

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.

NMSF-078417A

6. If Indian, Allottee or Tribe Name

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

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

San Juan 28-7 Unit

8. Well Name and No.

San Juan 28-7 Unit 242

2. Name of Operator

Hilcorp Energy Company

9. API Well No.

30-039-21093

3a. Address

382 Road 3100, Aztec, NM 87410

3b. Phone No. (include area code)

505-599-3400

10. Field and Pool or Exploratory Area

Blanco Mesaverde / Basin Dakota

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

Surface Unit F (SENW), 1840' FNL & 1600' FWL, Sec. 18, T28N, R07W

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

☒ 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 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 C-102, recompleate procedure and wellbore schematic. The DHC application will be filed and approved prior to commingling. A closed loop system will be utilized. Interim reclamation will be performed after surface disturbing activities.

Notify NMOCD 24 hrs
prior to beginning
operations

This well is pending approval of well density exemption.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Cherylene Weston

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

Signature

Cherylene Weston

Date

4/16/19

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

Date

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 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)

NMOCD

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 268350

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|---|
| 1. API Number 30-039-21093 | 2. Pool Code 72319 | 3. Pool Name BLANCO-MESAVERDE (PRORATED GAS) |
| 4. Property Code 318432 | 5. Property Name SAN JUAN 28 7 UNIT | 6. Well No. 242 |
| 7. OGRID No. 372171 | 8. Operator Name HILCORP ENERGY COMPANY | 9. Elevation 6862 |

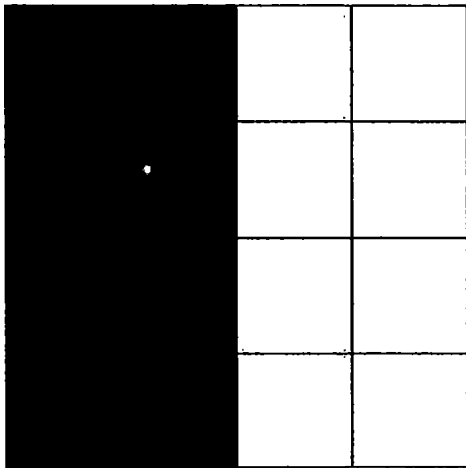
10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|----------------------|
| UL - Lot F | Section 18 | Township 28N | Range 07W | Lot Idn | Feet From 1840 | N/S Line N | Feet From 1600 | E/W Line W | County RIO ARriba |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|----------------------|

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 304.76 - 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: 06/06/2019</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: DAVID KILVEN Date of Survey: 4/17/1975 Certificate Number: 1760</p> |
|--|---|



