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R-327

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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 HUERFANO UNIT I SEC. NO. 731
SAN JUAN COUNTY, NEW MEXICO**

Pursuant to Section 10 of the Huerfano 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 Huerfano Unit was 4.19 BCF gas; 27.25 MBO; 26.23 MBW. Refer to Exhibit "A" attached for a listing of all wells in the Huerfano Unit.

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

FORMATION	EXPANSION	EFFECTIVE DATE
DAKOTA	055	01-Mar-09
FRUITLAND COAL	018	01-Apr-06
MESAVERDE	023	01-Jul-98
PICTURED CLIFFS	025	01-Apr-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 nine (9) workover projects and

three (3) recompletes as outlined in the following table:

WELL NAME	API	SEC	TWP	RNG	FORMATION	TYPE
Huerfano Unit 231	3004521117	6	26N	9W	Basin Fruitland Coal	Remedial Workover
Huerfano Unit 263	3004521394	32	26N	10W	Basin Dakota	Remedial Workover
Huerfano Unit 72	3004521293	1	26N	11W	Basin Dakota	Remedial Workover
Huerfano Unit 507	3004529020	27	26N	9W	Basin Fruitland Coal	Remedial Workover
Huerfano Unit 304	3004534496	4	25N	10W	Basin Dakota	Remedial Workover
Huerfano Unit 137	3004513030	31	26N	9W	Huerfano Pictured Cliffs/Basin Dakota	Recomplete and Commingle
Huerfano Unit 179	3004520256	14	26N	10W	Huerfano Pictured Cliffs/Basin Dakota	Recomplete and Commingle
Huerfano Unit 72	3004521293	1	26N	11W	Basin Dakota	Remedial Workover
Huerfano Unit 227	3004520874	32	27N	10W	Kutz West Pictured Cliffs/Basin Gallup-Dakota	Remedial Workover
Huerfano Unit 234	3004521216	7	26N	9W	Basin Fruitland Coal	Remedial Workover
Huerfano Unit 111	3004505783	20	26N	9W	Angels Peak Gallup/Basin Dakota	Remedial Workover
Huerfano Unit 205	3004520649	28	26N	9W	Basin Dakota	Recomplete and Commingle

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 anticipates drilling at least 1 of the following wells in the Huerfano Unit. New drill opportunities will be evaluated and executed as they arise.

WELL NAME	TYPE	SEC	TWP	RNG	TARGET FORMATION
Huerfano Unit HZDK 2H	Drill	36	26	10	Mancos
Huerfano Unit HZMC 2H	Drill	17	26	10	Mancos
Huerfano Unit 601 Strat Test	Drill	5	26	9	Mancos

B. Workovers/Recompletion Program: Hilcorp anticipates performing at least fifteen (15) recompletions in the Huerfano Unit as listed below. Hilcorp will evaluate and implement additional well repairs and/or workover projects as they arise.

