

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

Adrienne Sandoval, 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: 12/28/19

Well information:

Hilcorp Energy

Davis A Federal #1, API#30-045-09210

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 Submitted Notice of Intent filed was incomplete concerning the wells current cement information behind the 4 ½" casing. Without this information the isolation of the Strata could not be evaluated.
- **To correct the issue, a revised NOI is required to be filed and approved prior to any recomplete work being performed.**

If you have any questions, please contact Brandon Powell.

NMOCD Approved by Signature

5/16/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF079962
2. Name of Operator Hilcorp Energy Company		6. If Indian, Allottee or Tribe Name
3a. Address 382 Road 3100, Aztec, NM 87410	3b. Phone No. (include area code) 505-599-3400	7. If Unit of CWA Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit D (NWNW) 1190' FNL & 990' FWL, Sec. 25, T30N, R11W		8. Well Name and No. Davis A Federal 1
		9. API Well No. 30-045-09210
		10. Field and Pool or Exploratory Area Blanco Mesaverde/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	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 recompletable 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 recompletable 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 recompletable the subject well in the Mesaverde formation and downhole commingle with the existing Dakota. Attached is the MV C102, recompletable 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.

NMCOB

FEB 01 2019

DISTRICT III

HOLD C104 FOR Density exception

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER NECESSARY PERMITS OR APPROVALS REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Cherylene Weston		Title Operations/Regulatory Technician - Sr.
Signature <i>Cherylene Weston</i>		Date 12/28/18

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title FE	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 FTO		

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.

NMCOB AV

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 261531

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-09210	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 319375	5. Property Name DAVIS A FEDERAL	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6018

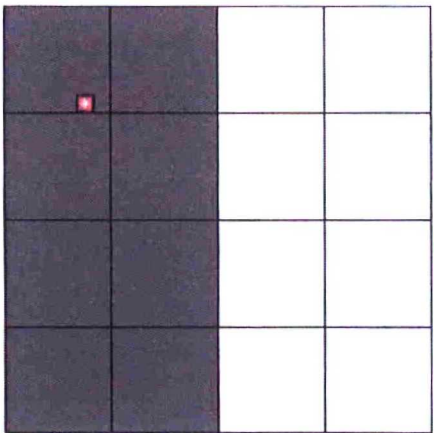
10. Surface Location

UL - Lot D	Section 25	Township 30N	Range 11W	Lot Idn 4	Feet From 1190	N/S Line N	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 314.89 - W/2			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: <u>Cherylene Weston</u> Title: Cherylene Weston, Operations/Regulatory Tech-Sr. Date: 12/27/2018</p> <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: JAMES P. LEESE Date of Survey: 1/28/1964 Certificate Number: 1463</p>
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NMOCD**FEB 08 2019****DISTRICT III**

