

State of New Mexico
Energy, Minerals and Natural Resources Department

dhcSusana 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: 3/26/2018

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-35152-00-00	JOHNSTON FEDERAL	009F	HILCORP ENERGY COMPANY	G	A	San Juan	F	B	35	31	N	9	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.
- Density exception must be approved prior to producing the Blanco Mesaverde

NMOCD Approved by Signature

4/2/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 26 2018

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

5. Lease Serial No. **SF-078439**
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.

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

8. Well Name and No.
Johnston Federal 9F

9. API Well No.
30-045-35152

10. Field and Pool or Exploratory Area
Blanco Mesaverde / Basin Dakota

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

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 B (NW/NE) 749' FNL & 1453' FEL, Sec. 35, T31N, R09W
Bottomhole Unit G (SW/NE) 2066' FNL & 1853' FEL, Sec. 35, T31N, R09W

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 recomplete 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 recomplete the subject well in the Mesaverde formation and downhole commingle the existing Dakota with the Mesaverde. Attached is the MV plat and recomplete procedure. A DHC application will be filed and approved prior to commingling. A Closed Loop system will be used.

****Please note that this well is pending approval of well density exemption****

SEE ATTACHED FOR CONDITIONS OF APPROVAL

NMOCD

MAR 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

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Priscilla Shorty
Title **Operations/Regulatory Technician - Sr.**
Signature *Priscilla Shorty*
Date **3/26/2018**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *William Tambekou*
Title **Petroleum Engineer**
Office **FFD**
Date **3/29/2018**
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.

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.

NMOCD AV

District I1625 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) 476-3462Form C-102
August 1, 2011

Permit 250137

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-35152	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318585	5. Property Name JOHNSTON FEDERAL	6. Well No. 009F
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5975

10. Surface Location

UL - Lot B	Section 35	Township 31N	Range 09W	Lot Idn	Feet From 749	N/S Line N	Feet From 1453	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot G	Section 35	Township 31N	Range 09W	Lot Idn	Feet From 2066	N/S Line N	Feet From 1853	E/W Line E	County SAN JUAN
12. Dedicated Acres 315.92 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
	<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>
	E-Signed By: <i>Priscilla Shorty</i>
	Title: Operations Regulatory Technician Date: 03/20/2018
	SURVEYOR CERTIFICATION
	<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>
	Surveyed By: Henry Broadhurst Jr. Date of Survey: 8/28/2009 Certificate Number: 11393



HILCORP ENERGY COMPANY
JOHNSTON FEDERAL 9F
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 7,631'.
3. Set a 4-1/2" cast iron bridge plug at +/- 5,650' to isolate the Dakota. Note: TOC at 3,624' by CBL.
4. Load the hole and pressure test the casing to 4000 psi.
5. N/D BOP, N/U frac stack and test frac stack to frac pressure.
6. Perforate and frac the Mesa Verde in two or three stages. (Top Perforation @ 4124'; Bottom Perforation @ 5650').
7. Isolate frac stages with a composite bridge plug.
8. Nipple down frac stack, nipple up BOP and test.
9. TIH with a mill and drill out top isolation plug and Mesa Verde frac plugs.
10. Clean out to Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesa Verde.
11. Drill out Dakota isolation plug and cleanout to PBTD of 7,732'. TOOH.
12. TIH and land production tubing. Get a commingled Dakota/Mesa Verde flow rate.



