

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: 5-23-18

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-20256-00-00	HUERFANO UNIT	179	HILCORP ENERGY COMPANY	G	A	San Juan	F	F	14	26	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.
- Set cast iron bridge plug (CIBP) inside of cemented casing and at least 500' below the bottom of the proposed perforations. To show adequate formation/cement isolation.
- Submit the cement bond log (CBL) to agencies for review and approval prior to perforating the formation.
- If needed, submit proposed remediation to agencies for review and approval prior to starting remediation.
- Hold C-104 for DHC.

NMOCD Approved by Signature

6/13/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 23 2018

FORM APPROVED
Farmington Field Office
Bureau of Land Management
OMB No. 1004-0137
Expires: July 31, 2010
5. Lease Serial No. **SF-077806**

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		7. If Unit of CA/Agreement, Name and/or No. Huerfano Unit
2. Name of Operator Hilcorp Energy Company		8. Well Name and No. Huerfano Unit 179
3a. Address 382 Road 3100, Aztec, NM 87410	3b. Phone No. (include area code) 505-599-3400	9. API Well No. 30-045-20256
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit F (SENW) 1750' FNL & 1650' FWL, Sec. 14, T26N, R10W		10. Field and Pool or Exploratory Area Basin DK / Huerfano PC
		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 Pictured Cliffs formation and downhole commingle with the existing Dakota. Attached is the PC C102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved prior to commingling. A Closed Loop system will be utilized.

NMOC

MAY 30 2018

DISTRICT III

SEE ATTACHED
FOR CONDITIONS
OF APPROVAL

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) Christine Brock		Title Operations/Regulatory Technician - Sr.
Signature <i>Christine Brock</i>		Date 5/23/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>William Tambakou</i>	Title <i>Petroleum Engineer</i>	Date 5/24/2018
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.

NMOC
AV

District I1625 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 252710

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-20256	2. Pool Code 78840	3. Pool Name HUERFANO PICTURED CLIFFS (GAS)
4. Property Code 318578	5. Property Name HUERFANO UNIT	6. Well No. 179
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6660

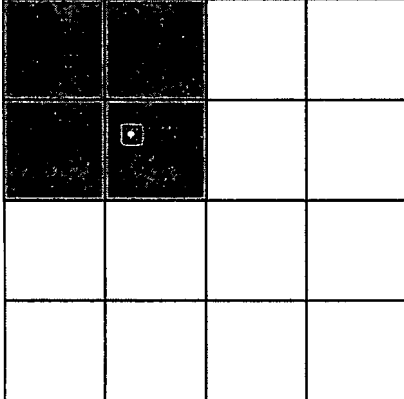
10. Surface Location

UL - Lot F	Section 14	Township 26N	Range 10W	Lot Idn	Feet From 1750	N/S Line N	Feet From 1650	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 160.00 NW/4	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>Christine Brock</i> Title: Operations/Regulatory Tech.-Sr. Date: 5/22/2018</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: David Kilven Date of Survey: 1/16/1968 Certificate Number: 1760</p>
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Huerfano Unit 179

014-026N-010W-F

API: 300452025600

Pictured Cliffs Zone Add

05/21/2018

Proposed Procedure

1. MIRU Service rig and associated equipment
2. Test BOP's
3. TOOH with 2-3/8" tubing currently set with EOT at 6,778'
4. Set a CIBP to isolate the Dakota
5. Load the hole
6. Pressure test casing to maximum frac pressure
7. ND BOP's. NU frac stack and test same to maximum frac pressure
8. RDMO Service rig
9. MIRU frac spread
10. Perforate and frac the Pictured Cliffs from 2,200' to 2,303'. RDMO frac spread
11. MIRU Service rig
12. Test BOP's
13. PU mill & RIH to clean out to Dakota isolation plug
14. When water and sand rates are acceptable, flow test the Pictured Cliffs
15. Drill out Dakota isolation plug & TOOH
16. TIH and land production tubing. Obtain a commingled Dakota flow rate
17. ND BOP's, NU production tree
18. RDMO service rig & turn well over to production

