ TWSP: \ 27N \ / \ SECTION: \ / \ LAT: \ 36.57935 \ / \ LONG: \ 107.71883 \ (\ TVD: \ 0 \ feet, \ MD: \ 0 \ feet \)$



FLORANCE 066E RECOMPLETION SUNDRY

Prepared by:	Matthew Esz		
Preparation Date:	January 15, 2025		

WELL INFORMATION										
Well Name:	FLORANCE 066E	State:	NM							
API#:	3004525585	County:								
Area:	9	Location:								
Route:	900	Latitude:								
Spud Date:	June 21, 1983	Longitude:								

PROJECT DESCRIPTION

Perforate, fracture, and comingle the Mesa Verde and Mancos with the existing Dakota zone.

CONTACTS									
Title	Name	Office Phone #	Cell Phone #						
Engineer	Matthew Esz		770-843-9226						
Area Foreman									
Lead									
Artificial Lift Tech									
Operator									



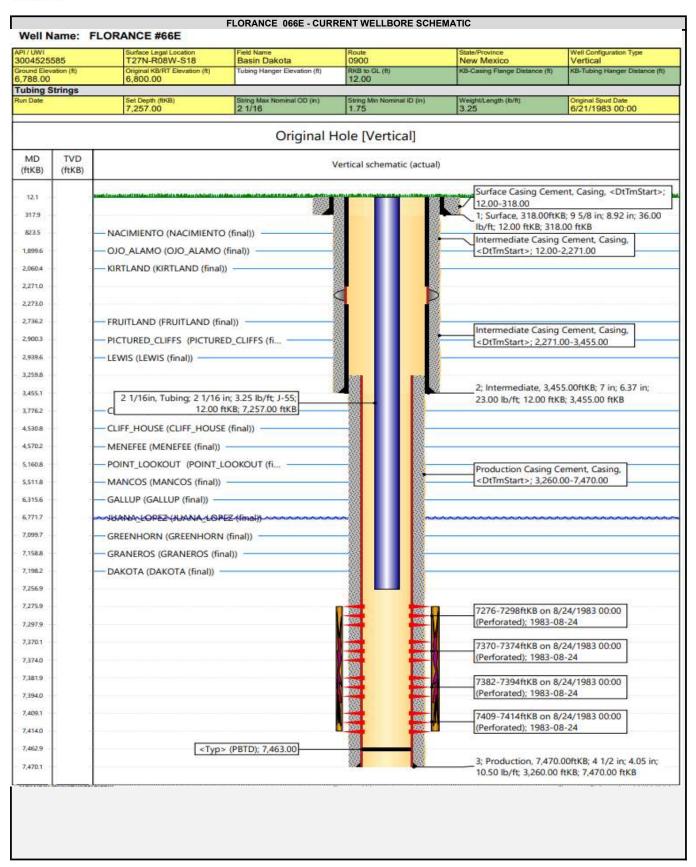
FLORANCE 066E RECOMPLETION SUNDRY

JOB PROCEDURES

- 1. MIRU service rig and associated equipment; test BOP.
- 2. TOOH with 2-1/16" tubing set at 7,257'.
- 3. Set a 4-1/2" plug at +/- 7,251' to isolate the Dakota.
- 4. RU Wireline. Run CBL. Record Top of Cement.
- 5. Load the hole and pressure test the casing.
- 6. N/D BOP, N/U frac stack and pressure test frac stack.
- 7. Perforate and frac the Mesa Verde from 4530'-5662' and the Mancos from 5662'-7100'.
- 8. Nipple down frac stack, nipple up BOP and test.
- 9. TIH with a mill and drill out top isolation plug and Mesa Verde/Mancos frac plugs.
- 10. Clean out to **Dakota** isolation plug.
- 11. Drill out **Dakota** isolation plug and cleanout to PBTD of **7,463**'. TOOH.
- 12. TIH and land production tubing. Get a commingled <code>Dakota/Mancos/Mesa Verde</code> flow rate.

