

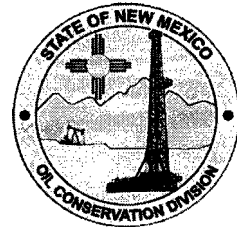
State of New Mexico
Energy, Minerals and Natural Resources Department

dhcSusana 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: 4/25/2018

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-20911-00-00	HUERFANO UNIT NP	229	HILCORP ENERGY COMPANY	G	A	San Juan	F	P	5	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)
☐ 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 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

6/19/18
Date

RECEIVED

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 27 2018

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010Farmington Field Office
Bureau of Land Management

Lease Serial No.

SF-080895

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.

1. Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

2. Name of Operator

Hilcorp Energy Company

3a. Address

PO Box 4700, Farmington, NM 87499

3b. Phone No. (include area code)

505-599-3400

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

Huerfano Unit

8. Well Name and No.

Huerfano Unit NP 229

9. API Well No.

30-045-20911

10. Field and Pool or Exploratory Area

Basin DK / West Kutz PC

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

Surface

Unit P (SESE) 900' FSL & 990' FEL, Sec. 5, T26N, R10W

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

☐

Acidize

☐

Deepen

☐

Production (Start/Resume)

☐

Water Shut-Off

☐

Subsequent Report

☐

Alter Casing

☐

Fracture Treat

☐

Reclamation

☐

Well Integrity

☐

Final Abandonment Notice

☐

Casing Repair

☐

New Construction

☒

Recomplete

☐

Other

☐

Change Plans

☐

Plug and Abandon

☐

Temporarily Abandon

☐

Convert to Injection

☐

Plug Back

☐

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 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.)

Hilcorp Energy Company plans to recomplete the subject well in the Pictured Cliffs formation and downhole commingle the existing Dakota with the Pictured Cliffs. Attached is the PC C102, recomplete procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds. A Closed Loop system will be utilized.

SEE ATTACHED
FOR CONDITIONS
OF APPROVAL

NMOC

MAY 14 2018

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)

Christine Brock

Title Operations/Regulatory Technician - Sr.

Signature

Christine Brock

Date 4/25/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

5/10/2018

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)

Huerfano Unit NP 229

005-026N-010W-P

API: 3004520911

Pictured Cliffs Zone Add

04/23/2018

Proposed Procedure

1. MIRU Service rig and associated equipment
2. Test BOP's
3. TOOH with 2-3/8" tubing & packer currently set with EOT at 6,782'
4. Set a CIBP at +/- 2,550' to isolate the Dakota
5. Load the hole and run CBL
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 2,235' to 2,407'. 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/ Pictured Cliffs flow rate
17. ND BOP's, NU production tree
18. RDMO service rig & turn well over to production



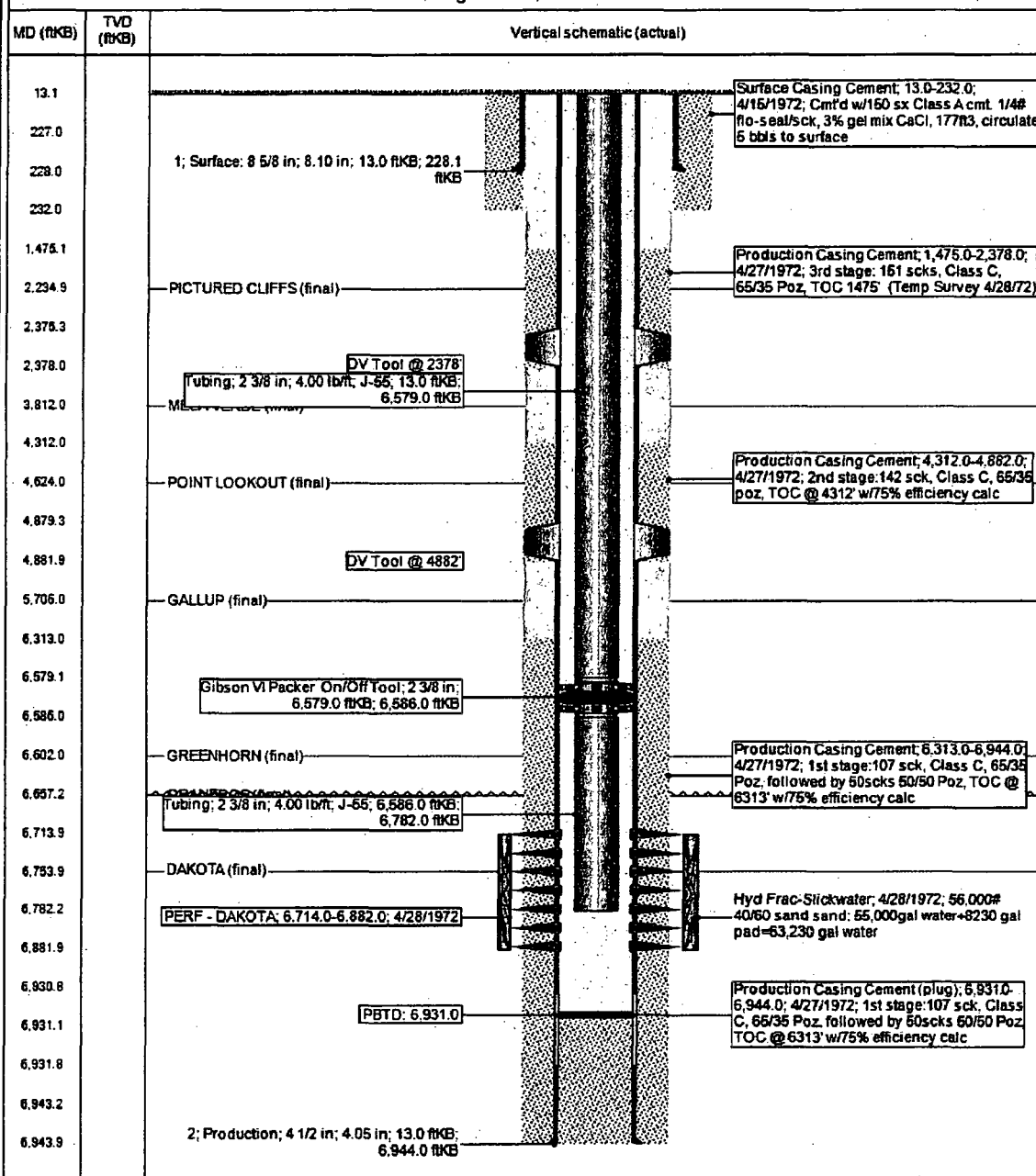
Hilcorp Energy Company

Current Schematic

Well Name: HUERFANO UNIT NP #229

API / UH# 3004520911	Surface Legal Location 005-026N-010W-P	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,644.00	Original KBRT Elevation (ft) 6,657.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

VERTICAL, Original Hole, 4/23/2018 1:28:17 PM



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 251497

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-20911	2. Pool Code 79680	3. Pool Name KUTZ PICTURED CLIFFS, WEST (GAS)
4. Property Code 318580	5. Property Name HUERFANO UNIT NP	6. Well No. 229
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6644

10. Surface Location

UL - Lot P	Section 5	Township 26N	Range 10W	Lot Idn	Feet From 900	N/S Line S	Feet From 990	E/W Line E	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 SE/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

	OPERATOR CERTIFICATION	
	<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: 4/25/2018</p>	
	SURVEYOR CERTIFICATION	
<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: 3/23/1972 Certificate Number: 1760</p>		