**HILCORP ENERGY COMPANY
JOHNSTON FEDERAL 9F
MESA VERDE RECOMPLETION SUNDRY**

JOHNSTON FEDERAL 9F - CURRENT WELLBORE SCHEMATIC

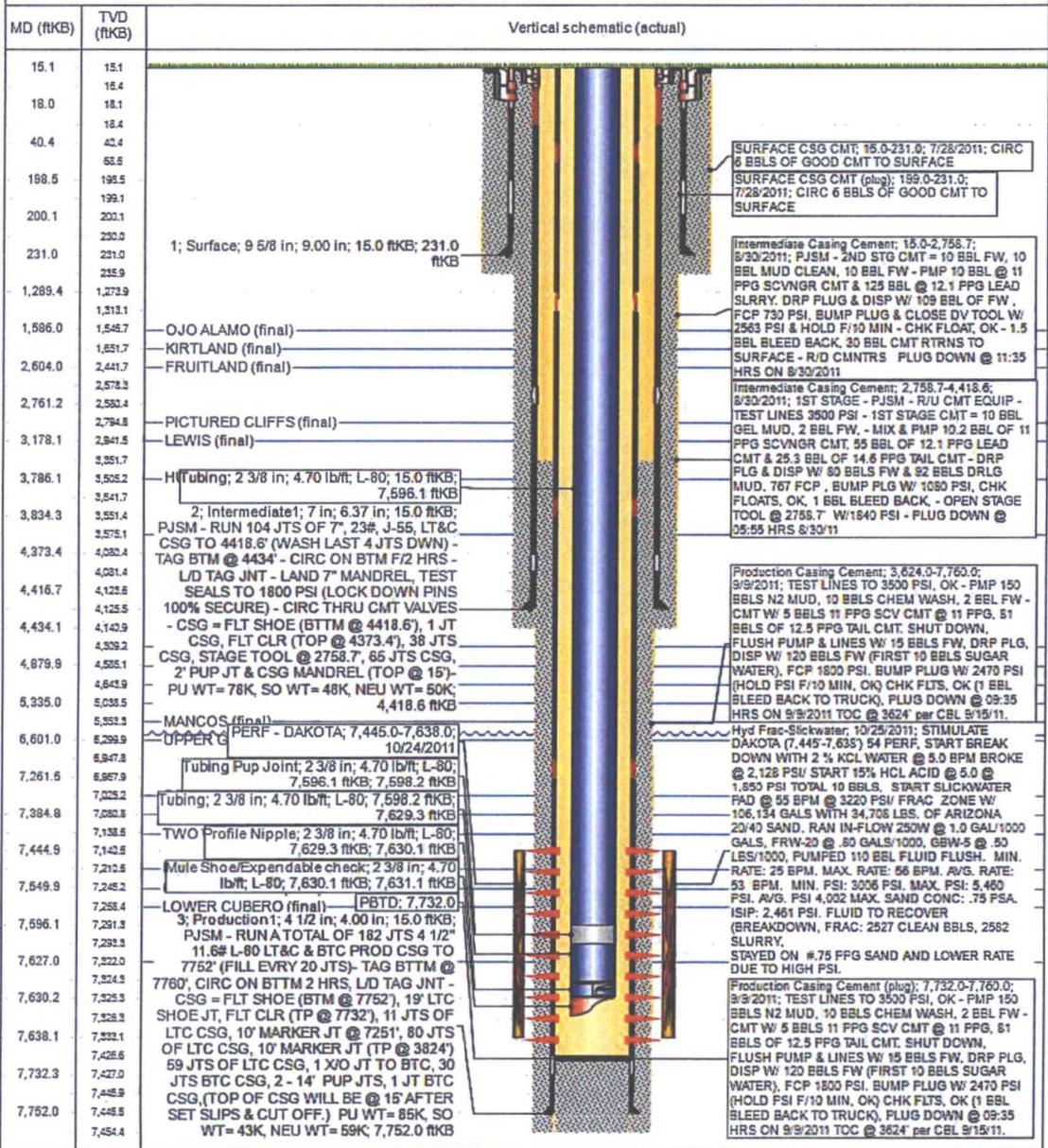


Current Schematic

Well Name: JOHNSTON FEDERAL #9F

API / UWI 3004535152	Surface Legal Location 035-031N-009W-B	Field Name BASIN DAKOTA	License No.	State/Province NEW MEXICO	Well Configuration Type DEVIATED
Ground Elevation (ft) 5,976.00	Original KBRT Elevation (ft) 5,991.00	KB - Ground Distance (ft) 15.00	KB - Casing Flange Distance (ft) 15.00	KB - Tubing Hanger Distance (ft)	

DEVIATED, Original Hole, 3/26/2018 9:05:46 AM





United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd. - Suite A
Farmington, New Mexico 87402
www.blm.gov/nm

RECOMPLETION CONDITION OF APPROVAL

Operator: Hilcorp Energy Company
Lease No.: NMSF 078439
Well Name: Johnston Federal 9F
Well Location: Sec.35, T31N, R09W; 749' FNL & 1453' FEL

- The recompletion procedure indicates that a CBL was run. Please submit a copy to the Bureau of Land Management – Farmington Field Office (BLM – FFO) for verification.
- The Bureau of Land Management – Farmington Field Office (BLM – FFO) is calling the Mesaverde formation interval at 4328’-5364’

William Tambekou
Petroleum Engineer
Petroleum Management Team