

Initial Application Part I

Received: 06/28/2019

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

| | | | |
|--------------------------------|-------------------------|---------------------|----------------------------------|
| RECEIVED: 06/28/2019 | REVIEWER: MAM | TYPE: DHC | APP NO: pMAM1918352732 |
|--------------------------------|-------------------------|---------------------|----------------------------------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

| | |
|---|------------------------------------|
| Applicant: <u>Hilcorp Energy Company</u> | OGRID Number: <u>372171</u> |
| Well Name: <u>San Juan 30-5 Unit 88M</u> | API: <u>30-045-27087</u> |
| Pool: <u>Gobernador Pictured Cliffs</u> | Pool Code: <u>77440</u> |

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

DHC-5008

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

| FOR OCD ONLY | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application Content Complete |

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Nick Kunze - Operations Manager
 Print or Type Name


 Signature

6/28/19
 Date

713-209-2449
 Phone Number

nkunze@hilcorp.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

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

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 Road 3100, Aztec, NM 87410
Operator Address

San Juan 30-5 Unit 88M Unit E - Sec. 18 - T030N - R005W Rio Arriba
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 318433 API No. 30-039-27087 Lease Type: Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|--|--|--|
| Pool Name | Gobernador Pictured Cliffs | Blanco Mesaverde | Basin Dakota |
| Pool Code | 77440 | 72319 | 71599 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 3294' - 3436' | 5272' - 5620' | 7738' - 7819' |
| Method of Production (Flowing or Artificial Lift) | New Zone | Plunger | Plunger |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | 1178 psi | 1303 psi | 2812 psi |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 1190 BTU | 1150 BTU | 1020 BTU |
| Producing, Shut-In or New Zone | New Zone | Producing | Producing |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: N/A Rates: | Date: 3/2019 Rates: 2750 mcf, 13 bw | Date: 3/2019 Rates: 563 mcf, 14 bw |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas <i>Will be supplied upon completion</i> | Oil Gas <i>Will be supplied upon completion</i> | Oil Gas <i>Will be supplied upon completion</i> |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: R-10771

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tim Davis TITLE Reservoir Engineer DATE 6/28/19

