

PHIC7-191209-C-107B 1374

Revised March 23, 2017

| | | | |
|-------------------|-----------|----------|-----------------------|
| RECEIVED: 12/9/19 | REVIEWER: | TYPE: PC | APP NO: pDM1935356844 |
|-------------------|-----------|----------|-----------------------|

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: Hilcorp Energy Company **OGRID Number:** 372171
Well Name: San Juan 27-4 Unit 139N & San Juan 27-4 Unit 59N **API:** 3003930438 & 3003930475
Pool: Blanco Mesaverde & Basin Dakota **Pool Code:** 72319 & 71599

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

FOR OCD ONLY

☐ Notice Complete
☐ 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.

Nick Kunze

Print or Type Name



Signature

Date

12/9/2019

(713)209-2400

Phone Number

nkunze@hilcorp.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Hilcorp Energy Company
OPERATOR ADDRESS: 382 Road 3100, Aztec, NM 87410
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

San Juan 27-4 Unit 139N - 3003930438
San Juan 27-4 Unit 59N - 3003930475

(A) POOL COMMINGLING

Please attach sheets with the following information

| (1) Pool Names and Codes | Gravities / BTU of Non-Commingled Production | Calculated Gravities / BTU of Commingled Production | | Calculated Value of Commingled Production | Volumes |
|--------------------------|--|---|--|---|---------|
| Blanco Mesaverde (72319) | | | | | |
| Basin Dakota (71599) | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

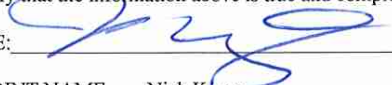
- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE:  TITLE: Area Operations Manager DATE: 12/9/2019
TYPE OR PRINT NAME: Nick Kunze TELEPHONE NO.: (713) 209-2400
E-MAIL ADDRESS: nkunze@hilcorp.com

"As Drilled Plat"

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240State of New Mexico
Energy, Minerals & Natural Resources DepartmentForm C-102
Revised October 12, 2005DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

FEB 05 2008

Bureau of Land Management

WELL LOCATION AND ACREAGE DEDICATION PLAT

Submitted to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RCVD JUN 24 '09

☐ AMENDED REPORT

OIL CONS. DIV.

| | | | |
|---|--|---|----------------------------------|
| ¹ API Number 30-039-30475 | ² Pool Code 72319, | ³ Pool Name Blanco - MESA VERDE | DIST. 3 |
| ⁴ Property Code 7452 | ⁵ Property Name SAN JUAN 27-4 UNIT | | ⁶ Well Number 59 N |
| ⁷ GRID No. 14538 | ⁸ Operator Name BURLINGTON RESOURCES O&G CO LP | | ⁹ Elevation 7163' |

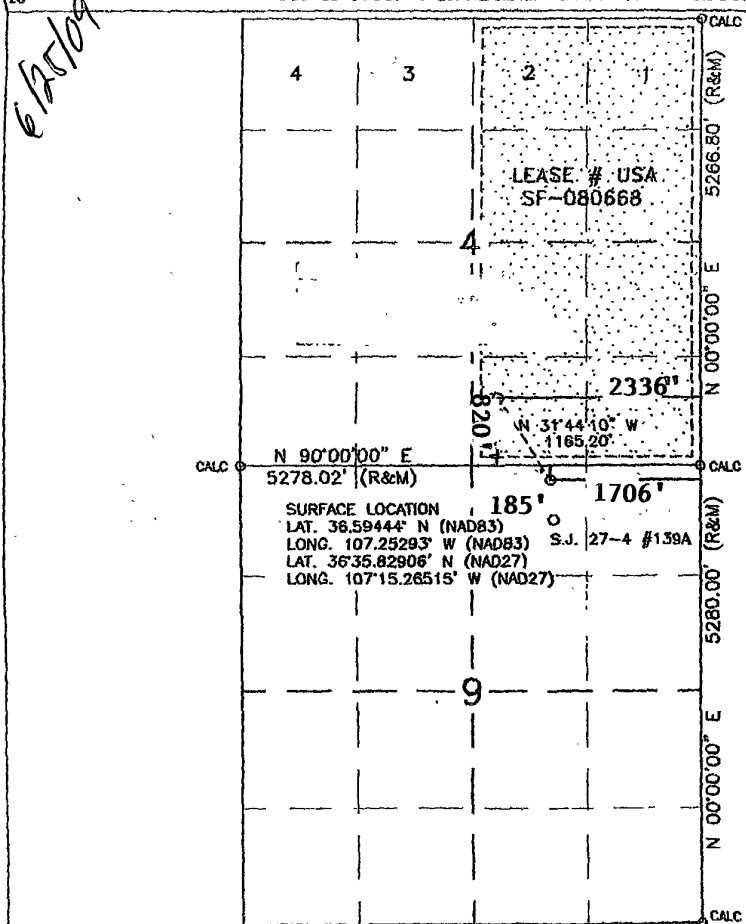
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| B | 9 | 27N | 4W | | 185' | NORTH | 1706' | EAST | RIO ARRIBA |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| 0 | 4 | 27N | 4W | | 820' | SOUTH | 2336' | EAST | RIO ARRIBA |