Davis A Federal 1

025-030N-011W-D

API#: 3004509210

Mesa Verde Recompletion Procedure

12/26/2018

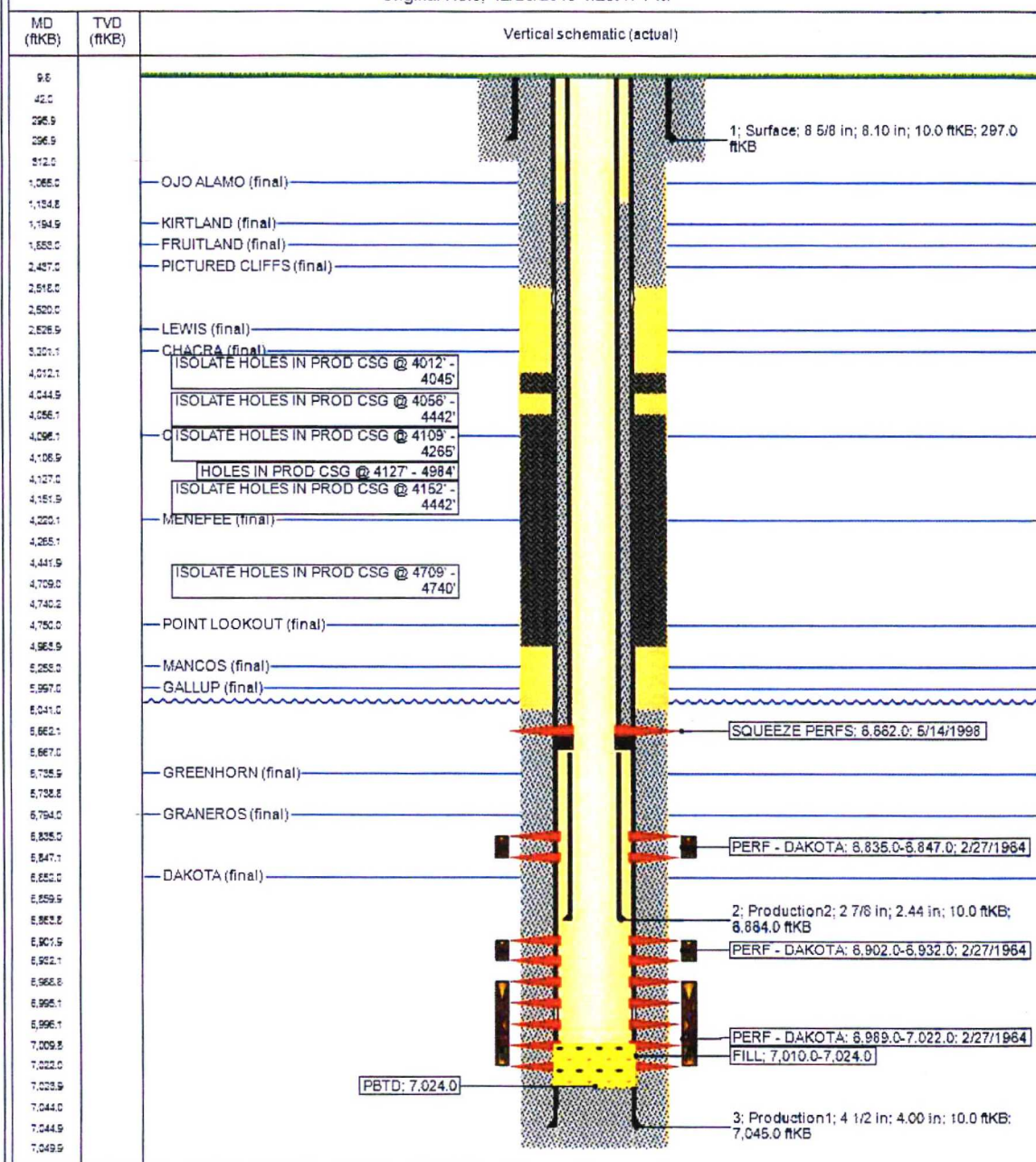
Procedure:

1. MIRU Service rig and associated equipment
2. NU and test BOP's
3. Run gauge ring and scraper and set a 2-7/8" CIBP to isolate the Dakota perms
4. Load the hole
5. Pressure test casing to maximum frac pressure
6. ND BOP's. NU frac stack and test same to maximum frac pressure
7. RDMO Service rig
8. MIRU frac spread
9. Perforate and frac the MV from 4,000' to 5,200'. RDMO frac spread
10. TIH and drill out to Dakota isolation plug
11. Obtain MV flow test
12. CO to PBTD. Get a commingled MV/Dakota flow test.
13. If needed, land production tubing or install artificial lift.
14. Turn over to production.

Well Name: DAVIS A FEDERAL #1

API UWI 3004509210	Surface Legal Location 025-030N-011W-D	Field Name BASIN DAKOTA (PRORATED GAS)	Route 0701	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,018.00	Original KB RT Elevation (ft) 6,028.00	KB-Ground Distance (ft) 10.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole, 12/26/2018 1:20:47 PM



Powell, Brandon, EMNRD

From: Cheryl Weston <cweston@hilcorp.com>
Sent: Tuesday, April 2, 2019 10:58 AM
To: Powell, Brandon, EMNRD
Cc: Christine Brock; Kevin Eichinger
Subject: [EXT] RE: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Follow Up Flag: Follow up
Flag Status: Flagged

Brandon,

Hilcorp is still planning to do this project, but at a later date. Would you be able to approve it, but with COA's specific to the cement coverage? We would prefer to keep the project in active status.

Thanks,
Cheryl

From: Powell, Brandon, EMNRD [mailto:Brandon.Powell@state.nm.us]
Sent: Tuesday, April 2, 2019 10:43 AM
To: Cheryl Weston <cweston@hilcorp.com>
Cc: Christine Brock <cbrock@hilcorp.com>
Subject: RE: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Good morning Cheryl,

Has there been any updates on this request?

