

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

Form C-103
 Revised July 18, 2013

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

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.)		WELL API NO. 30-045-30175
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator HILCORP ENERGY COMPANY		6. State Oil & Gas Lease No.
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name Stedje Gas Com
4. Well Location Unit Letter <u>A</u> : <u>1085</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>27</u> Township <u>30N</u> Range <u>12W</u> NMPM San Juan County		8. Well Number 2R
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5476' GR		9. OGRID Number 372171
10. Pool name or Wildcat Fruitland Coal		

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/> Amend Surface Commingle	
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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.

As of 7/7/2021, the surface commingle allocation method for of the Stedje Gas Com 1E (3004525560) and Stedje Gas Com 2R (3004530175) has changed from a subtraction CDP methodology to allocation meter measurement. Each well is now equipped with an allocation meter. The MMBTU of the CDP meter will be allocated back to each well according to the well's individual MMBTU volume. Liquid production will remain uncommingled.

The original Order # is PC-1002, 1st Amendment Order # PC-1002, 2nd Amendment PC-1002-B.

See attached methodology.

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  TITLE Operations/Regulatory Technician – Sr. DATE 8/13/2021

Type or print name Amanda Walker E-mail address: mwalker@hilcorp.com PHONE: (346) 237-2177

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Proposed Allocation Methodology

Each month the following measurement will be conducted, and then calculations performed on an MMBTU basis.

Each well will be individually measured by its own allocation meter, and a sales meter at the CDP will measure the combined wells' gas volume.

The ratio of gas to allocate volume to each meter will be calculated as follows:

$$\text{Well ratio} = \text{Well} / (\text{Well \#1} + \text{Well \#2...})$$

Each well ratio will be multiplied by the CDP meter volume to determine production to each well.

$$\text{CDP sales} \times \text{well ratio} = \text{allocated well production}$$

Each well ratio will be multiplied by the CDP fuel use volume to determine the fuel to allocate to each well.

$$\text{CDP fuel} \times \text{well ratio} = \text{allocated CDP fuel}$$

Total Gas production and fuel for each well as follows:

$$\text{Allocated Well Production} + \text{Allocated CDP Fuel} + \text{Individual Wellsite Fuel}$$