

Technical Drilling Plan (Rev. 4)

Hilcorp Energy Company proposes to drill and complete the referenced horizontal well targeting the Mancos formation.

Note: This technical drilling plan will be adjusted based upon actual conditions.

1. Location

Date:	March 28, 2025	Pool:	Basin Mancos
Well Name:	Allison Unit 614H	Ground Elevation (ft. MSL):	6,350'
Surface Hole Location:	36.998632° N, 107.520674° W	Total Measured Depth (ft.)	20,801'
Bottom Hole Location:	37.000180° N, 107.570402° W	County, State:	La Plata County, CO

Note: All geographic coordinates on the drilling tech plan and the directional drilling plan refer to NAD 27 geodetic coordinate system. All depths on the drilling tech plan and the directional drilling plan are referenced from an estimated RKB datum of 25' above ground level.

2. Geological Markers

Anticipated formation tops with comments of any possible water, gas or oil shows are indicated below:

Formation	Depth (ft. TVD RKB)	Remarks
Ojo Alamo	2,084	Possible Water
Kirtland	2,150	Gas & Water
Fruitland	2,581	Gas & Water
Pictured Cliffs	2,950	Possible Gas
Lewis Shale	3,467	None
Cliffhouse	4,900	Possible Gas & Water
Menefee	5,274	None
Point Lookout	5,455	Gas
Mancos	5,974	Gas

3. Pressure Control Equipment

A. BOP Equipment

See Appendix A for BOP equipment and choke manifold diagram.

- BOP equipment will be nipped up on top of the wellhead after surface casing is set and cemented.
- Pressure control configurations will be designed to meet the minimum 5M standards.
- All equipment will have 5M pressure rating at a minimum.
- A rotating head will be installed on top of the annular as seen in the attached diagram.

B. BOP Pressure Testing

- For all BOP pressure testing, a BOP test unit with a chart recorder and a BOP test plug will be utilized.
- All tests and inspections will be recorded and logged with time and results.
- A full BOP pressure test will be conducted when initially installed for the first well on the pad or if a seal subject to test pressure is broken, following related repairs, and at a minimum in 30-day intervals.
- A BOPE shell pressure test only will be conducted for subsequent wells on the pad when seals subject to pressure have not been broken, repaired, and fall within the 30-day interval of the first full test.
- **The New Mexico Oil & Gas Conservation Division and the BLM will be notified 24 hours in advance of pressure testing BOPE.**
- The BOPE will be tested to **250 psi (Low) for 5 minutes and 5,000 psi (High) for 10 minutes.**

C. BOP Function Testing

- Annular preventors will be functionally tested at least once per week.
- Pipe and blind rams will be function tested each trip.

D. Casing Pressure Testing

- **Surface casing will be pressure tested to 600 psi for 30 minutes.**
- **Intermediate casing will be pressure tested to 1,500 psi for 30 minutes.**



4. Casing Program

A. Proposed Casing Program:

Proposed Casing Design							
Casing String	Hole Size	Casing (size/weight/grade)	Top Depth (MD/TVD)	Shoe Depth (MD/TVD)	Collapse	Burst	Tensile
Surface	17-1/2"	13-3/8"-54.5#-J55 (or equiv)-LTC/BTC	0'	700'/700'	1,130 psi	2,730 psi	514 klbs
Intermediate	12-1/4"	9-5/8"-43.5#-L80 (or equiv)-LTC/BTC	0'	6,222'/6,174'	3,810 psi	6,330 psi	737 klbs
Production	8-1/2"	5-1/2"-20.0#-P110 (or equiv)-LTC/BTC	0'	20,801'/6,858'	12,300 psi	14,360 psi	729 klbs

Proposed Casing Design Safety Factors				
Casing String	Burst Design SF	Collapse Design SF	Joint Tensile Design SF	Connection Tensile Design SF
Surface	8.3	4.4	25.9	27.6
Intermediate	1.7	1.2	4.5	3.6
Production	3.4	3.4	2.1	2.1

