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R-327

February 25, 2019

Bureau of Land Management
Farmington Resource Area
6251 College Blvd., Suite A
Farmington, NM 87402

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, NM 87501-1148

Oil Conservation Division
State of New Mexico
1220 S. Saint Francis Drive
Santa Fe, NM 87505

**2019 PLAN OF DEVELOPMENT
FOR THE HUERFANITO UNIT I SEC. NO. 943
SAN JUAN COUNTY, NEW MEXICO**

Pursuant to Section 10 of the Huerfanito Unit Agreement, Hilcorp Energy Company (“Hilcorp”), as Unit Operator, hereby submits the proposed 2019 Plan of Development and Operations (“2019 POD”).

I. PERIOD

This plan will be effective from April 1, 2019 through March 31, 2020. The 2020 Plan will be submitted on or before March 1, 2020.

II. 2018 PLAN REVIEW OF OPERATIONS

A summary of key activities undertaken in 2018 include:

A. Production History: During 2018, approximate cumulative production from the Huerfanito Unit was 15.15 BCF gas; 2.55 MBO; 18.58 MBW. Refer to Exhibit “A” attached for a listing of all wells in the Huerfanito Unit.

B. Participating Areas: The Participating Areas currently established in the Huerfanito Unit are:

FORMATION	EXPANSION	EFFECTIVE DATE
DAKOTA	009	01-Nov-11
FRUITLAND COAL	011	01-Mar-07
MANCOS	INTIAL	06-Jun-12
MESAVERDE	006	01-Nov-66
PICTURED CLIFFS	043	01-Mar-06

C. Drilling Program: The 2018 POD provided for no drilling activity. No additional drilling projects were undertaken by Hilcorp during the 2018 period.

D. Workovers/Recompletion Program: Key activities included five (5) workover projects and zero (0) recompletes as outlined in the following table:

WELL NAME	API	SEC	TWP	RNG	FORMATION	TYPE
Huerfanito Unit 103E	3004533896	3	26N	9W	Basin Dakota	Remedial Workover
Huerfanito Unit 76E	3004532978	2	26N	9W	Basin Dakota	Remedial Workover
Huerfanito Unit 88N	3004535267	23	27N	9W	Blanco Mesaverde	Remedial Workover
Huerfanito Unit 47R	3004533627	27	27N	9W	Basin Fruitland Coal/Ballard Pictured Cliffs	Remedial Workover
Huerfanito Unit 18	3004506003	2	26N	9W	Ballard Pictured Cliffs	Remedial Workover

E. Facility Program: Routine maintenance and repairs were conducted in 2018.

F. Plugging & Abandonment Program: No wells were plugged and abandoned during 2018.

III. 2019 PLAN OF DEVELOPMENT AND OPERATIONS

A summary of key activities planned for 2019 includes:

A. Drilling Program: Hilcorp does not anticipate drilling any new wells in the Huerfanito Unit. However, new drill opportunities will be evaluated and executed as they arise.

B. Workovers/Recompletion Program: Hilcorp anticipates performing at least one (1) recompletion in the Huerfanito Unit as listed below. Hilcorp will evaluate and implement additional well repairs and/or workover projects as they arise.

WELL NAME	API	SEC	TWP	RNG	FORMATION	TYPE
Huerfanito Unit 85M	3004535287	26	27N	9W	Ballard Pictured Cliffs/Blanco Mesaverde/Basin Mancos/Basin Dakota	Recomplete and quadmingle

C. Facility Program: Throughout 2019, Hilcorp will conduct routine repairs and replacement of facilities required to maintain and increase field production, including construction of additional gas lift lines and/or gas flow lines, expansion of production facilities(including electrical and piping upgrades), and construction of additional water disposal, injection or processing equipment. Hilcorp plans to install 2 to 3 small compressor sites to centralize/remove wellhead compression.

D. Plugging & Abandonment Program: Hilcorp does not anticipate plugging/abandoning any wells in the Huerfanito Unit at this time. Hilcorp will evaluate and implement additional P&A projects as they arise.

In accordance with Section 10 of the Unit Agreement, please provide your approvals by executing and returning a copy of this letter to the undersigned.

Please contact me at (713) 289-2793 if there are any questions regarding this letter.

