

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: 10/16/18
Well information:

HILCORP ENERGY COMPANY, HUERFANO UNIT NP #218, API# 30-045-20739

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: Recomplete

Conditions of Approval:

- Notify NMOCD 24 Hours prior to commencing activities
- Set cast iron bridge plug (CIBP) inside of cemented casing and at least 500' below the bottom of the proposed perforations. To show adequate formation/cement isolation.
- Perform and submit a cement bond log (CBL) to the OCD for review and approval prior to perforating the formation.
- If needed, submit proposed remediation plan to the OCD for review and approval prior to starting remediation.

A handwritten signature in black ink, appearing to read "Brandon Bell".

NMOCD Approved by Signature

11/13/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

RECEIVED
OCT 16 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-078557** Farmington Field Office
Bureau of Land Management

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

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

8. Well Name and No.
Huerfano Unit NP 218

2. Name of Operator
Hilcorp Energy Company

9. API Well No.
30-045-20739

3a. Address
382 Road 3100, Aztec, NM 87410

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

10. Field and Pool or Exploratory Area
Gallegos Gallup / Wildcat PC

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit D (NWNW), 800' FNL & 800' FWL, Sec. 29, T26N, R10W

11. Country or Parish, State
San Juan, 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 recompleate 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 recompleation 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 recompleate the subject well in the Pictured Cliffs formation and downhole commingle the existing Gallup formation. Attached is the PC C102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds. A Closed Loop system will be utilized.

HOLD C104 FOR DHC

NMOCD

OCT 19 2018

DISTRICT III

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

10/16/18

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title **PE**

Date *10/19/18*

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

NMOCD IV

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 258684

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-20739	2. Pool Code 97808 98302	3. Pool Name WILDCAT PICTURED CLIFFS <i>W 26N10W29D, Pictured Cliffs</i>
4. Property Code 318580	5. Property Name HUERFANO UNIT NP	6. Well No. 218
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6498

10. Surface Location

UL - Lot D	Section 29	Township 26N	Range 10W	Lot Idn	Feet From 800	N/S Line N	Feet From 800	E/W Line W	County SAN JUAN
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	--------------------

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 160.00 NW/4	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>Lehistine Brock</i> Title: Operation/Regulatory Tech - Sr. Date: 10/16/2018	
	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: David Kilven Date of Survey: 1/29/1971 Certificate Number: 1760		