Thank You

Brandon Powell
Office: (505) 334-6178 ext. 116
"He who wishes to gain knowledge is wiser than he who thinks he has knowledge (unknown)"

From: Powell, Brandon, EMNRD
Sent: Thursday, March 14, 2019 9:31 AM
To: 'Cheryl Weston' <cweston@hilcorp.com>
Cc: Christine Brock <cbrock@hilcorp.com>
Subject: RE: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Good morning Cheryl,

Just checking have you heard back from the Engineers on this?

Thank You

Brandon Powell
Office: (505) 334-6178 ext. 116
"He who wishes to gain knowledge is wiser than he who thinks he has knowledge (unknown)"

From: Cheryl Weston <cweston@hilcorp.com>
Sent: Wednesday, March 6, 2019 2:51 PM
To: Powell, Brandon, EMNRD <Brandon.Powell@state.nm.us>
Subject: [EXT] RE: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

I have let the Engineers know and they will get back with you.

Cheryl

From: Powell, Brandon, EMNRD [<mailto:Brandon.Powell@state.nm.us>]
Sent: Wednesday, March 6, 2019 10:32 AM
To: Cheryl Weston <cweston@hilcorp.com>
Cc: Christine Brock <cbrock@hilcorp.com>
Subject: RE: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Good morning Cheryl,

My concern with this well without any previous CBLs would be how to ensure cement isolation of the backside of the casing, as the liner prevents a current CBL from being useful. Do your engineers have any thoughts on how to accomplish this?

Thank You

Brandon Powell
Office: (505) 334-6178 ext. 116
"He who wishes to gain knowledge is wiser than he who thinks he has knowledge (unknown)"

From: Cheryl Weston <cweston@hilcorp.com>
Sent: Tuesday, March 5, 2019 4:32 PM
To: Powell, Brandon, EMNRD <Brandon.Powell@state.nm.us>
Cc: Christine Brock <cbrock@hilcorp.com>
Subject: [EXT] FW: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Brandon,

Our engineers have searched for any CBL's in our physical and electronic files, as well as reaching out to several service companies, with no luck.

Thanks,

Cheryl

From: David Garza
Sent: Tuesday, March 5, 2019 4:21 PM
To: Daniel Donovan <ddonovan@hilcorp.com>; Cheryl Weston <cweston@hilcorp.com>
Cc: Christine Brock <cbrock@hilcorp.com>
Subject: RE: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Cheryl,

After extensive review of the well files, there are mentions of various squeezes but no evidence of any CBL's ran on this well.

Thanks,

David

From: Daniel Donovan
Sent: Wednesday, February 27, 2019 8:12 AM
To: Cheryl Weston <cweston@hilcorp.com>
Cc: David Garza <dgarza@hilcorp.com>; Christine Brock <cbrock@hilcorp.com>
Subject: Re: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Sorry about this, I will get an answer today.

Thanks,
Daniel

Sent from my iPhone

On Feb 27, 2019, at 8:04 AM, Cheryl Weston <cweston@hilcorp.com> wrote:

Hello.... We are still needing OCD approval on this NOI. But they are waiting for your reply to their inquiry. Would you please look into this one?

Thank you,

Cheryl

From: Cheryl Weston
Sent: Monday, February 11, 2019 11:26 AM
To: Daniel Donovan <ddonovan@hilcorp.com>; David Garza <dgarza@hilcorp.com>
Cc: Christine Brock <cbrock@hilcorp.com>
Subject: FW: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Daniel/David:

Brandon is reviewing the Davis RC NOI and he has questions about the cement coverage. See below. Would you please look into the cement coverage for him, please?

Thanks,
Cheryl

From: Powell, Brandon, EMNRD [<mailto:Brandon.Powell@state.nm.us>]
Sent: Monday, February 11, 2019 11:07 AM
To: Cheryl Weston <cweston@hilcorp.com>
Subject: [EXTERNAL] Davis A Federal #1 API# 30-45-09210

Good morning Cheryl,

On the above well do you have any records showing the cement coverage on the outside of the 4 ½ casing? In the well file I observed several documents about casing leaks and squeezes but couldn't find any CBLs.

Thank You

Brandon Powell
I & E Supervisor
New Mexico Oil Conservation
Office: (505) 334-6178 ext. 116

"He who wishes to gain knowledge is wiser than he who thinks he has knowledge (unknown)"