3004528948	Huerfanito Unit 079M	Blanco Mesaverde	Perm Abandoned	NM	San Juan	26	027N	009W		Hilcorp Energy Company
3004528948	Huerfanito Unit 079M	Basin Dakota	Perm Abandoned	NM	San Juan	26	027N	009W		Hilcorp Energy Company
3004534950	Huerfanito Unit 079N	Basin Dakota	Flowing	NM	San Juan	26	027N	009W	SESE	Hilcorp Energy Company
3004534950	Huerfanito Unit 079N	Basin Mancos	Flowing	NM	San Juan	26	027N	009W	SESE	Hilcorp Energy Company
3004534950	Huerfanito Unit 079N	Blanco-Mesaverde	Flowing	NM	San Juan	26	027N	009W	SESE	Hilcorp Energy Company
3004505970	Huerfanito Unit 080	Basin Dakota	Flowing	NM	San Juan	10	026N	009W	NWNE	Hilcorp Energy Company
3004533565	Huerfanito Unit 080E	Basin Dakota	Flowing	NM	San Juan	10	026N	009W	NENE	Hilcorp Energy Company
3004534393	Huerfanito Unit 080F	Basin Dakota	Flowing	NM	San Juan	10	026N	009W	NWNW	Hilcorp Energy Company
3004505972	Huerfanito Unit 081	Basin Dakota	Flowing	NM	San Juan	11	026N	009W	NENE	Hilcorp Energy Company
3004533780	Huerfanito Unit 081E	Basin Dakota	Flowing	NM	San Juan	11	026N	009W	NWNW	Hilcorp Energy Company
3004533567	Huerfanito Unit 081F	Basin Dakota	Flowing	NM	San Juan	11	026N	009W	NWNE	Hilcorp Energy Company
3004534410	Huerfanito Unit 081G	Basin Dakota	Flowing	NM	San Juan	11	026N	009W	SENE	Hilcorp Energy Company
3004512189	Huerfanito Unit 082	Basin Dakota	Flowing	NM	San Juan	25	027N	009W	NWSW	Hilcorp Energy Company
3004512189	Huerfanito Unit 082	Blanco-Mesaverde	Flowing	NM	San Juan	25	027N	009W	NWSW	Hilcorp Energy Company
3004512189	Huerfanito Unit 082	Otero Chacara	Flowing	NM	San Juan	25	027N	009W	NWSW	Hilcorp Energy Company
3004528977	Huerfanito Unit 082M	Otero Chacara	Flowing	NM	San Juan	25	027N	009W	NWNW	Hilcorp Energy Company
3004535310	Huerfanito Unit 082N	Basin Dakota	Flowing	NM	San Juan	25	027N	009W	SWSW	Hilcorp Energy Company
3004535310	Huerfanito Unit 082N	Basin Mancos	Flowing	NM	San Juan	25	027N	009W	SWSW	Hilcorp Energy Company
3004535310	Huerfanito Unit 082N	Blanco-Mesaverde	Flowing	NM	San Juan	25	027N	009W	SWSW	Hilcorp Energy Company
3004535329	Huerfanito Unit 082P	Basin Dakota	Flowing	NM	San Juan	25	027N	009W	SWNW	Hilcorp Energy Company
3004535329	Huerfanito Unit 082P	Basin Mancos	Flowing	NM	San Juan	25	027N	009W	SWNW	Hilcorp Energy Company
3004535329	Huerfanito Unit 082P	Blanco-Mesaverde	Flowing	NM	San Juan	25	027N	009W	SWNW	Hilcorp Energy Company
3004506256	Huerfanito Unit 083	Basin Dakota	Flowing	NM	San Juan	28	027N	009W	SENE	Hilcorp Energy Company
3004534695	Huerfanito Unit 083E	Basin Dakota	Flowing	NM	San Juan	28	027N	009W	NWNE	Hilcorp Energy Company
3004511903	Huerfanito Unit 084	Basin Dakota	Flowing	NM	San Juan	33	027N	009W	NESW	Hilcorp Energy Company
3004506209	Huerfanito Unit 085	Basin Dakota	Perm Shut-In	NM	San Juan	26	027N	009W		Hilcorp Energy Company
3004506209	Huerfanito Unit 085	Blanco Mesaverde	Perm Shut-In	NM	San Juan	26	027N	009W		Hilcorp Energy Company
3004535287	Huerfanito Unit 085M	Basin Dakota	Flowing	NM	San Juan	26	027N	009W	NENW	Hilcorp Energy Company
3004535287	Huerfanito Unit 085M	Basin Mancos	Flowing	NM	San Juan	26	027N	009W	NENW	Hilcorp Energy Company
3004535287	Huerfanito Unit 085M	Blanco-Mesaverde	Flowing	NM	San Juan	26	027N	009W	NENW	Hilcorp Energy Company
