

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

RECEIVED

5. Lease Section No.  
**NMNM021123**

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.

**Leeds**

2. Name of Operator

**Hilcorp Energy Company**

8. Well Name and No.

**1**

3a. Address

**382 Road 3100, Aztec, NM 87410**

3b. Phone No. (include area code)

**505-599-3400**

9. API Well No.

**30-045-10881**

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

**Surface Unit L (NWSW) 1650' FSL & 990' FWL, Sec. 08, T31N, R12W**

10. Field and Pool or Exploratory Area

**BLANCO MESAVERDE**

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 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 recompleat 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.**

Notify NMOCD 24 hrs  
prior to beginning  
operations

NMOCD

JUL 19 2019

DISTRICT III

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Density \* R-20510

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

**Amanda Walker**

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

Signature

Date **6/3/2019**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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.

Office

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

ACCEPTED FOR RECORD  
JUL 18 2019  
FARMINGTON FIELD OFFICE

5

**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**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-10881	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 325106	5. Property Name LEEDS	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6009

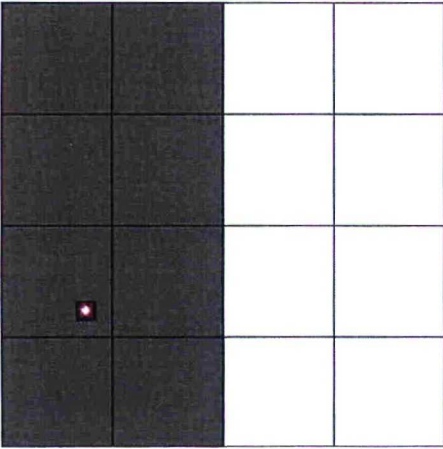
**10. Surface Location**

UL - Lot L	Section 8	Township 31N	Range 12W	Lot Idn	Feet From 1650	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 320.00	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>Amanda Walker</i>  Title: Operations/Regulatory Tech Sr.  Date: 6/3/2019</p> <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: James P. L.  Date of Survey: 4/5/1960  Certificate Number: 1463</p>
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LEEDS 1  
MESA VERDE RECOMPLETION SUNDRY

API #: 3004510881

JOB PROCEDURES

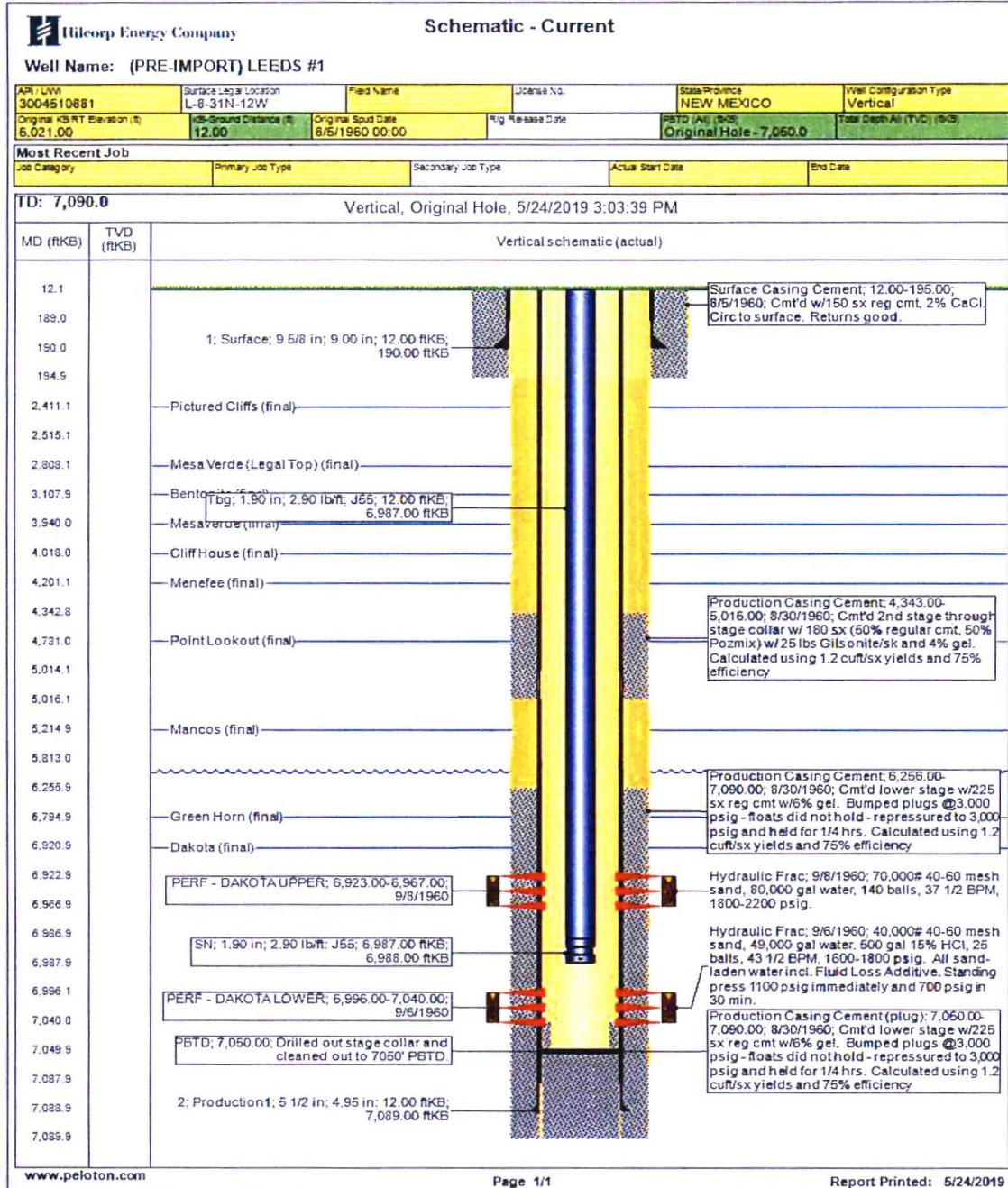
- ☒ NMOCD **Contact** OCD and BLM (where applicable) 24 hrs prior to MIRU or running MITs. Record and document all casing pressures  
☒ BLM **daily**, including BH, IC (if present) and PC. Comply with all NMOCD, BLM (where applicable), and HEC safety and environmental regulations.