TYPE OR PRINT NAME Tim Davis TELEPHONE NO. (713) 209-2400

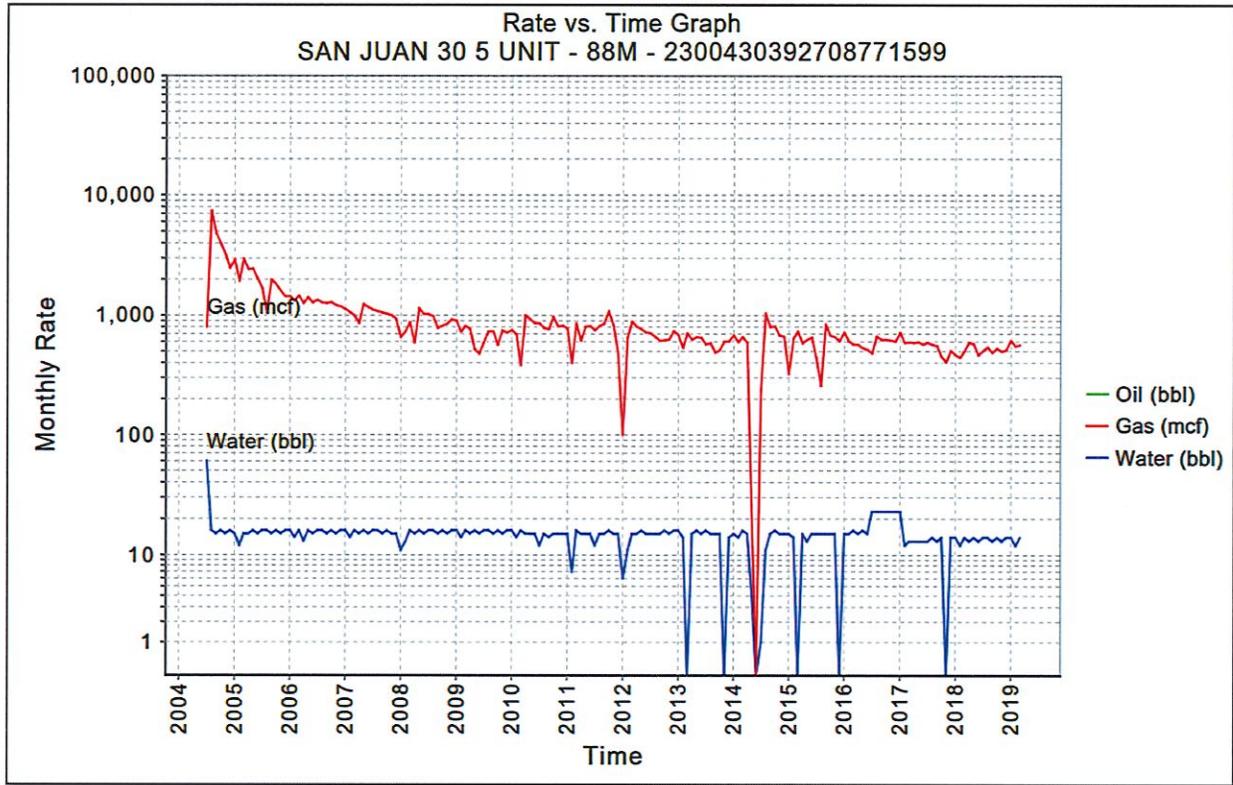
E-MAIL ADDRESS tidavis@hilcorp.com

Discussion of Pressures

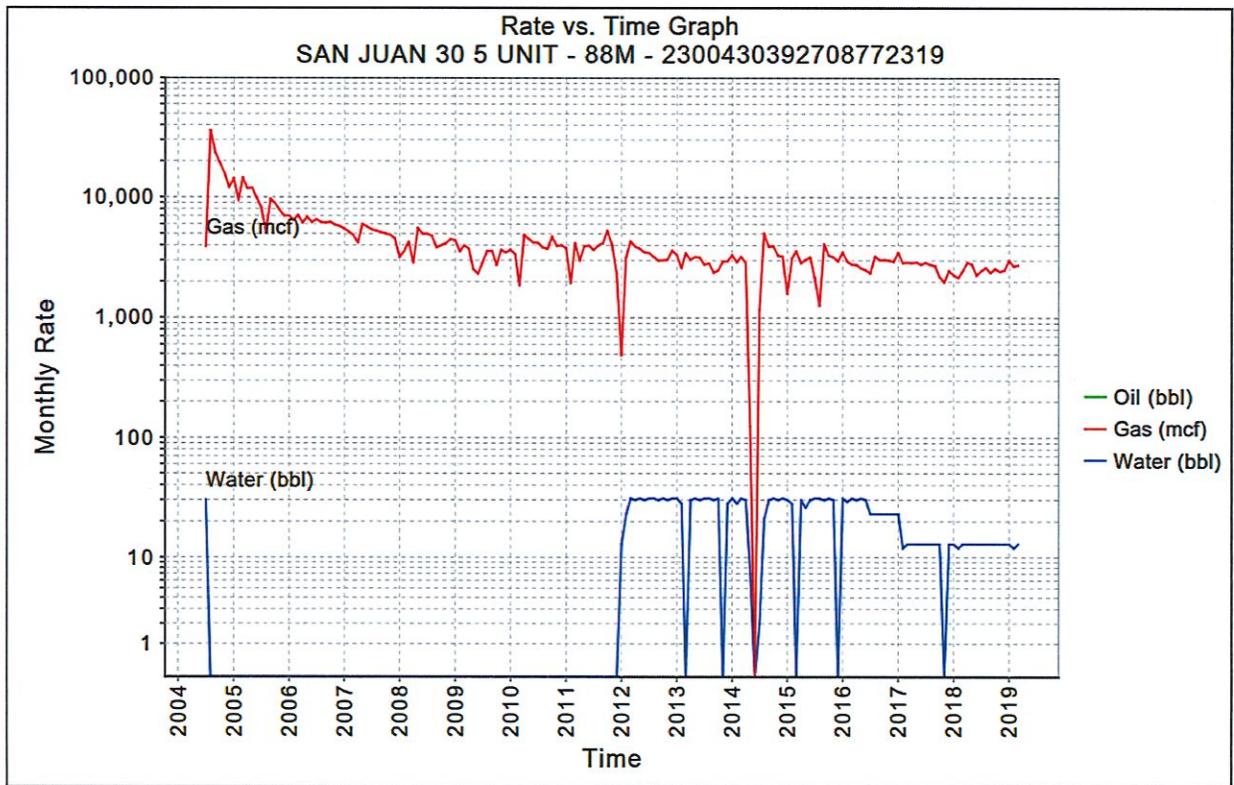
| Well Name | API | Existing Completion Zones (Perfs) | Measurement Date | SITP/SICP (psia) | Fluid Level (ft) |
|------------------------|--------------|---|------------------|------------------|------------------|
| SAN JUAN 30-5 UNIT 88M | 300392708700 | Mesaverde (5272-5620') Dakota (7738-7819') | 6/17/2019 | 126/127 | 7677' |

Prior to obtaining fluid levels and pressures, the well was shut-in for 24 hours and monitored to ensure it was relatively stable. The length of time was chosen to minimize the shut-in period and provide a representation the shut-in bottomhole pressure from the existing Mesaverde and Dakota zones. This measurement demonstrates a much lower wellbore pressure compared to our calculated static reservoir pressures. Based on pressure transient analysis work from other Dakota wells in the basin, direct measurement of static reservoir pressures from producing wells in these tight gas sandstones requires shut-in periods on the order of years, primarily due to low permeability, relatively high total compressibility, and lack of structural or stratigraphic boundaries. Back of the envelope radius of investigation calculations assuming radial flow indicate required shut in periods of 5 to 7 years given the low density of producing wells. As well, we have some multi-week build-ups in the Dakota in other parts of the basin that indicate even longer shut-in times, up to 25 years, to reach boundary-dominated flow. The shut-in wellbore pressure thus is expected to be lower than the far-field, stabilized reservoir pressure, direct measurement of which is practically infeasible. Our observation is that even for areas of high static reservoir pressure, the low permeability of the reservoir rock results in rapid depletion of the near-fracture region, quickly enough that the wells are unable produce without the aid of a plunger. Given low permeabilities and low wellbore flowing pressures in the Dakota, Mesaverde, and Pictured Cliffs, loss of reserves due to cross-flow is not an issue during producing or shut-in periods. Given low shut-in bottomhole pressures, commingling the Pictured Cliffs, Mesaverde, and Dakota in this well will not result in shut-in or flowing wellbore pressures in excess of any commingled pool's fracture parting pressure.

