

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: 10-31-18
Well information:

HILCORP ENERGY COMPANY, REUTER #002, API# 30-039-06797

Application Type:

- P&A Drilling/Casing Change Location Change
 Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)
 Other:

Conditions of Approval:

- Notify the OCD 24hrs prior to beginning operations.
- Submit the cement bond log (CBL) to the Agencies for review and approval prior to perforating the formation.
- If needed, submit proposed remediation plan to the Agencies for review and approval prior to starting remediation.

NMOCD Approved by Signature

11-16-18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

NOV 08 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF079210
2. Name of Operator Hilcorp Energy Company		6. If Indian, Allottee or Tribe Name
3a. Address 382 Road 3100, Aztec, NM 87410	3b. Phone No. (include area code) 505-599-3400	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit L (NW/SW) 1450'FSL & 790' FWL, Sec. 34, T27N, R06W		8. Well Name and No. Reuter 2
		9. API Well No. 30-039-06797
		10. Field and Pool or Exploratory Area BlancoMV/SBlancoTocitoGlp/BasinDK
		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 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 Gallup/Dakota with the Mesaverde. Attached is the MV C102, recomplete procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds. A closed loop system will be utilized. Interim reclamation will be performed after surface disturbing activities.

NMCCD
NOV 15 2018
DISTRICT III

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Etta Trujillo		Title Operations/Regulatory Technician - Sr.
Signature 	Date 10/31/2018	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 	Title PE	Date 11/14/18
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 FTO	

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.

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 259254

WOOD
 NOV 15 2018
 DISTRICT III

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-06797	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318677	5. Property Name REUTER	6. Well No. 002
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6498

10. Surface Location

UL - Lot L	Section 34	Township 27N	Range 06W	Lot Idn	Feet From 1450	N/S Line S	Feet From 790	E/W Line W	County RIO ARRIBA
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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 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

	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>Etta Trujillo</i> Title: Operations/Regulatory Tech Sr Date: 10/31/2018</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: David Kilven Date of Survey: 4/24/1962 Certificate Number: 1760</p>



HILCORP ENERGY COMPANY
REUTER 2
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 7,404'.
3. Set a 4-1/2" cast iron bridge plug at +/- 6,630' to isolate the Gallup/Dakota.
4. Load the hole and run a CBL from the CIBP to surface. Squeeze as needed based on the CBL.
5. Set a 4-1/2" cast iron bridge plug at +/- 4,385' to isolate the Stage Tool.
6. Perforate the Mesa Verde (Top Perforation @ 4,618'; Bottom Perforation @ 5,335').
7. RIH with a packer and 2-7/8" Frac string, setting depth TBD based on CBL results. NU Test Frac stack and frac string.
8. Frac the Mesa Verde
9. Nipple down frac stack, nipple up BOP and test.
10. TOOH 2-7/8" Frac String.
11. TIH with a mill.
12. Clean out to Gallup/Dakota isolation plug.
13. Drill out Gallup/Dakota isolation plug and cleanout to PBTD of 7,470'. TOOH.
14. TIH and land production tubing at 7,404'.



HILCORP ENERGY COMPANY
REUTER 2
MESA VERDE RECOMPLETION SUNDRY

KNOOD
 NOV 15 2018
 DISTRICT 111

REUTER 2 - CURRENT WELLBORE SCHEMATIC