3004506129	Huerfanito Unit 086	Basin Dakota	Flowing	NM	San Juan	36	027N	009W	NWSW	Hilcorp Energy Company
3004506129	Huerfanito Unit 086	Blanco-Mesaverde	Flowing	NM	San Juan	36	027N	009W	NWSW	Hilcorp Energy Company
3004523447	Huerfanito Unit 086A	Blanco-Mesaverde	Flowing	NM	San Juan	36	027N	009W	NENW	Hilcorp Energy Company
3004506023	Huerfanito Unit 087	Basin Dakota	Flowing	NM	San Juan	1	026N	009W	NESW	Hilcorp Energy Company
3004506023	Huerfanito Unit 087	Blanco-Mesaverde	Flowing	NM	San Juan	1	026N	009W	NESW	Hilcorp Energy Company
3004523444	Huerfanito Unit 087A	Blanco-Mesaverde	Flowing	NM	San Juan	1	026N	009W	SENE	Hilcorp Energy Company
3004534662	Huerfanito Unit 087E	Basin Dakota	Flowing	NM	San Juan	1	026N	009W	SWSE	Hilcorp Energy Company
3004531840	Huerfanito Unit 087M	Basin Dakota	Flowing	NM	San Juan	1	026N	009W	NWSE	Hilcorp Energy Company
3004531840	Huerfanito Unit 087M	Blanco-Mesaverde	Flowing	NM	San Juan	1	026N	009W	NWSE	Hilcorp Energy Company
3004534872	Huerfanito Unit 087N	Basin Dakota	Flowing	NM	San Juan	1	026N	009W	NWSW	Hilcorp Energy Company
3004534872	Huerfanito Unit 087N	Blanco-Mesaverde	Flowing	NM	San Juan	1	026N	009W	NWSW	Hilcorp Energy Company
3004506410	Huerfanito Unit 088	Basin Dakota	Perm Abandoned	NM	San Juan	23	027N	009W		Hilcorp Energy Company
3004506410	Huerfanito Unit 088	Blanco Mesaverde	Perm Abandoned	NM	San Juan	23	027N	009W		Hilcorp Energy Company
3004535267	Huerfanito Unit 088N	Basin Dakota	Flowing	NM	San Juan	23	027N	009W	NWSE	Hilcorp Energy Company
3004535267	Huerfanito Unit 088N	Basin Mancos	Flowing	NM	San Juan	23	027N	009W	NWSE	Hilcorp Energy Company
3004535267	Huerfanito Unit 088N	Blanco-Mesaverde	Flowing	NM	San Juan	23	027N	009W	NWSE	Hilcorp Energy Company
3004534199	Huerfanito Unit 088R	Basin Dakota	Flowing	NM	San Juan	23	027N	009W	SENE	Hilcorp Energy Company
3004534199	Huerfanito Unit 088R	Blanco-Mesaverde	Flowing	NM	San Juan	23	027N	009W	SENE	Hilcorp Energy Company
3004506344	Huerfanito Unit 089	Basin Dakota	Flowing	NM	San Juan	23	027N	009W	NWSW	Hilcorp Energy Company
3004560296	Huerfanito Unit 090	Basin Dakota	Flowing	NM	San Juan	1	026N	009W	NWNE	Hilcorp Energy Company
3004560296	Huerfanito Unit 090	Blanco-Mesaverde	Flowing	NM	San Juan	1	026N	009W	NWNE	Hilcorp Energy Company
3004534399	Huerfanito Unit 090E	Basin Dakota	Flowing	NM	San Juan	1	026N	009W	SWNW	Hilcorp Energy Company
3004534254	Huerfanito Unit 090M	Basin Dakota	Flowing	NM	San Juan	1	026N	009W	SENE	Hilcorp Energy Company
3004534254	Huerfanito Unit 090M	Blanco-Mesaverde	Flowing	NM	San Juan	1	026N	009W	SENE	Hilcorp Energy Company
3004505963	Huerfanito Unit 091	Basin Dakota	Flowing	NM	San Juan	12	026N	009W	NWNE	Hilcorp Energy Company
3004533741	Huerfanito Unit 091E	Basin Dakota	Flowing	NM	San Juan	12	026N	009W	SENE	Hilcorp Energy Company
3004533770	Huerfanito Unit 091F	Basin Dakota	Flowing	NM	San Juan	12	026N	009W	NWNW	Hilcorp Energy Company
3004505916	Huerfanito Unit 092	Basin Dakota	Flowing	NM	San Juan	12	026N	009W	NWSW	Hilcorp Energy Company
3004533600	Huerfanito Unit 092F	Basin Dakota	Flowing	NM	San Juan	12	026N	009W	SESW	Hilcorp Energy Company