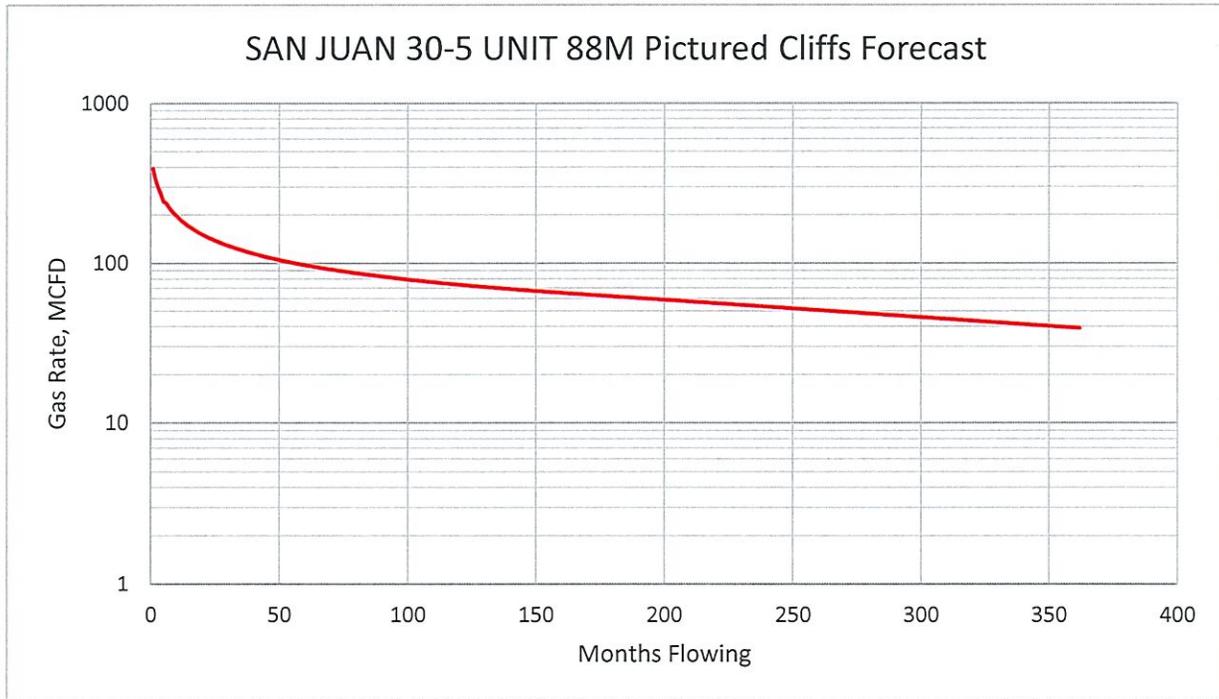
SAN JUAN 30-5 UNIT 88M – HISTORICAL DAKOTA PRODUCTION:



SAN JUAN 30-5 UNIT 88M – HISTORICAL MESAVERDE PRODUCTION:



SAN JUAN 30-5 UNIT 88M – PICTURED CLIFFS PRODUCTION FORECAST



The forecast for Pictured Cliffs production has been generated using a typical well production profile of PC gas production in the surrounding production trend.

SAN JUAN 30-5 UNIT 88M – PRODUCTION ALLOCATION METHOD

Production for the downhole commingle will be allocated using the subtraction method in agreement with the BLM. The base formations are the Dakota and Mesaverde, and the added formation to be commingled is the Pictured Cliffs. The subtraction method applies an average monthly production forecast to the base formations using historic production. All production from this well exceeding the forecast will be allocated to the new formation. After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed, percentage-based allocation. Oil production will be allocated based on average formation yields from offset wells. All documentation will be submitted to the Aztec NMOCD office.

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 252772

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|--|
| 1. API Number 30-039-27087 | 2. Pool Code 77440 | 3. Pool Name GOBERNADOR PICTURED CLIFFS (GAS) |
| 4. Property Code 318433 | 5. Property Name SAN JUAN 30 5 UNIT | 6. Well No. 088M |
| 7. OGRID No. 372171 | 8. Operator Name HILCORP ENERGY COMPANY | 9. Elevation 6359 |

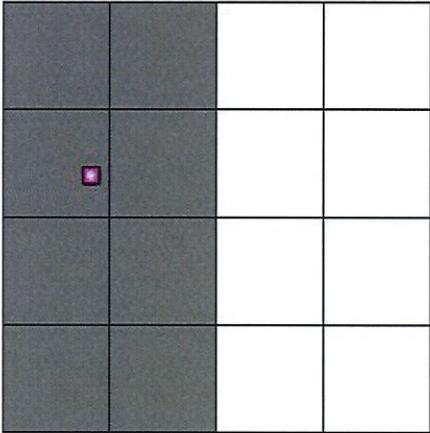
10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|----------------------|
| UL - Lot E | Section 18 | Township 30N | Range 05W | Lot Idn | Feet From 2110 | N/S Line N | Feet From 1072 | 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 320.00 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: <i>Etta Trujillo</i> Title: Operations/Regulatory Tech Date: 05/24/2018</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: Henry P. Broadhurst Date of Survey: 3/14/2001 Certificate Number: 11393</p> |
|---|--|

District I
 (7) Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Huerfano Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|--------------------------------------|---|------------------------------|---|
| 1. All Number 30-039-27087 | | 2. Pool Code 72319 | 3. Pool Name Blanco Mesaverde |
| 4. Property Code 009258 | 5. Property Name SAN JUAN 30-5 UNIT | | 6. Well Number 88M |
| 7. OGRID No. 017654 | 8. Operator Name PHILLIPS PETROLEUM COMPANY | | 9. Elevation 6359' |

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 |
|---------------|-----------|-------------|-----------|---------|---------------|------------------|---------------|----------------|-------------------|
| E | 18 | 30 N | 5W | | 2110' | NORTH | 1072' | WEST | RIO ARRIBA |

11. Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | | | | | | | | | |

| 12. Dedicated Acres | 13. Joint or Infill | 14. Consolidation Code | 15. Order No. |
|---------------------|---------------------|------------------------|---------------|
| 320 W/2 | Y | U | |

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>17. OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Patsy Clugston</i> Signature Patsy Clugston Printed Name Sr. Regulatory/Proration Clerk Title April 3, 2001 Date</p> |
| | <p>18. SURVEYOR CERTIFICATION</p> <p>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.</p> <p>03/14/01 Date of Survey Signature and Seal of Professional Surveyor: Henry P. Broadhurst, Jr. Registered Professional Surveyor Certificate No. 11593</p> |

District I
190 Box 1980, Hobbs, NM 88241-1980
District II
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Submit to Appropriate District Office
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|----------------------------|---|--------------------|---------------------------|
| APN Number 30-038-27087 | | Pool Code 71599 | Pool Name Basin Dakota |
| Property Code 009258 | Property Name SAN JUAN 30-5 UNIT | | Well Number 88M |
| OGRID No. 017654 | Operator Name PHILLIPS PETROLEUM COMPANY | | Elevation 6359' |