| | | | |
|---|-------------------------------|----------------------------------|--|
| ¹² Dedicated Acres 319.20 Acres - (E/2) | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. RCVD JUN 19 '09 OIL CONS. DIV. |
|---|-------------------------------|----------------------------------|--|

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 DIST. 3¹⁷ OPERATOR CERTIFICATION

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 or has a right to drill this well at this location pursuant to a contract with an owner or a compulsory pooling order heretofore entered by the division.

Jamie Goodwin 06/15/2009
Signature Date

Jamie Goodwin
Printed Name

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 belief.

APRIL 3, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL

Certificate Number

10201

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

"AS DRILLED PLAT"

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

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

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|--|--|---|-----------------------------------|
| ¹ API Number 30-039-30438 | | ² Pool Code 72319/71599 | | ³ Pool Name Blanco MESA VERDE/ Basin Dakota | |
| ⁴ Property Code 7452 | | ⁵ Property Name SAN JUAN 27-4 UNIT | | | ⁶ Well Number 139 N |
| ⁷ GRID No. 14538 | | ⁸ Operator Name BURLINGTON RESOURCES O&G CO LP | | | ⁹ Elevation 7167' |

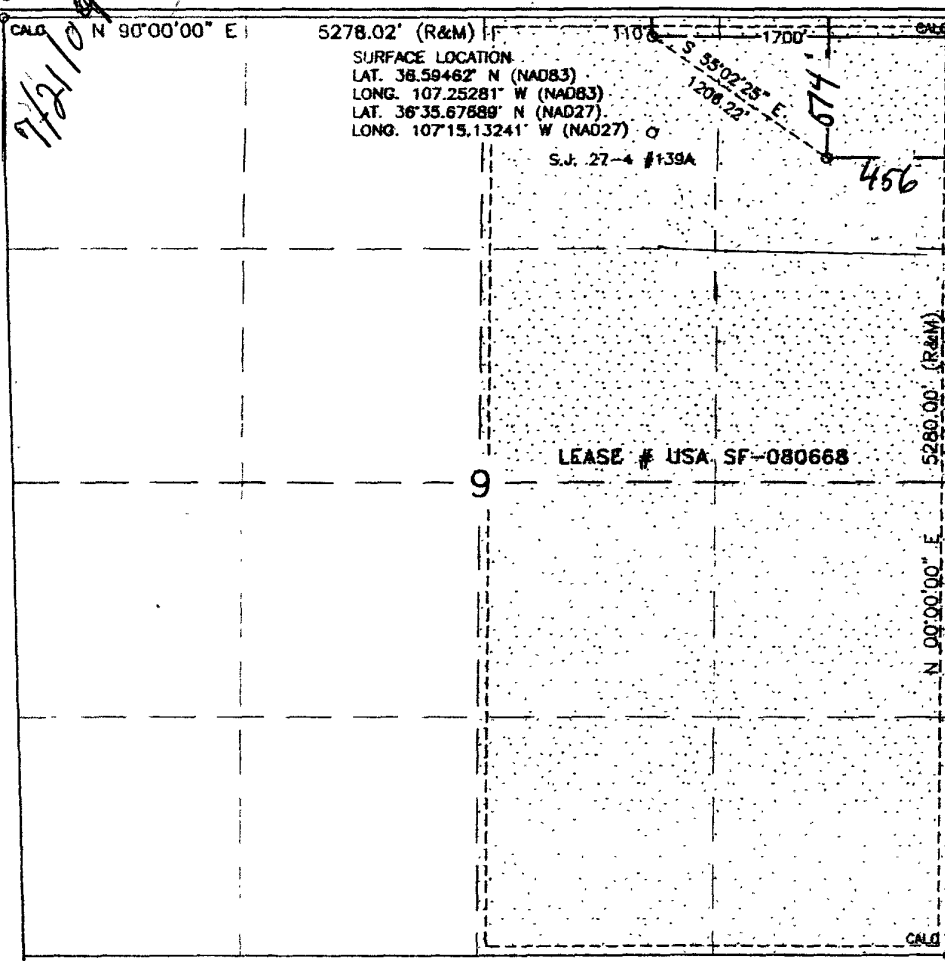
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| B | 9 | 27N | 4W | | 110' | NORTH | 1700' | EAST | RIO ARRIBA |

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 |
