

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 1-4-18

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-25608-00-00	ZACHRY	048	HILCORP ENERGY COMPANY	O	A	San Juan	F	G	34	29	N	10	W

Application Type:

- P&A
 Drilling/Casing Change
 Location Change
 Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)
 Other:

Conditions of Approval:

- Notify OCD 24hrs prior to beginning operations.
- Perform CBL and submit it to the agencies for review and approval prior to perforating.

NMOCD Approved by Signature

1/31/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

JAN 05 2018

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.

5. Lease Serial No. **SF-080724-A**

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No. **Zachry 48**

9. API Well No. **30-045-25608**

10. Field and Pool or Exploratory Area **Armenta Gallup**

11. Country or Parish, State **San Juan, New Mexico**

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Hilcorp Energy Company

3a. Address **PO Box 4700, Farmington, NM 87499**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit G (SWNE) 1980'FNL & 2145' FEL, Sec. 34, T29N, R10W

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 recompletable 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 recompletable 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.)

Plans are to recompletable the subject well in the Mesaverde formation and downhole commingle the existing Gallup with the Mesaverde. Attached is the MV plat and procedure. A DHC application will be submitted and approved before work proceeds.

OIL CONS. DIV DIST. 3

JAN 24 2018

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

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) **Christine Brock**

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

Signature *Christine Brock* Date **1/4/2018**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *William Tambekou* Title **Petroleum Engineer** Date **1/23/2018**

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 **FFD**

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)

Zachry 48

1980' FNL & 2145' FEL. Spot G. Section 34 -T 029N -R 010W
API# 3004525608

Mesa Verde Recomplete Sundry

1/3/2018

History/Justification:

The Zachry 48 is a standalone Gallup well that was drilled and completed in 1983. There was a remedial project in 1999 to pull rods and put it on plunger lift, and there are no other workovers to date. This is a capital project to add a two stage MV completion in the Point Lookout and Menafee.

The casing is believed to be in good condition. Records indicate cement behind casing circulated to surface, and there is good cement bonding except for right below the DV tools. The stimulation may be performed in multiple stages. The well currently makes 34 Mcfd, 0.3 BWPD, and 0.17 BOPD.

Procedure:

1. MIRU service rig and associated equipment; NU and test BOP.
2. Tag fill, TOOH and scan 2 3/8" tubing.
3. Run GR and set a 5 1/2" (4.95" ID) composite bridge plug below Point Lookout perfs (but above 4580') to isolate the Gallup. POOH.
4. TIH with tubing. Load well and circulate, and PT casing to 1000 psi. POOH.
5. If a frac string is required, perforate both stages, then run 2 7/8" frac string with 5 1/2" x 2 7/8" packer, and set at top of perf interval.
6. ND BOP and NU 5k tubing hanger and frac stack. PT casing to 4000 psi (~83% of burst for 5 1/2" 15.5# K55 casing).
7. Perforate and frac the Point Lookout and Mesaverde in two stages (no frac string) or use diversion (with frac string).
8. Nipple down frac stack, nipple up BOP and test.
9. TIH and cleanout to Gallup isolation plug and, when water and sand rates are acceptable, flow test the Mesaverde.
10. Drill out Gallup isolation plug and cleanout to PBTD of 5,982'. TOOH.
11. TIH and land production tubing. Get a commingled Gallup / Mesaverde flow rate.
12. Release service rig and turn well over to production.

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 246578

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-25608	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318769	5. Property Name ZACHRY	6. Well No. 048
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5601

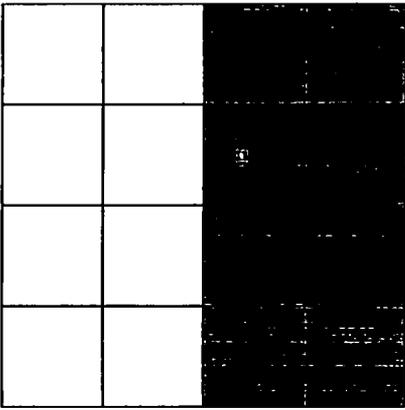
10. Surface Location

UL - Lot G	Section 34	Township 29N	Range 10W	Lot Idn	Feet From 1980	N/S Line N	Feet From 2145	E/W Line E	County SAN JUAN
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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	E/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

	OPERATOR CERTIFICATION
	<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>Christine Brack</i> Title: Operations/Regulatory Tech - Sr. Date: 1/4/2018</p>
	SURVEYOR CERTIFICATION
	<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: Michael Daly Date of Survey: 11/12/1982 Certificate Number: 5992</p>

Well Name: **ZACHRY #48**

API / UWI 3004525608	Surface Legal Location 034-029N-010W-G	Field Name ARMENTA GALLUP	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 5,601.00	Original KBRT Elevation (ft) 5,615.00				

Original Hole, 1/3/2018 3:23:46 PM