Surface Location

| Ul. or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| E | 18 | 30 N | 5W | | 2110' | NORTH | 1072' | WEST | RIO ARriba |

Bottom Hole Location If Different From Surface

| Ul. or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
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| | | |
|--|--|--|
| | <p>16</p> <p>N89°51'E</p> <p>5290.56'</p> <p>2110'</p> <p>SF-078994</p> <p>1080. Acres</p> <p>1072'</p> <p>5280.00'</p> <p>Section 18</p> <p>North</p> <p>5292.54'</p> <p>East</p> | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Patsy Clugston</i></p> <p>Signature Patsy Clugston Printed Name Sr. Regulatory/Proration Clerk Title April 3, 2001 Date</p> |
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| | | | |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
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NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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| Well Name: <u>San Juan 30-5 Unit 88M</u> | API: <u>30-045-27087</u> |
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| FOR OCD ONLY | |
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| <input type="checkbox"/> | Notice Complete |
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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Nick Kunze - Operations Manager

Print or Type Name



 Signature

6/20/19

 Date

713-209-2449

 Phone Number

nkunze@hilcorp.com

 e-mail Address

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1625 N. French Drive, Hobbs, NM 88240

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Energy, Minerals and Natural Resources Department

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OGRID No. 372171 Property Code 318433 API No. 30-039-27087 Lease Type: Federal State Fee

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- Bottomhole pressure data.

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SIGNATURE Tim Davis TITLE Reservoir Engineer DATE 6/28/19

