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

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-045-24212
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No. SF-078813

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.)

7. Lease Name or Unit Agreement Name: COPPER B
1. Type of Well: Oil Well ☐ Gas Well ☐ Other
8. Well Number 1E
2. Name of Operator: HILCORP ENERGY COMPANY
9. OGRID Number: 372171
3. Address of Operator: PO BOX 4700, FARMINGTON NM 87499
10. Pool name or Wildcat: **Otero Chacra / Basin Dakota**

4. Well Location
Unit Letter P 9SESE) : 1015 feet from the SOUTH line and 850 feet from the EAST line
Section 7 Township 29N Range 11W NMPM County SAN JUAN

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 5733'

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☒	Drill Monitor Well		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.

At the OCDs request Hilcorp Energy Company will be drilling a monitor well on the subject well's location per the attached procedure and schematic. An NOI requesting permission from BLM was submitted and approved on 8/14/17 and an application has been submitted with the State Engineering Office.

* Once 200' is reached cutting samples and checks for H_2S and LEL will need to occur every 10'.

OIL CONS. DIV DIST. 3
SEP 20 2017

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 Christine Brock TITLE Operations/Regulatory Tech DATE 9/18/2017

Type or print name Christine Brock E-mail address: cbrock@hilcorp.com PHONE: 505-324-5155

For State Use Only

APPROVED BY: Brandon Powell TITLE I&E Supervisor DATE 9/21/17
Conditions of Approval (if any): AV

As part of an ongoing investigation to determine the extent of natural gas discovered in a nearby private water well in January 2017, Hilcorp Energy Company desires to install a 4-inch diameter groundwater monitoring well up to 300 feet deep on the Cooper 100 well pad, within 100 feet of the P&A'd Cooper B 1E. No new disturbance will occur. The proposed location for MW-1 is in Township 29N, Range 11W, and Section 7, of San Juan County at 36°44'09.5"N, and 108°01'35.4"W.

The monitor well will be utilized to monitor groundwater for the presence of natural gas, determine gas pressure and flow rate, and collect samples for testing to determine hydrocarbon content and composition. Groundwater monitoring activities and results will be documented and reported to the New Mexico Oil Conversation Division (NMOCD). Guidance on duration of monitoring will be negotiated with the NMOCD upon evaluation of the initial test results.

Once the NMOCD has deemed the investigation complete, monitor well plugging and abandonment procedures will be performed in accordance with all federal, state, and local regulations. Monitor well abandonment will be supervised by a qualified scientist or technician, and the details recorded and reported to both the NMOCD and the New Mexico Office of the State Engineer. Since monitor well MW-1 will be located on the Cooper 100 well pad, surface disturbance related to the monitor well will be addressed with future reclamation activities associated with the decommissioning of the natural gas well site.

Drilling Procedure:

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM, and HEC safety and environmental regulations. Scope location for rig.

2. MIRU rig. PU 7 5/8 bit and air drill down to 25'.

3. TOOH and LD bit. PU 6 ¼" bit and air drill down to 300'.

4. Sample cuttings every 20' and record lithology. Stop drilling and check for H2S and LEL every 50'. If H2S is observed, switch to mud drilling. If artesian conditions develop during drilling, stop drilling, and work to control any artesian flow. Then contact operations engineer, and state engineer (Doug Rappuhn, or Blaine Watson).

5. TOOH. If zone can not be clearly determined from monitoring gas and cuttings, RU wireline and run open hole log (either GR/Neutron, or SP/Neutron).

6. RD wireline, and switch Mo-Te rig over to casing tools . TIH with 4 ½" J-55 casing with 2 centralizers, and land at 290'

