

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.

5. Lease Serial No. **NMNM03202**
6. Indian, Allottee or Tribe Name **Farmington Field Office**

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.

San Juan 10E

2. Name of Operator

Hilcorp Energy Company

9. API Well No.

30-045-33886

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 M (SW/SW) 1230' FSL & 1115' FWL, Sec. 10, T30N, R10W

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 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 requests permission to recompleate the subject well in the Mesaverde and downhole commingle with the existing Dakota formation. Attached is the procedure, wellbore diagram, plat, and gas capture plan. A DHC application will be filed and approved prior to commingling. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities

NMOC

****Pending Density Approval****

HOLD C104 FOR Density exception

JUL 02 2019

DISTRICT III

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Priscilla Shorty

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

Signature

Date **5/20/2019**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE ACCEPTED FOR RECORD

Approved by

Title **JUL 1 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

**FARMINGTON FIELD OFFICE
BY: [Signature]**

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

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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 267647

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33886	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318700	5. Property Name SAN JUAN	6. Well No. 010E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6487


10. Surface Location

UL - Lot M	Section 10	Township 30N	Range 10W	Lot Idn 13	Feet From 1230	N/S Line S	Feet From 1115	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 310.26				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>Priscilla Shorty</i> Title: Operations Regulatory Technician - Sr. Date: 5/20/2019</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: John Vukonich Date of Survey: 6/13/2006 Certificate Number: 14831</p>



HILCORP ENERGY COMPANY
SAN JUAN 10E
MESA VERDE RECOMPLETION SUNDRY

API #:

3004533886

JOB PROCEDURES

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

1. MIRU service rig and associated equipment; NU and test BOP.
2. TOOH with **2 3/8"** tubing set at **7,632'**.
3. MU a **4-1/2"** cast iron bridge plug and RIH with work string; set CIBP at +/- **7,440'** to isolate the existing Dakota Formation.
4. Load wellbore full of water and circulate the wellbore clean.
5. RU pressure test truck. Perform a Mechanical Integrity Test on the wellbore. Chart record the MIT test (Notify NMOCD & BLM +24hr before actual test). Review and submit the MIT test results to the NMOCD and BLM. If the MIT fails, discuss with both the NMOCD and BLM on a plan of action to remediate the wellbore. Perform 2nd MIT once remediated.
6. MU a **4-1/2"** cast iron bridge plug and RIH with work string; set +/-50' below the lowest perf interval picked for the Mesa Verde frac interval.
7. TOOH and LD the work string. ND the BOP, NU a 5K Frac stack.
8. Pressure test the production casing and the frac stack to frac pressure. The pressure test will not exceed **83.5%** of the internal yield strength of the casing string.
9. RDMO service rig. MIRU completion crew and equipment.
10. Perforate and frac the **Mesa Verde** in two or three stages. (Top perforation @ **4,733'**, Bottom perforation @ **5,887'**)
11. Isolate frac stages with a composite bridge plug and set a top isolation plug once frac is completed.
12. RDMO completion crew/equipment. MIRU service rig.
13. ND the frac stack, NU the BOP and test.
14. MU and RIH with a mill and drill out top isolation plug and Mesa Verde frac plugs.
15. Clean out the wellbore to top of the Dakota isolation plug.
16. Once water and sand rates are at an acceptable rate, drill out Dakota isolation plug and cleanout to PBTD of **7,691'**. TOOH.
17. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde** flow rate.

HEC has reviewed and agree with all reservoir formation tops as per NMOCD website for the wellbore. The Cliffhouse top was adjusted to 4,733'; the Huerfano Bentonite top is at 3,856'. The wellbore is North of the Chacra Line.



