

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: 2/6/18 Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-24938-00-00	HARDIE	004E	HILCORP ENERGY COMPANY	G	A	San Juan	F	E	24	29	N	8	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.
- Density exception must be approved prior to producing the Blanco Mesaverde.
- Submit CBL to the Agencies for review and approval prior to perforating.

NMOCD Approved by Signature

3/12/18

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCB

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.

5. Lease Serial No.

SF-078502-A

6. If Indian, Allottee or Tribe Name

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.

Hardie 4E

9. API Well No.

30-045-24938

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

Surface Unit E (SWNW) 1800' FNL & 790' FWL, Sec. 24, T29N, R08W

10. Field and Pool or Exploratory Area

Basin Dakota / Blanco Mesaverde

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. A DHC application will be submitted and approved before work proceeds.

RECEIVED

FEB 06 2018

Farmington Field Office
Bureau of Land Management

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

SEE ATTACHED
FOR CONDITIONS
OF APPROVAL

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

Christine Brock

Title Operations/Regulatory Technician - Sr.

Signature

Christine Brock

Date

2/6/18

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

3/1/2018

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.

NMOCB

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 246204

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24938	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318544	5. Property Name Hardie	6. Well No. 004E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6430

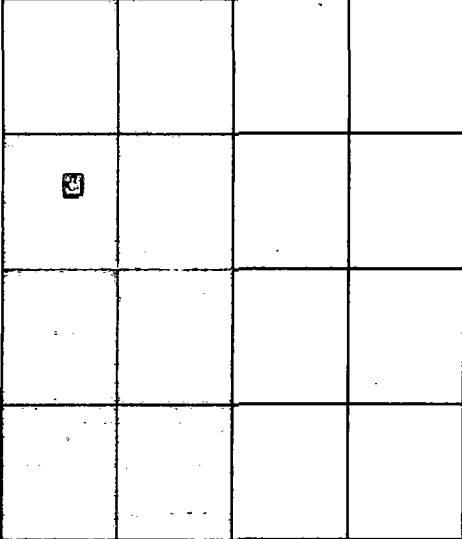

10. Surface Location

UL - Lot E	Section 24	Township 29N	Range 08W	Lot Idn	Feet From 1800	N/S Line N	Feet From 790	E/W Line W	County SAN JUAN
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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 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:	
	Title:	Operations/Regulatory Technician
	Date:	12/21/2017
	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:	Jermoe P. McHugh Jr.
	Date of Survey:	2/3/1981
	Certificate Number:	5979

Hardie 4E

Sec 24-29N-8W-E

API# 30-045-24938

Mesa Verde Uphole Recomplete

2/1/2018

Procedure:

1. MIRU Service rig and associated equipment, test BOP.
2. TOOH w/ 2 3/8" tubing set at 7,424'.
3. Run gauge ring and set 4.5" bridge plug to isolate the Dakota.
4. Load the hole and pressure test to frac pressure.
5. ND BOP, NU frac stack and test frac stack to frac pressure.
6. Perforate and frac the Mesaverde, isolating frac stages w/ frac plugs. (Proposed top perf at 4,693', proposed bottom perf at 5,489')
7. TIH w/ mill and drill out Mesaverde frac plugs.
8. Clean out to Dakota isolation plug and when water and sand rates are acceptable, flow test the Mesaverde.
9. Drill out Dakota isolation plug and cleanout to PBTD of 7,630'. TOOH.
10. TIH and land production tubing. Get a commingled Dakota/Mesaverde flow rate.
11. Release service rig and turn well over to production.



