

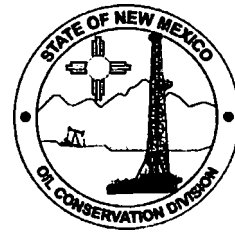
State of New Mexico
Energy, Minerals and Natural Resources Department

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: 2/15/2019
Well information:

HILCORP ENERGY COMPANY
30-045-23688 San Juan 32-7 Unit #60

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.
- The initial CIBP must be placed no higher than 50' above the existing perforations.
- A Mechanical integrity test (MIT) must be performed from the initial CIBP to verify the integrity of the well. The pressure test must meet the requirements of 19.15.25.14 NMAC.
 - 24hr notice is required to be provided to the agencies prior to performing the MIT.
- After the MIT is performed a second temporary isolating device may be set up near the requested recomplete interval without additional OCD approval to protect the casing from the completion pressures.

NMOCD Approved by Signature

4/3/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FEB 15 2019

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

Farmington Field Office
Bureau of Land Management

NMSF078460

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 A (NENE) 900' FNL & 830' FEL, Sec. 20, T32N, R07W

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

San Juan 32-7 Unit

8. Well Name and No.

San Juan 32-7 Unit 60

9. API Well No.

30-045-23688

10. Field and Pool or Exploratory Area

Basin Dakota

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

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ 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 recomplete 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 recompletion 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 requests permission to recomplete the subject well in the Mesaverde and downhole commingle with the existing Dakota. Please see the attached procedure, wellbore diagram, plat and GCP. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities.

Hilcorp also requests that the previous RC NOI approved on 2/6/2017 be cancelled.

NOI APPROVAL OR ACCEPTANCE ACTION DOES NOT RELIEVE THE BLM/BIA, TO OPERATOR FROM OBTAINING ANY OTHER AUTHORITY REQUIRED TO CONDUCT WORK ON FEDERAL LANDS AND INTERESTS

NMOC

MAR 11 2019

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

Amanda Walker

Title Operations/Regulatory Technician - Sr.

Signature

Date 2/15/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title CE

Date 3/6/2019

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.

(Instruction on page 2)

NMOC

2/15/2019

OCD Permitting

District I1625 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 263784

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-23688	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318434	5. Property Name SAN JUAN 32 7 UNIT	6. Well No. 060
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6464

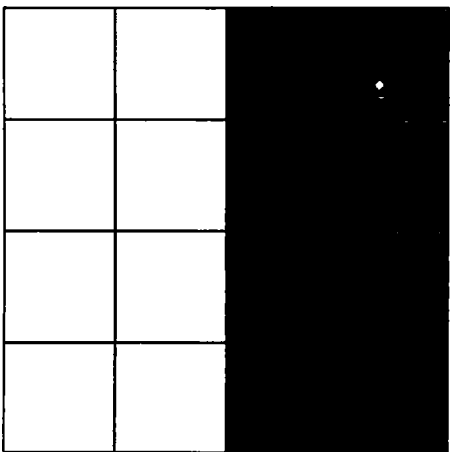
10. Surface Location

UL - Lot A	Section 20	Township 32N	Range 07W	Lot Idn	Feet From 900	N/S Line N	Feet From 830	EW Line E	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	EW Line	County
12. Dedicated Acres 310.55	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>Amanda Walker</i> Title: Operations / Regulatory Tech Sr. Date: 2/15/2019</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: Fred B. Kerr Jr. Date of Survey: 7/20/1979 Certificate Number: 3950</p>
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HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 60
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with 2 3/8" tubing set at 7,980'.
3. Set a 4-1/2" cast iron bridge plug at +/- 7800' to isolate the Dakota. (Note the casing weight changes at 6618')
4. Load hole with fluid and run a CBL on the 4-1/2" casing. Verify cement bond within the Mesa Verde and confirm TOC (estimated at 3100' by temperature survey 01/15/1980). Review CBL results with engineering/NMOCD and perform cmt remediation, if required (min TOC @ 4,810'). PT csg to 650 psi.
5. Set a 4-1/2" cast iron bridge plug at +/- 6050' to provide a base for the frac.
6. Perforate the Mesa Verde. (Top perforation @ 5,310', Bottom perforation @ 6,000')
7. RIH w/ frac string and packer with ceramic disc sub. Set pkr at -5,250' and land tbq.
8. N/D BOP, N/U frac stack and test frac stack to frac pressure. Open well and PT frac string to 9000#.
9. RU slickline. RIH and break ceramic disc. RD slickline.
10. Frac the Mesa Verde in 1 stage.
11. RU flowback eqmt. Flowback well until tubing pressure drops to working level and sand subsides or well loads up. RD flowback eqmt.
12. MIRU workover rig. Nipple down frac stack, nipple up BOP and test.
13. Release pkr and POOH LD workstring.
14. TIH with a mill and clean out to the top of the DK isolation plug at 7,800'. Take Mesa Verde gas samples and analyze.
15. Drill out Dakota isolation plug and cleanout to PBTD of 8,006'. TOOH.
16. TIH and land production tubing. Get a commingled Dakota/Mesa Verde flow rate.
- 17.
- 18.



HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 60
MESA VERDE RECOMPLETION SUNDRY

SAN JUAN 32-7 UNIT 60 - CURRENT WELLBORE SCHEMATIC



Current Schematic

Well Name: SAN JUAN 32-7 UNIT #60

API LUVI 3004523688	Surface Legal Location 020-032N-007W-A	Field Name DK	Route 0604	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,464.00	Original KB RT Elevation (ft) 6,474.00	KB-Ground Distance (ft) 10.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 2/14/2019 1:11:36 PM