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with **2"** tubing set at **6,988'**.
3. Set a **5-1/2"** cast iron bridge plug at +/- **6,873'** to isolate the **Dakota**
4. Load hole with fluid, PT the csg to 600 psi and run a CBL on the 5-1/2" casing. Verify cement bond within the **Mesa Verde** and confirm TOC. Review CBL results with the regulatory agencies and perform cmt remediation, as required.
5. Perform a witnessed MIT test on the csg with the appropriate regulatory agencies to 600 psi
6. Set a **5-1/2"** cast iron bridge plug at +/- **5,315'** to provide a **base for the frac**.
7. Perforate the **Mesa Verde**. (Top perforation @ 4,018', Bottom perforation @ 5,215')
8. RIH w/ BHA (frac string, packer, burst disc sub), set packer @ ~3,918'.
9. ND BOPs, NU frac stack. PT frac stack to 9,000#. PT frac string to 9,000#, PT backside to 300# (to insure packer is set).  
NOTE: frac string is 2-7/8" 6.5# P110 with BTS-8 connections. PT is to max anticipated treating pressure (~60% of burst)
10. Break disc with slickline
11. Frac the **Mesa Verde** in 1-2 stages down the frac string.
12. Flowback well for 1-3 days as required
13. MIRU workover rig. Nipple down frac stack, nipple up BOPs and test.
14. Release packer and POOH w/ frac string
15. TIH w/ mill and clean down to the top of the **base of frac plug** at **5,315'**. Take **Mesa Verde** gas samples and send for analysis
16. Drill out **base of frac plug** and cleanout to DK isolation plug at **6,873'**. POOH.
17. Drill out Dakota isolation plug and cleanout to PBTD of **7,050'**. TOOH.
18. TIH and land production tubing. ND BOPs and NU tree. Pump off expendable check.
19. RDMO. Get a commingled **Dakota/Mesa Verde** flow rate.



HILCORP ENERGY COMPANY  
LEEDS 1  
MESA VERDE RECOMPLETION SUNDRY

LEEDS 1 - CURRENT WELLBORE SCHEMATIC



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: Leeds 1 30-045-10881

**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](mailto:jhoffman@BLM.gov) and [Brandon.Powell@state.nm.us](mailto: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.