Schematic - Current

Well Name: **HARDIE 004E**

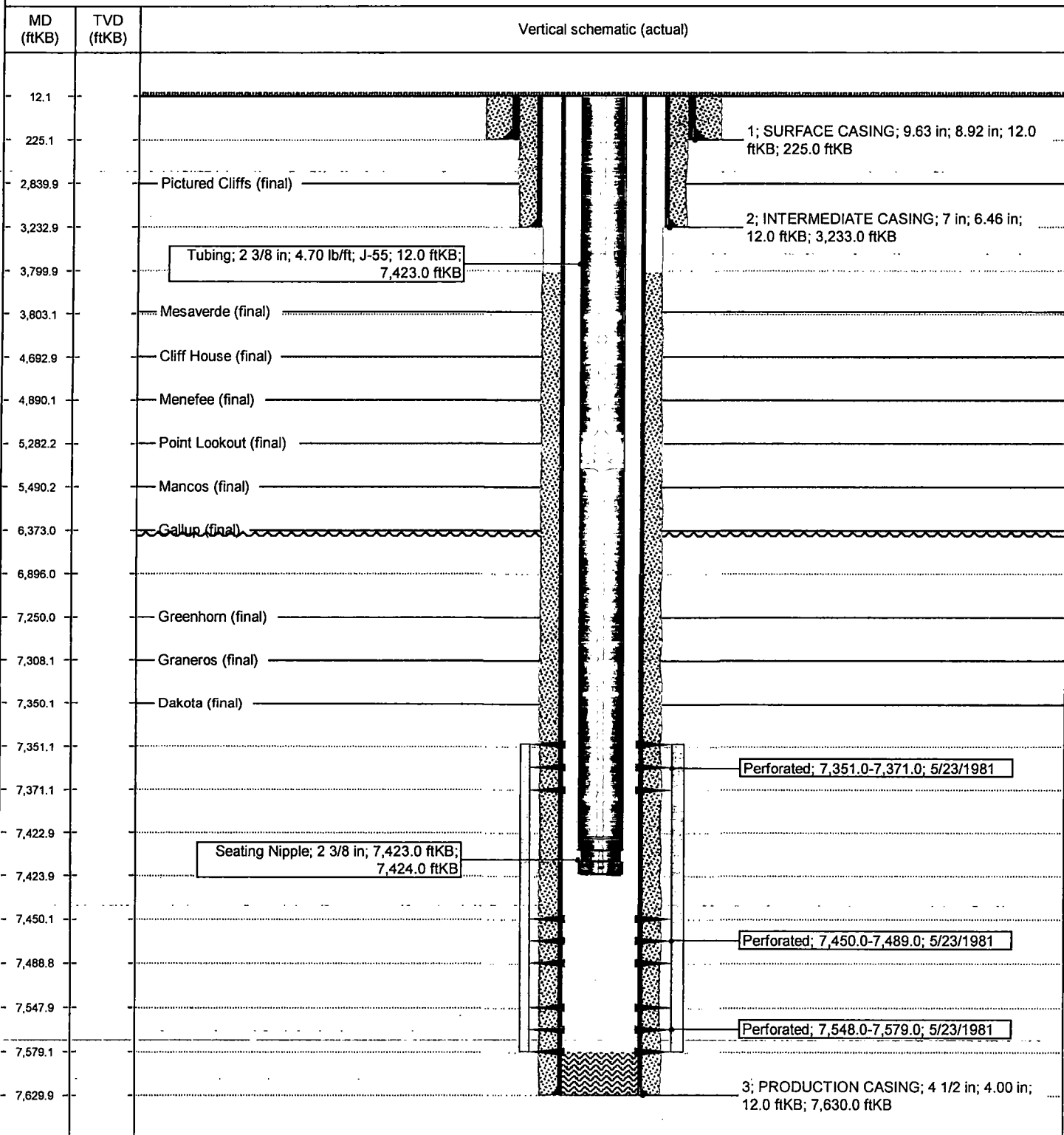
API / UWI 3004524938	Surface Legal Location 024-029N-008W-E	Field Name DK	License No.	State/Province NEW MEXICO	Well Configuration Type Vertical
Original KB/RT Elevation (ft) 6,442.00	KB-Tubing Hanger Distance (ft)	Original Spud Date 4/30/1981 00:00	Rig Release Date 5/8/1981 00:00	PBTD (All) (ftKB)	Total Depth All (TVD) (ftKB)

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
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TD: **7,630.0**

Vertical, Original Hole, 2/1/2018 1:18:14 PM





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd. - Suite A
Farmington, New Mexico 87402
www.blm.gov/nm



RECOMPLETION CONDITION OF APPROVAL

Operator: Hilcorp Energy Company
Lease No.: NMSF 078502-A
Well Name: Hardie 4E
Well Location: Sec.24, T29N, R08W; 1800' FNL & 790' FWL

The Bureau of Land Management Farmington Field Office will require the operator to run a CBL and submit it for verification.

William Tambekou
Petroleum Engineer
Petroleum Management Team