

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED
JUL 18 2018

Farmington Field Office
Bureau of Land Management

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.

5. Lease Serial No. **NM-01772-A**
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Hilcorp Energy Company		8. Well Name and No. Reid 22R
3a. Address 382 Road 3100, Aztec, NM 87410	3b. Phone No. (include area code) 505-599-3400	9. API Well No. 30-045-23136
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit J (NWSE) 1480' FSL & 1630' FEL, Sec. 7, T28N, R9W		10. Field and Pool or Exploratory Area Blanco Mesaverde / Basin Dakota
		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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Cement Squeeze
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 requested permission to squeeze per the attached procedure. Verbal approval was given by BLM (William Tambekou) and NMOCD (Brandon Powell) w/ COAs on 6/27/2018.

NMOCD
JUL 27 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 <i>Christine Brock</i>		Date 7/19/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title PE	Date 7/27/18
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.

NMOCD

Reid #22R

Section 07-T28N-R09W

API#: 30-045-23136

MV Squeeze

1. Starting point is a 4-1/2" CIBP set at ~5500' (this is below known 5360' TOC from 10/28/78 CBL)
2. Squeeze liner as needed. Initial plan is as follows, subject to change pending operations and ability to circulate between squeeze holes.
 - a. RIH with perforating guns.
 - i. Perforate lower squeeze hole(s) at approximately 4870'. This is within the MV.
 1. *Note: Intended lowest frac perforation for forthcoming frac will not be lower than 4660'.*
 - ii. Perforate upper squeeze hole(s) at approximately 3800'. This is within the MV.
 1. *Note: Intended uppermost frac perforation for forthcoming frac will not be higher than 4013'.*
 - b. RIH with packer and set between upper and lower squeeze perforations at approximately 4820'.
 - i. Attempt to circulate between holes and establish a test injection rate.
 1. *Note: If circulation and/or rate cannot be adequately achieved, additional squeeze perforation(s) may be added at intermediate depths in order to establish circulation for a suicide squeeze. Multiple separate attempts to squeeze across separate intervals may be required. This may include suicide and/or bullhead squeeze attempts with the goal of adequate coverage both above and below the target MV frac perfs to isolate from surrounding formations during the forthcoming hydraulic fracture treatment. All perforations will be within the MV and reported on the final report.*
 - c. RIH with and set Cement Retainer at approximately 4820'. Test tubing. Prepare to pump through retainer. Establish circulation between squeeze perforations.
 - i. Pump cement. Approximate volume to be at least 194 sks of Class G cement with 1.15 ft³/sk yield.
 - ii. Stab out of CR.
 - iii. Circulate clean.
 - iv. POOH with tubing.
 - d. Wait on cement at least 4 hours.
3. *Note: All perforations are within the MV. Testing of the squeeze(s) is not anticipated.*
4. Drill out squeeze(s) as applicable, leaving ~5500' CIBP in place.
 - a. Multiple squeeze attempts may be performed as per note above.
5. Run CBL and submit to regulatory agencies as notification.
6. Continue with originally planned MV completion per prior NOI.

Note: Below wellbore diagram has some likely errors/uncertainty, especially as related to PBSD, which will be verified and corrected as a part of the proposed operations.