|---|---------|----------|-------------------------------|---------|----------------------------------|------------------|--|----------------|------------|
| A | 9 | 27N | 4W | | 514' | NORTH | 456' | EAST | RIO ARRIBA |
| ¹² Dedicated Acres 320.00 Acres - (E/2) | | | ¹³ Joint or Infill | | ¹⁴ Consolidation Code | | ¹⁵ Order No. RCVD JUL 2 '09 OIL CONSV. DIV. | | |

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 DIST. 3



¹⁷ OPERATOR CERTIFICATION

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 or has a right to drill this well at this location pursuant to a contract with an owner or a compulsory pooling order heretofore entered by the division.

Patsy Clugston 7/1/09
Signature Date

Patsy Clugston
Printed Name

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 belief.

APRIL 3, 2006

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL
Certificate Number 10201

B 7/21



WELL INFORMATION

| Well Name | API# | Pool | S-T-R | FNL/FSL | FEL/FWL | Lease Number | Agreement Number | Permits | Gravity | BTU | Est Daily Gas Rate | Est Daily Oil/Cond |
|-------------------------|--------------|-------------------------------|---------------------|----------|-----------|--------------|------------------|---------|---------|---------|--------------------|--------------------|
| San Juan 27-4 Unit 139N | 30-039-30438 | Basin Dakota/Blanco Mesaverde | Sec. 09, T27N, R04W | 110' FNL | 1700' FEL | NMSF080668 | | | 0.653 | 1130.40 | 103.70 | 0.16 |
| San Juan 27-4 Unit 59N | 30-039-30475 | Blanco Mesaverde | Sec. 09, T27N, R04W | 185' FNL | 1706' FEL | NMSF080668 | | | 0.696 | 1204.50 | 87.90 | 0.09 |

[illegible]

