

Submit 1 Copy To Appropriate District 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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-045-24155
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 LESTER
8. Well Number 1A
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/Basin Fruitland Coal

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 D 880 feet from the North line and 930 feet from the West line
Section 3 Township 30N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5639'

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.

10/9/2018 – MIRU BWD 103. ND flo tree and WH. NU WH. SWI. SDFN.

10/10/2018 – ND WH. NU BOP. Spear top jt tbg and unland tbg. LD spear and tbg hanger. Tag fill @ 4616' (38' fill). LD 2-1/16" prod tbg string. MU 5-1/2" scraper and TIH to 3050'. TOH w/ scraper and stand tbg in derrick. MU 5-1/2" CIBP and TIH to 3000'. Set CIBP @ 3000'. PT CIBP to 1000 psi for 15 min. SWI. SDFN.

10/11/2018 – TOH w/ setting tool and tbg to derrick. RU E-line. Run CBL from 3000' to surface. Call made to Brandon Powell, NMOCD, to discuss CBL and decision was made to perforate sqz holes at 2320' and 2400' and perform cmt sqz. CBL and MIT was requested after sqz work. MU squeeze perf guns. Shot 3 perf holes @ 2320' and 2400'. 6 holes total. MU 5-1/2" cmt retainer and TIH on 2-3/8" work string to 2338'. Set retainer @ 2338'. Test circ between squeeze holes. Good circ @ no pressure. 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 11/08/2018

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

For State Use Only

APPROVED BY: Bob Bell TITLE Deputy Oil & Gas Inspector, District #3 DATE 11/16/18

Conditions of Approval (if any):

AV

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10/13/2018 – RU cementers. Perform cmt job. Pump 9 bbl (44 sx) of 15.8 ppg Type G cmt. Sting out of retainer. Pull up above TOC to 2149'. Reverse circ tbg clear w/ 15 bbls FW. Close csg in. Squeeze 0.6 bbls back into the top perms w/ 1000 psi. RD cementers. SDFN.

10/15/2018 – MU 4-3/4" bit and TIH on 2-3/8" tbg. Tag cmt @ 2205'. PT csg to 500 psi for 5 min. Drill cmt to top of retainer @ 2338'. Circ clean and PT top squeeze perms to 500 psi. DO retainer to 2340' and DO cmt to 2370'. Circ clean. SDFN.

10/16/2018 – Finish DO cmt from 2370' to 2400' and clean out to 3000'. Circ clean. RU E-line. Run CBL from 3000' to 2000'. RD E-Line. Attempt MIT 5-1/2" prod csg. Pressure dropping. PU 5-1/2" fullbore pkr and TIH. Test above and below pkr @ 2337', 2304', and 2406'. Csg below btm squeeze perf and above top perms test positive. Top squeeze perms leaking 100 psi in 4 min. Btm perms leaking @ 40 psi in 15 min. Pull pkr above perf holes. **CBL sent to Brandon Powell, NMOCD, and approval was given to proceed with recomple if MIT passed.** SWI. SDFN.

10/17/2018 – TOH w/ fullbore pkr. TIH w/ open ended 2-3/8" tbg to 2430'. RU cementers. Spot balance plug. 5.5 bbls of 15.8 ppg Type G (27 sx @ 1.15 yld) from 2430' to 2198'. TOH w/ tbg to 1895'. Begin hesitation squeeze into leak. RD cementers. SWI. SDFN.

10/18/2018 – Pressure up to 825 psi on csg and observed. TOH w/ tbg. MU 4-3/4" junk mill and TIH on 2-3/8" tbg. Drill cmt from 2204' to 2350'. Circ clean. SWI. SDFN.

