

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
30-045-20649-00-00	HUERFANO UNIT	205	HILCORP ENERGY COMPANY	G	A	San Juan	F	J	28	26	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:

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.
- Hold C-104 for DHC.

NMOCD Approved by Signature

6/14/18  
Date

6

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 23 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 for or 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

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator

**Hilcorp Energy Company**

3a. Address

**382 Road 3100, Aztec, NM 87410**

3b. Phone No. (include area code)

**505-599-3400**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**Surface Unit J (NWSE) 1850' FSL & 1850' FEL, Sec. 28, T26N, R09W**

5. Lease Serial No.

**SF-078060-A**

6. If Indian, Allottee or Tribe Name

\_\_\_\_\_

7. If Unit of CA/Agreement, Name and/or No.

**Huerfano Unit**

8. Well Name and No.

**Huerfano Unit 205**

9. API Well No.

**30-045-20649**

10. Field and Pool or Exploratory Area

**Basin DK / Ballard 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**

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☒ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other \_\_\_\_\_

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 the existing Dakota with the Pictured Cliffs. Attached is the PC C-102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds. A Closed Loop system will be utilized.**

**NMOCD**

**MAY 30 2018**

**SEE ATTACHED  
FOR CONDITIONS  
OF APPROVAL**

**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)

**Cherylene Weston**

Title **Operations/Regulatory Technician - Sr.**

Signature

*Cherylene Weston*

Date

**5/23/18**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

*William Tambekou*

Title

*Petroleum Engineer*

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.

**NMOCD**

## **Huerfano Unit 205**

028-026N-009W-J

API: 300452064900

Pictured Cliffs Zone Add

05/22/2018

### **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 6,545'
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 1,989' to 2,091'. 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