3004513365	Huerfanito Unit 093	Basin Fruitland Coal	Flowing	NM	San Juan	25	027N	009W	NWNW	Hilcorp Energy Company
3004530510	Huerfanito Unit 093R	Blanco P. C. South	Flowing	NM	San Juan	25	027N	009W	NWNW	Hilcorp Energy Company
3004534780	Huerfanito Unit 093S	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	25	027N	009W		Hilcorp Energy Company
3004506283	Huerfanito Unit 094	Blanco S Pictured Cliffs	Perm Abandoned	NM	San Juan	26	027N	009W		Hilcorp Energy Company
3004530845	Huerfanito Unit 094R	Blanco S. Pictured Cliffs	Shut-In	NM	San Juan	26	027N	009W		Hilcorp Energy Company
3004506399	Huerfanito Unit 095	Blanco P. C. South	Flowing	NM	San Juan	24	027N	009W	NWNW	Hilcorp Energy Company
3004512051	Huerfanito Unit 096	Basin Dakota	Perm Abandoned	NM	San Juan	22	027N	009W		Hilcorp Energy Company
3004512051	Huerfanito Unit 096	Basin Dakota	Perm Abandoned	NM	San Juan	22	027N	009W		Hilcorp Energy Company
3004534690	Huerfanito Unit 096E	Basin Dakota	Flowing	NM	San Juan	22	027N	009W	SWNE	Hilcorp Energy Company
3004506356	Huerfanito Unit 097	Basin Dakota	Flowing	NM	San Juan	24	027N	009W	NWSW	Hilcorp Energy Company
3004511904	Huerfanito Unit 098	Basin Dakota	Flowing	NM	San Juan	35	027N	009W	SWNE	Hilcorp Energy Company
3004511904	Huerfanito Unit 098	Blanco-Mesaverde	Flowing	NM	San Juan	35	027N	009W	SWNE	Hilcorp Energy Company
3004528946	Huerfanito Unit 098M	Basin Fruitland Coal	Flowing	NM	San Juan	35	027N	009W	SWSE	Hilcorp Energy Company
3004535262	Huerfanito Unit 098N	Basin Dakota	Flowing	NM	San Juan	35	027N	009W	NESE	Hilcorp Energy Company
3004535262	Huerfanito Unit 098N	Blanco-Mesaverde	Flowing	NM	San Juan	35	027N	009W	NESE	Hilcorp Energy Company
3004534572	Huerfanito Unit 098S	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	35	027N	009W		Hilcorp Energy Company
3004511824	Huerfanito Unit 099	Basin Dakota	Perm Abandoned	NM	San Juan	35	027N	009W		Hilcorp Energy Company
3004511824	Huerfanito Unit 099	Blanco Mesaverde	Perm Abandoned	NM	San Juan	35	027N	009W		Hilcorp Energy Company
3004535257	Huerfanito Unit 099E	Basin Dakota	Flowing	NM	San Juan	35	027N	009W	SENE	Hilcorp Energy Company
3004535257	Huerfanito Unit 099E	Basin Mancos	Flowing	NM	San Juan	35	027N	009W	SENE	Hilcorp Energy Company
3004535257	Huerfanito Unit 099E	Blanco-Mesaverde	Flowing	NM	San Juan	35	027N	009W	SENE	Hilcorp Energy Company
3004511783	Huerfanito Unit 100	Blanco Mesaverde	Perm Abandoned	NM	San Juan	34	027N	009W		Hilcorp Energy Company
3004511766	Huerfanito Unit 101	Blanco-Mesaverde	Flowing	NM	San Juan	2	026N	009W	NENE	Hilcorp Energy Company
3004511875	Huerfanito Unit 102	Basin Dakota	Flowing	NM	San Juan	34	027N	009W	SWSW	Hilcorp Energy Company