10/19/2018 – Finish DO cmt from 2350' to 2430' and clean out to CIBP @ 3000'. PT csg to 500 psi w/ rig pmp for 30 min. Test ok. RU tester and PT 5-1/2" csg to 600 psi for 45 min. **Jonathan Kelly, NMOCD, arrived and witnessed MIT and passed 30 min PT.** TOH w/ wrk string. LD mill. MU 5-1/2" CIBP and TIH, set @ 2190'. TOH and LD wrk string. SWI. SDFN

10/20/2018 – ND BOP. ND B section tbg head assembly. Stub up 5-1/2" csg to accommodate new tbg head. NU new tbg head assembly and test flange and seals to 1400 psi. TIH and **perforated Fruitland Coal from 2114' to 2130' - shot 3 shots / ft - total of 48 shots.** MU 5-1/2" pkr and TIH on 2-3/8" tbg, set pkr @ 1050'. RD work floor ND BOP. NU 10K frac stack. PT frac stack and 2-7/8" tbg to 8000 psi. Chart and record test. RD Tester. **RD RR BWD 103 @ 19:30 hrs on 10/20/2018.**

10/26/2018 – RU frac crew. Broke down well with water and 1000 gal 15% HCL. **Foam frac'd Fruitland Coal with 34,920 lbs 20/40 and 26,524 gal 25# crosslink and linear gel and 1.01 million SCF N2. 75 Quality.** Job terminated early due to abnormal pressure on the backside of the frac string. RD frac crew.

10/31/2018 – MIRU BWD 102. Check pressures. RU Wellcheck. Test annulus to 490 psi for 15 min. Test good. Blow tbg down. Install two check in tbg hanger. ND 10K frac stack. NU BOP. Well check tested BOP. Test good. Release 5-1/2" packer, pull hanger above slips. Remove two way check in tbg hanger. TOOHD 33 joints frac string. PU 4-3/4" mill. PU and TIH to 1st CIBP at 2190'. Tag fill at 2126'. RU power swivel for CO. SWI. SDFN.

11/1/2018 – Check pressures. TIH to fill at 2126'. Attempt to CO at 2126'. 4-3/4" mill torqueing up and not making hole in junk mill. Shut air unit down. TOOHD w/ 4-3/4" mill and TIH w/ 3-3/4" mill to 2126'. Went thru tight spot and tag at 2130'. CO to CIBP at 2190'. Shut air unit down. Pull mill up hole 60'. Flow well natural. Open well to flow back tank. Tagged 1' of fill. RIH to 2190' and CO fill. Well making trace of sand and coal fines. TOOHD w/ 3-3/4" mill above top perf at 2114'. SWI. SDFN.

11/2/2018 – Check pressures. RIH to CIBP at 2190'. Tag 1-1/2' fill. Put air unit on. Well making 1/2 bbl of water per hour w/ trace of sand. Shut air unit down. Light blow w/ no fluid to surface. **Engineer sent Brandon Powell, NMOCD, an email requesting to produce the Fruitland Coal for 30 days. After that time, the plug will be drilled out and commingled as planned. Brandon Powell gave verbal approval to the request.** TOOHD w/ 3-3/4" mill from CIBP at 2190'. **MU BHA run/drift 2-3/8" 4.7# J-55, 67 joints prod string. Land at 2125'. 1.78" ID SN @ 2124' and exp check at bottom.** ND BOP. NU WH. PT tbg to 510 psi for 5 min. Drop ball, Pump off exp check at 1000 psi. SWI. RD RR BWD 102 @ 17:00 hrs on 11/2/2018.

Well is producing as Basin Fruitland Coal only for 30 days. After which, the plug will be drilled out and commingled with the Blanco Mesaverde.