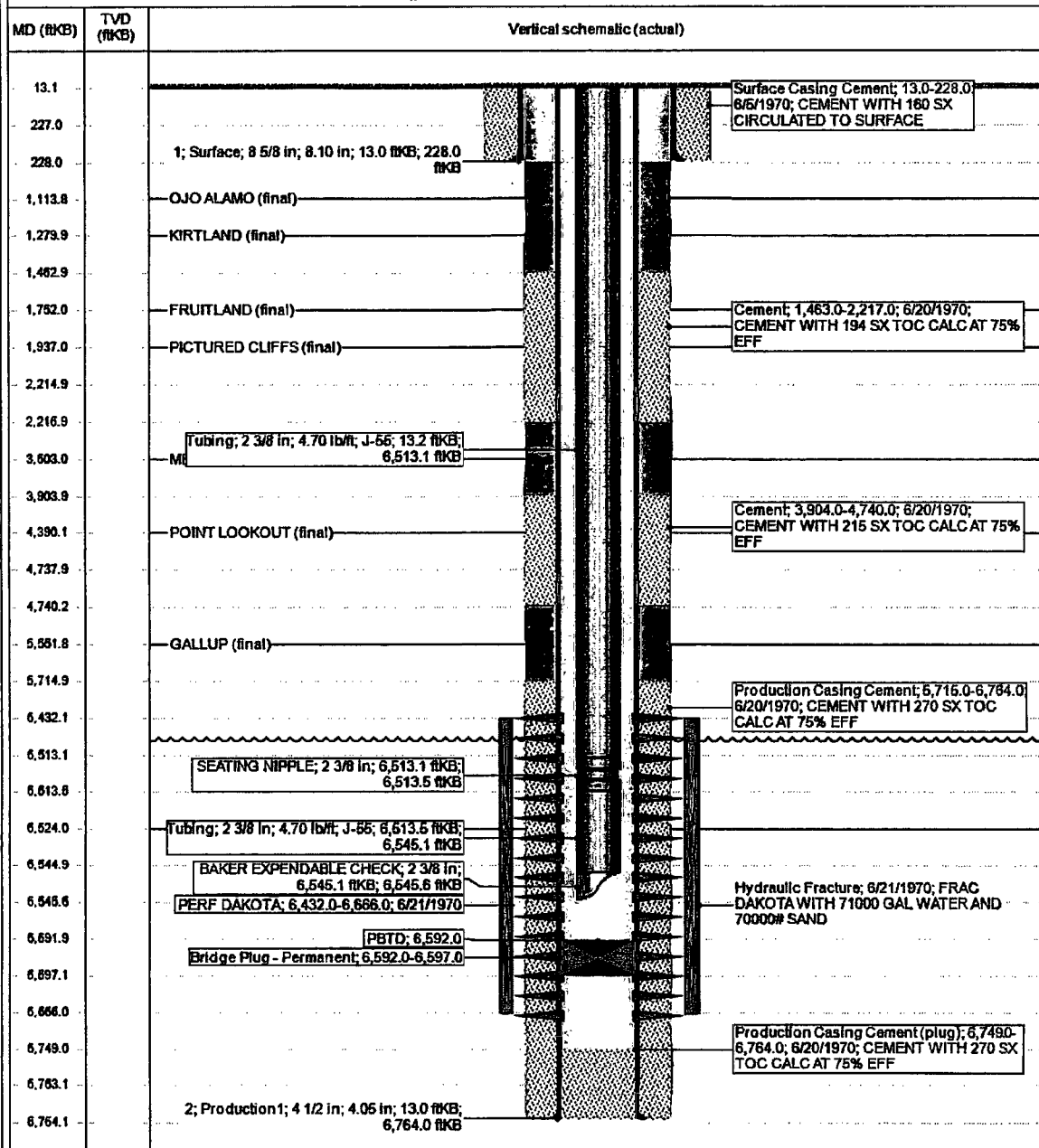
Hilcorp Energy Company

## Current Schematic

Well Name: HUERFANO UNIT #205

Well ID	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration type
3004000949	028-026N-009W-J	BADIN CANYON (UNCLASIFIED)		NEW MEXICO	
Ground Elevation (ft)	Drilling Rig Elevation (ft)	IS-Grout Distance (ft)	IS-Casing Flange Distance (ft)	IS-Tubing Hanger Distance (ft)	
6,714.9	6,745.100	11.00	6.14	6.14	

Original Hole, 5/22/2018 8:30:44 AM



**District I**

1625 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 252719

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number <b>30-045-20649</b>	2. Pool Code <b>71439</b>	3. Pool Name <b>BALLARD PICTURED CLIFFS (GAS)</b>
4. Property Code <b>308578</b>	5. Property Name <b>HUERFANO UNIT</b>	6. Well No. <b>205</b>
7. OGRID No. <b>372171</b>	8. Operator Name <b>HILCORP ENERGY COMPANY</b>	9. Elevation <b>6467</b>

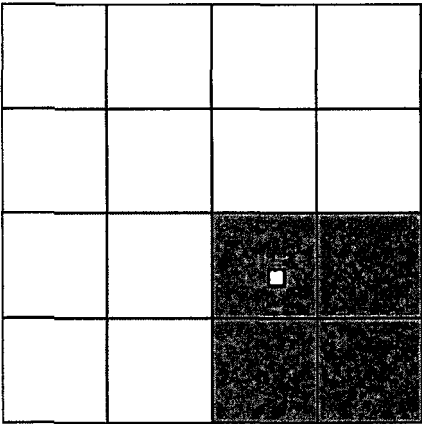
**10. Surface Location**

UL - Lot <b>J</b>	Section <b>28</b>	Township <b>26N</b>	Range <b>09W</b>	Lot Idn	Feet From <b>1850</b>	N/S Line <b>S</b>	Feet From <b>1850</b>	E/W Line <b>E</b>	County <b>SAN JUAN</b>
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**11. Bottom Hole Location If Different From Surface**

UL - Lot <b>J</b>	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres <b>160.00</b>	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;"><b>OPERATOR CERTIFICATION</b></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: Title: <b>Cherylene Weston, Operations/Regulatory Tech-Sr.</b> Date: <b>May 22, 2018</b></p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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: <b>David Kilven</b> Date of Survey: <b>12/10/1970</b> Certificate Number: <b>1760</b></p>
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# 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](http://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.**