TYPE OR PRINT NAME Tim Davis TELEPHONE NO. (713) 209-2400

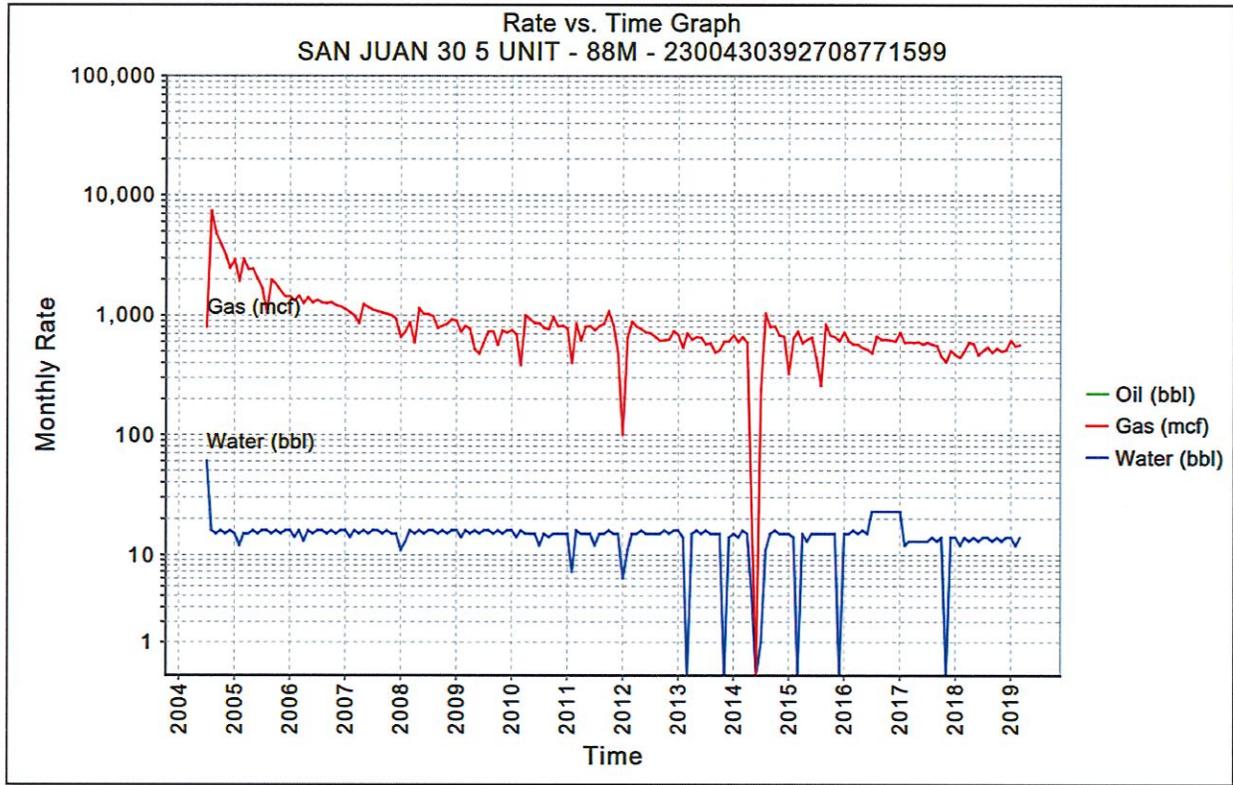
E-MAIL ADDRESS tidavis@hilcorp.com

Discussion of Pressures

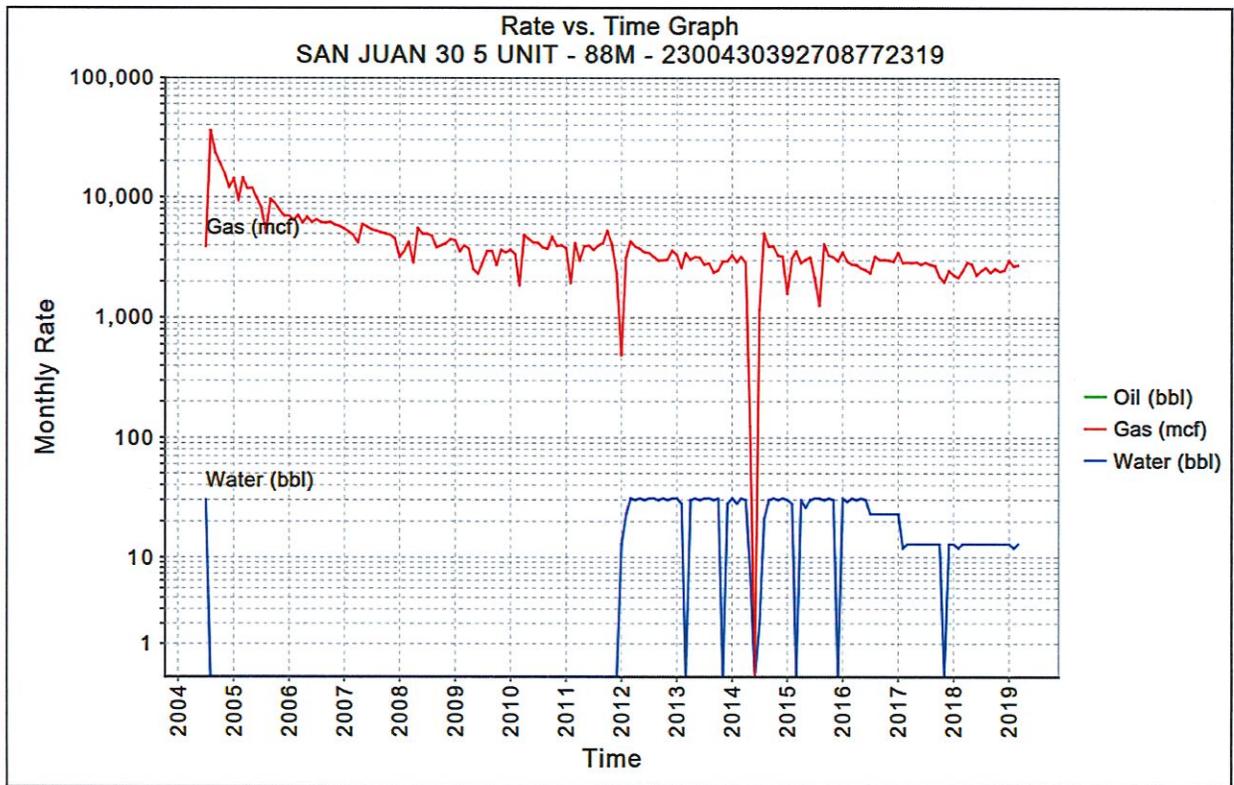
| Well Name | API | Existing Completion Zones (Perfs) | Measurement Date | SITP/SICP (psia) | Fluid Level (ft) |
|------------------------|--------------|---|------------------|------------------|------------------|
| SAN JUAN 30-5 UNIT 88M | 300392708700 | Mesaverde (5272-5620') Dakota (7738-7819') | 6/17/2019 | 126/127 | 7677' |

Prior to obtaining fluid levels and pressures, the well was shut-in for 24 hours and monitored to ensure it was relatively stable. The length of time was chosen to minimize the shut-in period and provide a representation the shut-in bottomhole pressure from the existing Mesaverde and Dakota zones. This measurement demonstrates a much lower wellbore pressure compared to our calculated static reservoir pressures. Based on pressure transient analysis work from other Dakota wells in the basin, direct measurement of static reservoir pressures from producing wells in these tight gas sandstones requires shut-in periods on the order of years, primarily due to low permeability, relatively high total compressibility, and lack of structural or stratigraphic boundaries. Back of the envelope radius of investigation calculations assuming radial flow indicate required shut in periods of 5 to 7 years given the low density of producing wells. As well, we have some multi-week build-ups in the Dakota in other parts of the basin that indicate even longer shut-in times, up to 25 years, to reach boundary-dominated flow. The shut-in wellbore pressure thus is expected to be lower than the far-field, stabilized reservoir pressure, direct measurement of which is practically infeasible. Our observation is that even for areas of high static reservoir pressure, the low permeability of the reservoir rock results in rapid depletion of the near-fracture region, quickly enough that the wells are unable produce without the aid of a plunger. Given low permeabilities and low wellbore flowing pressures in the Dakota, Mesaverde, and Pictured Cliffs, loss of reserves due to cross-flow is not an issue during producing or shut-in periods. Given low shut-in bottomhole pressures, commingling the Pictured Cliffs, Mesaverde, and Dakota in this well will not result in shut-in or flowing wellbore pressures in excess of any commingled pool's fracture parting pressure.

SAN JUAN 30-5 UNIT 88M – HISTORICAL DAKOTA PRODUCTION:



SAN JUAN 30-5 UNIT 88M – HISTORICAL MESAVERDE PRODUCTION:



RECEIVED

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 24 2018

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

Farmington Field Office
Bureau of Land Management

5. Lease Serial No. **NMSF-078994**

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 30-5 Unit

2. Name of Operator
Hilcorp Energy Company

8. Well Name and No.
San Juan 30-5 Unit 88M

3a. Address
382 Road 3100, Aztec, NM 87410

3b. Phone No. (include area code)
505-599-3400

9. API Well No.
30-039-27087

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit E (SWNW) 2110' FNL & 1072' FWL, Sec. 18, T30N, R05W

10. Field and Pool or Exploratory Area
Gobernador PC/Blanco MV/Basin DK

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 | 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 recomplate 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 recompletion 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 recomplate the subject well in the Pictured Cliffs formation and downhole commingle with the existing MesaVerde and Dakota. Attached is the PC C102, recomplate procedure & wellbore schematic. The DHC application will be submitted and approved prior to commingling. A closed loop system will be utilized.

SEE ATTACHED
FOR CONDITIONS
OF APPROVAL

NMOCD
MAY 30 2018
DISTRICT III

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS
Notify NMOCD 24 hrs prior to beginning operations

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Etta Trujillo
Title **Operations/Regulatory Technician - Sr.**
Signature *Etta Trujillo* Date **5-24-18**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **William Tambekou** Title **Petroleum Engineer** Date **5/29/2018**
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 **FFO**

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.

