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March 1, 2018

R-256

Bureau of Land Management
Farmington Resource Area
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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

**2018 PLAN OF DEVELOPMENT
FOR THE SAN JUAN 31-6 UNIT
NO. 14-08-001-464
RIO ARRIBA COUNTY, NEW MEXICO**

Prior to August 1, 2017, ConocoPhillips operated the San Juan 31-6 Unit and submitted a 2017 Plan of Development and Operations ("2017 POD"). Hilcorp Energy Company ("Hilcorp") assumed the role of Unit Operator on August 1, 2017.

Pursuant to Section 10 of the San Juan 31-6 Unit Agreement, Hilcorp, as Unit Operator, hereby submits the proposed 2018 Plan of Development and Operations ("2018 POD").

I. PERIOD

This plan will be effective from April 1, 2018 through March 31, 2019. The 2019 Plan will be submitted on or before March 1, 2019.

II. 2017 PLAN REVIEW OF OPERATIONS

A summary of key activities undertaken after August 1, 2017 include:

- A. Production History:** During 2017, cumulative production from the San Juan 31-6 Unit was 6.93 BCF gas; 0.03 MBO oil; 119 MBW produced water. Refer to Exhibit A attached for a listing of all wells in the San Juan 31-6 Unit.
- B. Participating Areas:** The Participating Areas currently established in the San Juan 31-6 Unit are as follows:

FORMATION	EXPANSION	EFFECTIVE DATE
DAKOTA	016	01-OCT-07
FRUITLAND COAL	016	1-FEB-01
MESAVERDE	022	01-SEP-04

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C. Drilling Program: The 2017 POD filed by ConocoPhillips provided for no drilling activity. No additional drilling projects were undertaken by Hilcorp during the 2017 period.

D. Workovers/Recompletion Program: The 2017 POD filed by ConocoPhillips did not anticipate any activity. Since August 1, Hilcorp has undertaken and completed 13 projects, summarized in the following table:

Well Name	API	Sec.	Twp	Rng	Formation	Type
SAN JUAN 31-6 UNIT #211	3003924514	2	030N	006W	FC	Workover
SAN JUAN 31-6 UNIT #204A	3003927470	3	030N	006W	FC	Workover
SAN JUAN 31-6 UNIT #47F	3003929897	32	031N	006W	MV/DK	Workover
SAN JUAN 31-6 UNIT #20G	3003929849	3	030N	006W	MV/DK	Workover
SAN JUAN 31-6 UNIT 36E	3003925136	27	031N	006W	DK/MV/PC	Pumping unit work & modifications
SAN JUAN 31-6 UNIT # 233	3003924638	32	031N	006W	PC	RTP

A. Facility Program: The 2017 POD filed by ConocoPhillips provided for no activity. No additional projects were undertaken by Hilcorp during the 2017 period.

B. Plugging & Abandonment Program: The 2017 POD filed by ConocoPhillips provided for no activity. No additional projects were undertaken by Hilcorp during the 2017 period.

III. 2018 PLAN OF DEVELOPMENT AND OPERATIONS

A summary of key activities planned for 2018 includes:

A. Drilling Program: Hilcorp does not anticipate drilling any new wells in the San Juan 31-6 Unit during 2018. However, new drill opportunities will be evaluated and executed as they arise.

B. Workovers/Recompletion Program: Hilcorp is evaluating opportunities throughout the unit to maintain and increase production. At this time, no specific projects have been identified. However, new projects will be executed as they arise.

C. Facility Program: Throughout 2018, 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.

D. Plugging & Abandonment Program: Hilcorp does not anticipate plugging/abandoning any wells in the San Juan 31-6 Unit at this time. Hilcorp will evaluate and implement

