

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Hilcorp Energy Company 382 Road 3100 Aztec, NM 87410		² OGRID Number 372171
		³ Reason for Filing Code/ Effective Date Test Allowable - RT
⁴ API Number 30-045-26417	⁵ Pool Name Basin Fruitland Coal	
⁶ Pool Code 71629		
⁷ Property Code 318560	⁸ Property Name Houck	⁹ Well Number 2E

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
P	12	29N	10W	16	1080	South	840	East	San Juan

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
									Choose an item.
¹² Lse Code F	¹³ Producing Method Code F	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters


¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
248440	Western Refinery	O
151618	Enterprise	G

IV. Well Completion Data

²¹ Spud Date 6/27/1985	²² Ready Date ~10/23/2023	²³ TD 6890'	²⁴ PBTD 6875'	²⁵ Perforations ~1890'-2311'	²⁶ DHC, MC 5327
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
12 1/4"	9 5/8", 36#, J-55	224'	150 sx		
8 3/4"	7", 20#, K-55	2724'	285 sx		
6 1/4"	4 1/2", 10.5/11.6#, K-55	6890'	355 sx		

V. Well Test Data

³¹ Date New Oil	³² Gas Delivery Date ~10/23/2023	³³ Test Date	³⁴ Test Length	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
³⁷ Choke Size	³⁸ Oil	³⁹ Water	⁴⁰ Gas		⁴¹ Test Method

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION Approved by: Sarah McGrath	
Printed name: Amanda Walker		Title: Petroleum Specialist - A	
Title: Operations Regulatory Tech Sr.		Approval Date: 10/17/2023	
E-mail Address: mwalker@hilcorp.com		RT Expires 11/22/2023	
Date: 10/12/2023	Phone: 346-237-2177		

Mandi Walker

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Sent: Thursday, October 12, 2023 9:52 AM
To: Amanda Atencio
Cc: Mandi Walker; Rennick, Kenneth G
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

Categories: NMOCD

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Amanda – thank you for the log – please submit the log through our epermitting so we will have the information in our system for future reference-we don't usually go by temp logs – so we are assuming there is cement behind the intermediate.

That being said NMOCD approves perforating from 1890 – 2311 within the Fruitland Coal formation.

Thank you

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: Amanda Atencio <Amanda.Atencio@hilcorp.com>
Sent: Thursday, October 12, 2023 8:13 AM
To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

Good morning Monica,

I was able to track down the temperature survey ran on 7" intermediate cement job (attached). The temp survey shows uniform cement from 600' – 2635'. Please review and let me know if you have any questions.

Thank you kindly,
Amanda

From: Rennick, Kenneth G <krennick@blm.gov>
Sent: Wednesday, October 11, 2023 2:52 PM

To: Amanda Atencio <Amanda.Atencio@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>;
Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: Re: [EXTERNAL] Houck 2E (3004526417)

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Thank you, Amanda. The BLM finds the proposed perforations appropriate.

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management
Farmington Field Office
6251 College Blvd
Farmington, NM 87402

Email: krennick@blm.gov
Mobile & Text: 505.497.0019

From: Amanda Atencio <Amanda.Atencio@hilcorp.com>
Sent: Wednesday, October 11, 2023 1:45 PM
To: Rennick, Kenneth G <krennick@blm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

Hi Kenny – the intervals we plan to perforate are shown below. I would agree – the cement is not the greatest in some spots. We do however have good cement isolation above and below the coal. Please let me know if you have additional questions or need additional info.

2130 - 2132

2174 - 2185

2218 - 2230

2286 - 2310

Thank you,
Amanda

From: Rennick, Kenneth G <krennick@blm.gov>
Sent: Wednesday, October 11, 2023 2:22 PM
To: Amanda Atencio <Amanda.Atencio@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>;
Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: Re: [EXTERNAL] Houck 2E (3004526417)

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Hello Amanda,

Can you confirm the location of perforations? We noticed for the middle as well as the lower part of the proposed perforation range, the cement is still not the greatest. If you still intend to perforated in those parts, please provide the rationale.

Thank you, in advance!