3004505788	Huerfano Unit 138	Basin Fruitland Coal	Flowing	NM	San Juan	22	026N	009W	NWNW	Hilcorp Energy Company
3004506080	Huerfano Unit 140	Basin Dakota	Flowing	NM	San Juan	5	026N	009W	NENW	Hilcorp Energy Company
3004526651	Huerfano Unit 140E	Basin Dakota	Flowing	NM	San Juan	5	026N	009W	NESW	Hilcorp Energy Company
3004533775	Huerfano Unit 140F	Basin Dakota	Flowing	NM	San Juan	5	026N	009W	SWNW	Hilcorp Energy Company
3004505501	Huerfano Unit 142	Basin Dakota	Flowing	NM	San Juan	7	025N	009W	SWNE	Hilcorp Energy Company
3004511600	Huerfano Unit 143	Basin Dakota	Perm Shut-In	NM	San Juan	9	026N	009W		Hilcorp Energy Company
3004511559	Huerfano Unit 144	Ballard Pictured Cliffs	Flowing	NM	San Juan	31	027N	009W	SESE	Hilcorp Energy Company
3004511559	Huerfano Unit 144	Basin Fruitland Coal	Flowing	NM	San Juan	31	027N	009W	SESE	Hilcorp Energy Company
3004524846	Huerfano Unit 144E	Basin Dakota	Flowing	NM	San Juan	31	027N	009W	NENE	Hilcorp Energy Company
3004511579	Huerfano Unit 145	Basin Dakota	Perm Abandoned	NM	San Juan	35	026N	010W		Hilcorp Energy Company
3004505429	Huerfano Unit 146	Basin Dakota	Flowing	NM	San Juan	13	025N	010W	NENE	Hilcorp Energy Company
3004505732	Huerfano Unit 147	Ballard Pictured Cliffs	Flowing	NM	San Juan	23	026N	009W	NESE	Hilcorp Energy Company
3004511781	Huerfano Unit 148	Basin Dakota	Flowing	NM	San Juan	1	025N	010W	NWNW	Hilcorp Energy Company
3004511743	Huerfano Unit 149	Basin Dakota	Flowing	NM	San Juan	18	025N	009W	NESW	Hilcorp Energy Company
3004520303	Huerfano Unit 150	Basin Dakota	Flowing	NM	San Juan	12	025N	010W	SWSE	Hilcorp Energy Company
3004526358	Huerfano Unit 150E	Basin Dakota	Flowing	NM	San Juan	12	025N	010W	SESW	Hilcorp Energy Company
3004512041	Huerfano Unit 151	Basin Dakota	Perm Abandoned	NM	San Juan	35	026N	010W		Hilcorp Energy Company
3004520495	Huerfano Unit 151Y	Unk Gallup	Perm Abandoned	NM	San Juan	35	026N	010W		Hilcorp Energy Company
3004511765	Huerfano Unit 152	Basin Dakota	Perm Abandoned	NM	San Juan	12	025N	010W		Hilcorp Energy Company
3004520326	Huerfano Unit 153	Basin Dakota	Flowing	NM	San Juan	18	025N	009W	NWNE	Hilcorp Energy Company
3004505585	Huerfano Unit 154	Blanco S Pictured Cliffs	Perm Abandoned	NM	San Juan	1	025N	010W		Hilcorp Energy Company
3004560020	Huerfano Unit 155	Basin Dakota	Flowing	NM	San Juan	8	025N	009W	NWNW	Hilcorp Energy Company
3004520003	Huerfano Unit 156	Basin Dakota	Flowing	NM	San Juan	6	026N	009W	NENW	Hilcorp Energy Company
3004526391	Huerfano Unit 156E	Basin Dakota	Flowing	NM	San Juan	6	026N	009W	SWSW	Hilcorp Energy Company
3004520018	Huerfano Unit 157	Basin Dakota	Flowing	NM	San Juan	8	026N	009W	SWSE	Hilcorp Energy Company
3004520028	Huerfano Unit 158	Basin Dakota	Flowing	NM	San Juan	8	026N	009W	SWNW	Hilcorp Energy Company
3004526393	Huerfano Unit 158E	Basin Dakota	Flowing	NM	San Juan	8	026N	009W	SWSW	Hilcorp Energy Company
3004520032	Huerfano Unit 159	Basin Dakota	Flowing	NM	San Juan	17	026N	009W	SWNW	Hilcorp Energy Company
3004520036	Huerfano Unit 160	Angels Peak-Gallup	Flowing	NM	San Juan	17	026N	009W	SWSE	Hilcorp Energy Company
