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: 6/4/18 Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-27001-00-00	SAN JUAN 28 7 UNIT	128G	HILCORP ENERGY COMPANY	G	A	Rio Arriba	F	K	12	27	N	7	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.
- Perform and submit a cement bond log (CBL) to the agencies for review and approval prior to perforating the formation.
- If needed, submit proposed remediation to the agencies for review and approval prior to starting remediation.
- If new perforations are above or below existing perforations file a C-104 and completion paperwork before returning to production.

Brandon Powell

NMOCD Approved by Signature

6/14/18
Date

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

RECEIVED

NMOCD

JUN 01 2018

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 07 2018

DISTRICT III

Farmington Field Office
Bureau of Land Management

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

5. Lease Serial No.
NMSF-079298B

6. If Indian, Allottee or Tribe Name

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.
San Juan 28-7

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
San Juan 28-7 Unit 128G

2. Name of Operator
Hilcorp Energy Company

9. API Well No.
30-039-27001

3a. Address
382 Road 3100, Aztec, NM 87410

3b. Phone No. (include area code)
505-599-3400

10. Field and Pool or Exploratory Area
Blanco Mesaverde / Basin Dakota

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
Surface Unit K (NESW) 1890' FSL & 2280' FWL, Sec. 12, T27N, R07W
Bottomhole Unit O (SWSE) 577' FSL & 2274' FEL, Sec. 12, T27N, R07W

11. Country or Parish, State
Rio Arriba , New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☒ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

BP

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.)

KP

Hilcorp Energy Company plans to add pay to the subject well in the MesaVerde formation, downhole commingled with the Dakota formation per the attached procedure & current wellbore schematic. The DHC-840-0 is approved. A Closed Loop system will be utilized.

Notify NMOCD 24 hrs prior to beginning operations

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 Christine Brock Date **6/1/2018**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by William Tambekou Title Petroleum Engineer Date 6/4/2018

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.

(Instruction on page 2)

NMOCD

San Juan 28-7 Unit 128G

012-027N-007W-O

API: 3003927001

Menefee Zone Add

05/31/2018

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 7,901'
4. Set a CIBP to isolate the Dakota
5. ND BOP's. NU frac stack and test same to maximum frac pressure
6. RDMO Service rig
7. MIRU frac spread
8. Perforate and frac the Menefee interval from 5,335' to 5,750'. RDMO frac spread
9. MIRU Service rig
10. Test BOP's
11. PU mill & RIH to clean out to Dakota isolation plug
12. When water and sand rates are acceptable, flow test the MV
13. Drill out Dakota isolation plug & TOOH
14. TIH and land production tubing. Obtain a commingled MV-Dakota flow rate
15. ND BOP's, NU production tree
16. RDMO service rig & turn well over to production

Hilcorp Energy Company

Current Schematic

Well Name: SAN JUAN 28-7 UNIT 128G

API/UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3003927001	012-027N-007W-O	MV/DK COM		NEW MEXICO	Vertical

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
6,637.00	6,650.00	13.00	13.00	13.00

Vertical, Original Hole, 5/31/2018 3:08:11 PM

MD (ftKB)	TVD (ftKB)	Vertical schematic (actual)
13.1	13.1	
252.0	252.0	1; Surface; 9 5/8 in; 8.92 in; 13.0 ftKB; 252.0 ftKB
265.1	265.1	
2,626.0	2,577.6	TJG OJO ALAMO (final)
2,700.1	2,672.8	TJG KIRKLAND (final)
2,817.9	2,871.2	
3,159.1	2,964.2	FRUITLAND (final)
3,465.9	3,229.5	PICTURED CLIFFS (final)
3,817.9	3,545.4	2; Intermediate; 7 in; 6.46 in; 13.0 ftKB; 3,818.0 ftKB
3,837.9	3,564.5	Tubing; 2 3/8 in; 4.70 lb/ft; J-55; B - Cond. Inspected; 13.0 ftKB; 7,899.0 ftKB
4,502.0	4,196.9	LS CHACRA TOP (final)
4,582.9	4,679.9	
4,984.9	4,677.8	
5,211.0	4,902.5	CLIFFHOUSE TS (final)
5,233.9	4,925.5	
5,304.1	4,996.7	Perf; 5,234.0-5,304.0; 8/17/2002
5,311.0	5,003.8	MENEFEE (final)
5,770.0	5,462.4	
5,779.9	5,472.2	POINT LOOKOUT (final)
5,881.9	5,574.2	Perf; 5,770.0-5,882.0; 8/16/2002
6,637.1	6,323.7	
7,067.9	6,758.2	GALLUP (final)
7,576.1	7,264.5	
7,586.0	7,274.3	
7,731.0	7,419.0	GREENHORN (final)
7,734.9	7,422.9	
7,798.9	7,486.7	GRANEROS (final)
7,819.9	7,507.7	TWO WELLS (final)
7,836.0	7,523.7	
7,859.0	7,556.6	Pump Seating Nipple; 2 in; 7,899.0 ftKB; 7,900.0 ftKB
7,899.9	7,587.5	Mule Shoe; 2 in; 7,900.0 ftKB; 7,901.0 ftKB
7,900.9	7,588.5	Perf; 7,836.0-7,970.0; 8/1/2002
7,940.0	7,627.5	PAGUATE (final)
7,959.0	7,646.5	CUBBERO (final)
7,970.1	7,657.6	
7,980.0	7,667.4	
7,981.0	7,668.4	
7,990.2	7,677.5	
8,067.9	7,755.1	
8,068.9	7,756.1	3; Production; 4 1/2 in; 4.05 in; 13.0 ftKB; 8,069.0 ftKB
8,069.9	7,757.1	