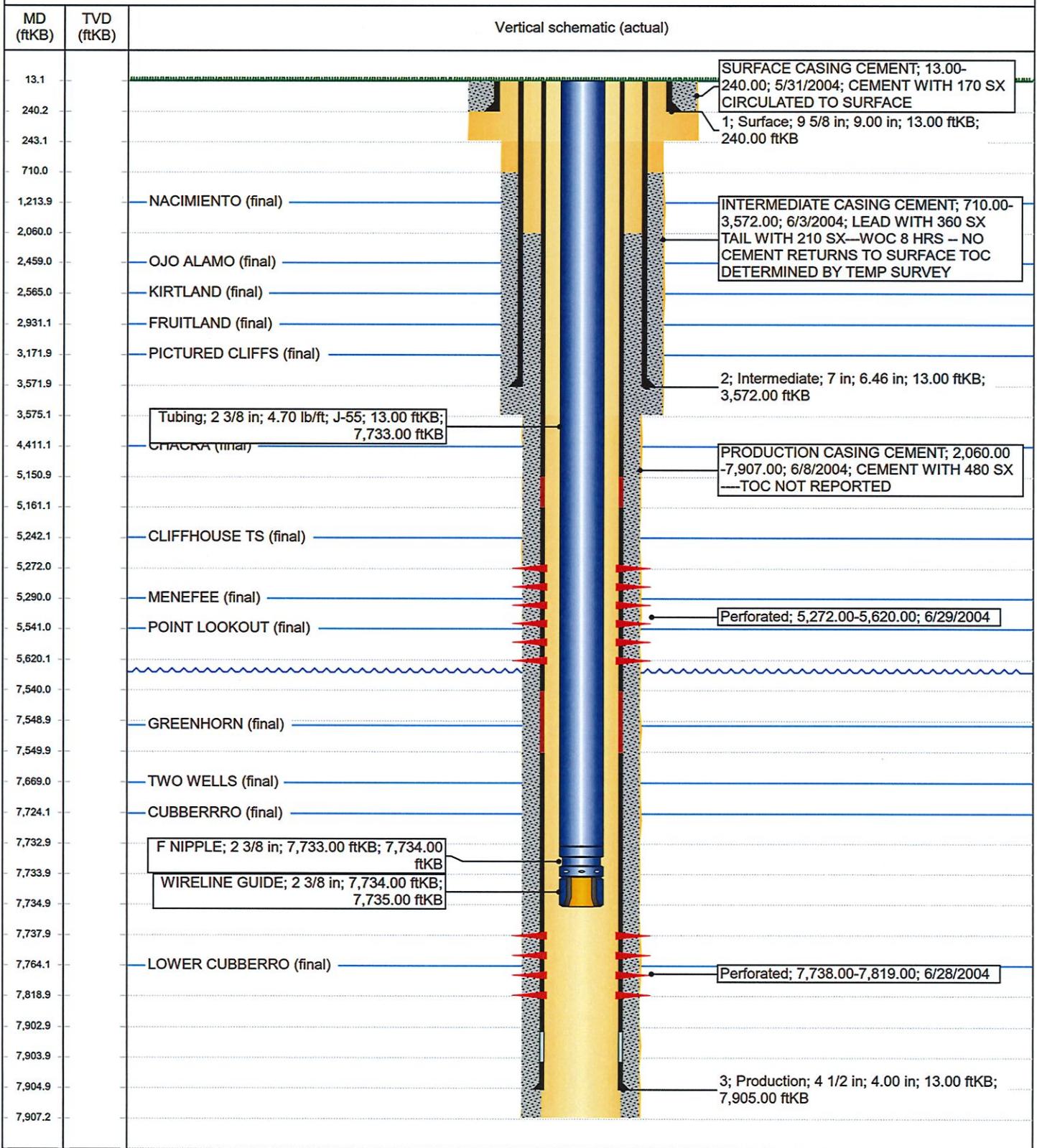
(Instruction on page 2)

NMOCD IV Hold C-104 for DHC

Well Name: SAN JUAN 30-5 UNIT #88M

| | | | | | |
|-----------------------------------|---|----------------------------------|--------------------------------|--------------------------------|-------------------------------------|
| API / UWI 3003927087 | Surface Legal Location 018-030N-005W-E | Field Name MV/DK COM | Route 1201 | State/Province NEW MEXICO | Well Configuration Type Vertical |
| Ground Elevation (ft) 6,359.00 | Original KB/RT Elevation (ft) 6,372.00 | KB-Ground Distance (ft) 13.00 | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft) | |