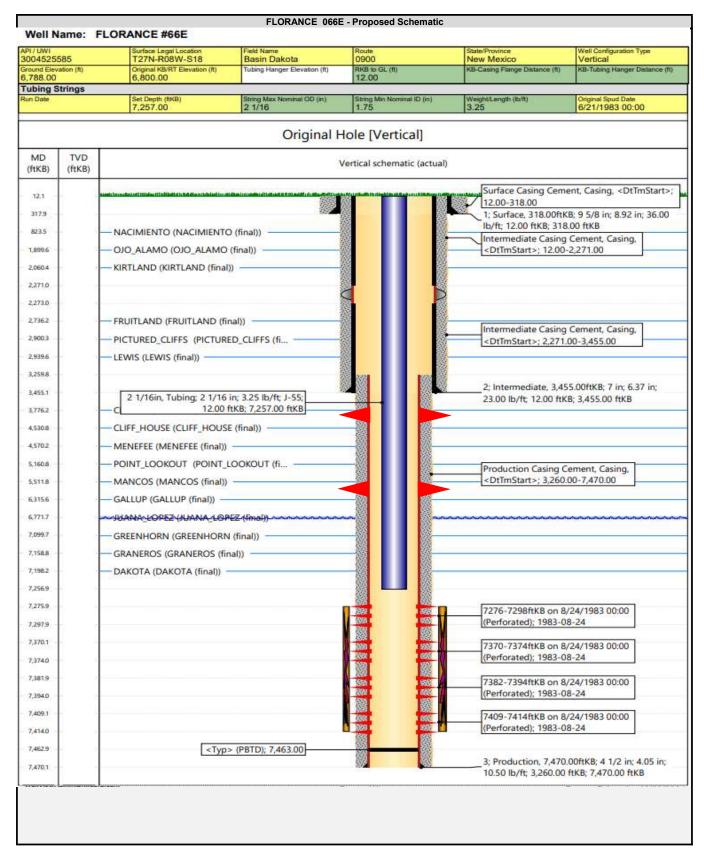


FLORANCE 066E RECOMPLETION SUNDRY





FLORANCE 066E RECOMPLETION SUNDRY



Phone: (505) 476-3441 Fax: (55) 476-3462

General Information Phone: (505) 629-6116

Online Phone Directory Visit:

nttps://www.emnrd.nm.gov/ocd/contact-us/

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

	Revised July 9, 2024
	Submit Electronically
	via OCD Permitting
☐ Initial St	ıbmittal

via OCD Permitti
☐ Initial Submittal

	☐ Initial Submittal
Submittal Type:	☐ Amended Report
. 1	☐ As Drilled

WELL LOCATION INFORMATION

API Nur	mber		Pool Code Pool Name								
3004525	5585		97232	97232 BASIN MANCOS							
Property	y Code		Property Na	me					Well Number	er	
318518			FLORANCI	FLORANCE							
OGRID	No.		Operator Name					Ground Level Elevation			
372171			Hilcorp Ener	Hilcorp Energy Company					6788'		
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal						Mineral Owner: S	tate 🗆 Fee 🗆 Tribal l				
·											
Surface Location											
UL	Section	Township	Range	Lot	Ft. from N/S		Ft. from E/W	Latitude	Longitude	County	

В	18	2/N	08W		980° FNL	1760° FEL	36.5/9406/	-107./193527	SAN JUAN		
Bottom Hole Location											
UL B	Section 18	Township 27N	Range 08W	Lot	Ft. from N/S 980' FNL	Ft. from E/W 1760' FEL	Latitude 36.5794067	Longitude -107.7193527	County SAN JUAN		
Dadica	ted Acres	Infill or Defin	ning Wall	Defining	Wall ADI	Overlanning Specing	Unit (V/N) Consoli	dation Code			

Dedicated Acres 320	Infill or Defining Well DEFINING	Defining Well API	Overlapping Spacing Unit (Y/N) NO	Consolidation Code N/A	
Order Numbers.			Well setbacks are under Common Ownership: XYes □No		

Kick Off Point (KOP)

						·		1	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
		· · · · · · · · · · · · · · · · · · ·	8.					8	
	First Take Point (FTP)								
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
CE	Beetion	Township	runge	Lot	Tt. Holli IVB	11.110111 23 11	Editide	Longitude	County
	Last Take Point (LTP)								
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
CE	Beetion	Township	runge	Lot	Tt. Holli IVB	11.110111 23 11	Editide	Longitude	County

Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☒ Vertical	Ground Floor Elevation: 6788'
-		

OPERATOR CERTIFICATIONS

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.