3004511704	Huerfanito Unit 103	Basin Dakota	Flowing	NM	San Juan	3	026N	009W	SESW	Hilcorp Energy Company
3004533896	Huerfanito Unit 103E	Basin Dakota	Flowing	NM	San Juan	3	026N	009W	SWNW	Hilcorp Energy Company
3004534413	Huerfanito Unit 103F	Basin Dakota	Flowing	NM	San Juan	3	026N	009W	NWSW	Hilcorp Energy Company
3004511816	Huerfanito Unit 104	Basin Dakota	Flowing	NM	San Juan	27	027N	009W	SWSW	Hilcorp Energy Company
3004511807	Huerfanito Unit 105	Basin Dakota	Flowing	NM	San Juan	27	027N	009W	NENE	Hilcorp Energy Company
3004511727	Huerfanito Unit 106	Ballard Pictured Cliffs	Flowing	NM	San Juan	2	026N	009W	SWSW	Hilcorp Energy Company
3004534809	Huerfanito Unit 106M	Basin Dakota	Flowing	NM	San Juan	2	026N	009W	NESW	Hilcorp Energy Company
3004534809	Huerfanito Unit 106M	Blanco-Mesaverde	Flowing	NM	San Juan	2	026N	009W	NESW	Hilcorp Energy Company
3004527187	Huerfanito Unit 150	Basin Fruitland Coal	Flowing	NM	San Juan	1	026N	009W	SENE	Hilcorp Energy Company
3004527162	Huerfanito Unit 151	Basin Fruitland Coal	Flowing	NM	San Juan	36	027N	009W	NENE	Hilcorp Energy Company
3004529409	Huerfanito Unit 152	Basin Fruitland Coal	Flowing	NM	San Juan	1	026N	009W	SWSW	Hilcorp Energy Company
3004529386	Huerfanito Unit 153	Basin Fruitland Coal	Flowing	NM	San Juan	2	026N	009W	NWSW	Hilcorp Energy Company
3004529432	Huerfanito Unit 155	Basin Fruitland Coal	Flowing	NM	San Juan	11	026N	009W	NWNE	Hilcorp Energy Company
3004527161	Huerfanito Unit 167	Basin Fruitland Coal	Flowing	NM	San Juan	2	026N	009W	NENE	Hilcorp Energy Company
3004530503	Huerfanito Unit 169	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	34	027N	009W		Hilcorp Energy Company
3004533063	Huerfanito Unit 175	Blanco P. C. South	Flowing	NM	San Juan	26	027N	009W	SWSE	Hilcorp Energy Company
3004533063	Huerfanito Unit 175	Basin Fruitland Coal	Flowing	NM	San Juan	26	027N	009W	SWSE	Hilcorp Energy Company
3004533605	Huerfanito Unit 176	Basin Fruitland Coal	Flowing	NM	San Juan	26	027N	009W	SESW	Hilcorp Energy Company
3004534651	Huerfanito Unit 177	Basin Fruitland Coal	Flowing	NM	San Juan	28	027N	009W	SENE	Hilcorp Energy Company
3004529885	Huerfanito Unit COM 174	Basin Fruitland Coal	Flowing	NM	San Juan	24	027N	009W	SESE	Hilcorp Energy Company
3004530940	Huerfanito Unit COM 552	Basin Fruitland Coal	Flowing	NM	San Juan	24	027N	009W	SENE	Hilcorp Energy Company
3004506181	Huerfanito Unit NP 032	Ballard Pictured Cliffs	Perm Abandoned	NM	San Juan	33	027N	009W		Hilcorp Energy Company
3004506008	Huerfanito Unit NP 068	Basin Fruitland Coal	Flowing	NM	San Juan	3	026N	009W	SWSW	Hilcorp Energy Company
3004527202	Huerfanito Unit NP 154	Basin Fruitland Coal	Flowing	NM	San Juan	34	027N	009W	SENE	Hilcorp Energy Company