7. Pump +/- 30 sacks of neat cement followed by 4.5 bbl water. Cement to surface.

8. WOC 24 hours. Install wellhead and master valve. RD and move rig off location.

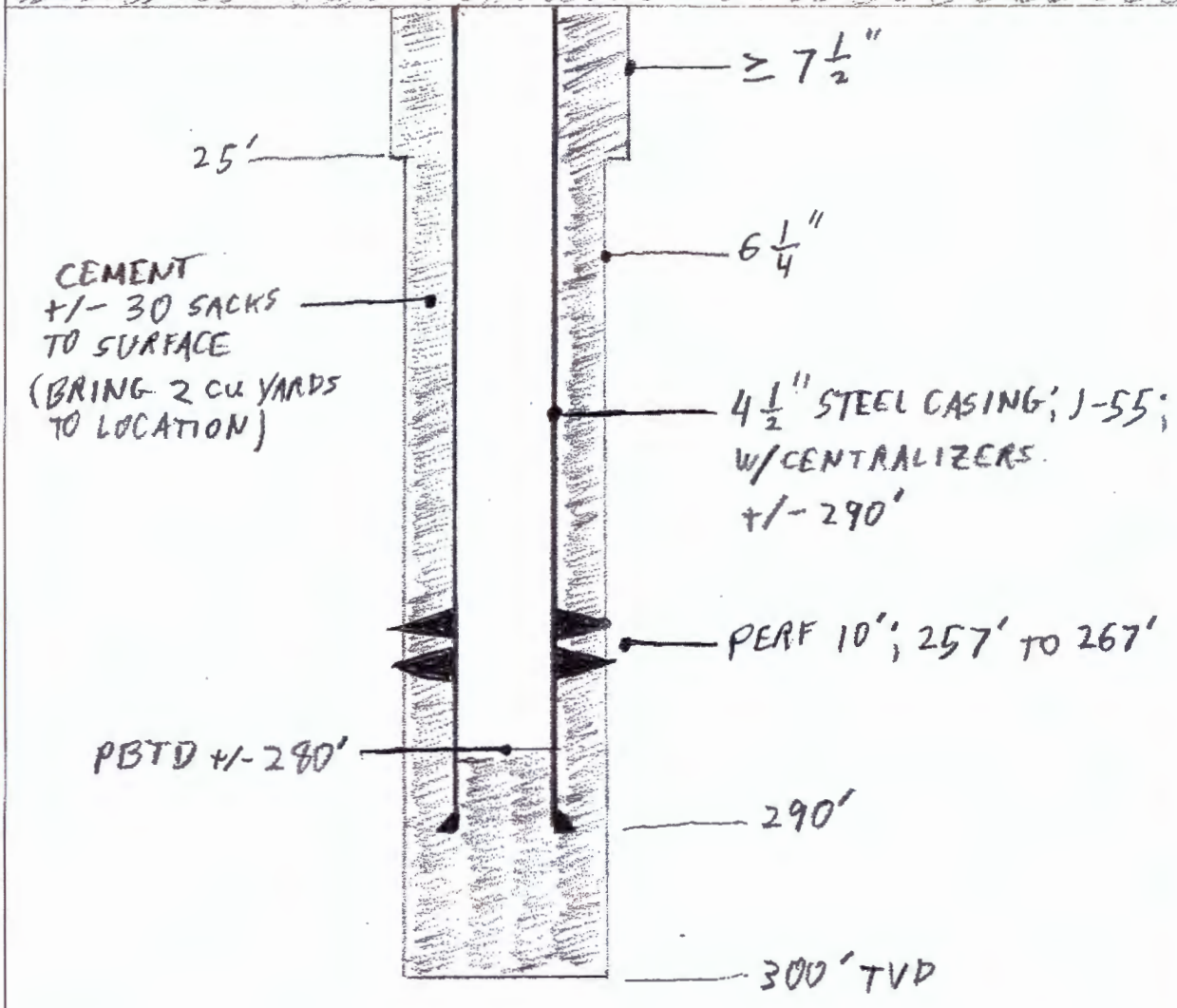
9. RU wireline and shoot a 10' zone at 1-4 shot per foot based on cuttings results. Estimated top at 257'.

10. POOH, RD and move equipment off location.

Page
Date
By

COOPER B 1E, MW-1

REVISED 9/14/17
E.P.



NOTES: - CEMENT TO BE "PRESSURE GROUTED", ie. PUMPED DOWN CASING, AND UP ANNULUS TO SURFACE.

- NON-ARTESIAN AQUIFER ANTICIPATED

ENGINEERING CALCULATION SHEET
san juan reproduction 423-7