3004512035	Huerfano Unit 161	Basin Dakota	Flowing	NM	San Juan	18	026N	009W	SWSE	Hilcorp Energy Company
3004526238	Huerfano Unit 161E	Basin Dakota	Flowing	NM	San Juan	18	026N	009W	SENE	Hilcorp Energy Company
3004520053	Huerfano Unit 162	Basin Dakota	Flowing	NM	San Juan	19	026N	009W	NWNW	Hilcorp Energy Company
3004526259	Huerfano Unit 162E	Basin Dakota	Flowing	NM	San Juan	19	026N	009W	NESW	Hilcorp Energy Company
3004520035	Huerfano Unit 163	Basin Dakota	Perm Abandoned	NM	San Juan	19	026N	009W		Hilcorp Energy Company
3004532747	Huerfano Unit 163E	Basin Dakota	Flowing	NM	San Juan	19	026N	009W	NENE	Hilcorp Energy Company
3004520047	Huerfano Unit 164	Basin Dakota	Flowing	NM	San Juan	20	026N	009W	SWSE	Hilcorp Energy Company
3004520037	Huerfano Unit 165	Basin Dakota	Flowing	NM	San Juan	30	026N	009W	SWSE	Hilcorp Energy Company
3004526669	Huerfano Unit 165E	Basin Dakota	Flowing	NM	San Juan	30	026N	009W	NENE	Hilcorp Energy Company
3004520038	Huerfano Unit 166	Basin Dakota	Flowing	NM	San Juan	31	026N	009W	NWNW	Hilcorp Energy Company
3004526260	Huerfano Unit 166E	Basin Dakota	Flowing	NM	San Juan	31	026N	009W	NWSW	Hilcorp Energy Company
3004520062	Huerfano Unit 167	Basin Dakota	Flowing	NM	San Juan	23	026N	010W	SENE	Hilcorp Energy Company
3004520059	Huerfano Unit 168	Basin Dakota	Flowing	NM	San Juan	23	026N	010W	SWSE	Hilcorp Energy Company
3004526677	Huerfano Unit 168E	Basin Dakota	Perm Abandoned	NM	San Juan	23	026N	010W		Hilcorp Energy Company
3004526677	Huerfano Unit 168E	Basin Dakota	Perm Abandoned	NM	San Juan	23	026N	010W		Hilcorp Energy Company
3004520052	Huerfano Unit 169	Basin Dakota	Flowing	NM	San Juan	24	026N	010W	SWSE	Hilcorp Energy Company
3004520029	Huerfano Unit 170	Basin Dakota	Perm Abandoned	NM	San Juan	25	026N	010W		Hilcorp Energy Company
3004520029	Huerfano Unit 170	Basin Dakota	Perm Abandoned	NM	San Juan	25	026N	010W		Hilcorp Energy Company
3004526266	Huerfano Unit 170E	Basin Dakota	Flowing	NM	San Juan	25	026N	010W	SENE	Hilcorp Energy Company
3004520025	Huerfano Unit 171	Basin Dakota	Flowing	NM	San Juan	36	026N	010W	NWNW	Hilcorp Energy Company
3004526540	Huerfano Unit 171E	Basin Dakota	Flowing	NM	San Juan	36	026N	010W	NESW	Hilcorp Energy Company
3004520216	Huerfano Unit 173	Basin Dakota	Flowing	NM	San Juan	13	026N	010W	SWSE	Hilcorp Energy Company
3004526397	Huerfano Unit 173E	Basin Dakota	Flowing	NM	San Juan	13	026N	010W	SWNE	Hilcorp Energy Company
3004520233	Huerfano Unit 174	Basin Dakota	Flowing	NM	San Juan	13	026N	010W	SWNW	Hilcorp Energy Company
3004526263	Huerfano Unit 174E	Basin Dakota	Flowing	NM	San Juan	13	026N	010W	NWSW	Hilcorp Energy Company
3004520252	Huerfano Unit 175	Basin Dakota	Flowing	NM	San Juan	14	026N	010W	SWSE	Hilcorp Energy Company
3004526264	Huerfano Unit 175E	Basin Dakota	Flowing	NM	San Juan	14	026N	010W	NWNE	Hilcorp Energy Company
3004520265	Huerfano Unit 176	Basin Dakota	Flowing	NM	San Juan	15	026N	010W	SESE	Hilcorp Energy Company
3004526279	Huerfano Unit 176E	Basin Dakota	Flowing	NM	San Juan	15	026N	010W	SENE	Hilcorp Energy Company
3004520290	Huerfano Unit 177	Basin Dakota	Perm Abandoned	NM	San Juan	22	026N	010W		Hilcorp Energy Company

