

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, 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: 2/13/18 Well information:

| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf_Owner | UL | Sec | Twp | N/S | Rng | W/E |
|--------------------|--------------------|--------|------------------------|------|------|------------|------------|----|-----|-----|-----|-----|-----|
| 30-039-29468-00-00 | SAN JUAN 29 5 UNIT | 022B | HILCORP ENERGY COMPANY | G | A | Rio Arriba | F | D | 8 | 29 | N | 5 | W |

Application Type:

☐ P&A ☐ Drilling/Casing Change ☐ Location Change

☒ **Recomplete/DHC** (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

☐ Other:

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Monitor intermediate casing during completion to ensure no communication.
- Perform a Braden head test within 6 months of the completion.

NMOCD Approved by Signature

2/19/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMSF-078410 |
| 2. Name of Operator Hilcorp Energy Company | | 6. If Indian, Allottee or Tribe Name |
| 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. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit D (NWNW) 140' FNL & 895' FWL, Sec. 08, T29N, R05W | | 8. Well Name and No. San Juan 29-5 Unit 22B |
| | | 9. API Well No. 30-039-29468 |
| | | 10. Field and Pool or Exploratory Area Gobernador PC/Blanco Mesaverde |
| | | 11. Country or Parish, State Rio Arriba New Mexico |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

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.)

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

RECEIVED


OIL CONS. DIV DIST. 3

FEB 12 2018

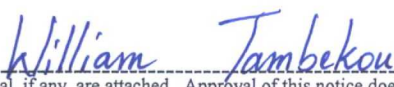
BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

FEB 06 2018

Farmington Field Office
Bureau of Land Management

| | | |
|---|--|--|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Etta Trujillo | | Title Operations/Regulatory Technician - Sr. |
| Signature  | | Date 2/1/2018 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|------------------------------------|-------------------------|
| Approved by  | Title Petroleum Engineer | Date 2/9/2018 |
| 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 FFO | |

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.

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 247923

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------|--|--|
| 1. API Number 3003929468 | 2. Pool Code 77440 | 3. Pool Name GOVERNADOR PICTURED CLIFFS (GAS) |
| 4. Property Code 318837 | 5. Property Name SAN JUAN 29 5 UNIT | 6. Well No. 022B |
| 7. OGRID No. 372171 | 8. Operator Name HILCORP ENERGY COMPANY | 9. Elevation 6601 |

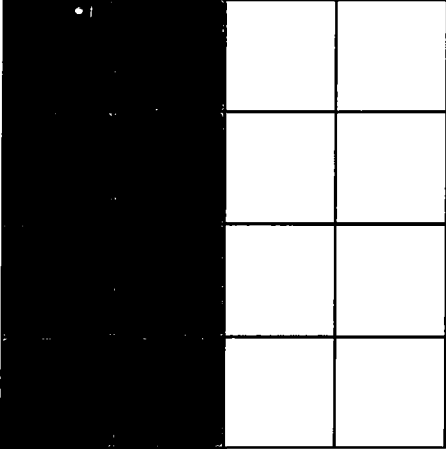
10. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|----------------------|
| UL - Lot D | Section 8 | Township 29N | Range 05W | Lot Idn | Feet From 140 | N/S Line N | Feet From 895 | E/W Line W | County RIO ARRIBA |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|----------------------|

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>Etta Trujillo</i> Title: Operations/Regulatory Tech Date: 2/1/2018</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: Jason C. Edwards Date of Survey: 10/7/2004 Certificate Number: 15269</p> |
|--|---|



HILCORP ENERGY COMPANY
SAN JUAN 29-5 UNIT 22B
PICTURED CLIFFS RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 5,760'.
3. Set a 4-1/2" cast iron bridge plug at +/- 3,800' to isolate the **Mesa Verde**. Note: TOC at 3,230' by CBL.
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 **Pictured Cliffs** in a single stage (Top Perforation @ 3,559'; Bottom Perforation @ 3,613').
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 **Pictured Cliffs** isolation plug.
10. Clean out to **Mesa Verde** isolation plug and, when water and sand rates are acceptable, flow test the **Pictured Cliffs**.
11. Drill out **Mesa Verde** isolation plug and cleanout to PBTD of 6,037'. TOOH.
12. TIH and land production tubing. Get a commingled **Mesa Verde/Pictured Cliffs** flow rate.



HILCORP ENERGY COMPANY
SAN JUAN 29-5 UNIT 22B
PICTURED CLIFFS RECOMPLETION SUNDRY

SAN JUAN 29-5 UNIT 22B - CURRENT WELLBORE SCHEMATIC



Current Schematic - Version 3

Well Name: SAN JUAN 29-5 UNIT #22B

| | | | | | |
|-----------------------------------|--|-----------------------------------|---------------------------------|-----------------------------------|-------------------------------------|
| API / UWI 3003929468 | Surface Log # Location 008-029N-005W-D | Field Name MV | License No. | State/Province NEW MEXICO | Well Configuration Type Vertical |
| Ground Elevation (ft) 6,601.00 | Original KGS RT Elevation (ft) 6,614.00 | KGS-Ground Distance (ft) 13.00 | KGS-Casing Flange Distance (ft) | KGS-Tubing Hang-off Distance (ft) | |

Vertical, Original Hole, 1/31/2018 9:32:23 AM