 ${\it If this well is a horizontal well, I further certify that this organization has received the}\\$ 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.

Dawnnash Dead Signature

01/14/2025

DAWN NASH-DEAL

Printed Name

DNASH@HILCORP.COM

Email Address

SURVEYOR CERTIFICATIONS

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

FRED KERR JR

Signature and Seal of Professional Surveyor

3950

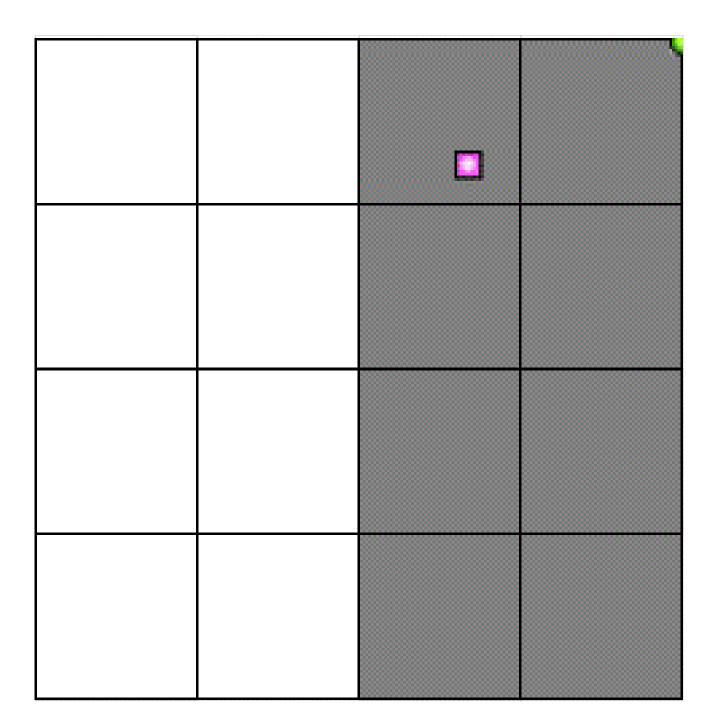
3950

Certificate Number

Date of Survey

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462

General Information Phone: (505) 629-6116

Online Phone Directory Visit:

nttps://www.emnrd.nm.gov/ocd/contact-us/

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

Revised July 9, 2024
Submit Electronically
via OCD Permitting
☐ Initial Submittal

	☐ Initial Submittal
Submittal Fype:	☐ Amended Report

☐ As Drilled

					WELL LOCA	ATION INFORMATION	I				
API Nu	mber		Pool Code			Pool Name					
300452	5585		72319			BLANCO-MESAVERI	DE				
Property	•		Property Name					Well Number			
318518			FLORANC						66E		
OGRID	No.		Operator Na							el Elevation	
372171				Hilcorp Energy Company					6788'		
Surface Owner: □ State □ Fee □ Tribal ⊠ Federal Mineral Owner: □ State □ Fee □ Tribal ⊠ F					Federal						
					Sur	rface Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Ft. from E/W Latitude Lo		ongitude	County	
В	18	27N	08W		980' FNL	1760' FEL	1760' FEL 36.5794067 -1		107.7193527	SAN JUAN	
	ı	T	T	1	1	m Hole Location				T	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		ongitude	County	
В	18	27N	08W		980' FNL	1760' FEL	36.579406	57 -1	107.7193527	SAN JUAN	
		l									
Dedicat	ed Acres	Infill or Defi	ning Well	Defining	g Well API	Overlapping Spacin	ng Unit (Y/N)	Consolidati	on Code		
320		INFILI	_	3004531016		NO	NO N/A				
Order N	lumbers.			1	Well setbacks are under Common Ownership: ☒ Y				¶Yes □No		
					Kick	Off Point (KOP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	L	ongitude	County	
	I.	II.	1		First '	Take Point (FTP)	•			•	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	L	ongitude	County	
			1		Last	Γake Point (LTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	L	ongitude	County	
					1						
Unitiza	d Area or Ar	as of Uniform	Interest	Cmani:: -	Hait True III	wigantal Vartical	C-ron	nd Floor Flor	vation: 6788'		
Unitized Area or Area of Uniform Interest			Spacing Unit Type ☐ Horizontal ☒ Vertical				Ground Floor Elevation: 6788'				

OPERATOR CERTIFICATIONS

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.

