

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-20328
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. FEE
7. Lease Name or Unit Agreement Name VASALY
8. Well Number 2
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
HILCORP ENERGY COMPANY

3. Address of Operator
382 Road 3100, Aztec, NM 87410

4. Well Location
Unit Letter K 1850 feet from the South line and 1600 feet from the West line
Section 31 Township 32N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6372'

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐ RECOMPLETION

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☒ RECOMPLETION

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.

10/1/2018 – MIRU BWD 103. Check well pressures. ND WH. NU & PT BOP. Tag fill @ 7621'. TOH and tbg parted. Tbg parted @ 2326'. TOF @ 2417'. TOH w/ fish. All tbg corkscrewed & ID corr. SWI. SDFN.

10/2/2018 – Check well pressures. PU & TIH w/ csg scraper. TOH BHA. TIH w/ 4-1/2" CIBP and set @ 7350'. Circ csg w/ 95 bbls. Begin circ through intermediate csg. TOH w/ tbg & setting TL. SWI. SDFN.

10/3/2018 – Check well pressures. RU Basin WL. Run CBL from 7350' to surface. TOC @ 4730'. MIRU Wellcheck. **CBL sent to Brandon Powell, NMOCD. Approval was given to perforate down to 5590' and move the base of the frac CIBP down to 5650'. ND BOP. ND tbg head. Found tbg head w/ no seals. Stub up and NU 3K tbg head. RDMO Wellcheck. NU BOP. PT csg to 550 psig for 15 min. Test ok. PU & TIH select 4-1/2" CIBP & set @ 5650'. TOH w/ setting tool. SWI. SDFN.**

(continued on page 2)

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 Sr. DATE 11/05/2018

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

For State Use Only

APPROVED BY: Brandon Powell TITLE Deputy Oil & Gas Inspector, DATE 11/13/18
District #3

Conditions of Approval (if any):

AV

10/4/2018 – Check well pressures. MIRU Basin WL. **Perforate Point Lookout in 2 runs (50 select fire shots, 0.34" dia) as follows: 5561', 5560', 5559', 5558', 5525', 5524', 5523', 5466', 5465', 5464', 5463', 5462', 5447', 5446', 5445', 5444', 5409', 5408', 5407', 5406', 5376', 5375', 5374', 5373', 5372', 5358', 5357', 5356', 5355', 5354', 5344', 5343', 5342', 5341', 5340', 5317', 5316', 5315', 5314', 5313', 5312', 5294', 5293', 5292', 5291', 5290', 5289', 5288', 5264', 5263' . Perforate Menefee in 1 run (40 select fire shots, 0.34" dia) as follows: 5210', 5209', 5208', 5207', 5206', 5205', 5204', 5203', 5202', 5201', 5200', 5166', 5165', 5164', 5163', 5162', 5161', 5160', 5147', 5146', 5145', 5144', 5110', 5109', 5108', 5107', 5106', 5080', 5079', 5078', 5077', 5076', 5025', 5024', 5023', 4998', 4997', 4996', 4995', 4994'.** RDMO Basin WL. PU & TIH as-1x pkr w/WL re-entry guide, XO, pump out plg w/rupture disc in place, XO, 154 jts 2-7/8" P-110 seamless PH-6 tbg fr/Knight Oil Tools, XO, 2-7/8" x 2' tbg sub & recompletion hngr. Set pkr @ 4,798' w/15K compression. SWI. SDFN.

10/5/2018 – ND BOP. NU frac stack. MIRU Wellcheck. PT & chart tbg, pkr & frac stack to 6,000 psig for 2". Incr to 7,000' for 2". Incr to 8,050 for 30". Tst ok. RDMO Wellcheck. MIRU Expert Downhole SLU. RIH & rupture disc. RDMO SLU. SWI. RDMO BWD 103 @ 12:00 hrs on 10/5/2018.

10/22/2018 – MIRU Frac crew. Broke down well with water and 1000 gal 15% HCL. **Foam frac'd Mesaverde with 240,000 lbs 20/40 and 61,554 gal slickwater and 2.95 million SCF N2. 70 Quality.** RD Frac crew.

10/27/2018 – MIRU BWD 102. Install two way check in frac string hanger. Pressure on frac string at 170 psi. ND frack stack. NU BOP. RU Wellcheck test BOP pipe and blind rans. Test good. Release packer. Pull hanger above slips. NU lubricator to hanger. Remove lubricator and tbh hanger/two check. TOOH LD 154 jts frac string and packer from 4900'. SWI SDFN.

10/28/2018 – Open well to flow back tank. Move out frac string. Spot in float w/ tbh. MU BHA. RIH and tag fill at 5579'. 71' above CIBP at 5650'. CO fill to 5650'. DO CIBP and circ clean to 5679'. SWI. SDFN.

10/29/2018 – Open well to flow back. TIH to 6096' from top perms at 4994'. Tag remains of plug. RU power swivel. CO from 6096' to 2nd plug at 7350'. Attempted to drill out CIBP at 7350' but unable to drill all the way. TOOH w/ mill to 4994'. SWI. SDFN.

10/30/2018 – Open well to flow back. TIH from top perf at 4994' to 7350' CIBP. Drill out CIBP and clean out to PBTD 7630'. TOOH w/ mill and MU BHA. **Landed 232 jts 2-3/8" 4.70# J-55 at 7551'. Expendable check on bottom. 1.780 ID SN at 7549'.** ND BOP NU WH. RD RR BWD 102 at 18:00 hrs on 10/29/2018.

Well is now producing as Blanco Mesaverde/ Basin Dakota under DHC 4057AZ and Density Exception R-14814