HILCORP
BW/03
API# 30-045-24155

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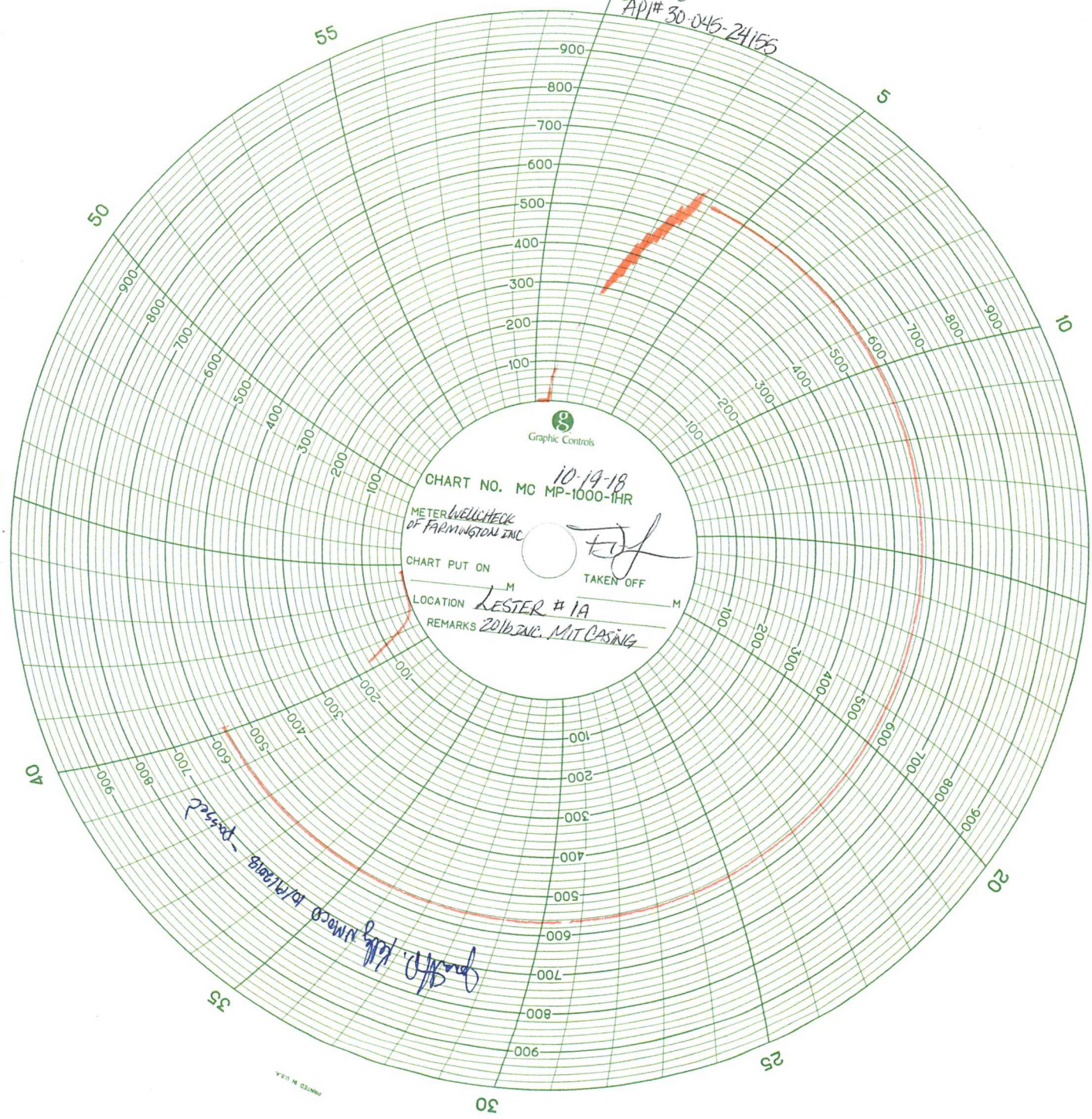


CHART NO. MC 10-14-18
MP-1000-IHR

METER WELL CHECK
OF FARMINGTON INC

CHART PUT ON

TAKEN OFF

LOCATION LESTER #1A

REMARKS 2016 ZUC. MIT CASING

Graph. Kelly Meco 10/19/18

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