Dawnnach Deac

01/14/2025

.....

DAWN NASH-DEAL

Printed Name

DNASH@HILCORP.COM

Email Address

SURVEYOR CERTIFICATIONS

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.

FRED KERR JR

Signature and Seal of Professional Surveyor

3950

3950

Certificate Number

Date of Survey

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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300

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 Energ	gy Company		OG	RID: _ 37	72171 I	Date: 1 / 8 / 2	<u>2025</u>
II. Type: ⊠ Original □ A	mendment due	to □ 19.15.27.9	.D(6)(a) NMAC	□ 19.15.2	27.9.D(6)(b) N	MAC □ Other.	
If Other, please describe:							
III. Well(s): Provide the follower recompleted from a single					set of wells pro	oposed to be dril	led or proposed to
Well Name	API	ULSTR	Footage	es	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
FLORANCE 66E	3004525585	B,18,27N,8W	980' FNL & 17	'60' FEL	4	300	0.5
V. Anticipated Schedule: F proposed to be recompleted	Provide the follo from a single v	well pad or conne	on for each new on the central	or recomp delivery _l	leted well or se point.	et of wells propos	
Well Name	API	Spud Date	TD Reached Date		impletion encement Date	Initial Flow Back Date	First Production Date
FLORANCE 66E	3004525585						
VII. Operational Practices Subsection A through F of 1 VIII. Best Management P during active and planned m	s: ⊠ Attach a 9.15.27.8 NMa ractices: ⊠ A	complete descrip	ption of the action	ons Opera	tor will take to	comply with th	e requirements of

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	Available Maximum Daily Capacity
	-		Start Date	of System Segment Tie-in

XI. Map. \square 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	e capacity to gather	100% of the a	nticipated nat	ural gas
production volume from the well	prior to the date of first p	production.				

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

	Operator	's plan t	o manage proc	luction in response	to the increased	l line pressure
--	----------	-----------	---------------	---------------------	------------------	-----------------

XIV. Confidentiality: \square Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information	ion 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 spec	ific information
for which confidentiality is asserted and the basis for such assertion.	

(i)

Section 3 - Certifications <u>Effective May 25, 2021</u>

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; reinjection for underground storage; (e) **(f)** reinjection for temporary storage; (g) reinjection for enhanced oil recovery; fuel cell production; and (h)

Section 4 - Notices

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

other alternative beneficial uses approved by the division.

- (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: Dunnach Deao
Printed Name: DAWN NASH-DEAL
Title: REGULATORY TECHNICIAN
E-mail Address: DNASH@HILCORP.COM
Date: 1/8/2025
Phone: 505-324-5132
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
 - o This gas capture plan isn't for a well being drilled.
- 3. Subsection (C) Venting and flaring during completion or recompletion
 - o 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.
 - o 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.
 - o 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.
 - o 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.

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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 429112

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	429112
	Action Type:
	[C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify the OCD inspection supervisor via email 24 Hours Prior to beginning operations.	4/30/2025
ward.rikala	All conducted logs shall be submitted to the OCD as a [UF-WL] EP Well Log Submission (WellLog).	4/30/2025
ward.rikala	If Cement is not adequate to protect casing and isolate strata: (a) the uppermost perforation in each additional pool to at least 150 feet above that perforation; and (b) the lowermost perforation in each added pool to at least 100 feet below that perforation, the appropriate Inspection supervisor shall be consulted and remedial action conducted as directed.	4/30/2025
ward.rikala	A C-104 packet is required if, a pool is added, or perforations are added above or below existing perfs.	4/30/2025
ward.rikala	Down Hole Commingle order is required prior to commingling of production.	4/30/2025