HILCORP ENERGY COMPANY
SAN JUAN 10E
MESA VERDE RECOMPLETION SUNDRY

SAN JUAN 10E - CURRENT WELLBORE SCHEMATIC



Schematic - Current

Well Name: SAN JUAN #10E

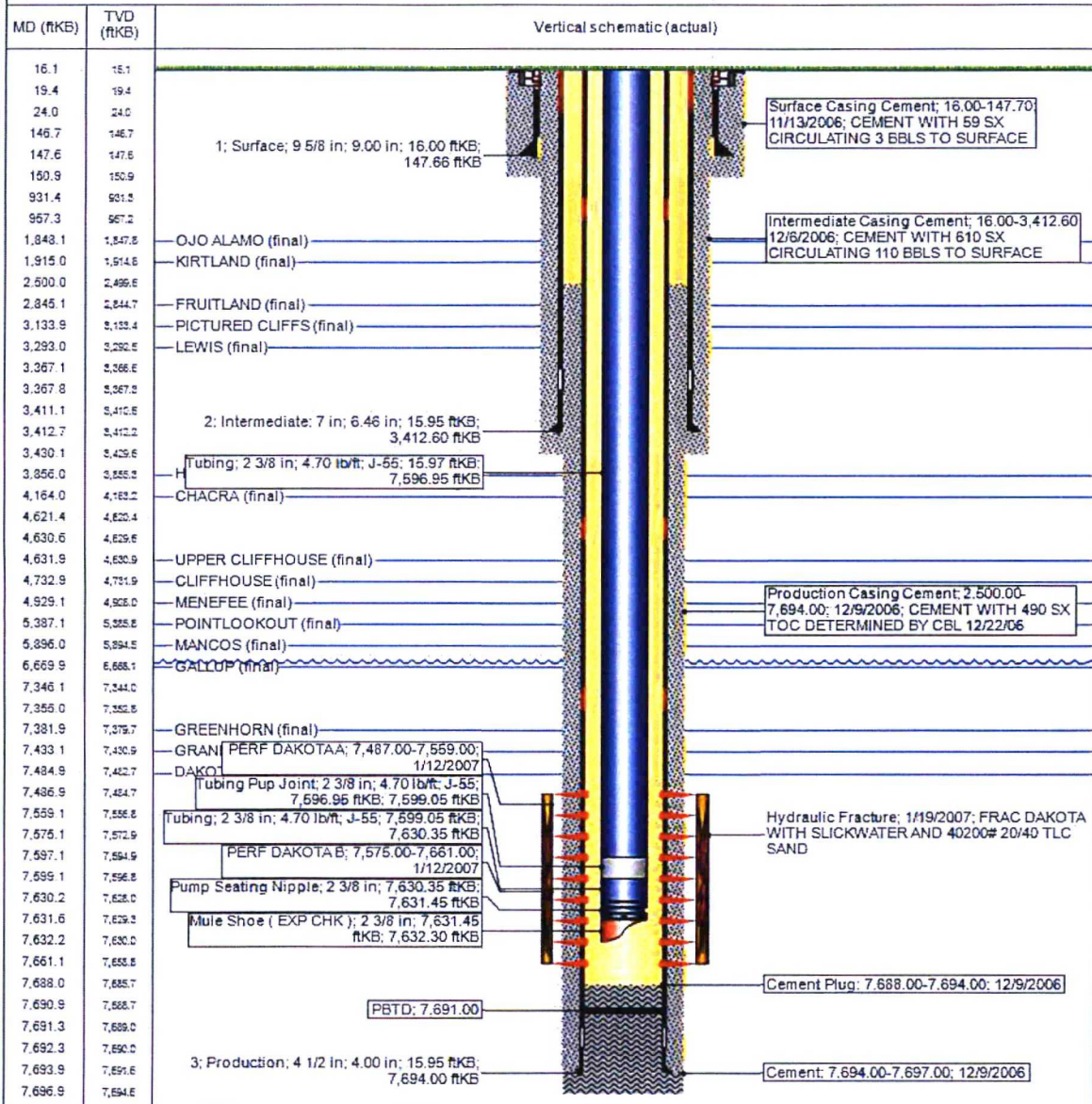
API UWI 3004533886	Surface Legal Location 010-030N-010W-M	Field Name BASIN DAKOTA (PRODUCED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Original KS RT Elevation (ft) 6,503.00	KS-Ground Distance (ft) 16.00	Original Spud Date 11/13/2006 09:00	Rig Release Date 12/10/2006 06:00	PSTD (ft) (ftKB) Original Hole-7,691.0	Total Depth At (TVD) (ftKB)

Most Recent Job

Job Category COMPLETIONS	Primary Job Type INITIAL COMPLETION	Secondary Job Type INITIAL COMPLETION	Actual Start Date 12/22/2006	End Date 3/20/2007
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ID: 7,697.0

VERTICAL, Original Hole, 5/17/2019 12:35:33 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 10E 30-045-33886

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 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.