B. Casing Design Parameters & Calculations:

- Designed for full wellbore evacuation.
- Mud Weights used for calculations:
 - Surface = 9.0 ppg
 - Intermediate = 11.5 ppg
 - Production = 12.0 ppg
- Minimum Acceptable Safety Factors:
 - Burst: 1.15
 - Collapse: 1.15
 - Tensile: 1.50
- Casing Safety Factor Calculations:

$$\text{Casing Burst Safety Factor} = \frac{\text{Casing Burst Rating (psi)}}{\text{Maximum Mud Weight (ppg)} \times \text{TVD (ft)} \times 0.052}$$

$$\text{Casing Collapse Safety Factor} = \frac{\text{Hydrostatic of Mud Weight in Annulus (psi)}}{\left[\text{TVD of Casing Shoe (ft)} \times 0.10 \frac{\text{psi}}{\text{ft}} \right]}$$

$$\text{Tensile Safety Factor} = \frac{\text{Tensile Rating of Casing String (lbs)}}{\text{Measured Depth of Casing (ft)} \times \text{Casing Weight} \frac{\text{lb}}{\text{ft}} \times \text{Drilling Fluid Bouyancy Factor}}$$

Production Casing Notes:

- Production casing will be run from surface to TD.
- If the 8-1/2" hole is not drilled to the planned measured depth, casing setting depth will be adjusted accordingly.
- A toe initiation sliding sleeve will be installed at the toe of the production casing.



5. Proposed Centralizer Program:

Proposed Centralizer Program	
Casing String	Centralizers & Placement
Surface Casing	1 centralizer per joint on bottom 3 joints.
Intermediate Casing	1 centralizer per joint in shoe track. 1 centralizer every 3 rd joint to surface.
Production Casing	Centralizers determined by hole conditions from TD to top of cement.

6. Proposed Cement Program:

Proposed Cement Design								
Interval	Depth (ft. MD)	Lead/Tail	Volume (ft ³)	Sacks	Excess (%)	Slurry	Density (ppg)	Planned TOC
Surface	700'	Lead	972 ft ³	705	100%	Class G Cement Yield: 1.38 ft ³ /sk	14.6	Surface
		Slurry Additives: CaCl (1%), Cello Flake (0.25 lb/sk), CD-2 (0.2%)						
Intermediate	6,222'	Lead	1,947 ft ³	381	25%	ASTM Type II Yield: 5.12 ft ³ /sk	9.5	Surface
		Slurry Additives: FL-24 (0.5%), FL-66 (0.5%), IntegraGuard GW-86 (0.2%), IntegraSeal PHENO (2.0 lb/sk), IntegraSeal POLI (0.25 lb/sk), LW-5E (50.0%), R-3 (0.4%), S-8 Silica Flour (35.0%), XCem-311 (0.3%)						
		Tail	478 ft ³	223	25%	ASTM Type II Yield: 2.15 ft ³ /sk	12.5	5,000'
		Slurry Additives: A-10 (5.0%), A-2 (1.0 lb/sk), IntegraSeal PHENO (1.0 lb/sk), IntegraSeal POLI (0.5 lb/sk), R-7C (0.3%), StaticFree (0.01%), XCem-311 (0.3%)						
Production	20,801'	Lead	475 ft ³	302	25%	ASTM Type II Yield: 1.57 ft ³ /sk	12.0	5,000'
		Slurry Additives: AEXT-1012 (60.0%), FL-66 (0.3%), GW-86 (0.2%), IntegraSeal PHENO (2.0 lb/sk), IntegraSeal Poli (0.25 lb/sk), KCI (3.0%), R-3 (0.55%), STATIC FREE (0.01 lb/sk), XCem-311 (0.3%)						
		Tail	4,028 ft ³	2,722	25%	Class G Yield: 1.48 ft ³ /sk	14.0	6,800'
		Slurry Additives: Fly Ash (20.0%), Bentonite (4.0%), FL-66 (0.3%), GW-86 (0.1%), IntegraSeal PHENO (1.0 lb/sk), IntegraSeal POLI (0.25 lb/sk), R-3 (0.25%), StaticFree (0.01 lb/sk)						

Cement Program Notes:

- The cement slurry additives may be adjusted to accommodate required pump and compressive test times.
- Actual cement volumes will be determined and may be adjusted onsite based on well conditions.
- For the intermediate hole section, a 2-stage or 3-stage cement job may be performed if hole conditions dictate. If needed, the stage tool will be placed appropriately as conditions indicate.
- Cement will be circulated to surface on surface and intermediate casing sections to protect water bearing zones.
- A minimum of 8 hours of wait on cement time will be observed on each hole section to allow adequate time for cement to achieve a minimum of 500 psi of compressive strength. The BOP will not be nipped down, the wellhead will not be installed, the casing will not be tested and the prior casing shoe will not be drilled out until adequate wait on cement time has been observed (8 hours or time to reach 500 psi compressive strength).

