

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

<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.)		WELL API NO. 30-045-25008
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator HILCORP ENERGY COMPANY		6. State Oil & Gas Lease No. B-11505-60
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name DAY STATE
4. Well Location Unit Letter <u>H</u> <u>1930</u> feet from the <u>North</u> line and <u>1230</u> feet from the <u>East</u> line Section <u>32</u> Township <u>32N</u> Range <u>11W</u> NMPM <u>San Juan</u> County		8. Well Number 2E
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6277'		9. OGRID Number 372171
		10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

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

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input checked="" type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/> RECOMPLETION	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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

NMOC

JUN 21 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 DATE 06/18/2018

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

For State Use Only

APPROVED BY: Deputy Oil & Gas Inspector TITLE Deputy Oil & Gas Inspector DATE 7/2/18  
Conditions of Approval (if any): See attached conditions District # 3

**District I**

1625 N. French Dr., Hobbs, NM 88240  
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**District IV**

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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 253785

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-25008	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318882	5. Property Name DAY STATE	6. Well No. 002E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6277

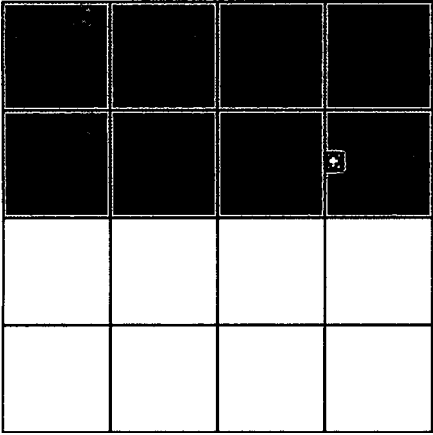
**10. Surface Location**

UL - Lot H	Section 32	Township 32N	Range 11W	Lot Idn	Feet From 1930	N/S Line N	Feet From 1230	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 320.00	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: 06/18/2018</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: Fred Kerr</p> <p>Date of Survey: 1/8/1981</p> <p>Certificate Number: 3950</p>
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HILCORP ENERGY COMPANY  
DAY STATE 2E  
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 7,541'
3. Set a 4-1/2" cast iron bridge plug at +/- 5,650' to isolate the Dakota.
4. Load hole with fluid and run a CBL on the 4-1/2" liner. Verify cement bond within the Mesa Verde and TOC is above 3,950'. Squeeze cement if needed.
5. (if needed) WOC, drill out cement to CIBP. Load casing and run CBL to determine new TOC.
6. Load 4-1/2" X 7" annulus with packer fluid and pressure test casing to frac pressure.
7. N/D BOP, N/U frac stack and test frac stack to frac pressure.
8. Perforate and frac the **Mesa Verde** in two or three stages. (Top perforation @ 4,452', Bottom perforation @ 5,580')
9. Isolate frac stages with a composite bridge plug and set top isolation plug once frac is completed.
10. Nipple down frac stack, nipple up BOP and test.
11. TIH with a mill and drill out top isolation plug and Mesa Verde frac plugs.
12. Clean out to Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesa Verde.
13. Drill out Dakota isolation plug and cleanout to PBTD of 7,566'. TOOH.
14. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde** flow rate.