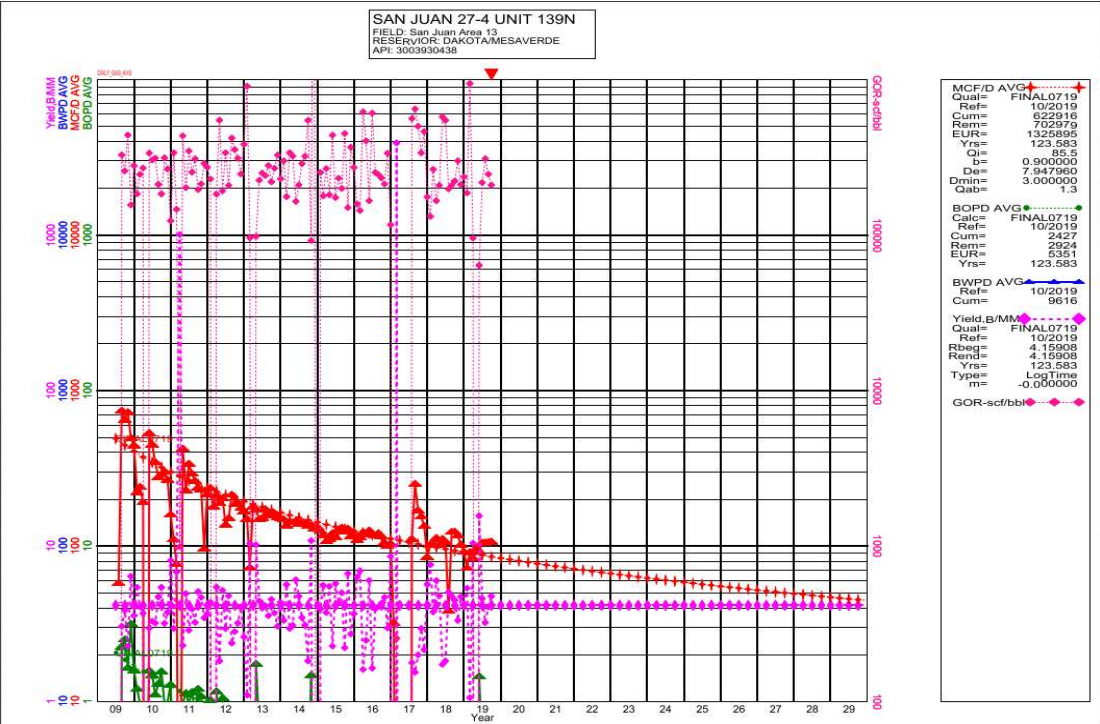
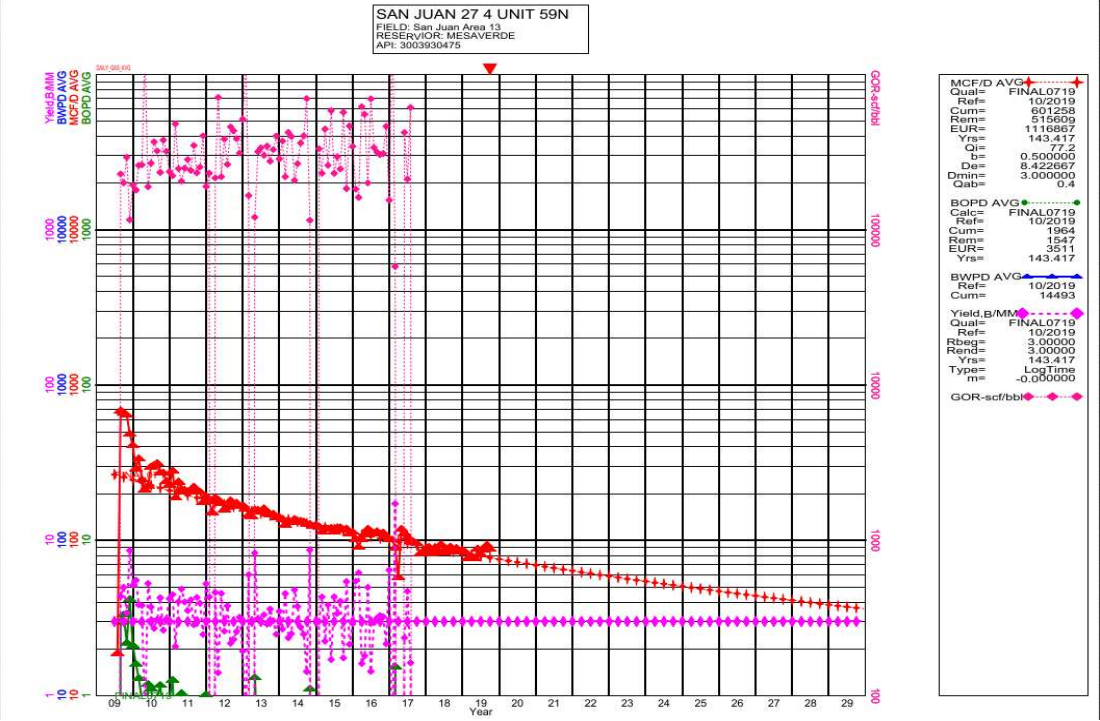
| Well | San Juan 27-4 Unit 139N | San Juan 27-4 Unit 59N |
|------------------------|-------------------------------|------------------------|
| Formation | Basin Dakota/Blanco Mesaverde | Blanco Mesaverde |
| Gas Production (mcf/d) | | |
| May | 92.6 | 89.4 |
| June | 107 | 83.5 |
| July | 102.8 | 85.8 |
| August | 104.3 | 91.3 |
| September | 108.8 | 89.2 |
| October | 106.7 | 88.1 |

