

District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-25146
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. E-6515
7. Lease Name or Unit Agreement Name State B Gas Com
8. Well Number 1E
9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
HILCORP ENERGY COMPANY

3. Address of Operator
382 Road 3100, Aztec, NM 87410

4. Well Location

Unit Letter E 1800 feet from the North line and 1180 feet from the West line
Section 16 Township 29N Range 10W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5772'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☒ Casing Repair/MIT

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RpULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

During the wellbore prep for Mesaverde recomplete, Hilcorp Energy encountered casing leaks that required remediation as follows:

12/10/2018 MIRU. ND WH, NU BOP, PT-OK. SDFN.

12/11/2018 BD tbg to tank. Pump 5 bbls fresh water down tbg. Unable to release packer. NU BOPE. PT BOP to 1500# x 10 min; no leak off. LD Halliburton PLS packer after 2 hrs. SIW. Swab out tbg floats. SDFN.

12/12/2018 TIH w/ 3-7/8" junk mill & csg scraper to 6557'. TOH w/bit & scraper. TIH w/CIBP, plug prematurely set @ **6135'**. Obtained NMOCD approval from Brandon Powell to leave plug @ 6135'. SDFN.

12/13/2018 TIH & set Select 4.5" CIBP @ **4900'**. Pumped 100 bbls FW, no returns. TOH w/ setting tool. MU & TIH w/FB tension packer set @ 4891'. PT CIBP 500# w/300# loss in 3 min. Re-test; same results. Set pkr @ 4835'. PT CIBP 500# w/same results. Release pkr. PU to 4017' & set pkr. Load annulus w/10 bbl. PT 4.5" csg above pkr. Pipe rams leaking, change out seals on pipe ram blocks. Con't Page 2.....

Spud Date:

Rig Release Date:

JAN 24 2019

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cherylene Weston TITLE Operations / Regulatory Technician DATE 1-23-19

Type or print name Cherylene Weston E-mail address: cweston@hilcorp.com PHONE: 505-564-0779

For State Use Only

APPROVED BY: Brandon Powell TITLE Deputy Oil & Gas Inspector, DATE 2/6/19

Conditions of Approval (if any):

A

DISTRICT III

Con't....

PT 4.5" csg above pkr to 500#; 230# loss in 8 min. Re-test to 500#; 200# loss in 10 min. No visible surf leaks. Rel pkr & TOH. SDFN.

12/14/2018 TIH & set RBP @ 4864' & pkr @ 4832'. Load hole w/15 bbls FW. PT RBP to 630# x 10 min w/no leak off. PT csg above pkr to surf 520#, 100# loss in 7 min. PU & set pkr @ 4674'. PT csg below pkr to RBP @ 4864' to 630# x 10 min w/no leak off. Csg test good 4674'-4864'. Pipe rams leaking. Replaced ram blocks. Re-set pkr 1 jt up @ 4046'. PT csg above pkr, 60# loss in 3 min. **Move & set RBP @ 4077'**. Set pkr @ 4045'. PT RBP to 670# x 10 min, no leak off. Rel pkr & set @ 2010'. PT csg below pkr 520#, 60# loss in 2 min. Tst csg above pkr 580#, 200# loss in 1 min. Pipe rams leaking. Rel pkr & TOH. Set pkr @ 25'. PT csg to 520#, 110# loss in 5 min. Chg out BOPE. Set pkr @ 25'. PT pipe rams & seals. Had communication out tbg. SDFN.

12/15/2018 MU pkr & set @ 25'. PT BOP 800# x 15 min w/no leak off. PT 4.5" csg to RBP @ 4077' to 580#, 100# loss in 5 min. Rel pkr. TIH w/pkr to isolate csg leak: 0-3719' csg test good; 3719-4045' csg leak; 4045'-4077 csg test good. Rel RBP @ 4077'. TIH & set RBP @ 4864', set pkr @ 4832'. PT RBP 650# x 5 min w/no leak off. Con't isolating csg leaks: 4077-4172' csg leak; 4172'-4864' csg test good. RU Basin WL. Run CCL/CBL/GR from 4855'-surface w/no psi. Re-run CCL/CBL/GR 4855'-surface w/psi. Psi up csg to 600#, 150# loss in 7 min. SIW. RD Basin WL. SDFW.

12/17/2018 TIH w/ret head & pkr. Casing leaks @ 4172'-4130', 4045'-3982' & 3888'-3719'. Move RBP to 3719'. PT RBP & 4.5" csg to surf; confirm good csg 3719'-surface. Rel RBP, TOH w/ pkr & plug. SDFN.

12/18/2018 TIH & set Weatherford CIBP @ 4117'. Obtained permission to shoot squeeze holes from Brandon Powell at NMOCD via email. RU Basin WL & shoot two .42 diam. squeeze holes @ 4100' & two .42 dia holes @ 3980'. RD WL. TIH & set pkr @ 4077'. Est IR down tbg w/1.5 BPM @ 150# out holes @ 4100' & communicate up to holes @ 3980'. Pumped 10 bbls. Rel pkr & TOH. SDFN.

12/19/2018 TIH & set Weatherford CR @ 4075'. Est IR dwn tbg below CR @ 4075' & out sqz holes @ 4100' & back in sqz holes @ 3980' above CR w/1.5 BPM @ 275#. Good returns out csg valve. **Pump 55 sx Class G cement (11 bbls) # 15.6 PPG, 2 BPM @ 35#, displ w/15.2 bbl water.** Full returns to surface. **Used 55 sx Class G cement, 1.18 yield, 5 gals/sx mix water, 15.8 ppg.** Sting out CR, leave ½ bbl cement on top. PU to 3451' & rev circ. Pumped 45 bbls total. Circ out mud, no cement. TOH setting tool. SDFN.

