

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 9/26/2017

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-21747-00-00	LIVELY	026	HILCORP ENERGY COMPANY	G	A	San Juan	F	N	7	29	N	8	W

Drilling/Casing Change

Conditions of Approval:

(See the below checked and additional conditions)

- ☐ Notify Aztec OCD 24hrs prior to casing & cement.
- ☐ Hold C-104 for directional survey & "As Drilled" Plat----- **File C-104 and completion report for Blanco MV for review and approval before returning to production**
- ☒ Hold C-104 for ☐ NSL, ☐ NSP, ☒ DHC
- ☐ Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- ☐ Ensure compliance with 19.15.17
- ☐ Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ☒ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- ☐ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ☒ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Additional requirements

NMOCD Approved by Signature

10/10/2017
Date

RECEIVED

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 28 2017

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010Farmington Field Office
Bureau of Land Management

5. Lease Serial No.

SF-078414-A

6. If Indian, Allottee or Tribe Name

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

2. Name of Operator

Hilcorp Energy Company

3a. Address

PO Box 4700, Farmington, NM 87499

3b. Phone No. (include area code)

505-599-3400

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

8. Well Name and No.

Lively 26

9. API Well No.

30-045-21747

10. Field and Pool or Exploratory Area

Basin Dakota

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

Surface

Unit N (SESW), 800' FSL & 1080' FWL, Sec. 7, T29N, R8W

11. Country or Parish, State

San Juan

New Mexico

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

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☒ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 recompleate 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 recompleation 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.)

Plans are to recompleate the subject well in the Mesaverde formation and downhole commingle the existing Dakota with the Mesaverde. Attached is the MV plat and procedure. The DHC application will be submitted and approved before the work proceeds. A Closed Loop system will be utilized.

OIL CONS. DIV DIST. 3

OCT 06 2017

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Christine Brock

Title Operations/Regulatory Technician

Signature

Christine Brock

Date

9/26/17

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

10/03/2017

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

FFD

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.

(Instruction on page 2)

NMOCD

District I1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720District II811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720District III1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170District IV

State of New Mexico
Energy, Minerals and Natural
Resources Oil Conservation
Division 1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011

Permit 242040

WELL LOCATION AND ACREAGE DEDICATION
PLAT

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	7	29N	08W		800	S	1080	W	SAN JUAN

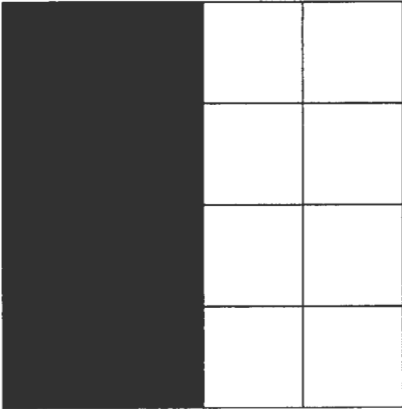
10. Surface Location

1. API Number 30-045-21747	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318608	5. Property Name LIVELY	6. Well No. 026
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6366

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 218.20 218.12	13. Joint or Infill		14. Consolidation Code		15. Order No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A
NONSTANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p>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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>E-Signed By: <i>Christina Bick</i> Title: Operations Regulatory Tech – Sr. Date: 9/20/2017</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Surveyed By: E.V. Echohawk Date of Survey: 2/6/1975 Certificate Number: 2602</p>
---	--

Lively 26

Sec 18-T029N-R008W, Unit N

API# 3004521747

Mesa Verde ReComplete Sundry

9/26/2017

Procedure:

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 7,420'.
3. Set a 4-1/2" composite bridge plug at +/- 7,200' to isolate the Dakota. Note: TOC at 5,106' by efficiency calculation.
4. Load the hole and pressure test the casing to frac pressure.
5. N/D BOP, N/U frac stack and test frac stack to frac pressure.
6. Perforate and frac the Mesaverde in three stages (Point Lookout, Menefee, and Cliffhouse).
7. Isolate frac stages with a composite bridge plug.
8. Nipple down frac stack, nipple up BOP and test.
9. TIH with a mill and drill out top isolation plug and Mesaverde frac plugs.
10. Clean out to Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesaverde.
11. Drill out Dakota isolation plug and cleanout to PBTD of 7,470'. TOOH.
12. TIH and land production tubing. Get a commingled Dakota / Mesaverde flow rate.
13. Release service rig and turn well over to production.



Current Schematic

Well Name: **LIVELY #26**

API#/UWI 3004521747	Surface Legal Location 018-029N-008W-N	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,366.00	Original KB/RT Elevation (ft) 6,378.00				

Original Hole, 9/26/2017 10:52:50 AM

