

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: 3/5/18 Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-23764-00-00	GORDON	001R	HILCORP ENERGY COMPANY	G	A	San Juan	F	I	22	27	N	10	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.
- Submit CBL to the Agencies for review and approval prior to perforating.

NMOCD Approved by Signature

2/19/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 05 2018

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.		7. If Unit of CA/Agreement, Name and/or No.
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Gordon 1R
2. Name of Operator Hilcorp Energy Company		9. API Well No. 30-045-23764
3a. Address PO Box 4700, Farmington, NM 87499	3b. Phone No. (include area code) 505-599-3400	10. Field and Pool or Exploratory Area Fulcher Kutz PC / Basin FC
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit I (NESE), 1520' FSL & 1120' FEL, Sec. 22, T27N, R10W		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	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 Fruitland Coal formation and downhole commingle the existing Pictured Cliffs with the Fruitland Coal. Attached is the FC plat & recompleate procedure. A DHC application will be filed and approved prior to commingling. A Closed Loop system will be utilized.

NMOCD

MAR 08 2018

DISTRICT III

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

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Kandis Roland		Title Operations/Regulatory Technician - Sr.
Signature <i>Kandis Roland</i>		Date 3/5/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>William Tambekou</i>	Title <i>Petroleum Engineer</i>	Date 3/6/2018
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 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.

NMOCD

Gordon 1R

1520' FSL & 1120' FEL. Spot I. Section 22 -T 027N -R 010W

API# 3004523764

Fruitland Coal Recompletion Sundry

3/1/2018

Procedure:

1. MIRU service rig and associated equipment; NU and test BOP. TOH and scan production tubing.
2. Run gauge ring and scraper and set a 2 7/8" bridge plug at 2000' (directly above the existing PC completion) to isolate the Pictured Cliffs.
3. Load well and pressure test casing.
4. Run a GR/CCL/CBL correlation log with 500 psi. Logs will be used to pick formation tops, any need for remedial cement work, and other decisions related to the execution of the completion.
5. Install frac head, PT to max treating pressure, and complete the Fruitland Coal formation. Estimated perf interval: 1730' – 2000'
6. Flow back on clean-up to a flow back tank. If necessary for well control purposes, set a composite bridge plug above top perf.
7. TIH and drill out the top composite plug. Flow test the Fruitland Coal up the casing.
8. Drill out the bridge plug set above the Pictured Cliffs and cleanout to PBTD at 2229'.
9. Get a commingled Fruitland Coal / Pictured Cliffs flow rate.
10. If needed, land production tubing or install artificial lift.
11. Release service rig and turn over to production.