Kenny Rennick

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management
Farmington Field Office
6251 College Blvd
Farmington, NM 87402

Email: krennick@blm.gov
Mobile & Text: 505.497.0019

From: Amanda Atencio <Amanda.Atencio@hilcorp.com>
Sent: Wednesday, October 11, 2023 12:48 PM
To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

Good afternoon all,

Please see the latest CBL ran for the Houck 2E (post cement remediation). Bottom of cement is at 2500'. Top of cement is at 1740'. Pending a successful MIT, Hilcorp is requesting to move forward with our recomplete with a revised perf interval: 1890' – 2311'.

Thank you,

Amanda Atencio

Operations Engineer – SJN
Hilcorp Energy Company
Office: (346) 237-2160
Cell: (719) 393-2721

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Sent: Thursday, October 5, 2023 4:16 PM
To: Amanda Atencio <Amanda.Atencio@hilcorp.com>; Rennick, Kenneth G <krennick@blm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

NMOCD approves squeeze below with prior approval from the BLM

Thank you

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: Amanda Atencio <Amanda.Atencio@hilcorp.com>
Sent: Thursday, October 5, 2023 1:29 PM
To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

Good afternoon –

Regarding the Houck 2E - While preparing to shoot circulation holes for our intermediate annular squeeze, we discovered that we a small casing leak between 2991' – 3001'. Please be advised that before pumping the annular squeeze – we plan to pump a balanced cement plug across the leak. After cement remediation is complete, we will drill out the cement, run a CBL and MIT. Please let me know if you have any questions.

Thank you,

Amanda Atencio

Operations Engineer – SJN
Hilcorp Energy Company
Office: (346) 237-2160
Cell: (719) 393-2721

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Sent: Wednesday, October 4, 2023 10:29 AM
To: Amanda Atencio <Amanda.Atencio@hilcorp.com>; Rennick, Kenneth G <krennick@blm.gov>; Kade, Matthew H <mkade@blm.gov>

Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

NMOCD approval is given to cement from 2500 feet – cbl required after cementing and drill out. – Please keep track of pressures on bradenhead and intermediate through workover – schematic shows no cement in bradenhead or across intermediate shoe.

Thank you

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: Amanda Atencio <Amanda.Atencio@hilcorp.com>
Sent: Wednesday, October 4, 2023 9:24 AM
To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

Bradenhead and intermediate are both 0 psi.

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Sent: Wednesday, October 4, 2023 10:21 AM
To: Rennick, Kenneth G <krennick@blm.gov>; Amanda Atencio <Amanda.Atencio@hilcorp.com>; Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Houck 2E (3004526417)

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Amanda What is bradenhead and intermediate pressures - Monica

From: Rennick, Kenneth G <krennick@blm.gov>
Sent: Wednesday, October 4, 2023 8:13 AM
To: Amanda Atencio <Amanda.Atencio@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: Re: [EXTERNAL] Houck 2E (3004526417)

The BLM finds the cement remediation proposal appropriate.

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management
Farmington Field Office
6251 College Blvd
Farmington, NM 87402

Email: krennick@blm.gov
Mobile & Text: 505.497.0019

From: Amanda Atencio <Amanda.Atencio@hilcorp.com>
Sent: Wednesday, October 4, 2023 8:04 AM
To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Mandi Walker <mwalker@hilcorp.com>
Subject: [EXTERNAL] Houck 2E (3004526417)

This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.

Good morning,

Please see the attached CBL that was ran during the recompleat wellbore prep for Houck 2E. Based on the CBL – we do not have adequate cement coverage across our zone of interest (NOI approved interval: 1791' – 2311'). Current TOC 2,970'.

We would like request approval to shoot squeeze holes at +/- 2500', set a cement retainer and circulate cement up the 4-1/2" x 7" casing annulus to achieve sufficient cement coverage across the Fruitland Coal interval. Current and proposed well schematics are below for reference. Please let us know if we may proceed.