3004505861	Huerfano Unit COM 097	Ballard Pictured Cliffs	Flowing	NM	San Juan	16	026N	009W	SENE	Hilcorp Energy Company
3004505828	Huerfano Unit COM 098	Ballard Pictured Cliffs	Flowing	NM	San Juan	16	026N	009W	SESE	Hilcorp Energy Company
3004505847	Huerfano Unit COM 133	Basin Dakota	Flowing	NM	San Juan	16	026N	009W	NWSE	Hilcorp Energy Company
3004505613	Huerfano Unit COM 134	Basin Dakota	Flowing	NM	San Juan	36	026N	010W	NWSE	Hilcorp Energy Company
3004526233	Huerfano Unit COM 134E	Basin Dakota	Flowing	NM	San Juan	36	026N	010W	NENE	Hilcorp Energy Company
3004505864	Huerfano Unit COM 141	Basin Dakota	Flowing	NM	San Juan	16	026N	009W	SWNW	Hilcorp Energy Company
3004520660	Huerfano Unit COM 208	Basin Dakota	Flowing	NM	San Juan	32	026N	009W	NWNW	Hilcorp Energy Company
3004535291	Huerfano Unit COM 311	Basin Dakota	Flowing	NM	San Juan	2	025N	009W	NESE	Hilcorp Energy Company
3004535291	Huerfano Unit COM 311	Dufers Point-Gallup Dakota	Flowing	NM	San Juan	2	025N	009W	NESE	Hilcorp Energy Company
3004529175	Huerfano Unit COM 518	Basin Fruitland Coal	Flowing	NM	San Juan	16	026N	009W	SESW	Hilcorp Energy Company
3004530453	Huerfano Unit COM 551	Basin Fruitland Coal	Flowing	NM	San Juan	16	026N	009W	NENE	Hilcorp Energy Company
3004535370	Huerfano Unit HZMC 001H	Angels Peak-Gallup	Flowing	NM	San Juan	9	026N	010W	SWSW	Hilcorp Energy Company
3004505743	Huerfano Unit NP 023	Basin Fruitland Coal	Flowing	NM	San Juan	19	026N	009W	NESE	Hilcorp Energy Company
3004505785	Huerfano Unit NP 051	Ballard Pictured Cliffs	Perm Abandoned	NM	San Juan	21	026N	009W		Hilcorp Energy Company
3004506028	Huerfano Unit NP 066	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	6	026N	010W		Hilcorp Energy Company
3004505973	Huerfano Unit NP 116	Basin Dakota	Flowing	NM	San Juan	11	026N	010W	NENW	Hilcorp Energy Company
3004511843	Huerfano Unit NP 172	Basin Dakota	Flowing	NM	San Juan	9	025N	009W	SWNW	Hilcorp Energy Company
3004526232	Huerfano Unit NP 194E	Gallegos Gallup	Perm Abandoned	NM	San Juan	16	026N	010W		Hilcorp Energy Company
3004520554	Huerfano Unit NP 199	Unk Greenhorn	Perm Abandoned	NM	San Juan	17	025N	009W		Hilcorp Energy Company
3004520737	Huerfano Unit NP 212	Basin Dakota	Perm Abandoned	NM	San Juan	20	026N	010W		Hilcorp Energy Company
3004520835	Huerfano Unit NP 216	Basin Dakota	Perm Abandoned	NM	San Juan	30	026N	010W		Hilcorp Energy Company
3004520835	Huerfano Unit NP 216	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	30	026N	010W		Hilcorp Energy Company
3004520835	Huerfano Unit NP 216	Gallegos Gallup	Perm Abandoned	NM	San Juan	30	026N	010W		Hilcorp Energy Company
3004520739	Huerfano Unit NP 218	Gallegos Gallup	Flowing	NM	San Juan	29	026N	010W	NWNW	Hilcorp Energy Company
3004520814	Huerfano Unit NP 219	Gallegos Gallup	Flowing	NM	San Juan	29	026N	010W	NESE	Hilcorp Energy Company
3004520911	Huerfano Unit NP 229	Basin Dakota	Flowing	NM	San Juan	5	026N	010W	SESE	Hilcorp Energy Company
3004521407	Huerfano Unit NP 248	Angels Peak-Gallup	Flowing	NM	San Juan	5	026N	009W	SWNW	Hilcorp Energy Company
3004521419	Huerfano Unit NP 253	Angels Peak Gallup	Perm Abandoned	NM	San Juan	11	026N	010W		Hilcorp Energy Company
3004521401	Huerfano Unit NP 254	Angels Peak Gallup	Perm Abandoned	NM	San Juan	13	026N	010W		Hilcorp Energy Company
3004523836	Huerfano Unit NP 270	Basin Dakota	Perm Abandoned	NM	San Juan	7	026N	010W		Hilcorp Energy Company
3004523836	Huerfano Unit NP 270	Angels Peak Gallup	Perm Abandoned	NM	San Juan	7	026N	010W		Hilcorp Energy Company
3004521653	Huerfano Unit NP 274	Basin Dakota	Flowing	NM	San Juan	31	027N	010W	NWNW	Hilcorp Energy Company
3004529168	Huerfano Unit NP 288	Basin Dakota	Perm Abandoned	NM	San Juan	10	025N	010W		Hilcorp Energy Company
3004528581	Huerfano Unit NP 303	Angels Peak-Gallup	Flowing	NM	San Juan	4	026N	010W	NWSE	Hilcorp Energy Company
3004527449	Huerfano Unit NP 547	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	9	026N	010W		Hilcorp Energy Company