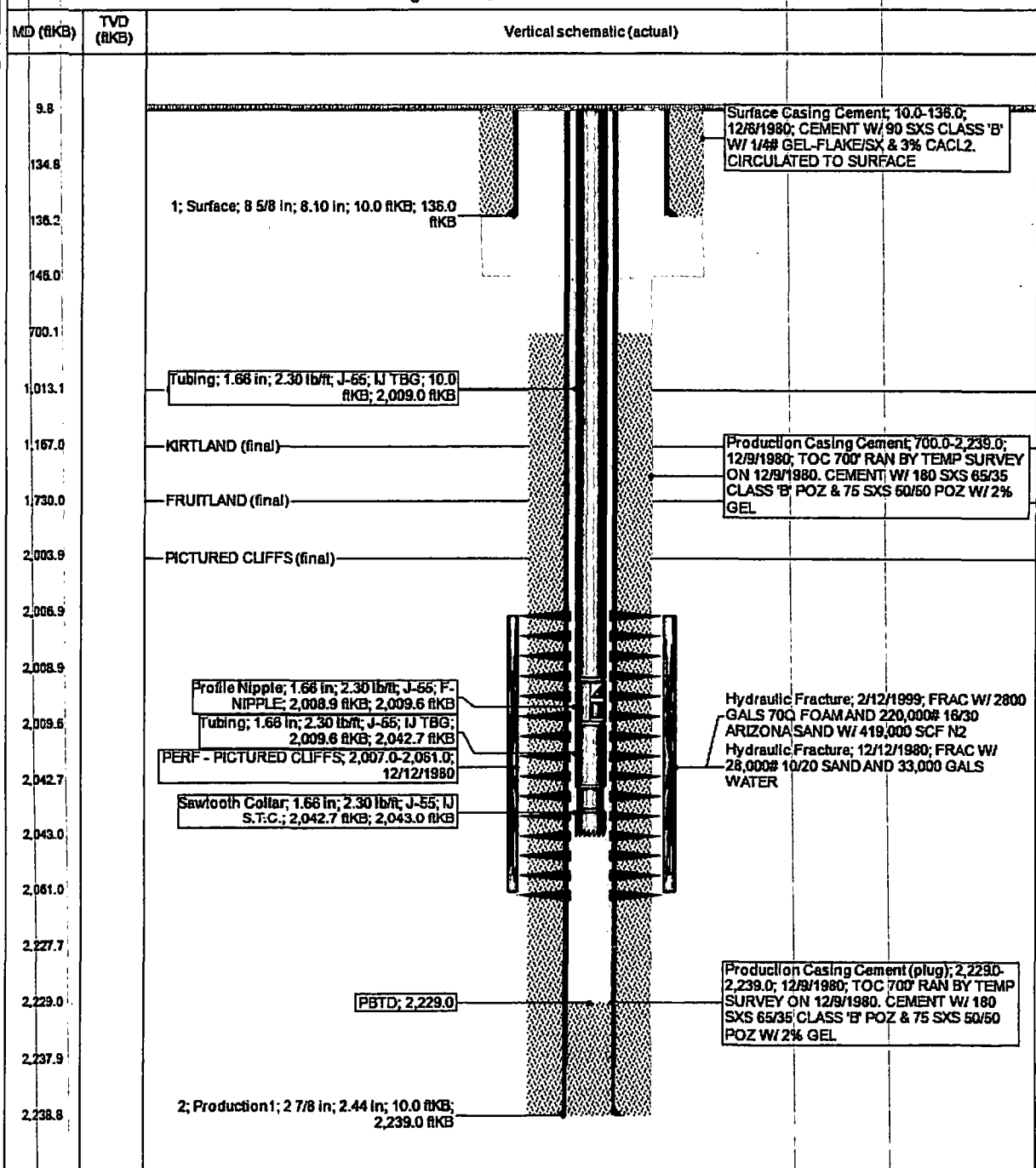
Hilcorp Energy Company

Current Schematic

Well Name: GORDON #1R

API/UVIS 3004623764	Surface Log Location 022-027N-010W-J	Field Name FULCHER KUTZ PC (GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,193.00	Original KBRT Elevation (ft) 6,203.00	CB-Ground Distance (ft) 10.00	CB-Casing Floor Distance (ft)	CB-Tubing Head Distance (ft)	

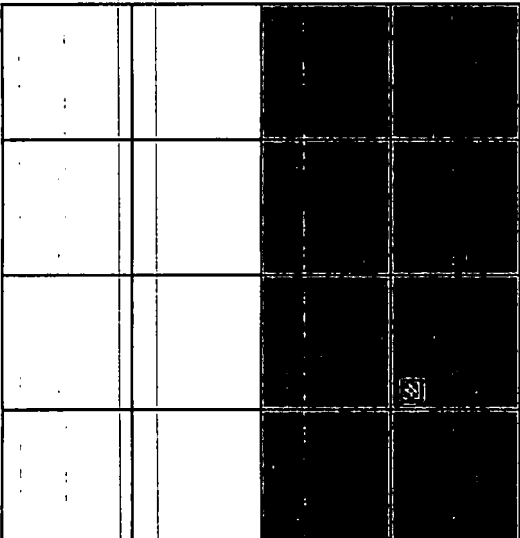
Original Hole, 3/1/2018 1:56:09 PM



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 IV1220 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****WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-23764		2. Pool Code 71629		3. Pool Name BASIN FRUITLAND COAL (GAS)					
4. Property Code 318530		5. Property Name GORDON		6. Well No. 001R					
7. OGRID No. 372171		8. Operator Name HILCORP ENERGY COMPANY		9. Elevation 6193					
10. Surface Location									
UL - Lot 1	Section 22	Township 27N	Range 10W	Lot Idn	Feet From 1520	N/S Line S	Feet From 1120	E/W Line E	County SAN JUAN
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 E/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 NONSTANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <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>	
	E-Signed By: <i>Kandis Roland</i> Title: Operations/Regulatory Technician Date: 2/22/18	
	SURVEYOR CERTIFICATION <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>	
	Surveyed By: Fred B. Kerr Jr. Date of Survey: 6/21/1979 Certificate Number: 3950	