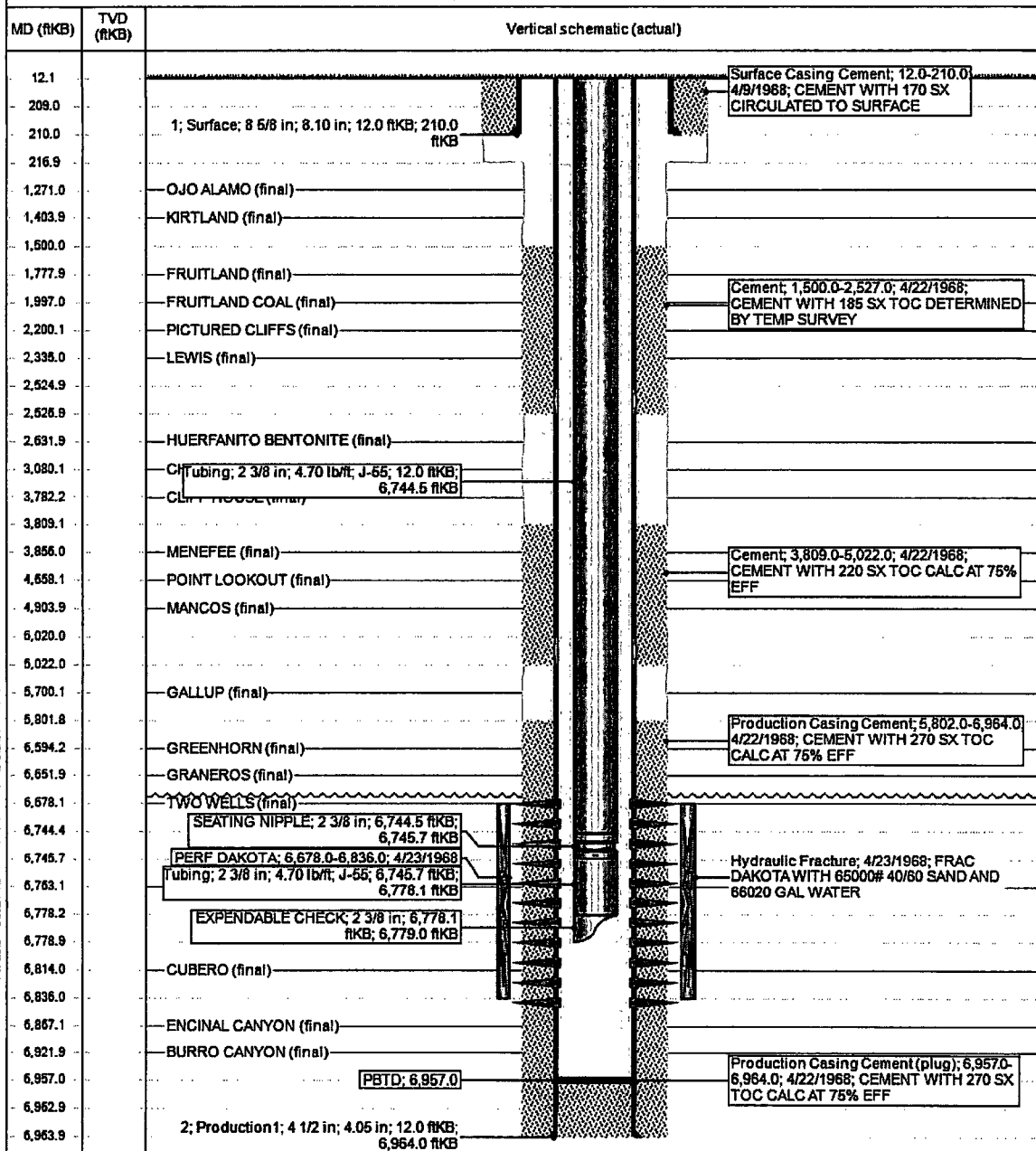


Current Schematic

Well Name: HUERFANO UNIT #179

API / UWI 3004520258	Surface Logar Location D14-026N-010W-F	Field Name BSN DK(PRO GAS)	License No. #0068	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,660.00	Original KB/RT Elevation (ft) 6,672.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

VERTICAL, Original Hole, 5/22/2018 5:38:06 AM





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



CASING REPAIR, WORKOVER, AND RECOMPLETION CONDITION OF APPROVAL

1. If casing repair operations are needed, obtain prior approval from this office before commencing repairs.
2. If a CBL or other logs are run, provide this office with a copy.
3. After any casing repair operations, test cement squeeze to a minimum of 500# for 30 minutes with no more than 10 % pressure fall off in the 30 minutes test period. Provide test chart with your subsequent report of operations
4. A properly functioning BOP and related equipment must be installed prior to commencing workover, casing repair, and/or recompletion operations.
5. Contact this office at (505) 564-7750 prior to conducting any cementing operations

SPECIAL STIPULATIONS:

1. **Pits will be fenced during work-over operation.**
2. **All disturbance will be kept on existing pad.**
3. **All pits will be pulled and closed immediately upon completion of the recompletion and work-over activities.**
4. **Pits will be lined with an impervious material at least 12 mils thick.**