

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: 3/18/2019

Well information:

HILCORP ENERGY COMPANY
30-045-29863 Ute Indians A #27

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: Payadd

Conditions of Approval:

- Notify the OCD 24hrs prior to beginning operations.
- A new completion sundry, completion report and C-104 will need to be submitted and approved prior to production because the perforations are outside of the existing perforations.

NMOCD Approved by Signature

4/3/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTRECEIVED
ELECTRONIC REPORT

MAR 11 2019

FORM APPROVED
OMB NO. 1004-0137
Expires: January 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.*5. Lease Serial No.
1420604626. If Indian, Allottee or Tribe Name
UTE MOUNTAIN UTE

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

8. Well Name and No.
UTE INDIANS A 279. API Well No.
30-045-29863-00-S110. Field and Pool or Exploratory Area
UTE DOME11. County or Parish, State
SAN JUAN COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
HILCORP ENERGY COMPANYContact: AMANDA WALKER
E-Mail: mwalker@hilcorp.com3a. Address
1111 TRAVIS STREET
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 505-324-5122

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

Sec 2 T31N R14W NESE 2600FSL 1000FEL

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"/> Hydraulic Fracturing | <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 type="checkbox"/> Recomplete | <input checked="" 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 recompleat 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 recompleat 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 add pay to the subject well in the Morrison formation and downhole commingle with the existing Dakota per the attached procedure and current wellbore schematic. A DHC application will be filed and approved prior to commingling. A closed loop system will be used. All work will remain on the existing well pad.

**SEE ATTACHED
CONDITIONS OF APPROVAL**

NMOCD

MAR 21 2019

DISTRICT III

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #457649 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Durango
Committed to AFMSS for processing by ASHLEY HITCHELL on 03/11/2019 (19ACH0179SE)**

Name (Printed/Typed) AMANDA WALKER

Title OPERATIONS REGULATORY TECH

Signature (Electronic Submission)

Date 03/11/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USEApproved By DAN RABINOWITZ

Title ACTING MINERALS STAFF CHIEF

Date 03/18/2019

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 Durango

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD



HILCORP ENERGY COMPANY
UTE INDIANS A 27
MORRISON R/C AND COMMINGLE WITH DK

API #:

3004529863

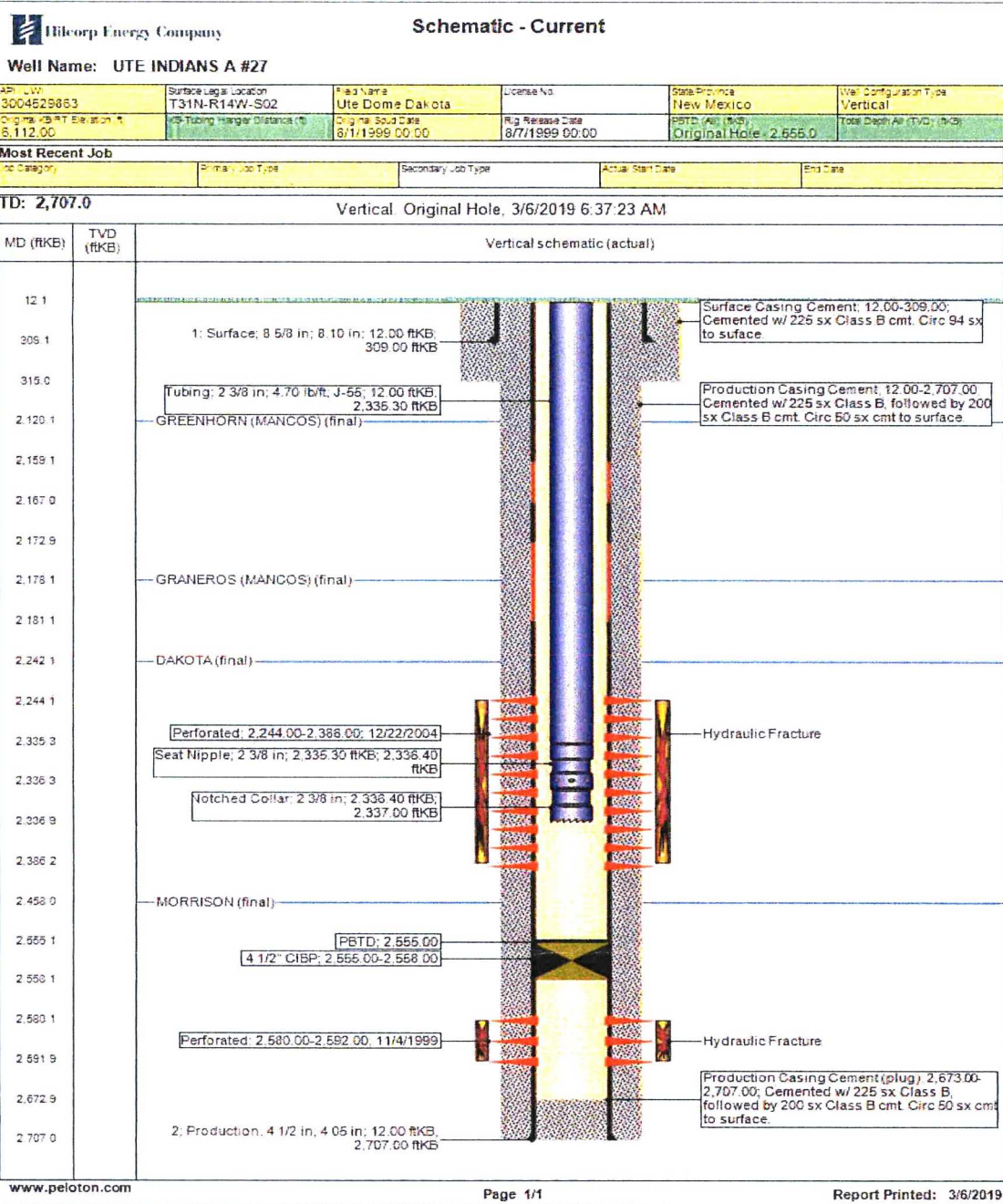
JOB PROCEDURES

1. MIRU service rig and associated equipment; NU and test BOP. (If not yet completed) collect gas samples of the DK gas and send in for analysis
2. TOOH with 2 3/8" tubing set at 2,337'
3. RIH w/ mill and drill out CIBP at 2555', clean out to PBTD at 2650'
4. RU wireline and perforate the Morrison between ~2606 and 2622'
5. TIH and land production tubing. Swab well in, if necessary. Get a commingled Dakota/Morrison flow rate.



HILCORP ENERGY COMPANY
UTE INDIANS A 27
MORRISON R/C AND COMMINGLE WITH DK

UTE INDIANS A 27 - CURRENT WELLBORE SCHEMATIC



Hilcorp Energy Company
Tribal Lease: 14-20-604-62
Well: Ute Indians A #27
Location: 2600' FSL & 1000' FEL
Sec. 2, T. 31 N., R. 14 W.
San Juan County, New Mexico

3160

Conditions of Approval:

1. All operations must take place within the originally surveyed well pad as per:

3162.3-2 Subsequent well operations.

(a) A proposal for further well operations shall be submitted by the [operator](#) on Form 3160-5 for approval by the [authorized officer](#) prior to commencing operations to redrill, deepen, perform casing repairs, plug-back, alter casing, [recomplete in a different interval](#), perform water shut off, commingling production between intervals and/or conversion to injection. If there is additional surface disturbance, the proposal shall include a [surface use plan of operations](#). A subsequent report on these operations also will be filed on Form 3160-5. The [authorized officer](#) may prescribe that each proposal contain all or a portion of the information set forth in [§ 3162.3-1](#) of this title.

(b) Unless additional surface disturbance is involved and if the operations conform to the standard of prudent operating practice, prior approval is not required for routine fracturing or acidizing jobs, or recompletion in the same interval; however, a subsequent report on these operations must be filed on Form 3160-5.

(c) No prior approval or a subsequent report is required for well cleanout work, routine well maintenance, or bottom hole pressure surveys.

2. No downhole commingling application is required due to the add pay being in the same pool.
3. Notify this office if you anticipate any work taking place outside the originally surveyed well pad.
4. Within 30 days of completion of operations, submit a Sundry Notice, Subsequent Report. Include the prior flow rate and new flow rate of this well.