

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

WELL API NO. 30-039-26528
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-290-38
7. Lease Name or Unit Agreement Name San Juan 27-5 Unit
8. Well Number 40F
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
HILCORP ENERGY COMPANY

3. Address of Operator
PO BOX 4700, FARMINGTON NM 87499

4. Well Location
Unit Letter N 1175 feet from the South line and 1980 feet from the West line
Section 16 Township 27N Range 5W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6527' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☒ Recomplete

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
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.

Hilcorp Energy Company plans to recomplete the subject well in the Mesaverde formation and downhole commingle the existing Dakota with the Mesaverde. Attached is the MV C102, recompleting procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds.

OIL CONS. DIV DIST. 3

CoA: Exception to well density must be approved prior to producing the Blanco Mesaverde.

FEB 01 2018

Notify NMOCD 24 hrs prior to beginning operations

Submit post remediation CBL for review/approval prior to recompleting

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 Tammy Jones TITLE Operations / Regulatory Technician – Sr. DATE 2/1/2018

Type or print name Tammy Jones E-mail address: taiones@hilcorp.com PHONE: 505-324-5185

For State Use Only

Deputy Oil & Gas Inspector,
District #3

APPROVED BY: Bob [Signature] TITLE AV DATE 2/5/18

Conditions of Approval (if any):

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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 247817

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-26528	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318920	5. Property Name SAN JUAN 27 5 UNIT	6. Well No. 040F
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6527

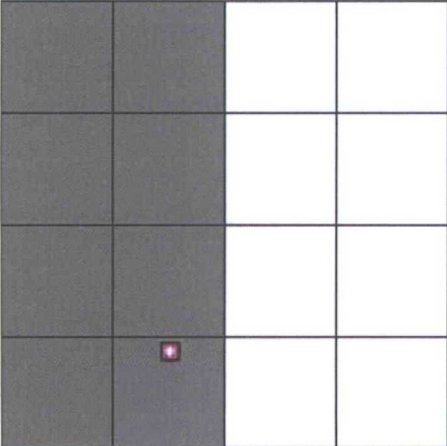
10. Surface Location

UL - Lot N	Section 16	Township 27N	Range 05W	Lot Idn	Feet From 1175	N/S Line S	Feet From 1980	E/W Line W	County RIO ARRIBA
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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 320.00 W/2			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 NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: <i>Tammy Jones</i> Title: Operations/Regulatory Technician - Sr. Date: 1/31/2018</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Neale C. Edwards Date of Survey: 9/14/2000 Certificate Number: 6857</p>
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OIL CONS. DIV DIST. 3

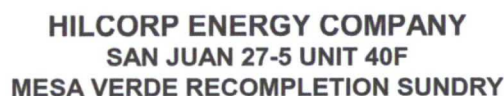
FEB 01 2018



HILCORP ENERGY COMPANY
SAN JUAN 27-5 UNIT 40F
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 7,653'.
3. Set a 4-1/2" cast iron bridge plug at +/- 5,720' to isolate the Dakota. Note: TOC at 5,900' by CBL.
4. Load the production casing and pressure test the casing to 560 psi.
5. Perforate squeeze holes in the 4-1/2" production casing at 5,700' and pump 250 sacks of cement (New estimated TOC @ 4,350')
6. Clean out any excess cement to cast iron bridge plug at 5,720'.
7. MIRU Wireline. Run new CBL to verify cement
8. Set a 4-1/2" composite bridge plug at +/- 5,675' to isolate the squeeze holes from the frac.
9. Load the production casing and pressure test the casing to frac pressure.
10. N/D BOP, N/U frac stack and test frac stack to frac pressure.
11. Perforate and frac the Mesa Verde in two or three stages (Top Perforation @ 4,860'; Bottom Perforation @ 5,642').
12. Isolate frac stages with a composite bridge plug.
13. Nipple down frac stack, nipple up BOP and test.
14. TIH with a mill and drill out top isolation plug, Mesa Verde frac plugs, and composite bridge plug at 5,675'.
15. Clean out to Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesa Verde.
16. Drill out Dakota isolation plug and cleanout to PBTD of 7,759'. TOOH.
17. TIH and land production tubing. Get a commingled Dakota/Mesa Verde flow rate.



FEB 01 2018