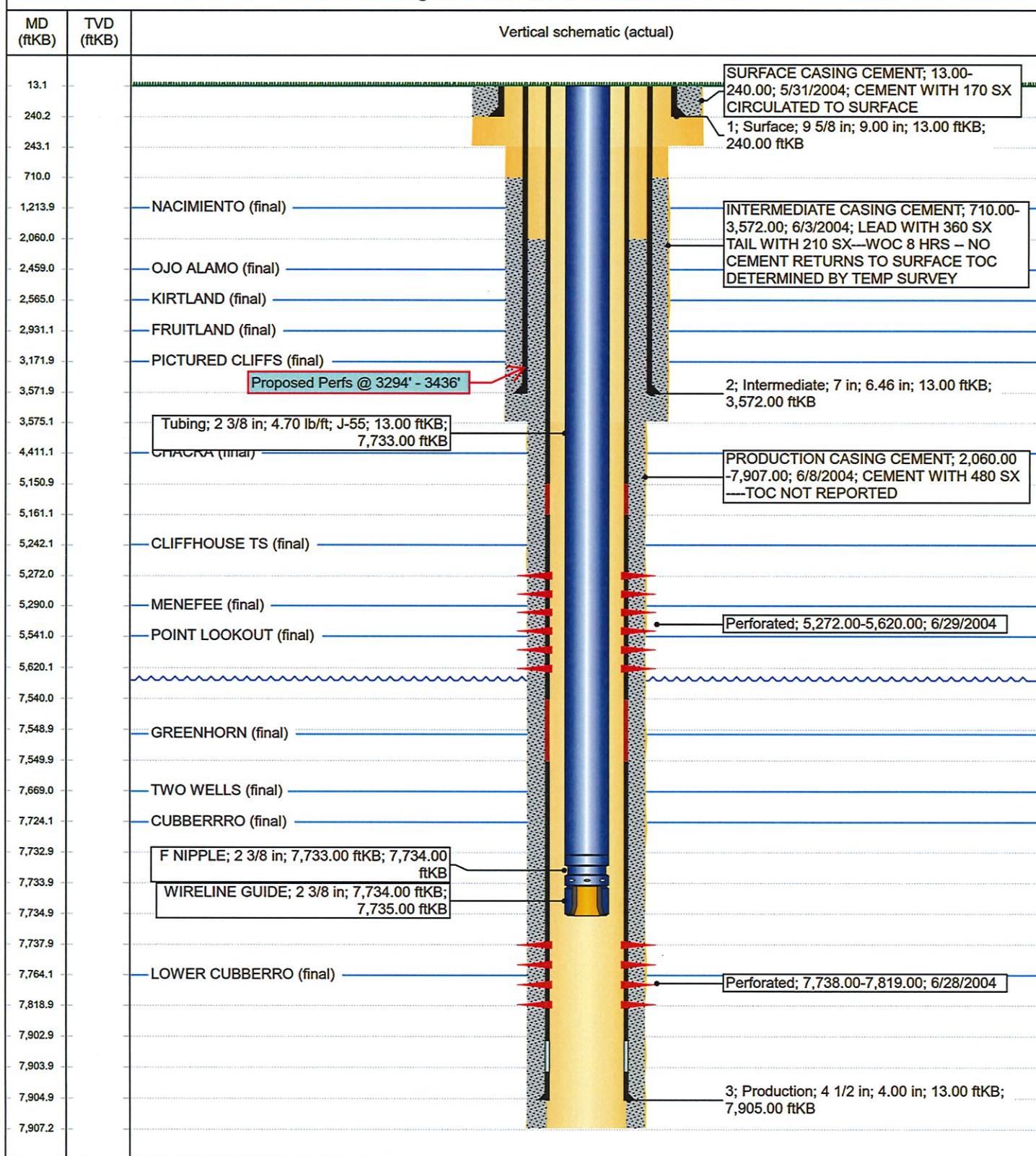
Vertical, Original Hole, 6/14/2019 7:41:16 AM