HILCORP ENERGY COMPANY  
DAY STATE 2E  
MESA VERDE RECOMPLETION SUNDRY

DAY STATE 2E - CURRENT WELLBORE SCHEMATIC

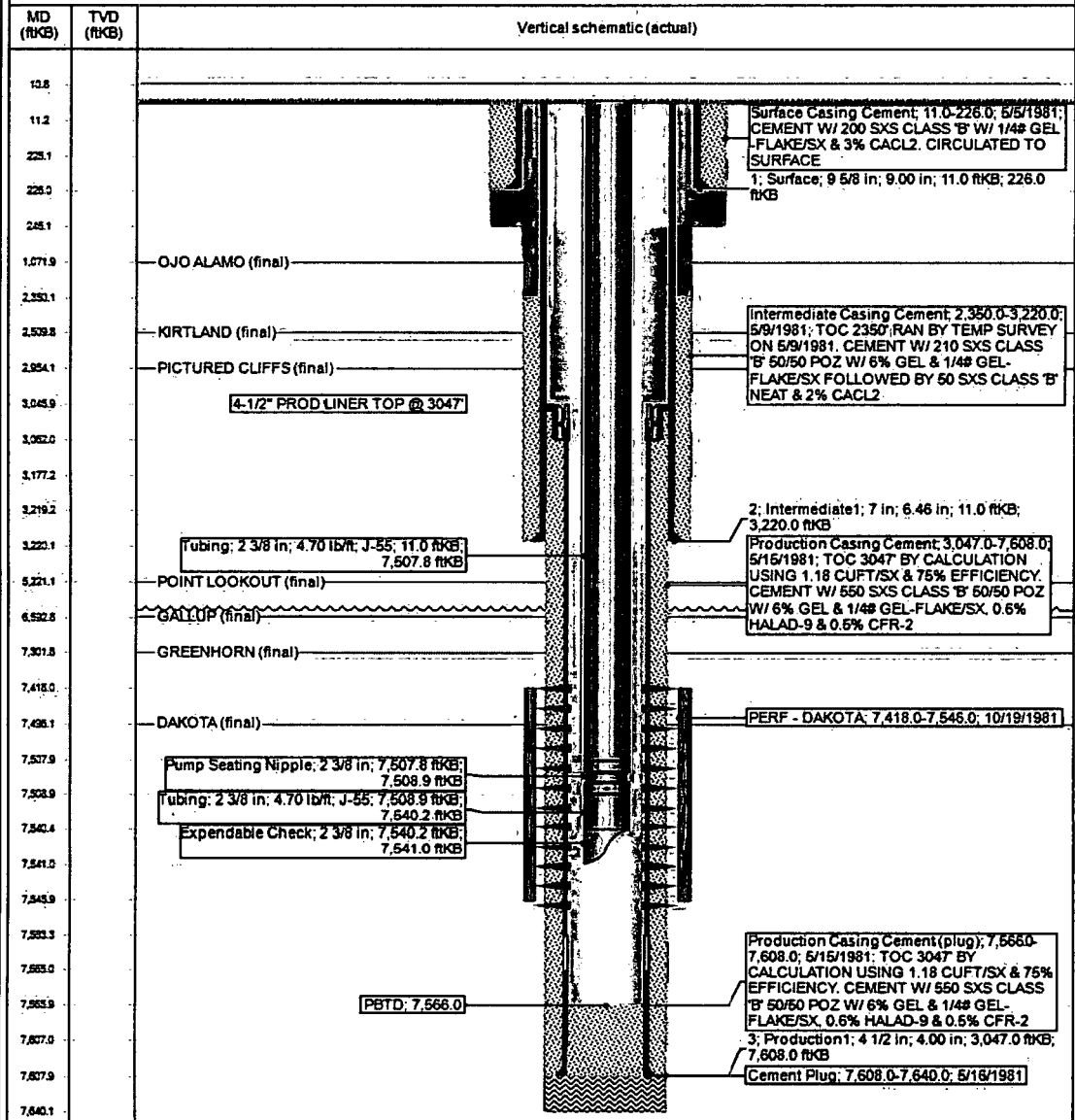


Current Schematic - Version 3

Well Name: DAY STATE #2E

API / UWI 3004525008	Surface Leg # Location 032-032N-011W-H	Field Name BASIN DAKOTA (PROVISED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,277.00	Original KBRT Elevation (ft) 6,288.00	KB-Grout Distance (ft) 11.00	KB-Casing Range Distance (ft) 11.00	KB-Tubing Range Distance (ft) 11.00	KB-Tubing Hanger Distance (ft) 11.00

Original Hole, 6/14/2018 5:30:02 PM



State of New Mexico  
Energy, Minerals and Natural Resources Department

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**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
30-045-25008-00-00	DAY STATE	002E	HILCORP ENERGY COMPANY	G	A	San Juan	S	H	32	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 the OCD 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 OCD for review and approval prior to perforating the formation.
- If needed, submit proposed remediation plan to the OCD 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.