

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: 10/29//18

Well information:

HILCORP ENERGY COMPANY
30-039-08115 SAN JUAN 28 6 UNIT #124

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:

- The bottom of the Mesaverde is located at 6000' and the proposed perforations are 5046'-6055'.
- Because the perforations extend past the bottom of the proposed formation Hilcorp will need to submit a revised Notice of intent (NOI) to include the Mancos formation or resubmit the NOI with revised perforations within the limits of the Mesaverde.
- The Downhole commingle (DHC) will also need to be revised to a trimmingle to include the Mancos or it will need to be revised to include the revised perforations.
- Submit the CBL to the agencies for review and approval prior to any remediation or perforating.

NMOCD Approved by Signature

11/28/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

RECEIVED
OCT 31 2018

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

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

Surface Unit K (NESW) 1840' FSL & 1840' FWL, Sec. 22, T28N, R06W

5. Lease Serial No.

NMSF079193

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

San Juan 28-6 Unit 124

9. API Well No.

30-039-08115

10. Field and Pool or Exploratory Area

Blanco Mesaverde/Basin Dakota

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

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☒ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 with the existing Dakota. Attached is the MV C102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved prior to commingling. A closed loop system will be utilized. Interim reclamation will be performed after surface disturbing activities.

****Please note: MV is pending approval of well density hearing****

NMOC

NOV 26 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

HOLD C104 FOR Density exception

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

Tammy Jones

Title **Operations/Regulatory Technician - Sr.**

Signature

Tammy Jones

Date

10/29/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

Date

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.

NMOC

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 259127

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-08115	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318710	5. Property Name SAN JUAN 28 6 UNIT	6. Well No. 124
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6546

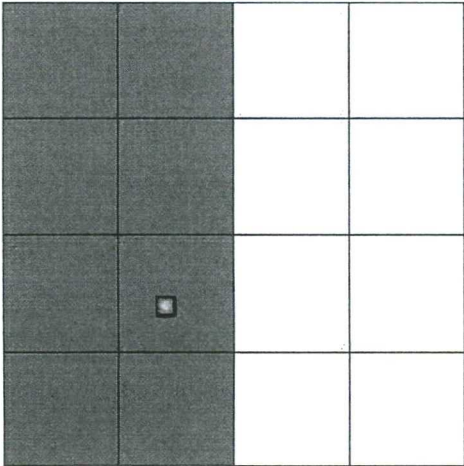
10. Surface Location

UL - Lot K	Section 22	Township 28N	Range 06W	Lot Idn	Feet From 1840	N/S Line S	Feet From 1840	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	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;">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: <i>Tammy Jones</i> Title: Operations/Regulatory Technician - Sr. Date: 10/29/2018</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 Kilven Date of Survey: 7/11/1966 Certificate Number: 1760</p>
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HILCORP ENERGY COMPANY
SAN JUAN 28-6 UNIT 124
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 7,798'.
3. Set a 4-1/2" plug at +/- 7,560' to isolate the **Dakota**.
4. RU Wireline. Run CBL. Record Top of Cement.
5. **IF NECESSARY** (Based on the results of the CBL top of cement) - Perform cement squeeze work.
6. Set a 4-1/2" plug at +/- 6,120'.
7. Load the hole and pressure test the casing.
8. N/D BOP, N/U frac stack and pressure test frac stack.
9. Perforate and frac the **Mesa Verde** formation (Top Perforation @ 5,046'; Bottom Perforation @ 6,055').
10. Isolate frac stages with a plug.
11. Nipple down frac stack, nipple up BOP and test.
12. TIH with a mill and drill out top isolation plug and **Mesa Verde** frac plugs.
13. Clean out to **Dakota** isolation plug.
14. Drill out **Dakota** isolation plug and cleanout to PBTD of 7,833'. TOOH.
15. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde** flow rate.



HILCORP ENERGY COMPANY
SAN JUAN 28-6 UNIT 124
MESA VERDE RECOMPLETION SUNDRY

SAN JUAN 28-6 UNIT 124 - CURRENT WELLBORE SCHEMATIC



Current Schematic - Version 3

Well Name: SAN JUAN 28-6 UNIT #124

API / UWI 3003908115	Surface Legal Location 022-028N-006W-K	Field Name BSN DK (PRO GAS)	#0068	Route 1303	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,546.00	Original K/S RT Elevation (ft) 6,559.00	K/S-Ground Distance (ft) 13.00	K/S-Casing Flange Distance (ft)	K/S-Tubing Hanger Distance (ft)		

VERTICAL, Original Hole, 10/30/2018 1:07:20 PM