Huerfano Unit NP 218

029-026N-010W-D

API: 3004520739

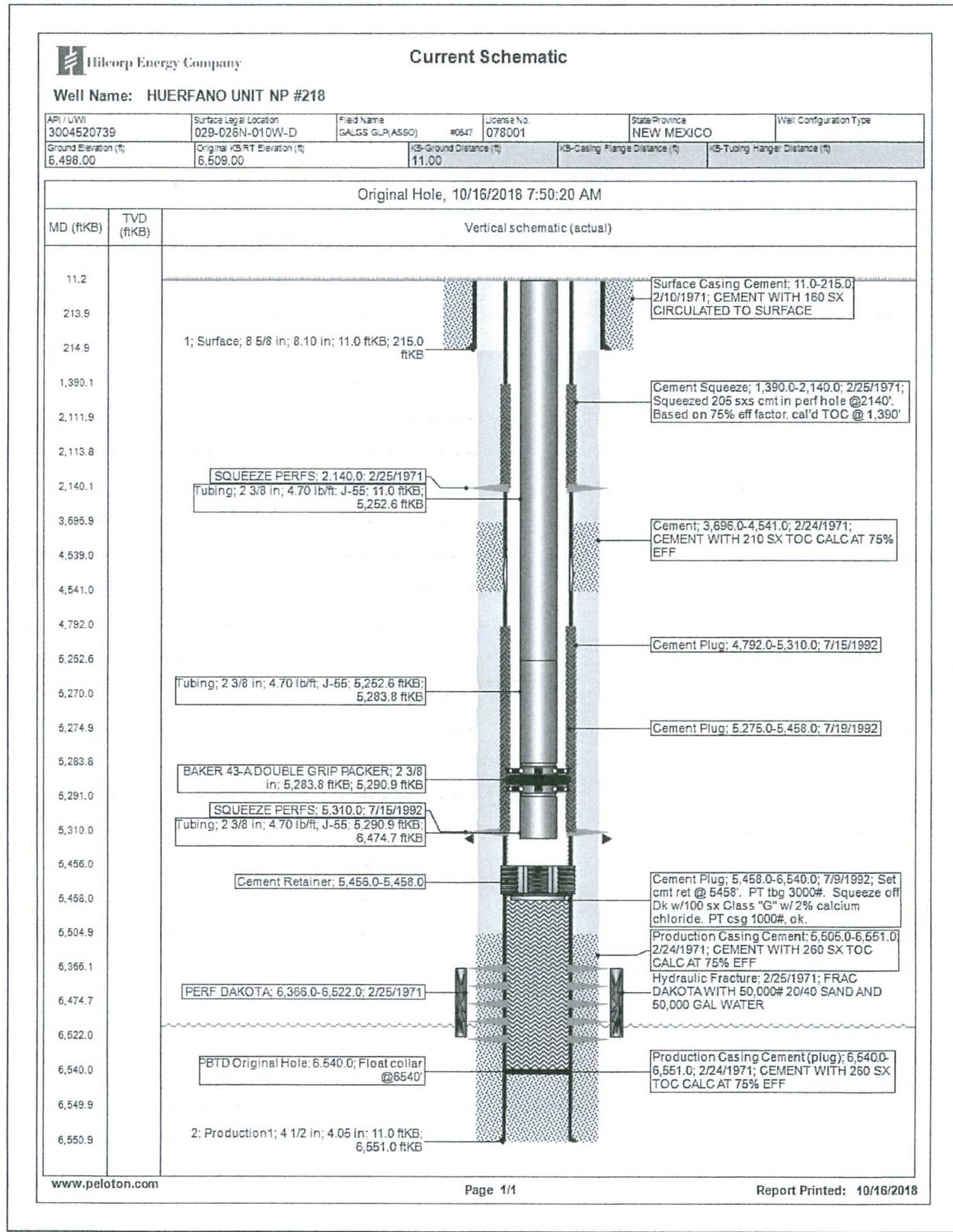
Pictured Cliffs Zone Add

10/16/2018

Proposed Procedure

1. MIRU Service rig and associated equipment
2. Test BOP's
3. TOO H with 2-3/8" tubing currently set with EOT at 6,746'
 - a. If unable to release packer @ 5,283', will leave packer in hole and produce Gallup thru pkr
4. Set a CIBP @ 5,200' to isolate the Gallup. Set CIBP @ 1,975' to isolate the PC
5. Load the hole
6. Perforate the Pictured Cliffs from 1,836' to 1,856'.
7. When water and sand rates are acceptable, flow test the Pictured Cliffs
8. Drill out Gallup isolation plug & TOO H
9. TIH and land production tubing. Obtain a commingled Gallup-Pictured Cliffs flow rate
10. ND BOP's, NU production tree
11. RDMO service rig & turn well over to production

Vertical Schematic:



Directional Schematic



Hilcorp Energy Company

Directional Schematic with MD only on events

Well Name: HUERFANO UNIT NP #218

API / UWI 3004520739	Surface Legal Location 029-026N-010W-D	State/Province NEW MEXICO	District SOUTH	Area AREA 06	Route 0605
Ground Elevation (ft) 6,498.00	Casing Flange Elevation (ft)	K5-Ground Distance (ft) 11.00	K5-Casing Flange Distance (ft)	Original Spud Date 2/9/1971 00:00	Rig Release Date 8/13/1992 06:00

Sidetrack 1, 10/16/2018 7:51:12 AM

Directional schematic (actual)