3003925289	San Juan 31-6 Unit 035E	Basin Dakota	Flowing	NM	Rio Arriba	35	031N	006W	NWNW	Hilcorp Energy Company
3003925289	San Juan 31-6 Unit 035E	Blanco-Mesaverde	Flowing	NM	Rio Arriba	35	031N	006W	NWNW	Hilcorp Energy Company
3003925294	San Juan 31-6 Unit 039E	Basin Dakota	Flowing	NM	Rio Arriba	28	031N	006W	SESE	Hilcorp Energy Company
3003925294	San Juan 31-6 Unit 039E	Blanco-Mesaverde	Flowing	NM	Rio Arriba	28	031N	006W	SESE	Hilcorp Energy Company
3003925299	San Juan 31-6 Unit 033E	Basin Dakota	Flowing	NM	Rio Arriba	34	031N	006W	NWNW	Hilcorp Energy Company
3003925299	San Juan 31-6 Unit 033E	Blanco-Mesaverde	Flowing	NM	Rio Arriba	34	031N	006W	NWNW	Hilcorp Energy Company
3003925401	San Juan 31-6 Unit 234R	Basin Fruitland Coal	Flowing	NM	Rio Arriba	29	031N	006W	SWSW	Hilcorp Energy Company
3003925691	San Juan 31-6 Unit 205R	Basin Fruitland Coal	Flowing	NM	Rio Arriba	4	030N	006W	SWNE	Hilcorp Energy Company
3003926071	San Juan 31-6 Unit 016M	Basin Dakota	Flowing	NM	Rio Arriba	33	031N	006W	NENW	Hilcorp Energy Company
3003926071	San Juan 31-6 Unit 016M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	33	031N	006W	NENW	Hilcorp Energy Company
3003926077	San Juan 31-6 Unit 003R	Basin Dakota	Flowing	NM	Rio Arriba	6	030N	006W	SWNE	Hilcorp Energy Company
3003926077	San Juan 31-6 Unit 003R	Blanco-Mesaverde	Flowing	NM	Rio Arriba	6	030N	006W	SWNE	Hilcorp Energy Company
3003926432	San Juan 31-6 Unit 046M	Basin Dakota	Flowing	NM	Rio Arriba	32	031N	006W	SWSE	Hilcorp Energy Company
3003926432	San Juan 31-6 Unit 046M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	32	031N	006W	SWSE	Hilcorp Energy Company
3003926433	San Juan 31-6 Unit 042M	Basin Dakota	Flowing	NM	Rio Arriba	36	031N	006W	NENW	Hilcorp Energy Company
3003926433	San Juan 31-6 Unit 042M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	36	031N	006W	NENW	Hilcorp Energy Company
3003926434	San Juan 31-6 Unit 037M	Basin Dakota	Flowing	NM	Rio Arriba	36	031N	006W	SWSW	Hilcorp Energy Company
3003926434	San Juan 31-6 Unit 037M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	36	031N	006W	SWSW	Hilcorp Energy Company
3003926464	San Juan 31-6 Unit 048M	Basin Dakota	Flowing	NM	Rio Arriba	2	030N	006W	NWSW	Hilcorp Energy Company
3003926464	San Juan 31-6 Unit 048M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	2	030N	006W	NWSW	Hilcorp Energy Company
3003926478	San Juan 31-6 Unit 044E	Basin Dakota	Flowing	NM	Rio Arriba	29	031N	006W	NWSE	Hilcorp Energy Company
3003926478	San Juan 31-6 Unit 044E	Blanco-Mesaverde	Flowing	NM	Rio Arriba	29	031N	006W	NWSE	Hilcorp Energy Company
3003926479	San Juan 31-6 Unit 051M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	5	030N	006W	NENW	Hilcorp Energy Company
3003926481	San Juan 31-6 Unit 008M	Basin Dakota	Flowing	NM	Rio Arriba	6	030N	006W	SWSW	Hilcorp Energy Company
3003926481	San Juan 31-6 Unit 008M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	6	030N	006W	SWSW	Hilcorp Energy Company
3003926760	San Juan 31-6 Unit 004M	Basin Dakota	Flowing	NM	Rio Arriba	4	030N	006W	NWSE	Hilcorp Energy Company
3003926760	San Juan 31-6 Unit 004M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	4	030N	006W	NWSE	Hilcorp Energy Company
3003926769	San Juan 31-6 Unit 006M	Basin Dakota	Flowing	NM	Rio Arriba	1	030N	007W	NESW	Hilcorp Energy Company
3003926769	San Juan 31-6 Unit 006M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	1	030N	007W	NESW	Hilcorp Energy Company
3003926778	San Juan 31-6 Unit 231R	Basin Fruitland Coal	Flowing	NM	Rio Arriba	27	031N	006W	NESW	Hilcorp Energy Company
