

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: 3/30/18

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-07090-00-00	BLANCO WASH FEDERAL	002	HILCORP ENERGY COMPANY	G	A	San Juan	F	A	34	28	N	9	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: Plug Back

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- The Gallup plug must cover the annulus both inside and outside the casing for permanent isolation. Hilcorp must perforate the Gallup plug at 5872' and pump and inside outside plug from a minimum of 5772'-5872' plus excess. Due to the holes in the casing at the Gallup top. After perforating Hilcorp can elect to set a cement retainer at 5700' and pump inside/outside capacity plus 100% excess down to 5872'. Then top off the retainer with 50' of cement plus excess to 5650'.
- The Mancos plug must cover the annulus both inside and outside the casing for permanent isolation. Hilcorp must perforate the Mancos plug at 5222' and pump an inside outside plug from a minimum of 5122'-5222' plus excess.
- Excess cement requirement; All cement plugs are required to include 50% excess inside pipe and 100% excess outside pipe.

NMOCD Approved by Signature

3/30/18

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 26 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.		5. Lease Serial No. SF-077111
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Hilcorp Energy Company		7. If Unit of CA/Agreement, Name and/or No.
3a. Address PO Box 4700, Farmington, NM 87499		8. Well Name and No. Blanco Wash Federal 2
3b. Phone No. (include area code) 505-599-3400		9. API Well No. 30-045-07090
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit A (NENE) 400' FNL & 860' FEL, Sec. 34, T28N, R09W		10. Field and Pool or Exploratory Area Basin Dakota
		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 checked="" 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 recomplete 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 recompletion 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 plug back the lower wellbore (Mancos, Gallup & Dakota) before recompleting into the MV. Please see attached procedure for the plug back work.

NMOCD

MAR 30 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 3/26/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>William Tambekou</i>	Title <i>Petroleum Engineer</i>	Date <i>3/29/2018</i>
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 <i>FFO</i>	

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

Blanco Wash Fed #2

Spot A. Section 34 - T 28N - R 9W

API# 30-045-07090

KB-GL: 14'

Dakota, Gallup and Mancos P&A

Procedure Prepared: 3/19/2018

Procedure:

1. MIRU service unit and install/test BOPs (or RU when required).
2. POOH laying down tubing.
3. MIRU wireline.

Note: Information Only – multiple holes in production casing present 5217'-5996', as follows:

(Top of Mancos 5172')

5249'-5217' - Hole(s)

5400'-5260' - Hole(s)

5500'-5477' - Hole(s)

5750'-5736' - Hole(s)

(Top of Gallup 5822')

5866'-5833' - Hole(s)

5944'-5931' - Hole(s)

5996'-5964' - Hole(s)

(Top of Dakota 6640')

(Dakota perms 6717' and below)

Note: All cement below will be API Class G cement with a slurry volume of 1.15 Cu. Ft./Sk. All cement volumes use 100% excess outside pipe and 50' excess inside pipe, with the exception of the inside-only, which dump bails at least 35'. Volumes below are minimums – more may be pumped.

Note: Plan below meets BLM criteria provided – 3 "inside only" jobs. Possible NMOCD contingencies anticipated prior to final approval. Instructed to by NMOCD to submit plan per BLM guidance then wait for possible NMOCD contingencies.

4. **P&A Dakota** (inside cement plug). Formation top: 6640'; Top perf: 6717'.
 - o Wireline set CIBP at 6667' or up to 1 jt. deeper, avoiding collars (*must be within 50' above 6717' top Dakota perf*).
 - o Dump bail cement. Volume to be at least: **3 sx** (*Calculated as minimum 35' x casing volume cement on plug*). More is acceptable. WOC.
 - o Tag with weight bar(s) after to confirm at least 35' cement. If lower, add cement then retag.
5. **P&A Gallup** (inside cement plug). Formation top: 5822'.
 - o Wireline set CIBP at 5822', within 1 joint either direction, avoiding collars (*must be within 50' above or below 5822' top of Gallup*).
 - o Dump bail cement. Volume to be at least: **3 sx** (*Calculated as minimum 35' x casing volume cement on plug*). More is acceptable. WOC.

- (No tag required.)

6. **P&A Mancos** (inside cement plug). Formation top: 5172'

- Wireline set CIBP at 5172', within 1 joint either direction, avoiding collars (*must be within 50' above 6717' top Dakota perf*).
- Dump bail cement. Volume to be at least: **3 sx** (*Calculated as minimum 35' x casing volume cement on plug*). More is acceptable. WOC.
- (No tag required.)

Note: Disregard tops shown in "Current Schematic" and "Pertinent Data Sheet" and instead refer to those shown in the procedure above.