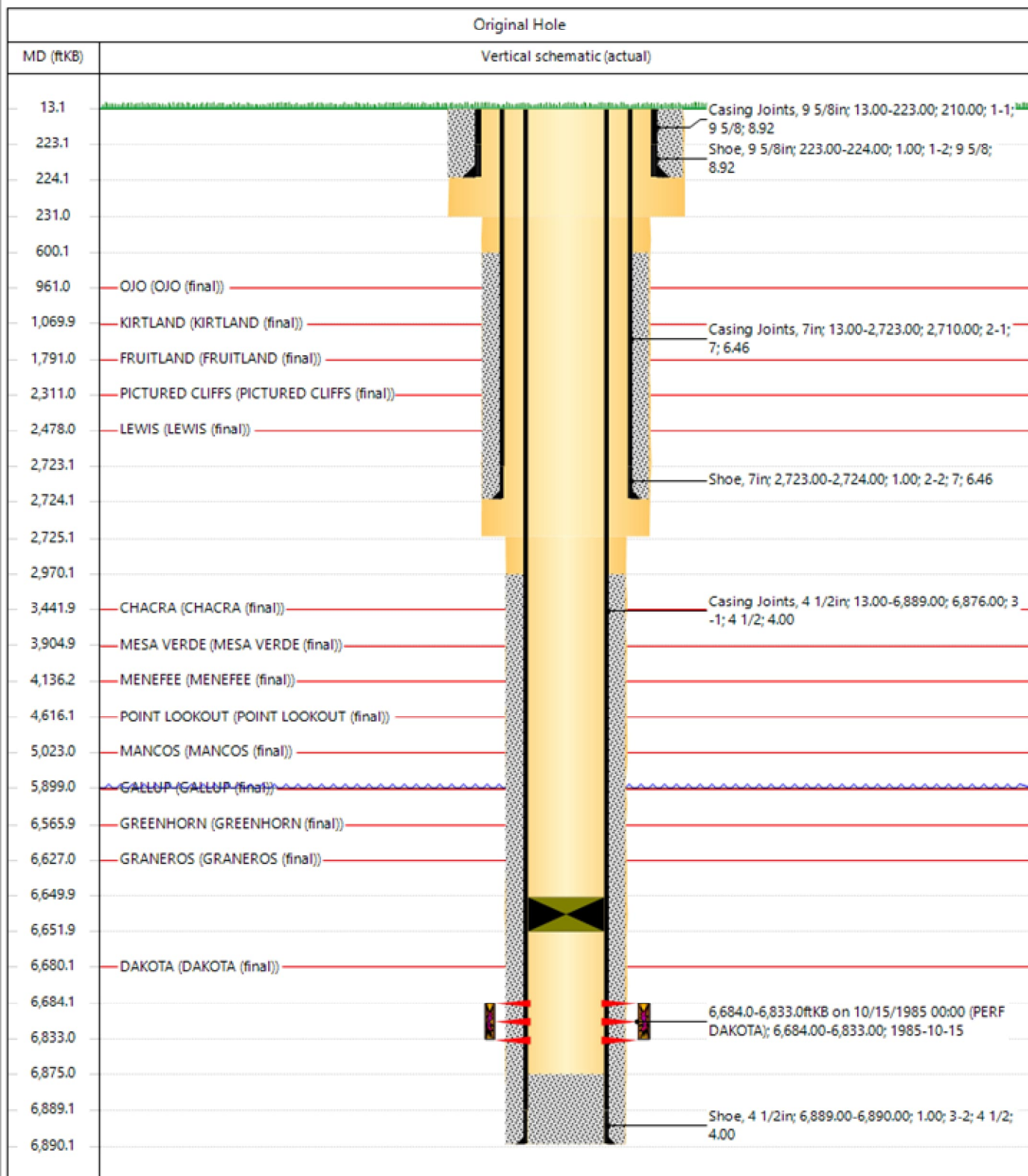


Hilcorp Energy Company

Current Schematic - Version 1

Well Name: HOUCK #2E

API / UWI 3004526417	Surface Legal Location 012-029N-010W-P	Field Name BASIN DAKOTA (PRORATED GAS)	Route 0306	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 5,868.00	Original KB/RT Elevation (ft) 5,881.00	RxS to GL (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	