3003926932	San Juan 31-6 Unit 054	Basin Mancos	Flowing	NM	Rio Arriba	1	030N	006W	SENE	Hilcorp Energy Company
3003926932	San Juan 31-6 Unit 054	Blanco-Mesaverde	Flowing	NM	Rio Arriba	1	030N	006W	SENE	Hilcorp Energy Company
3003926963	San Juan 31-6 Unit 229R	Basin Fruitland Coal	Flowing	NM	Rio Arriba	28	031N	006W	NESW	Hilcorp Energy Company
3003926965	San Juan 31-6 Unit 220R	Basin Fruitland Coal	Shut-In	NM	Rio Arriba	33	031N	006W	NENE	Hilcorp Energy Company
3003927321	San Juan 31-6 Unit 215A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	36	031N	006W	SWNW	Hilcorp Energy Company
3003927331	San Juan 31-6 Unit 214A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	36	031N	006W	NESE	Hilcorp Energy Company
3003927332	San Juan 31-6 Unit 223A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	32	031N	006W	NENW	Hilcorp Energy Company
3003927335	San Juan 31-6 Unit 217A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	35	031N	006W	NENW	Hilcorp Energy Company
3003927336	San Juan 31-6 Unit 234A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	29	031N	006W	SENW	Hilcorp Energy Company
3003927400	San Juan 31-6 Unit 229A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	28	031N	006W	NENW	Hilcorp Energy Company
3003927401	San Juan 31-6 Unit 230A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	27	031N	006W	NESE	Hilcorp Energy Company
3003927410	San Juan 31-6 Unit 231A	Basin Fruitland Coal	Perm Abandoned	NM	Rio Arriba	27	031N	06W		Hilcorp Energy Company
3003927467	San Juan 31-6 Unit 202A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	1	030N	006W	NWNW	Hilcorp Energy Company
3003927468	San Juan 31-6 Unit 201A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	1	030N	006W	SWSE	Hilcorp Energy Company
3003927469	San Juan 31-6 Unit 203A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	3	030N	006W	SESE	Hilcorp Energy Company
3003927470	San Juan 31-6 Unit 204A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	3	030N	006W	NWNW	Hilcorp Energy Company
3003927471	San Juan 31-6 Unit 205A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	4	030N	006W	SWSE	Hilcorp Energy Company
3003927472	San Juan 31-6 Unit 206A	Basin Fruitland Coal	Perm Abandoned	NM	Rio Arriba	4	030N	06W		Hilcorp Energy Company
3003927478	San Juan 31-6 Unit 211A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	2	030N	006W	NWNW	Hilcorp Energy Company
3003927481	San Juan 31-6 Unit 210A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	2	030N	006W	SESE	Hilcorp Energy Company
3003927807	San Juan 31-6 Unit 213A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	5	030N	006W	NENW	Hilcorp Energy Company
3003927812	San Juan 31-6 Unit 212A	Basin Fruitland Coal	Perm Abandoned	NM	Rio Arriba	5	030N	06W		Hilcorp Energy Company
3003929409	San Juan 31-6 Unit 216A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	2	030N	006W	NENE	Hilcorp Energy Company
3003929422	San Juan 31-6 Unit 218A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	3	030N	006W	NWNE	Hilcorp Energy Company
3003929453	San Juan 31-6 Unit 209A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	1	030N	007W	NWNW	Hilcorp Energy Company
3003929483	San Juan 31-6 Unit 219A	Basin Fruitland Coal	Flowing	NM	Rio Arriba	34	031N	006W	NESW	Hilcorp Energy Company
3003929598	San Juan 31-6 Unit 048F	Basin Dakota	Flowing	NM	Rio Arriba	2	030N	006W	NWSE	Hilcorp Energy Company
3003929598	San Juan 31-6 Unit 048F	Blanco-Mesaverde	Flowing	NM	Rio Arriba	2	030N	006W	NWSE	Hilcorp Energy Company
3003929599	San Juan 31-6 Unit 038G	Basin Dakota	Flowing	NM	Rio Arriba	2	030N	006W	SWNW	Hilcorp Energy Company

