

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: 7-16-18

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-11820-00-00	BOLACK B	004	HILCORP ENERGY COMPANY	G	A	San Juan	F	O	30	27	N	8	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.
- The MesaVerde perforation interval is approved, as revised by Hilcorp, for 3950'-4840'.
- 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. Please note our records show the first DV tool was placed at 4615'.
- 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 plan to the agencies for review and approval prior to starting remediation.

NMOCD Approved by Signature

7/20/18
Date

RECEIVED

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

JUL 17 2018

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010Farming on the Office
Bureau of Land Management5. Lease Serial No. **NMSF-079232**

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

382 Road 3100 Aztec, NM 87410

3b. Phone No. (include area code)

505-599-3400

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

8. Well Name and No.

Bolack B 4

9. API Well No.

30-045-11820

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

Surface Unit O (SWSE) 825' FSL & 1770' FEL, Sec. 30, T27N, R08W

10. Field and Pool or Exploratory Area

Basin Dakota / Blanco Mesaverde

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☐ Casing Repair☐ New Construction☒ Recomplete☐ Other☐ Final Abandonment Notice☐ 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 recompleat 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 recompleat 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 recompleat the subject well in the Mesaverde formation and downhole commingle with the existing Dakota formation. Attached is the Mesaverde plat and procedure. A DHC application will be filed and approved prior to commingling. A Closed Loop system will be utilized.

NMOCD

JUL 19 2018

DISTRICT III

SEE ATTACHED
FOR CONDITIONS
OF APPROVAL

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

7/16/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

7/18/2018

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)

NMOCD

Bolack B 4

T27N-R08W-S30

API: 3004511820

Mesa Verde Zone Add

04/25/2018

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 6,516'
4. Set a CIBP at +/- 5,200' to isolate the Dakota
5. Load the hole. MIRU E-line and run CBL.
6. Perforate the Mesa Verde from 3,950'-5,100'
7. PU and RIH w/ 2-7/8" frac string. Test frac string to maximum frac pressure.
8. ND BOP's. NU frac stack and test same to maximum frac pressure
9. RDMO Service rig
10. MIRU frac spread
11. Frac the Mesa Verde from 3,950' to 5,100'. RDMO frac spread
12. MIRU Service rig
13. Test BOP's
14. TOOH w/ 2-7/8" frac string
15. PU twister bit & RIH to clean out to Dakota isolation plug
16. When water and sand rates are acceptable, flow test the Mesa Verde
17. Drill out Dakota isolation plug & TOOH
18. TIH and land production tubing. Obtain a commingled Dakota/Mesa Verde flow rate
19. ND BOP's, NU production tree
20. RDMO service rig & turn well over to production

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 254827

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-11820	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321662	5. Property Name BOLACK B	6. Well No. 004
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6093

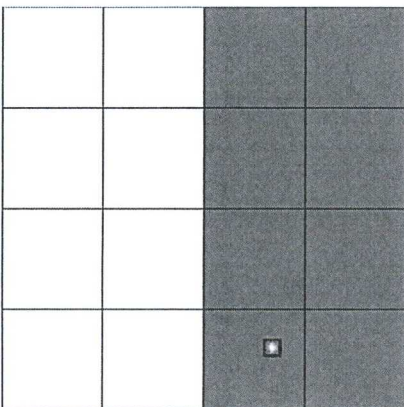
10. Surface Location

UL - Lot O	Section 30	Township 27N	Range 08W	Lot Idn	Feet From 825	N/S Line S	Feet From 1770	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 E/2				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;">OPERATOR CERTIFICATION</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: Operation/Regulatory Tech Sr. Date: 7/16/2018</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</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: Robert H. Ernst Date of Survey: 7/14/1966 Certificate Number: 2463</p>
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Current Schematic

Well Name: Bolack B 04

API / UWI 3004511820	Surface Legal Location T27N-R08W-S30	Field Name Basin Dakota	Licensee No.	State/Province New Mexico	Well Configuration Type Vertical
Ground Elevation (ft) 6,081.00	Original K&RT Elevation (ft) 6,092.00	K&S-Ground Distance (ft) 11.00	K&S-Casing Flange Distance (ft)	K&S-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 4/25/2018 5:55:52 AM

MD (ftKB)	TVD (ftKB)	Vertical schematic (actual)
11.2		
409.1		1; Surface: 6 5/8 in; 8 1/2 in; 11.0 ftKB; 409.0 ftKB
2,210.0		
2,211.9		Tubing: 2 3/8 in; 4,770 lb/ft; J-55; 11.0 ftKB; 6,516.0 ftKB
4,615.2		
4,617.1		
5,317.9		
6,399.9		
6,401.9		Perforated: 6,400.0-6,402.0; 9/20/1966
6,407.2		Perforated: 6,407.0-6,410.0; 9/20/1966
6,410.1		
6,466.9		
6,476.0		Perforated: 6,467.0-6,476.0; 9/20/1966
6,516.1		
6,516.4		Seat Nipple: 2 3/8 in; 6,516.0 ftKB; 6,516.5 ftKB
6,517.1		Mule Shoe Tubing Joint: 2 3/8 in; 6,516.5 ftKB; 6,517.0 ftKB
6,547.9		
6,549.9		Perforated: 6,548.0-6,550.0; 9/20/1966
6,564.0		
6,568.9		Perforated: 6,564.0-6,569.0; 9/20/1966
6,586.0		
6,587.9		Perforated: 6,586.0-6,588.0; 9/20/1966
6,606.0		
6,607.9		Perforated: 6,606.0-6,608.0; 9/20/1966
6,624.0		
6,648.0		Perforated: 6,624.0-6,648.0; 9/20/1966
6,654.9		PBTD: 6,655.0
6,698.2		2; Production: 4 1/2 in; 0.00 in; 11.0 ftKB; 6,698.0 ftKB



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



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.**

Pickford, Katherine, EMNRD

From: William Maxim Tambekou <wtambekou@blm.gov>
Sent: Friday, July 20, 2018 8:09 AM
To: Christine Brock
Cc: Powell, Brandon, EMNRD; Pickford, Katherine, EMNRD; Daniel Donovan
Subject: Re: [EXTERNAL] Bolack B 4 - API# 30-045-11820

Good Morning Christine,

It will not be necessary to request approval to revise perforations from 3950'-5100' to 3950'-4840' since they fall in the target zone.

Thank you,

*William Maxim F. Tambekou
Petroleum Engineer
6251 College Blvd. Suite A
Farmington, NM 87402
BLM-FFO
505-564-7746 (Office)
571-275-6474 (Cell)*

On Thu, Jul 19, 2018 at 4:03 PM Christine Brock <cbrock@hilcorp.com> wrote:

Good afternoon William –

I just spoke to you regarding the subject well. The procedure attached to the NOI states perforation will be 3950'-5100'. The estimated perforations are actually 3950'-4840'. Will you please confirm that we do not need BLM approval to make this revision?

Thank you,

Christine Brock

Hilcorp Energy Company

San Juan South Regulatory

Office: 505-324-5155