

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: 10/5/18

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-26669-00-00	HUERFANO UNIT	165E	HILCORP ENERGY COMPANY	G	A	San Juan	F	A	30	26	N	9	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 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.

NMOCD Approved by Signature

10/25/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

OCT 05 2018

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

5. Lease Serial No.

NMNM-03493

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.

Huerfano Unit

8. Well Name and No.

Huerfano Unit 165E

9. API Well No.

30-045-26669

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

Surface

Unit A (NENE) 1135' FNL & 1000' FEL, Sec. 30, T26N, R09W

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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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 recompleate 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 recompleation 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 recompleate the subject well in the Pictured Cliffs formation and downhole commingle the existing Dakota with the Pictured Cliffs. Attached is the PC C-102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds. A Closed Loop system will be utilized.

NMOCD

OCT 15 2018

DISTRICT III

HOLD C104 FOR DHC

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Cherylene Weston

Title Operations/Regulatory Technician - Sr.

Signature

Cherylene Weston

Date

10/5/18

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title PE

Date

10/10/18

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

Huerfano Unit 165E

030-026N-009W-A

API: 300452666900

Pictured Cliffs Zone Add

10/04/2018

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 6,586'
4. Set a CIBP @ 6,440' to isolate the Dakota. Set CIBP @ 2,200' to isolate the PC
5. Load the hole
6. Perforate the Pictured Cliffs from 2,014' to 2,045'.
7. When water and sand rates are acceptable, flow test the Pictured Cliffs
8. Drill out Dakota isolation plug & TOOH
9. TIH and land production tubing. Obtain a commingled Dakota-Pictured Cliffs flow rate
10. ND BOP's, NU production tree
11. RDMO service rig & turn well over to production



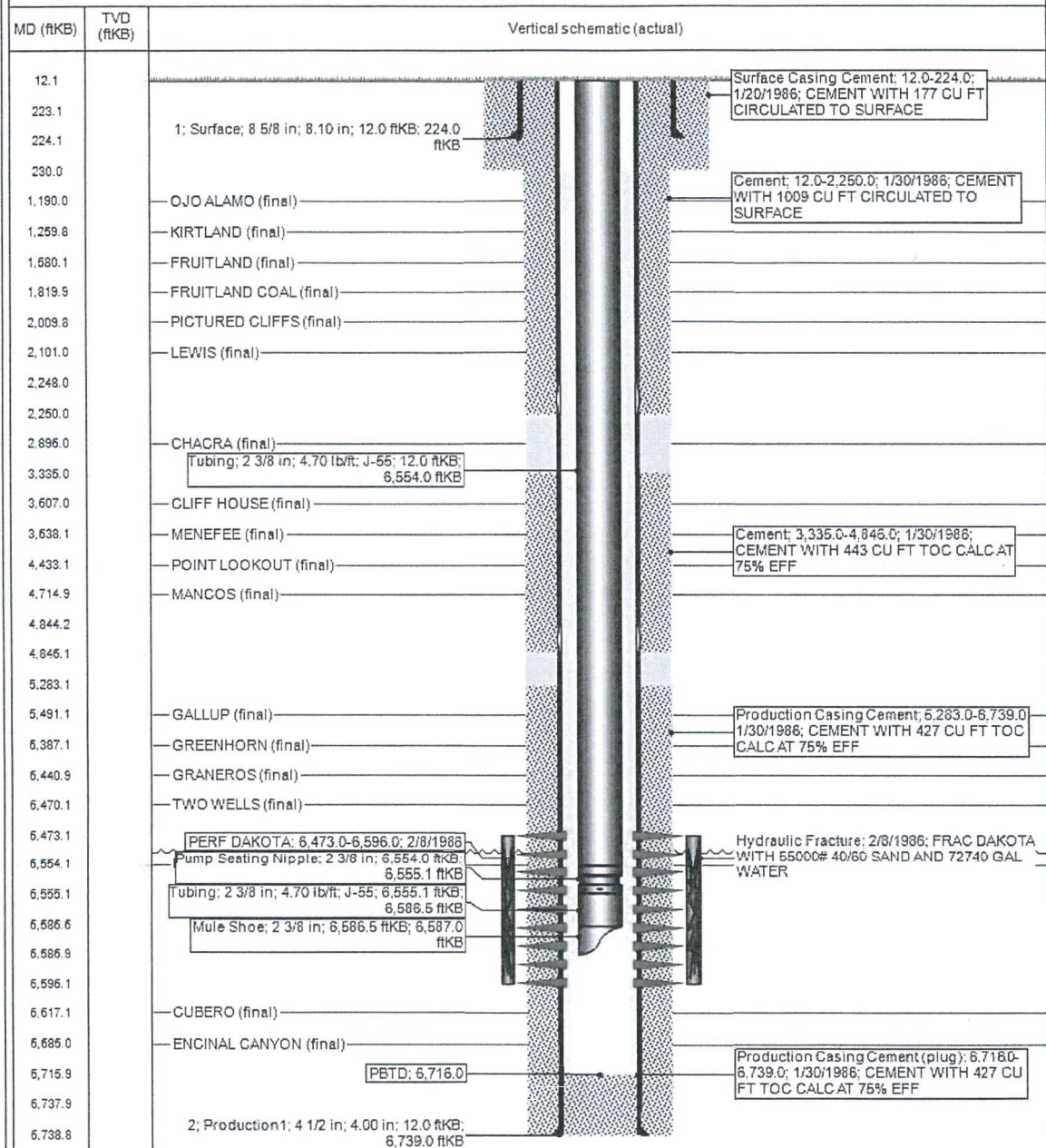
Hilcorp Energy Company

Current Schematic

Well Name: HUERFANO UNIT #165E

API: UWI 3004526669	Surface Legal Location 030-026N-009W-A	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,508.00	Original KSB RT Elevation (ft) 6,520.00	K/S-Grnd Distance (ft) 12.00	K/S-Casing Flange Distance (ft)	K/S-Tubing Hanger Distance (ft)	

VERTICAL, Original Hole, 10/3/2018 3:24:06 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 258255

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-26669	2. Pool Code 78840	3. Pool Name HUERFANO PICTURED CLIFFS (GAS)
4. Property Code 318578	5. Property Name HUERFANO UNIT	6. Well No. 165E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6508

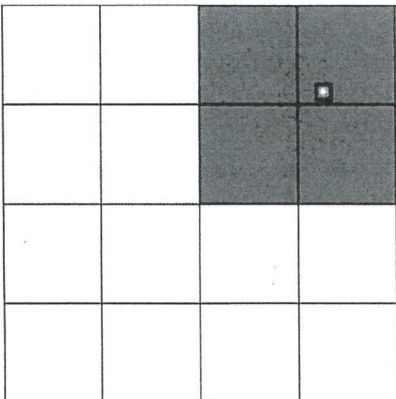
10. Surface Location

UL - Lot A	Section 30	Township 26N	Range 09W	Lot Idn	Feet From 1135	N/S Line N	Feet From 1000	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 (NE/4)	13. Joint or Infill	14. Consolidation Code Unitization	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: <u>Cherylene Weston</u> Title: Cherylene Weston, Operations/Regulatory Tech - Sr. Date: <u>10-5-18</u></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: David Vilven Date of Survey: 11/11/1985 Certificate Number: 1760</p>
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