7. Drilling Fluids Program

A. Proposed Drilling Fluids Program:

Proposed Drilling Fluids Program					
Interval	Fluid Type	Density (ppg)	Fluid Loss (mL/30 min)	Invert Ratio (%Diesel / %Brine)	Depth (ft. MD)
Surface	Water/Gel	8.3 – 9.2	NC	N/A	0' – 700'
Intermediate	LSND / Gel	8.4 – 10.0	<6	N/A	700' – 6,222'
Production	Oil Base Mud	10.0 – 12.0	6 – 8	70/30 – 75/25	6,222' – 20,801'

Drilling Fluids Notes:

- In the 8-1/2" production section, oil base mud will be utilized which will be an invert mud. The base fluid will be diesel. Brine fluid will be CaCl₂ or KCl.
- Lost circulation material may be added to the mud systems to manage fluid losses as hole conditions dictate.
- The well will be drilled utilizing a closed-loop circulating system. Drill cuttings for all hole sections will be transported to an approved disposal site.
- Estimated total volume of drill cuttings for disposal: 2,036 bbls (11,433 ft³).

8. Estimated Pressures & Drilling Hazards

A. Estimated Pressures

- Estimated Reservoir Pressure of Mancos Shale target: 4,000 – 4,200 psi
- No over-pressured intervals expected (aside from Mancos Shale target).
- There is production from the Fruitland Coal, Mesa Verde and Pictured Cliffs formations in offset wells in the area, which could result in these formations being depleted.

B. Water Flows

- Water flows are possible in the intermediate section. Water flows will be mitigated with increased mud weight.

C. Lost Circulation

- Lost circulation is possible in the intermediate section. Losses will be mitigated by utilizing LCM in the mud system.

D. Hydrogen Sulfide

- No hydrogen sulfide is expected to be encountered based on nearby well production.

9. Pilot Hole

- No pilot hole is planned for this wellbore.

10. Testing, Logging, Coring

A. Mud Logging

- Mud loggers will collect formation samples every 30'-90' from intermediate casing shoe to TD of the well.

B. MWD

- Measurement while drilling tools will be utilized on all sections of the well to measure and record inclination and azimuth.

C. LWD

- Logging while drilling tools (gamma ray) will be utilized while drilling the production section from the intermediate casing shoe to the production hole section TD to assist in staying in the desired production formation interval while drilling the horizontal section.

D. Open Hole Logging

- None

E. Coring

- None

F. Cased Hole Logging

- The 9-5/8" intermediate casing will be cemented to surface to protect water bearing zones. If cement is not circulated to surface on the intermediate cement job, a cement bod log will be run to verify top of cement.

11. Directional Drilling Plan

- The directional drilling plan and plot are attached.
- The directional plan is built from geologic targets from offset wells and lease boundaries. The production hole section will be landed and drilled horizontally within the target formation utilizing LWD tools to steer the wellbore. On-site adjustments to the directional plan will be made as formation and wellbore dictate.



12. Completion

A. Pressure Testing

- A pressure test of the 5-1/2" production casing will be conducted to the maximum anticipated frac pressure for 30 minutes.
- Pressure will be cycled to shift the toe sleeve open.

