

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

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

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>		<p>WELL API NO. 30-045-20328</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other</p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator HILCORP ENERGY COMPANY</p>		<p>6. State Oil &amp; Gas Lease No. FEE</p>
<p>3. Address of Operator 382 Road 3100, Aztec, NM 87410</p>		<p>7. Lease Name or Unit Agreement Name VASALY</p>
<p>4. Well Location Unit Letter <u>K</u> <u>1850</u> feet from the <u>South</u> line and <u>1600</u> feet from the <u>West</u> line Section <u>31</u> Township <u>32N</u> Range <u>11W</u> NMPM <u>San Juan</u> County</p>		<p>8. Well Number 2</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6372'</p>		<p>9. OGRID Number 372171</p>
<p>10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota</p>		

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.

Hilcorp Energy Company requests permission to recomplete the subject well in the Mesaverde and downhole commingle with the existing Dakota with the Mesaverde. Attached is the procedure, wellbore diagram and plat. A DHC application will be filed and approved prior to commingling. A closed loop system will be used.

\*\*Please note that this well is pending approval of well density exemption\*\*

# See Attached Conditions of Approval

NMOC  
JUN 20 2018  
DISTRICT III

Spud Date:

Rig Release Date:

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:

*Bel*

TITLE

Deputy Oil & Gas Inspector,  
District #3

DATE 7/2/18

Conditions of Approval (if any): # See Attached conditions

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**District I**

1625 N. French Dr., Hobbs, NM 88240  
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**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 253827

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-20328	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 319233	5. Property Name VASALY	6. Well No. 002
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6372

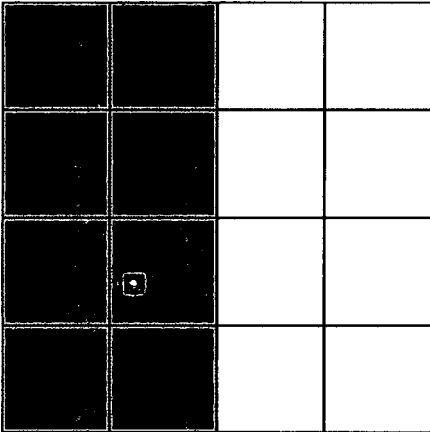
**10. Surface Location**

UL - Lot K	Section 31	Township 32N	Range 11W	Lot Idn	Feet From 1850	N/S Line S	Feet From 1600	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 306.40	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: <i>Priscilla Shorty</i></p> <p>Title: Operations Regulatory Technician Sr.</p> <p>Date: 06/19/2018</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: Ernest Echohawk</p> <p>Date of Survey: 8/17/1968</p> <p>Certificate Number: 1545</p>
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**HILCORP ENERGY COMPANY**  
**Vasaly 2**  
**MESA VERDE RECOMPLETION SUNDRY**

**JOB PROCEDURES**

1. MIRU service rig and associated equipment; NU and test BOP.
2. TOOH with 2 3/8" tubing set at 7,552'.
3. Set a 4-1/2" cast iron bridge plug at +/- 5,550' to isolate the Dakota.
4. Load hole with fluid and run a CBL on the 4-1/2" casing. Verify cement bond within the Mesa Verde and TOC is above 4,210'. Squeeze cement if needed.
5. (If needed) WOC, drill out cement to CIBP. Load casing and run CBL to determine new TOC.
6. RU wireline and perforate the Mesa Verde.
7. TIH with 2-7/8" frac tubing string with packer. Pressure test frac string to frac pressure.
8. N/D BOP, N/U frac stack and test frac stack to frac pressure.
9. Frac the **Mesa Verde** in one stage. (Top perforation @ 4,710', Bottom perforation @ 5,500')
10. Nipple down frac stack, nipple up BOP and test. TOOH with frac tubing string and packer and LD.
11. TIH with a mill and clean out to Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesa Verde.
12. Drill out Dakota isolation plug and cleanout to PBTD of 7,630'. TOOH.
13. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde** flow rate.