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Etta Trujillo

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

Signature

Date

5-24-18

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Approved by

William Tambekou

Title **Petroleum Engineer**

Date **5/29/2018**

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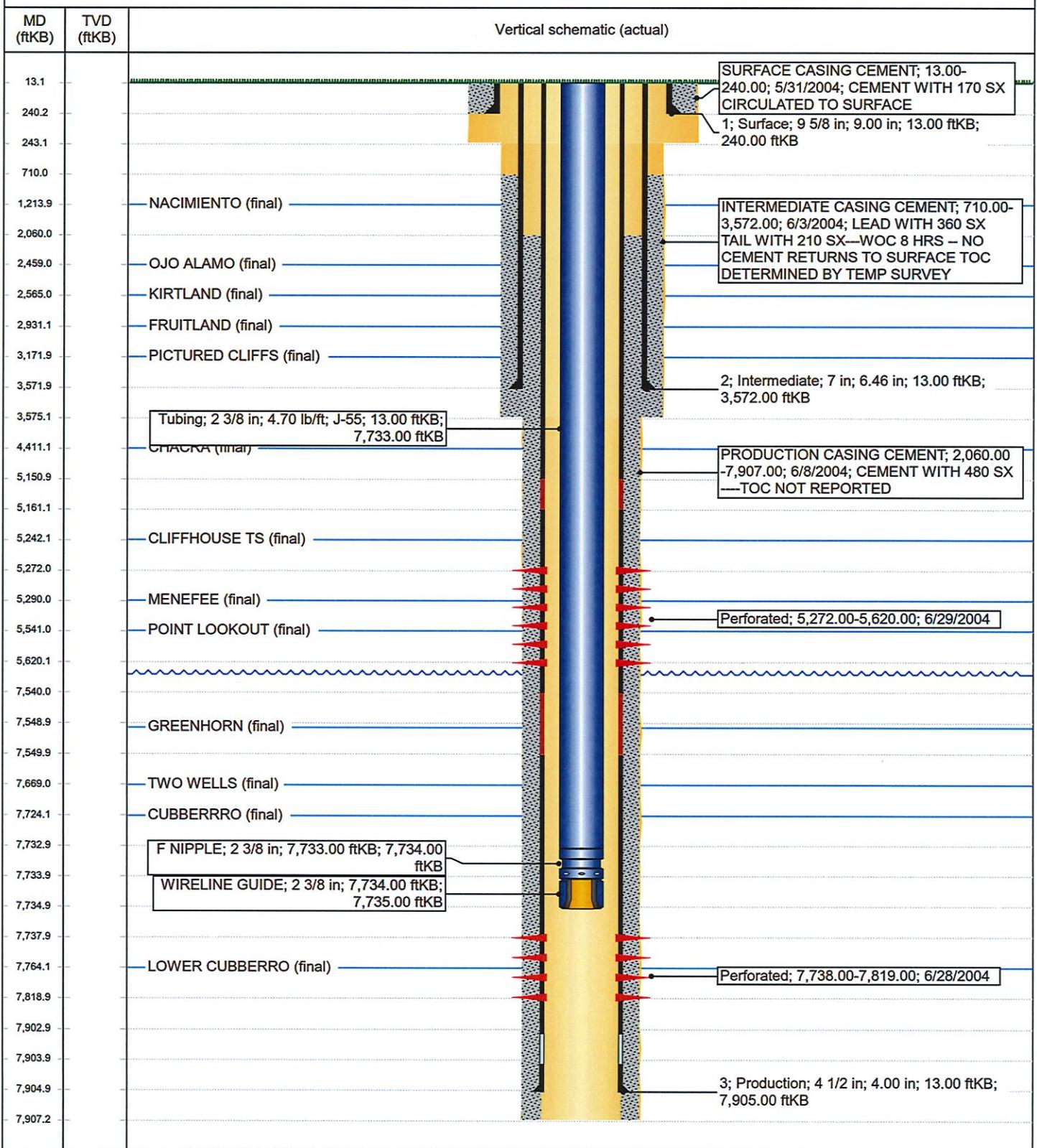
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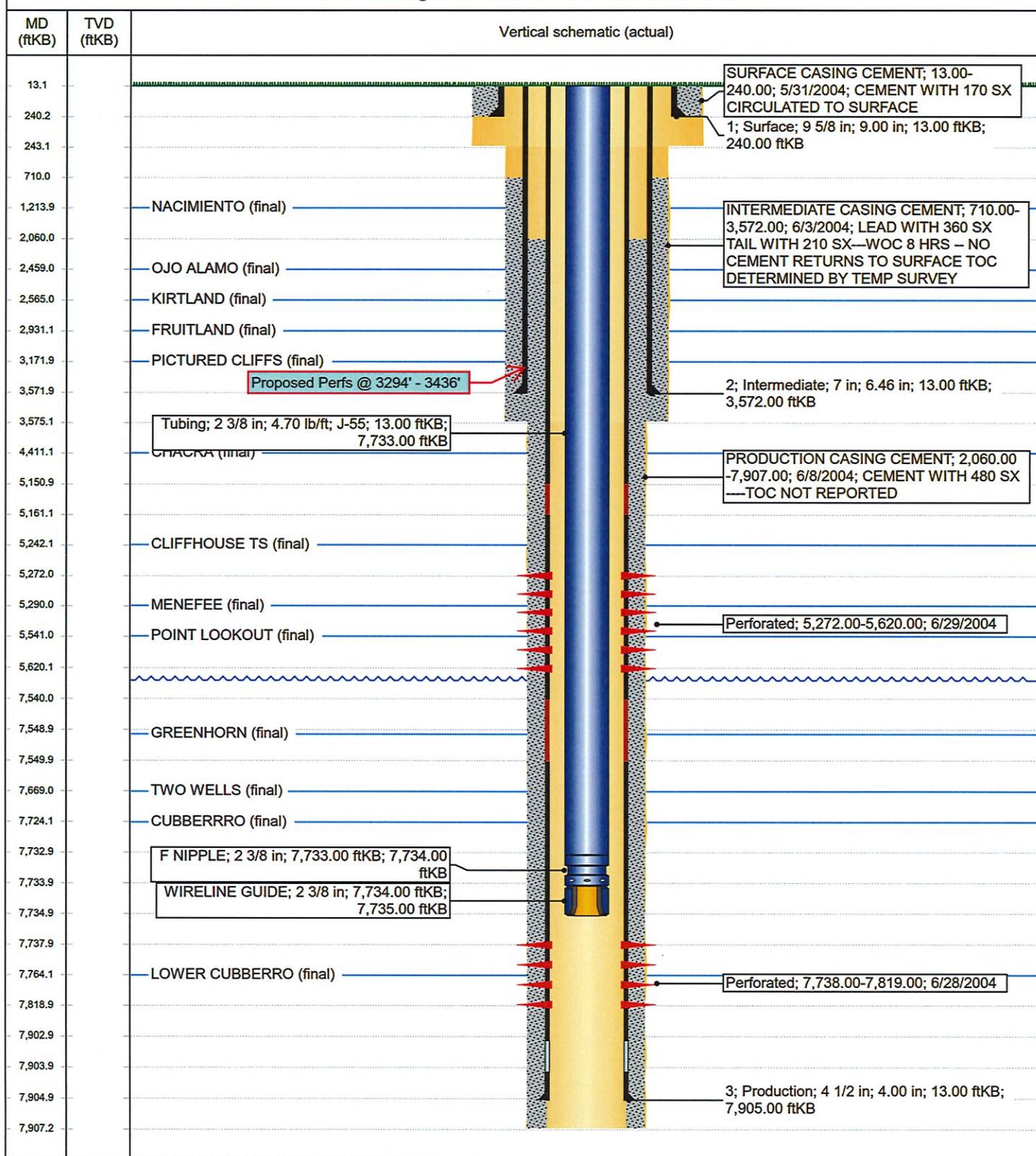
Vertical, Original Hole, 6/14/2019 7:41:16 AM



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Vertical, Original Hole, 6/14/2019 7:41:16 AM



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HILCORP ENERGY COMPANY
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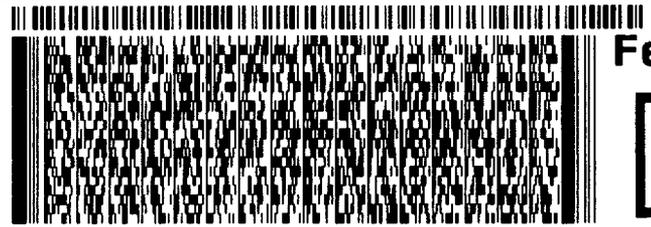
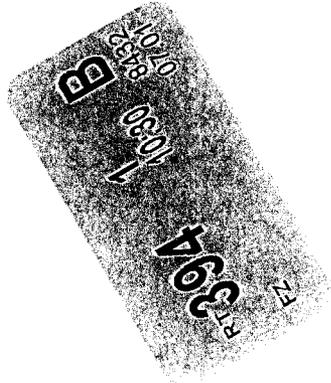
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SANTA FE NM 87505

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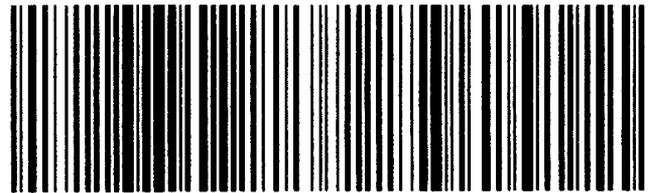
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