| Well | San Juan 27-4 Unit 139N | San Juan 27-4 Unit 59N |
|--------------|-------------------------------|------------------------|
| Formation | Basin Dakota/Blanco Mesaverde | Blanco Mesaverde |
| Water (bbls) | | |
| May | 24.7 | 13.3 |
| June | 24.7 | 13.3 |
| July | 24.7 | 13.3 |
| August | 24.7 | 13.3 |
| September | 24.7 | 13.3 |
| October | 24.7 | 13.3 |

| Well | San Juan 27-4 Unit 139N | San Juan 27-4 Unit 59N |
|------------------------------|-------------------------------|------------------------|
| Formation | Basin Dakota/Blanco Mesaverde | Blanco Mesaverde |
| Condensate Production (bbls) | | |
| May | 4.9 | 2.7 |
| June | 4.9 | 2.7 |
| July | 4.9 | 2.7 |
| August | 4.9 | 2.7 |
| September | 4.9 | 2.7 |
| October | 4.9 | 2.7 |

San Juan 27-4 Unit 59N and 139N Oil Allocation Procedure

Oil production will be allocated based on historical condensate yields from each respective well.



| Well | Yield (bbl/MM) | Remaining Reserves (MMcf) | % Oil Allocation |
|-------------------------|----------------|---------------------------|------------------|
| San Juan 27-4 Unit 59N | 3.00 | 515,609 | 35% |
| San Juan 27-4 Unit 139N | 4.15 | 702,979 | 65% |

| | | | | | |
|---|-------------------------|------------------------|---------------------|----------------------|------------|
| HILCORP ENERGY SITE SECURITY PLAN - SITE DIAGRAM | | | | NAME: Trevor Coleman | |
| | | | | DATE: 11/27/19 | |
| WELL / SITE NAME: | San Juan 27-4 UNIT 139N | LEGAL DESCR (U-S-T-R): | | | |
| API No.: | 3003930438 | PRODUCING ZONE(S): | MESA VERDE / Dakota | | |
| LEASE No.: | SF-080668 | LATITUDE: | 36.594611 | LONGITUDE: | 107.252211 |
| FOOTAGES: | 110' FNL & 1700' FEL | COUNTY: | San Juan | STATE: | NM |
| Comments: This shows the Oil Production Commingle | | | | | |

INDICATE NATURAL DRAINAGE DIRECTION

WELLSITE ENTRANCE

INDICATE NORTH DIRECTION

DRAWING NOT TO SCALE
UNDERGROUND LINES ARE ESTIMATES.
DO NOT USE THIS DIAGRAM FOR LINE EXCAVATION.

This Site is subject to-
 The Hilcorp Energy Company San Juan Site Security Plan for Sale of Oil and Gas, Production Policy.