www.peloton.com

Page 1/1

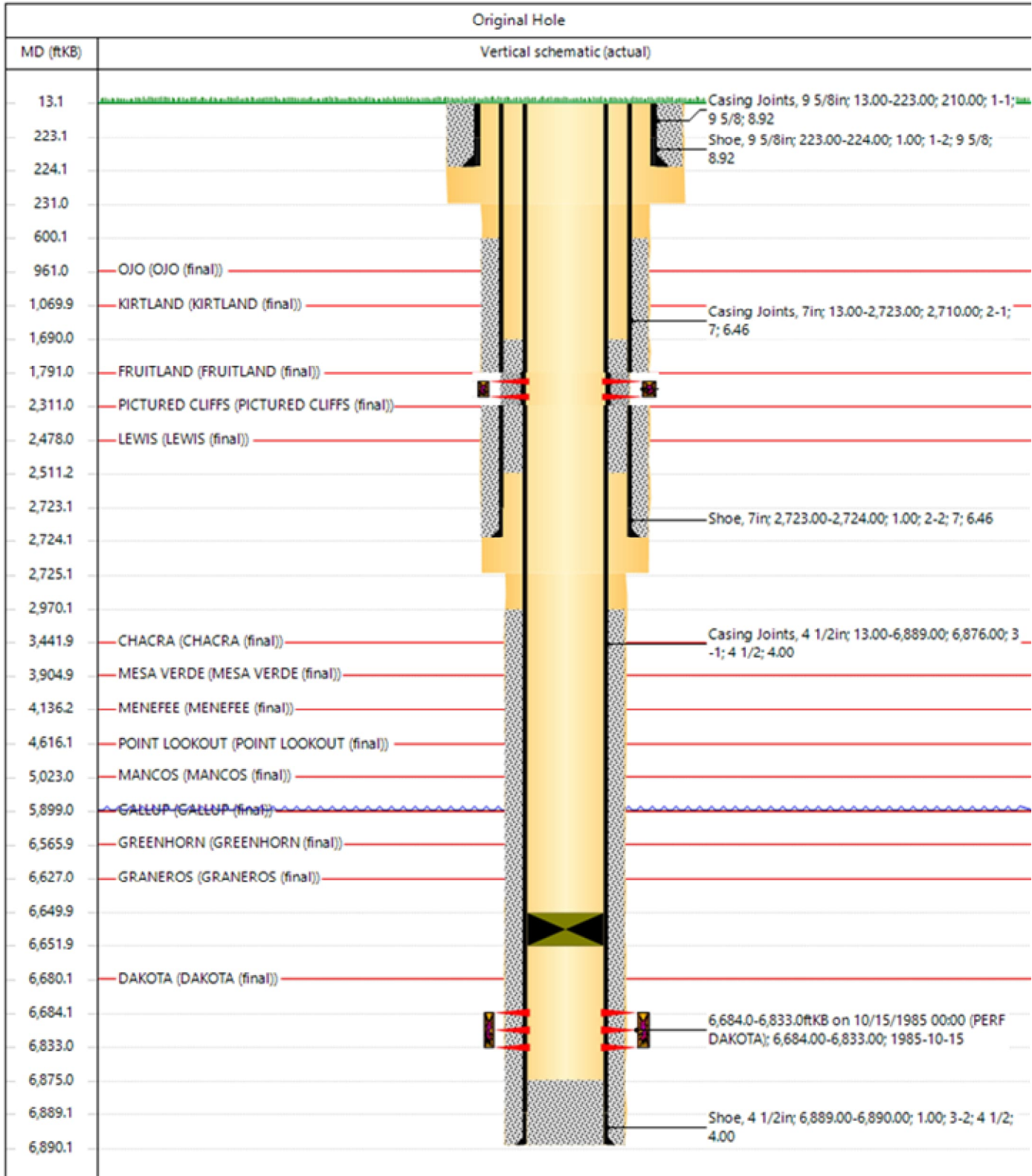
Report Printed: 10/3/2023



Proposed

Well Name: HOUCK #2E

API / UWI 3004526417	Surface Legal Location 012-029N-010W-P	Field Name BASIN DAKOTA (PRORATED GAS)	Route 0306	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 5,868.00	Original KB/RT Elevation (ft) 5,881.00	RKB to GL (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	



www.peloton.com

Page 1/1

Report Printed: 10/3/2023

Thank you,

Amanda Atencio

Operations Engineer – SJN

Hilcorp Energy Company

Office: (346) 237-2160

Cell: (719) 393-2721

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission,

opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

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

ACKNOWLEDGMENTS

Action 275105

ACKNOWLEDGMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 275105
	Action Type: [C-104] Transport Authorization (C-104)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I hereby certify that the required Water Use Report has been, or will be, submitted for this wells completion.
<input checked="" type="checkbox"/>	I hereby certify that the required FracFocus disclosure has been, or will be, submitted for this wells completion.

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

CONDITIONS

Action 275105

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 275105
	Action Type: [C-104] Transport Authorization (C-104)

CONDITIONS

Created By	Condition	Condition Date
smcgrath	RT Expires 11/22/2023	10/17/2023