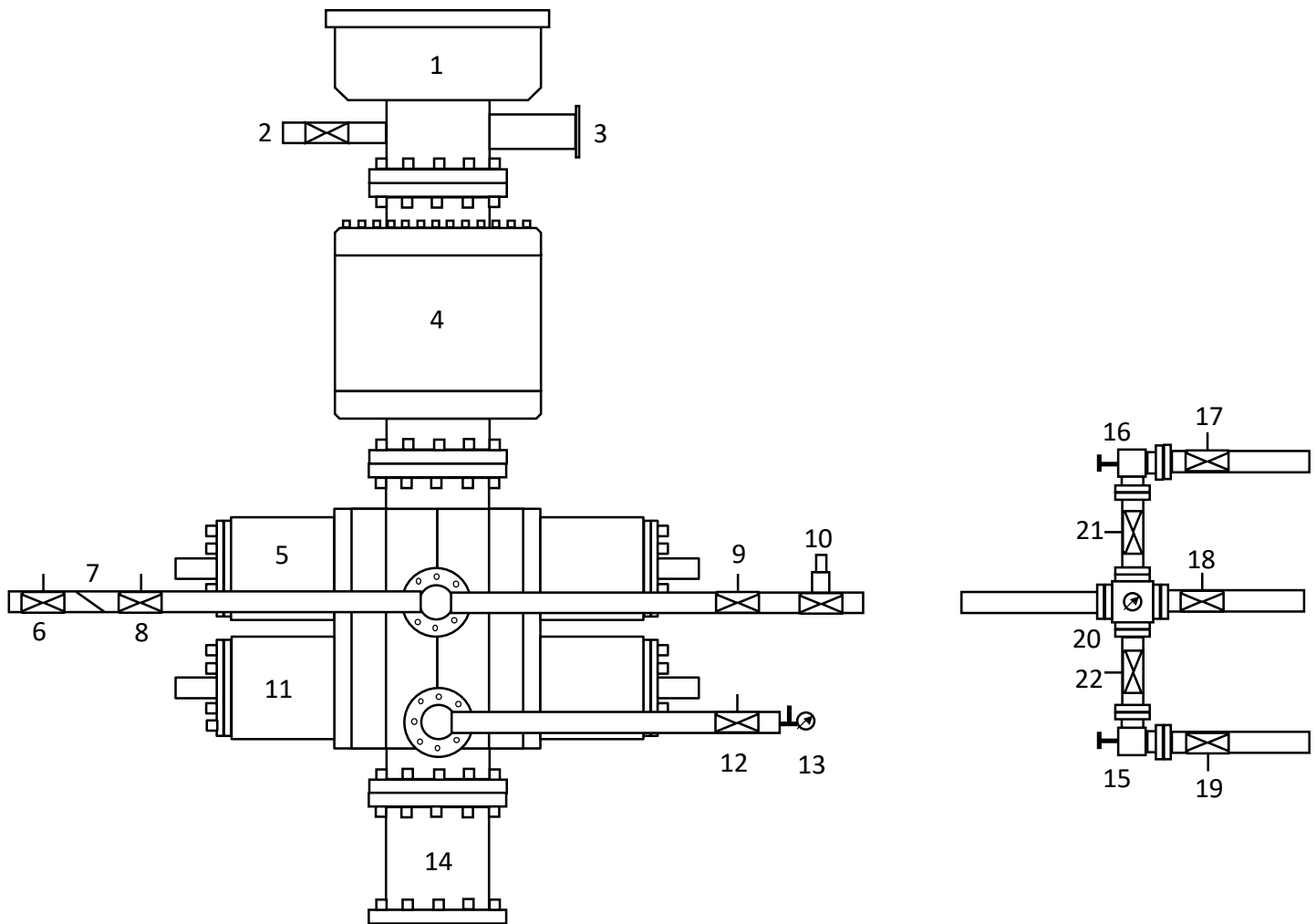
B. Stimulation

- The well will be stimulated with sand and water. The number of stages and amount of proppant used will be adjusted based on actual lateral length and real-time pumping conditions during the stimulation.
- Individual stages will be perforated on wireline and isolated using frac plugs or dissolvable frac plugs.
- Upon completion of the stimulation operation, frac plugs will be drilled out and the stimulation fluid will be flowed back.

*NOTE: Although this horizontal well may be drilled past the applicable setbacks, an unorthodox location application is not required because the completed interval in this well, as defined by 19.15.16.7 8(1) NMAC, will be entirely within the applicable setbacks. This approach complies with all applicable rules, including 19.15.16.14 A(3) NMAC, 19.15.16.14 8(2) NMAC, 19.15.16.15 8(2)NMAC, and 19.15.16.15 8(4) NMAC.

Appendix A

13-5/8" 5M BOP & 5M Choke Manifold Configuration



1	Rotating Head	12	Manual Isolation Valve
2	Fill-Up Line	13	Needle Valve & Pressure Gauge
3	Flow Line	14	Spacer Spool (if needed)
4	5M Annular Preventer	15	Manual Choke
5	5M Pipe Rams	16	Hydraulically Operated Choke
6	Manual Isolation Valve	17	Manual Isolation Valve
7	Check Valve	18	Manual Isolation Valve
8	Manual Isolation Valve	19	Manual Isolation Valve
9	Manual Isolation Valve	20	Valve Block & Pressure Gauge
10	High Closing Ratio Valve	21	Manual Isolation Valve
11	5M Blind Rams	22	Manual Isolation Valve