HILCORP ENERGY COMPANY
SJ 28-7 UNIT #242
MESAVERDE PROCEDURE

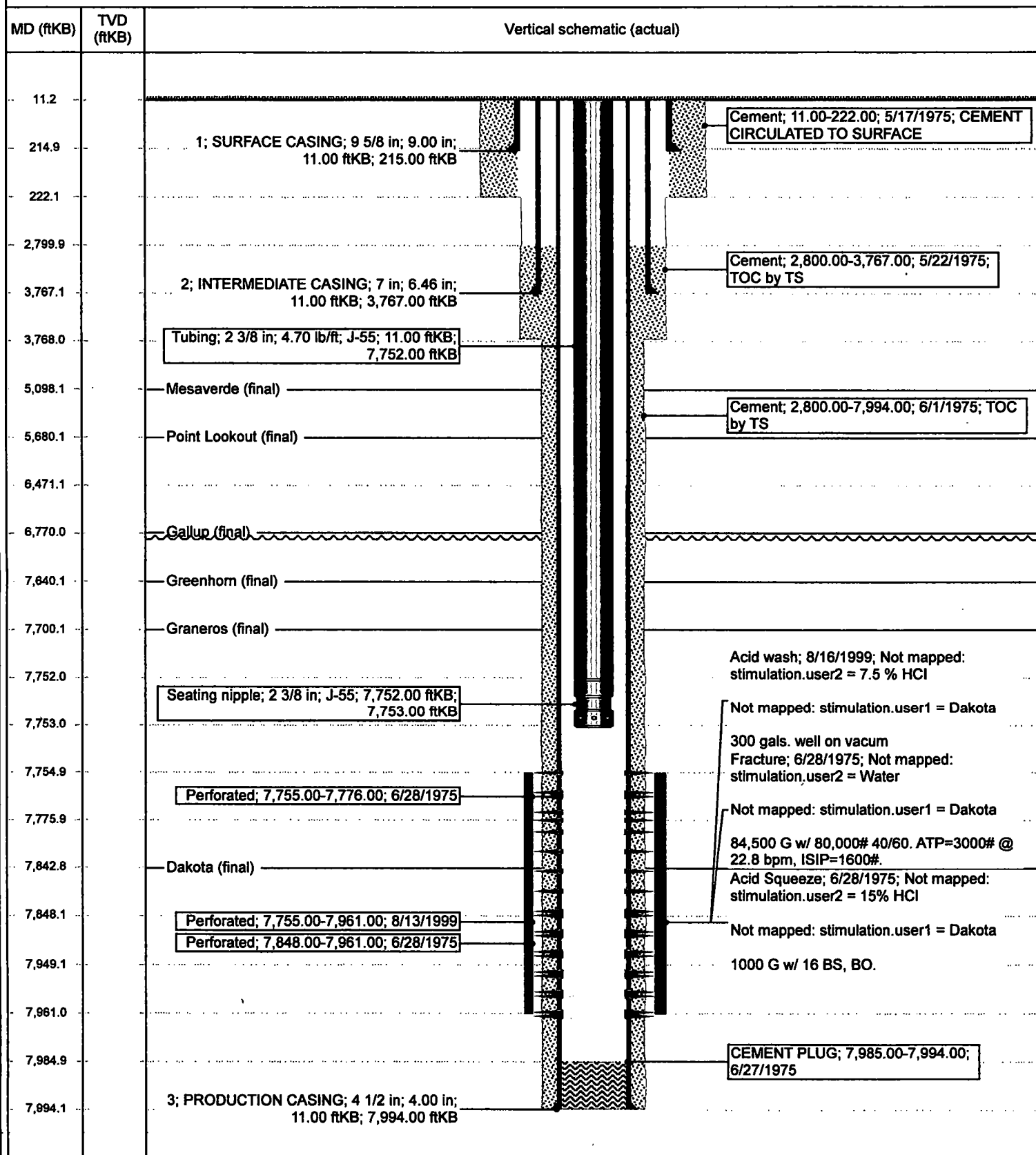
API #: 30-039-21093

JOB PROCEDURES

1. MIRU Service rig and associated equipment, test BOP. Check Bradenhead pressures daily and record throughout the recompleting project. Notify NMOCD and BLM if any anomalous pressure changes occur on the Bradenhead.
2. TOOH w/ 2 3/8" tubing set at 7,753'.
3. MU 4.5" CIBP and set at ~7,705' or deeper (no higher than 50' above existing perforations, which are currently located at 7,555')
4. There is no CBL on file, so we will run one. Roll hole. RU E-line truck and equipment, MU CBL tools and RIH. Log well with a CBL from the CIBP to Surface. Submit CBL results to NMOCD and BLM. Confirm if found cement top gives adequate coverage of newly requested perforations with BLM and NMOCD. Remediate cement top if necessary to get adequate cement coverage. If remedial cement is required, keep in communication with BLM and NMOCD regarding pressure testing and path forward until coverage is accepted by both.
 - a. On file, there is a Temperature Survey showing TOC at ~2,800', we will confirm with a CBL.
5. Perform MIT down casing to CBP to ~7,705', providing 24 hr notice to BLM and NMOCD. Once completed, review and submit the MIT charted test results to both the NMOCD and BLM. If the MIT fails, discuss and gain approval with both the NMOCD and BLM with a plan of action to remediate the wellbore. Perform a 2nd MIT once remediated.
6. Once passed and all approvals are in. Set secondary isolation plug at 6,330'. ND BOP, NU frac stack. PT frac stack and casing to maximum frac pressure. The pressure test will not exceed 85% of the internal yield pressure rating of the primary treatment string (casing).
7. Perforate Mesaverde zone from 5,098'-6,180' (This is requested interval). Well is ready to frac.
8. Frac Mesaverde formation from 5,098'-6,180' (This is requested interval).
9. Set isolation plug above top perf.
10. ND the frac stack, NU the BOP and test.
11. TIH with a mill. Tag and drill out the isolation plugs. Clean out to PBTD of 7,985'.
12. Once water and sand rates are acceptable. TOOH.
13. TIH and land production tubing. Get a commingled Dakota/MV flow rate.

Well Name: SAN JUAN 28-7 UNIT 242

| | | | | | |
|-----------------------------------|---|----------------------------------|---|---|-------------------------------------|
| API / UWI 3003921093 | Surface Legal Location 018-028N-007W-F | Field Name DK | Route 1005 | State/Province NEW MEXICO | Well Configuration Type Vertical |
| Ground Elevation (ft) 6,862.00 | Original KB/RT Elevation (ft) 6,873.00 | KB-Ground Distance (ft) 11.00 | KB-Casing Flange Distance (ft) 11.00 | KB-Tubing Hanger Distance (ft) 11.00 | |

Vertical, Original Hole, 6/6/2019 1:54:14 PM


UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of Intent to Recomplete & Commingle

Well: San Juan 28-7 Unit 242 30-039-21093

CONDITIONS OF APPROVAL

1. Contact BLM Inspection and Enforcement @ (505) 564 – 7750, 24 hours prior to conducting MIT work so an inspector can be present to witness the MIT.

Contact John Hoffman, Petroleum Engineer @ (505) 564 – 7742 to discuss any failed MIT results and/or your remedial action and isolation plans.

Submit the electronic copy of the MIT Test Chart and CBL for verification to the following addresses: jhoffman@BLM.gov and Brandon.Powell@state.nm.us.

2. The following modifications to your recompletion program are to be made:

- a) Upon rigging up, record Bradenhead pressure and monitor same during recompletion operations. Notify BLM and NMOCD if anomalous pressure changes occur. Provide monitoring results in the subsequent Report of Operations.
- b) Casing pressure test for fracture stimulation operations cannot exceed the internal yield strength of the casing including a 20% safety factor unless a waiver is granted. Stimulation operations cannot exceed this test pressure.
- c) CIBP for base of fracture stimulation to be set less 50' above top existing perforation.

3. File well test and recompletion results within 30 days of completing recompletion operations.