

State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Gabriel Wade, Acting 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: 1/11/19

Well information:

**Hilcorp, Daum LS #3, API# 30-045-06990**

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

2/11/19

Date

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

JAN 23 2019

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

**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.**

Farmington Field Office  
Bureau of Land Management

5. Lease Serial No. **SF 078329**  
6. If Indian, Allottee or Tribe Name

**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.

8. Well Name and No.

**Daum LS 3**

9. API Well No.

**30-045-06990**

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

**Surface Unit L (NWSW), 1750' FSL & 990' FWL, Sec. 32, T28N, R09W**

10. Field and Pool or Exploratory Area

**Blanco MV / Aztec PC**

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 Mesaverde with the Pictured Cliffs. Attached is the PC 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.**

NMOC

FEB 01 2019

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**

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

**Christine Brock**

Title **Operations/Regulatory Technician**

Signature

*Christine Brock*

Date

*1/31/19*

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

*[Signature]*

Title

*PE*

Date

*1/31/19*

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.



**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 262104

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-06990	2. Pool Code 71280	3. Pool Name AZTEC PICTURED CLIFFS (GAS)
4. Property Code 318774	5. Property Name DAUM LS	6. Well No. 003
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6088

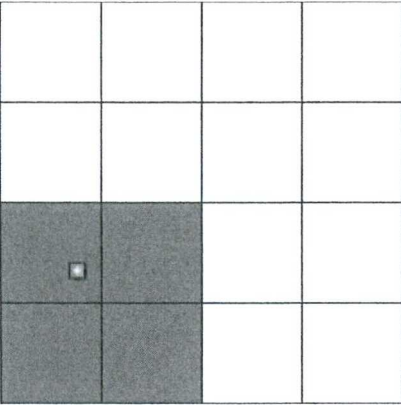
**10. Surface Location**

UL - Lot L	Section 32	Township 28N	Range 09W	Lot Idn	Feet From 1750	N/S Line S	Feet From 990	E/W Line W	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 168.37 SW/4	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>Christine Brock</i> Title: Operation/Regulatory Tech Sr. Date: 1/10/2019</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: C. O. Walker Date of Survey: 12/19/1956 Certificate Number: 1007</p>
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**Daum LS #3**

Section 32-T28N-R9W

API#: 30-045-06990

**PC Recompletion Procedure**

1/9/2019

**Procedure:**

1. MIRU Service rig and associated equipment, test BOP.
2. TOOH w/ 2 3/8" tubing set at 4501'.
3. Set bridge plug at approximately 2306' to isolate existing perforations.
4. ND BOP, NU frac stack and test frac stack to frac pressure.
5. Perforate and frac the Pictured Cliffs. Estimated interval: 2150'-2206'.
6. Cleanout to isolation plug. Flow test PC.
7. Cleanout to PBTD.
8. TIH and land production tubing. Get a commingled flow rate.
9. Release service rig and turn well over to production.

Well Name: DAUM LS 003

API / UWI 3004506990	Surface Legal Location 032-028N-009W-L	Field Name MV	Route 0807	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 8,091.00	Original KBRT Elevation (ft) 8,103.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft) 12.00	KB-Tubing Flange Distance (ft) 12.00	

Vertical, Original Hole, 1/8/2019 8:22:47 AM

