

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: 10-31-18  
Well information:

HILCORP ENERGY COMPANY, REUTER #002, API# 30-039-06797

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.
- Submit the 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

11-16-18  
Date

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.

NMSF079210

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

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

8. Well Name and No.

Reuter 2

2. Name of Operator

Hilcorp Energy Company

9. API Well No.

30-039-06797

3a. Address

382 Road 3100, Aztec, NM 87410

3b. Phone No. (include area code)

505-599-3400

10. Field and Pool or Exploratory Area

BlancoMV/SBlancoTocitoGlp/BasinDK

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

Surface Unit L (NW/SW) 1450' FSL & 790' FWL, Sec. 34, T27N, R06W

11. Country or Parish, State

Rio Arriba, 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

☐ Convert to Injection

☐ Plug and Abandon

☐ Temporarily Abandon

☐ 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 Mesaverde formation and downhole commingle the existing Gallup/Dakota with the Mesaverde. Attached is the MV C102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds. A closed loop system will be utilized. Interim reclamation will be performed after surface disturbing activities.

NMCCD

NOV 15 2018

DISTRICT III

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

Etta Trujillo

Title Operations/Regulatory Technician - Sr.

Signature

*Etta Trujillo*

Date

10/31/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

*[Signature]*

Title

PE

Date

11/14/18

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

FTO

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)

NMCCD



**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 259254

NMCOO  
NOV 15 2018  
DISTRICT III

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-039-06797	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318677	5. Property Name REUTER	6. Well No. 002
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6498

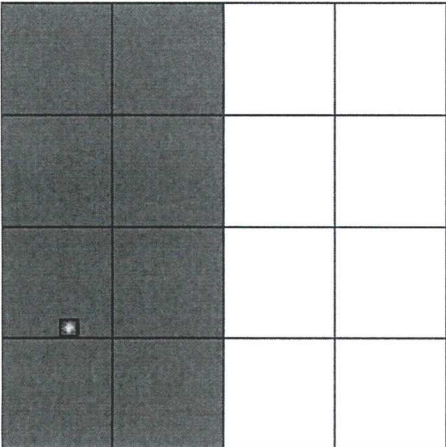
**10. Surface Location**

UL - Lot L	Section 34	Township 27N	Range 06W	Lot Idn	Feet From 1450	N/S Line S	Feet From 790	E/W Line W	County RIO ARRIBA
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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 W/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;"><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>Etta Trujillo</i> Title: Operations/Regulatory Tech Sr Date: 10/31/2018</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: David Kilven Date of Survey: 4/24/1962 Certificate Number: 1760</p>
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HILCORP ENERGY COMPANY  
REUTER 2  
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 7,404'.
3. Set a 4-1/2" cast iron bridge plug at +/- 6,630' to isolate the Gallup/Dakota.
4. Load the hole and run a CBL from the CIBP to surface. Squeeze as needed based on the CBL.
5. Set a 4-1/2" cast iron bridge plug at +/- 4,385' to isolate the Stage Tool.
6. Perforate the Mesa Verde (Top Perforation @ 4,618'; Bottom Perforation @ 5,335').
7. RIH with a packer and 2-7/8" Frac string, setting depth TBD based on CBL results. NU Test Frac stack and frac string.
8. Frac the Mesa Verde
9. Nipple down frac stack, nipple up BOP and test.
10. TOOH 2-7/8" Frac String.
11. TIH with a mill.
12. Clean out to Gallup/Dakota isolation plug.
13. Drill out Gallup/Dakota isolation plug and cleanout to PBTD of 7,470'. TOOH.
14. TIH and land production tubing at 7,404'.

WMOOD

NOV 15 2018

DISTRICT III



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

**REUTER 2 - CURRENT WELLBORE SCHEMATIC**



**Current Schematic - Version 3**

**Well Name: REUTER #2**

API: UWI 3003906797	Surface Legal Location 034-027N-006W-L	Field Name BSN DK(PRO GAS)	#0068	Route 1300	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,498.00	Original KBRT Elevation (ft) 6,508.00	KB-Ground Distance (ft) 10.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)		

Original Hole, 11/2/2018 9:55:36 AM

