

Submit 1 Copy To Appropriate District Office  
District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-045-20328
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. FEE
7. Lease Name or Unit Agreement Name VASALY
8. Well Number 2
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

2. Name of Operator  
HILCORP ENERGY COMPANY

3. Address of Operator  
382 Road 3100, Aztec, NM 87410

4. Well Location  
Unit Letter K 1850 feet from the South line and 1600 feet from the West line  
Section 31 Township 32N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6372'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☒  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☒ RECOMPLETION

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: ☐

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 complete the subject well in the Blanco Mesaverde (pool 72319) and downhole commingle the existing Basin Dakota (pool 71599) with the Mesaverde. 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.

Proposed perforations are: MV – 4710' – 5500'; DK – 7451' – 7592' These perforations are in TVD.

Interest is common, no notification is necessary.

NMOCD

JUN 20 2018

DISTRICT III

Spud Date:

Rig Release Date:

\*COA: Do not produce Mesaverde until density exception is approved

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Priscilla Shorty TITLE Operations Regulatory Technician Sr. DATE 06/19/2018

Type or print name Priscilla Shorty E-mail address: pshorty@hilcorp.com PHONE: 505-324-5188

For State Use Only

APPROVED BY: [Signature] TITLE GEOLOGIST DISTRICT #3 DATE 6/21/2018

Conditions of Approval (if any):

AV