The Site Security Plans are Located At:
 Hilcorp Energy Company
 382 Road 3100
 Aztec, NM 87410

Per BLM : Condensate Tanks - Indicate Sales and Drain Valves sealed closed during production; Equalizer and Overflow Valves sealed closed during sales.
 Per SPCC : Water Tanks - Indicate drain valves .

SALES
 DRAIN
 EQUALIZER
 SEP
 DBU
 METER
 UST
 U/G STRG TK
 LUBE OIL
 LUBE OIL TK
 TRANSFORMER

PROD TANK
 WTR TANK
 PIT TANK
 PUMPING UNIT
 COMP

Above ground piping, size, and direction of flow 3"
 Below ground piping, size, and direction of flow 3"
 Below ground electrical line

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMSF080668

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
SAN JUAN 27-4 UNIT 59N9. API Well No.
30-039-3047510. Field and Pool or Exploratory Area
BLANCO MESAVERDE

11. County or Parish, State

RIO ARRIBA COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
HILCORP ENERGY COMPANYContact: TAMMY JONES
E-Mail: tajones@hilcorp.com3a. Address
1111 TRAVIS
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 505.324.5185

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 9 T27N R4W Mer NMP NWNE 185FNL 1706FEL

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Surface Commingling |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Hilcorp Energy requests to surface commingle existing oil production from the San Juan 27-4 Unit 139N and San Juan 27-4 Unit 59N. Attached is the site facility diagram and oil allocation procedure. Oil production will be allocated based on historical condensate yields from each respective well.

OIL SURFACE COMMINGLE ALLOCATION:
SAN JUAN 27-4 UNIT 59N - 35%
SAN JUAN 27-4 UNIT 139N - 65%

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #494949 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington**

Name (Printed/Typed) TAMMY JONES

Title OPERATIONS/REGULATORY TECH-SR.

Signature (Electronic Submission)

Date 12/09/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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.

(Instructions on page 2)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.5. Lease Serial No.
NMSF080668

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
SAN JUAN 27-4 UNIT 139N9. API Well No.
30-039-3043810. Field and Pool or Exploratory Area
BLANCO MV/BASIN DK11. County or Parish, State
RIO ARRIBA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
HILCORP ENERGY COMPANYContact: TAMMY JONES
E-Mail: tajones@hilcorp.com3a. Address
1111 TRAVIS
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 505.324.51854. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 9 T27N R4W Mer NMP NWNE 110FNL 1700FEL**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Surface Commingling |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Hilcorp Energy requests to surface commingle existing oil production from the San Juan 27-4 Unit 139N and San Juan 27-4 Unit 59N. Attached is the site facility diagram and oil allocation procedure. Oil production will be allocated based on historical condensate yields from each respective well.

OIL SURFACE COMMINGLE ALLOCATION:
SAN JUAN 27-4 UNIT 59N - 35%
SAN JUAN 27-4 UNIT 139N - 65%

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #494951 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington**

Name (Printed/Typed) TAMMY JONES

Title OPERATIONS/REGULATORY TECH-SR.

Signature (Electronic Submission)

Date 12/09/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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.

(Instructions on page 2)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****



November 21, 2019

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

Re: Ownership for Surface Commingling

Ladies and Gentlemen:

This letter serves as confirmation that all working, royalty and overriding royalty interests and percentages are identical between the following wells located in Township 27 North, Range 4 West, Section 21, Rio Arriba County, New Mexico:

- San Juan 27-4 Unit #139N (API: 3003930438)
- San Juan 27-4 Unit #059N (API: 3003930475)

Both locations are in the San Juan 27-4 Unit and as referenced in Order # R-12867 are exempt from re-notification to interest owners. If you have any questions or concerns regarding this matter, please do not hesitate to contact me at the email or number provided below.

Regards,

Hilcorp Energy Company

A handwritten signature in blue ink that reads 'Charles Creekmore'.

Charles E. Creekmore
Division Landman – San Juan Basin
(832) 839-4601
ccreekmore@hilcorp.com