3003930208	San Juan 31-6 Unit 041M	Basin Dakota	Flowing	NM	Rio Arriba	29	031N	006W	SWNW	Hilcorp Energy Company
3003930208	San Juan 31-6 Unit 041M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	29	031N	006W	SWNW	Hilcorp Energy Company
3003930264	San Juan 31-6 Unit 004N	Basin Dakota	Flowing	NM	Rio Arriba	4	030N	006W	SENE	Hilcorp Energy Company
3003930264	San Juan 31-6 Unit 004N	Blanco-Mesaverde	Flowing	NM	Rio Arriba	4	030N	006W	SENE	Hilcorp Energy Company
3003930298	San Juan 31-6 Unit 045N	Basin Dakota	Flowing	NM	Rio Arriba	31	031N	006W	SESE	Hilcorp Energy Company
3003930298	San Juan 31-6 Unit 045N	Blanco-Mesaverde	Flowing	NM	Rio Arriba	31	031N	006W	SESE	Hilcorp Energy Company
3003930311	San Juan 31-6 Unit 008N	Basin Dakota	Flowing	NM	Rio Arriba	6	030N	006W	NWSW	Hilcorp Energy Company
3003930311	San Juan 31-6 Unit 008N	Blanco-Mesaverde	Flowing	NM	Rio Arriba	6	030N	006W	NWSW	Hilcorp Energy Company
3003930319	San Juan 31-6 Unit 004P	Basin Dakota	Flowing	NM	Rio Arriba	4	030N	006W	SWSE	Hilcorp Energy Company
3003930319	San Juan 31-6 Unit 004P	Blanco-Mesaverde	Flowing	NM	Rio Arriba	4	030N	006W	SWSE	Hilcorp Energy Company
3003930320	San Juan 31-6 Unit 027M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	29	031N	006W	SENE	Hilcorp Energy Company
3003930320	San Juan 31-6 Unit 027M	Basin Dakota	Flowing	NM	Rio Arriba	29	031N	006W	SENE	Hilcorp Energy Company
3003930324	San Juan 31-6 Unit 007M	Basin Dakota	Flowing	NM	Rio Arriba	1	030N	007W	SWNE	Hilcorp Energy Company
3003930324	San Juan 31-6 Unit 007M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	1	030N	007W	SWNE	Hilcorp Energy Company
3003930357	San Juan 31-6 Unit 031P	Basin Dakota	Flowing	NM	Rio Arriba	35	031N	006W	SESE	Hilcorp Energy Company
3003930357	San Juan 31-6 Unit 031P	Blanco-Mesaverde	Flowing	NM	Rio Arriba	35	031N	006W	SESE	Hilcorp Energy Company
3003930358	San Juan 31-6 Unit 006F	Basin Dakota	Flowing	NM	Rio Arriba	1	030N	007W	SWNW	Hilcorp Energy Company
3003930358	San Juan 31-6 Unit 006F	Blanco-Mesaverde	Flowing	NM	Rio Arriba	1	030N	007W	SWNW	Hilcorp Energy Company
3003930364	San Juan 31-6 Unit 039M	Basin Dakota	Flowing	NM	Rio Arriba	27	031N	006W	SWNW	Hilcorp Energy Company
3003930364	San Juan 31-6 Unit 039M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	27	031N	006W	SWNW	Hilcorp Energy Company
3003930424	San Juan 31-6 Unit 24F	Basin Dakota	Perm Abandoned	NM	Rio Arriba	27	031N	06W		Hilcorp Energy Company
3003930476	San Juan 31-6 Unit 049P	Basin Dakota	Flowing	NM	Rio Arriba	5	030N	006W	NESE	Hilcorp Energy Company
3003930476	San Juan 31-6 Unit 049P	Blanco-Mesaverde	Flowing	NM	Rio Arriba	5	030N	006W	NESE	Hilcorp Energy Company
3003930559	San Juan 31-6 Unit 018N	Basin Dakota	Flowing	NM	Rio Arriba	3	030N	006W	SENE	Hilcorp Energy Company
3003930559	San Juan 31-6 Unit 018N	Blanco-Mesaverde	Flowing	NM	Rio Arriba	3	030N	006W	SENE	Hilcorp Energy Company
3003930636	San Juan 31-6 Unit 044M	Basin Dakota	Flowing	NM	Rio Arriba	29	031N	006W	SWSE	Hilcorp Energy Company
3003930636	San Juan 31-6 Unit 044M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	29	031N	006W	SWSE	Hilcorp Energy Company
3003930668	San Juan 31-6 Unit 016N	Basin Dakota	Flowing	NM	Rio Arriba	32	031N	006W	NENE	Hilcorp Energy Company
3003930668	San Juan 31-6 Unit 016N	Blanco-Mesaverde	Flowing	NM	Rio Arriba	32	031N	006W	NENE	Hilcorp Energy Company
3003930896	San Juan 31-6 Unit 040M	Basin Dakota	Flowing	NM	Rio Arriba	1	030N	006W	SENE	Hilcorp Energy Company
3003930896	San Juan 31-6 Unit 040M	Blanco-Mesaverde	Flowing	NM	Rio Arriba	1	030N	006W	SENE	Hilcorp Energy Company
3003982388	San Juan 31-6 Unit 15	Blanco Mesaverde	Perm Abandoned	NM	Rio Arriba	2	030N	06W		Hilcorp Energy Company
3003982389	San Juan 31-6 Unit 018	Blanco-Mesaverde	Flowing	NM	Rio Arriba	3	030N	006W	NESW	Hilcorp Energy Company
3003982390	San Juan 31-6 Unit 023	Blanco-Mesaverde	Flowing	NM	Rio Arriba	34	031N	006W	SWNE	Hilcorp Energy Company