**HILCORP ENERGY COMPANY**  
**Vasaly 2**  
**MESA VERDE RECOMPLETION SUNDRY**

**Vasaly 2 - CURRENT WELLBORE SCHEMATIC**

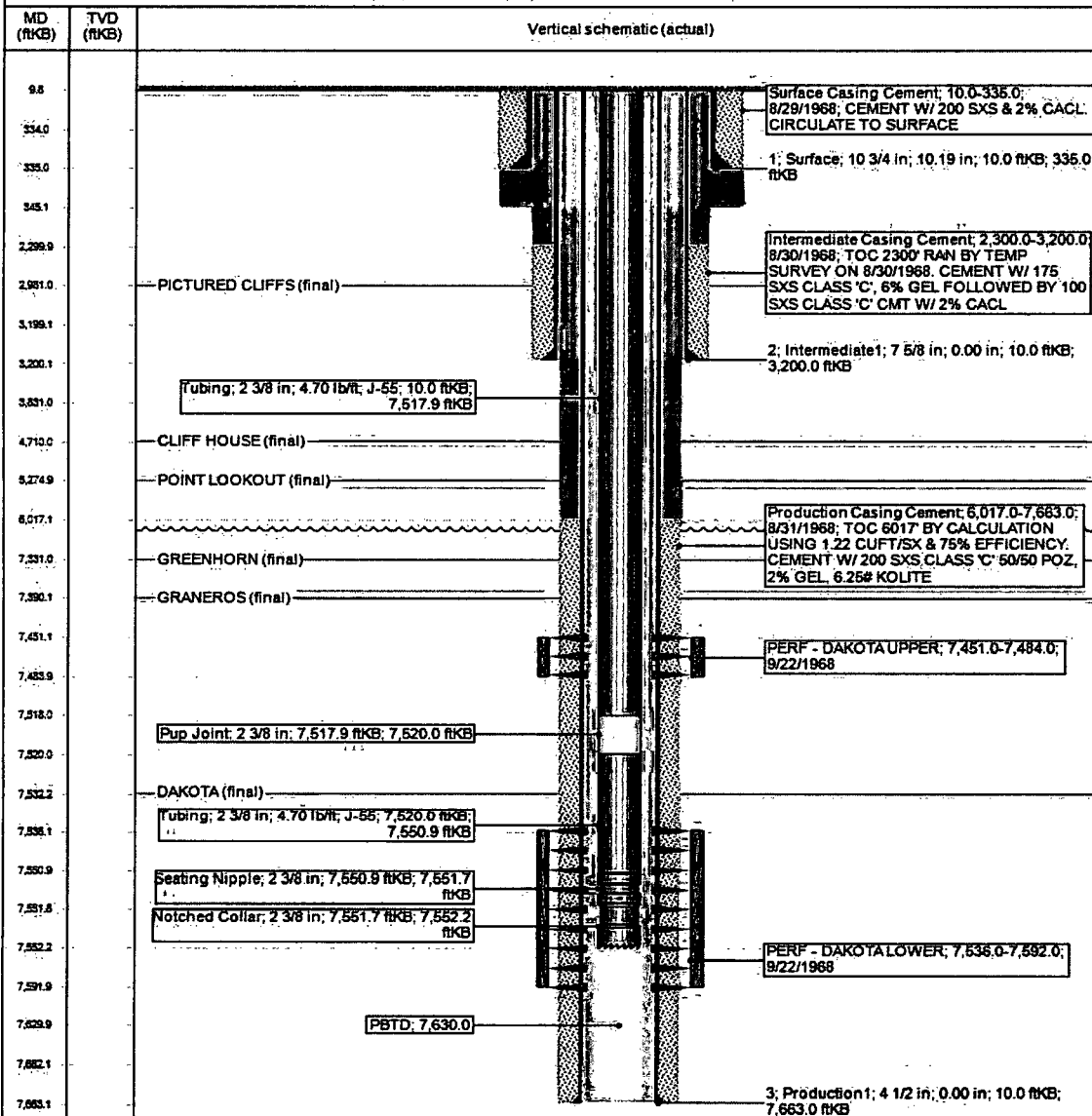


**Current Schematic - Version 3**

**Well Name: VASALY #2**

API / UYVI 3004520328	Surface Legal Location 031-032N-011W-K	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,372.00	Original KB/RT Elevation (ft) 6,382.00	MD Ground Elevation (ft) 10.00	MD Ground Elevation (ft) 10.00	MD Ground Elevation (ft) 10.00	MD Ground Elevation (ft) 10.00

**Original Hole, 6/14/2018 4:07:59 PM**



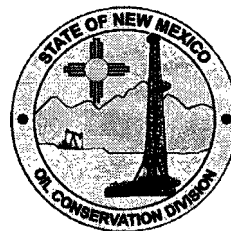
State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley**, Division Director  
Oil Conservation Division



**New Mexico Oil Conservation Division  
Conditions of Approval**

**Well information:**

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-20328-00-00	VASALY	002	HILCORP ENERGY COMPANY	G	A	San Juan	P	K	31	32	N	11	W

**Application Type:**

☒ **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)

**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.
- Must have well density exception approved prior to producing the Mesa Verde. The C-104 will be held for the exception.