| Submit 1 Copy To Appropriate District                                                                                                                  | State of New Mexico                                                             |                                | Form C-103                 |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------|----------------------------|--|
| Office<br><u>District I</u> – (575) 393-6161                                                                                                           | Energy, Minerals and Natural R                                                  | esources                       | Revised July 18, 2013      |  |
| 1625 N. French Dr., Hobbs, NM 88240<br>District II – (575) 748-1283                                                                                    |                                                                                 | WELL API NO.                   | 45-20759                   |  |
| 811 S. First St., Artesia, NM 88210                                                                                                                    | OIL CONSERVATION DIV                                                            | 5 Indicate Type of             |                            |  |
| <u>District III</u> – (505) 334-6178<br>1000 Rio Brazos Rd., Aztec, NM 87410                                                                           | 1220 South St. Francis                                                          | Dr. STATE                      | FEE                        |  |
| District IV - (505) 476-3460                                                                                                                           | Santa Fe, NM 87505                                                              | 01 011111 011 011              | BOOKE KEEKINE SEE COMM     |  |
| 1220 S. St. Francis Dr., Santa Fe, NM<br>87505                                                                                                         |                                                                                 | Federal Lease                  | e # NMSF-078103            |  |
|                                                                                                                                                        | ICES AND REPORTS ON WELLS                                                       |                                | Unit Agreement Name        |  |
| (                                                                                                                                                      | SALS TO DRILL OR TO DEEPEN OR PLUG BA<br>CATION FOR PERMIT" (FORM C-101) FOR SU | OUT                            | for a Linit                |  |
| PROPOSALS.)                                                                                                                                            |                                                                                 | 8. Well Number 2               | fano Unit                  |  |
| 1. Type of Well: Oil Well Gas Well Other                                                                                                               |                                                                                 |                                | 9. OGRID Number            |  |
| 2. Name of Operator Hilcorp Energy Company                                                                                                             |                                                                                 |                                | 9. OGRID Number<br>372171  |  |
| 3. Address of Operator                                                                                                                                 |                                                                                 |                                | 10. Pool name or Wildcat   |  |
| PO Box 4700, Farmington NM 87499                                                                                                                       |                                                                                 | Fulcher K                      | Fulcher Kutz PC / Basin FC |  |
| 4. Well Location                                                                                                                                       |                                                                                 |                                |                            |  |
| Unit Letter <u>J</u> : 1500 feet from the <u>South</u> line and <u>1840</u> feet from the <u>East</u> line                                             |                                                                                 |                                |                            |  |
| Section 23 Township 26N Range 09W NMPM County San Juan                                                                                                 |                                                                                 |                                |                            |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)                                                                                                     |                                                                                 |                                |                            |  |
| 6432' GL                                                                                                                                               |                                                                                 |                                |                            |  |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data                                                                           |                                                                                 |                                |                            |  |
| 12. Check A                                                                                                                                            | Appropriate Box to Indicate Natur                                               | e of Notice, Report or Other I | Data                       |  |
| NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:                                                                                                          |                                                                                 |                                | ORT OF:                    |  |
|                                                                                                                                                        |                                                                                 |                                | ALTERING CASING            |  |
| TEMPORARILY ABANDON                                                                                                                                    |                                                                                 |                                |                            |  |
| PULL OR ALTER CASING  MULTIPLE COMPL  CASING/CEMENT JOB                                                                                                |                                                                                 |                                |                            |  |
| DOWNHOLE COMMINGLE                                                                                                                                     |                                                                                 |                                |                            |  |
| CLOSED-LOOP SYSTEM OTHER:                                                                                                                              | OT                                                                              | HER:                           |                            |  |
| 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.                                                                                                                   |                                                                                 |                                |                            |  |
|                                                                                                                                                        |                                                                                 |                                |                            |  |
| It is intended to recomplete the subject well in the Basin Fruitland Coal (pool 71629) and downhole commingle the existing Fulcher                     |                                                                                 |                                |                            |  |
| Kutz-Pictured Cliff (pool 77200) with the Fruitland Coal. The production will be commingled per Oil Conservation Division Order                        |                                                                                 |                                |                            |  |
| Number 11363. Allocation and methodology will be provided after the well is completed. Commingling will not reduce the value of the                    |                                                                                 |                                |                            |  |
| production. The Bureau of Land Management will be notified in writing of this application.                                                             |                                                                                 |                                |                            |  |
| Proposed perforations are: FC - 1850' - 2042'; PC - 2042' - 2116' These perforations are in TVD.  APR 0.3 2018                                         |                                                                                 |                                |                            |  |
|                                                                                                                                                        |                                                                                 |                                | APR 03 2018                |  |
| DISTRICT III                                                                                                                                           |                                                                                 |                                |                            |  |
| Notification of the intent to commingle the subject well was sent to all interest owners via certified mail on 3/12/2018. No objections were received. |                                                                                 |                                |                            |  |
| word received.                                                                                                                                         |                                                                                 |                                |                            |  |
|                                                                                                                                                        | 110 " 1/101/                                                                    | 1/                             |                            |  |
|                                                                                                                                                        | HC# 4026 A                                                                      |                                | _                          |  |
| Sand Date:                                                                                                                                             | Rig Release Date:                                                               |                                |                            |  |
| 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 LLM Start LOCK TITLE Operations/Regulatory Technician DATE 4/2/2018                                                                          |                                                                                 |                                |                            |  |
| SIGNATURE LIMISTAN LOCK TITLE Operations/Regulatory Technician DATE 4/2/2018                                                                           |                                                                                 |                                |                            |  |
| Type or print name Christine Brock E-mail address: cbrock@hilcorp.com PHONE: 505-324-5155                                                              |                                                                                 |                                |                            |  |
| For State Use Only                                                                                                                                     |                                                                                 |                                |                            |  |
| THE PROJECT DISTRICT #3                                                                                                                                |                                                                                 |                                |                            |  |
|                                                                                                                                                        |                                                                                 |                                |                            |  |
| Conditions of Approval (if any):                                                                                                                       |                                                                                 |                                |                            |  |