12/20/2018 PU & TIH w/3-7/8" bit/sub & power swivel. DO 50' of cement 4021' – 4071'. Att to DO CR @ 4071' x 4 hrs. TOH w/bit. TIH w/ 3-7/8" junk mill & power swivel to 4066'. Cont **DO CR @ 4075'** & cement 4073' – 4105'. Circ down to CIBP @ 4117'. **DO CIBP @ 4117'**. Circ hole ½ hr. TIH to CIBP @ 4840'. TOH to 3505'. SDFN.

12/21/2018 RU WL. Run CBL 4100' – 3954'. Set CIBP @ 3970'. RIH w/ 3-1/8" HSC, perf two .42 diam. squeeze holes @ 3935' & 2 holes @ 3700'. TIH & set pkr @ 3886'. Est IR 1.5 BPM @ 150# dn tbg out sqz holes @ 3935' back up 4.5" x 7-7/8" OH annulus & back in sqz holes @ 3700' inside 4.5" csg. Good rets to pit. Rel pkr. Set pkr @ 3949' & PT CIBP @ 3970' to 620# x 5 min, test ok. Rel & TOOH w/pkr. TIH & set **CR @ 3887'**. PT tbg 800#. Circ 1.5 BPM @ 300# dn tbg out sqz hole @ 3935' & back in holes @ 3700'. Good rets out csg valve at surf. **Pump suicide sqz w/ 105 sx Class G cement (21.5 bbls) dwn tbg below CR @ 3887', out sqz holes @ 3935' up 4.5" x 7-7/8" annulus.** Rets coming back in holes @ 3700' up 4.5"

csg to surf, 1.5 BPM @ 70# displ w/14.5 bbl water. **105 sx Class G neat cement, 15.8 PPG, 1.15 yield, 5 gals mix water.** Rev circ 55 bbls, no cement to surf. SDFN.

12/26/2018 TIH w/ 3-7/8" junk mill. Tag cement @ 3720'. DO cement from 3720'-3887'. **DO CR @ 3887'.** Circ hole clean. Mill @ 3631'. SDFN.

12/27/2018 Drill cement 3889'-3947', tag CIBP @ 3970', circ hole clean, TOH w/mill. Run **CBL 3958' - 3150'.** Est TOC @ 3710'. TIH & set pkr @ 3717', PT csg above pkr to 610#, 110# loss in 5 min. PT csg below pkr 680#, 80# loss in 10 min. Set pkr @ 3671'. PT csg below pkr 600#, 110# loss in 5 min. PT csg above pkr 3671' to surf 590# x 10 min w/no leak off. Rel pkr. SDFN.

12/28/2018 Set pkr @ 3888', PT csg 3888' to CIBP @ 3970' to 520# x 5 min (no leak off). Rel pkr. Set pkr @ 3765'. Test csg below pkr to 540#; 10# loss in 5 min. Rel pkr & TOH. MIRU Halliburton. PT lines 3500#, batch mix cement. Pump 5 bbl water spacer, **then 7.3 bbl cement plug @ 13 PPG from 3886' - 3428',** displaced w/12.5 bbl water 3 BPM @ 325#. **50 sx squeeze cement w/ 4.4 CFR-3, 4.4# HALAD 567, 132 PPG, .82 yield, 4.3 gals/sx.** PU to 2635'. Rev circ tbq w/20 bbl water, no cement circ out. Est TOC @ **3553'.** RD Halliburton. SDFW. WOC.

12/31/2018 Drill green cement 3627-3694'. Drill good cement 3694'-3891', fell out of cement. Circ down to CIBP @ 3970'. PT 4.5" csg 560#; 110# loss in 5 min. Bleed off & retest; 80# loss in 5 min due to surf leaks. Re-test 540# x 5 min; 40# loss, 10 min 60# loss, 15 min 80# loss, 20 min 100# loss. SDFN.

1/2/2019 Load 4.5" csg w/5 bbls water. Set pkr @ 30'. PT csg 540# x 5 min, 40# loss. Bleed off & re-test to 560# x 5 min, 40# loss. Rel pkr. TIH to 3671'. Set pkr @ 3671'. PT csg above pkr to 650# x 5 min w/no leak off. Rel pkr & set @ 3717', PT csg above pkr to 580# x 5 min; 110# loss. Squeeze holes @ 3700' leaking. PT csg below pkr to 620# x 5 min, 40# loss. SDFN.

1/3/2019 TIH w/2-3/8" tbq. **Pump 5 bbl FW, 10.2 bbls cement @ 13 PPG, displ w/11.7 bbl water; balanced plug inside 4.5" csg @ 3888'-3245'.** 70 sx SZCEM system, 13 PPG, .82 yield, 4.3 Gal/Sx mix water. Load 4.5" csg w/7.5 bbls water, SI pipe rams & start hesitation sqz. Psi up 1200# x 10 min, 270# loss. Psi to 1330# x 20 min, 230# loss. Psi to 1390# x 20 min, 230# loss. Psi to 1390# x 25 min, 50# loss. 55 min - 170# loss. 70 min - 190# loss. Psi level out @ 1200# for 15 min. .8 bbls total pumped. WOC.

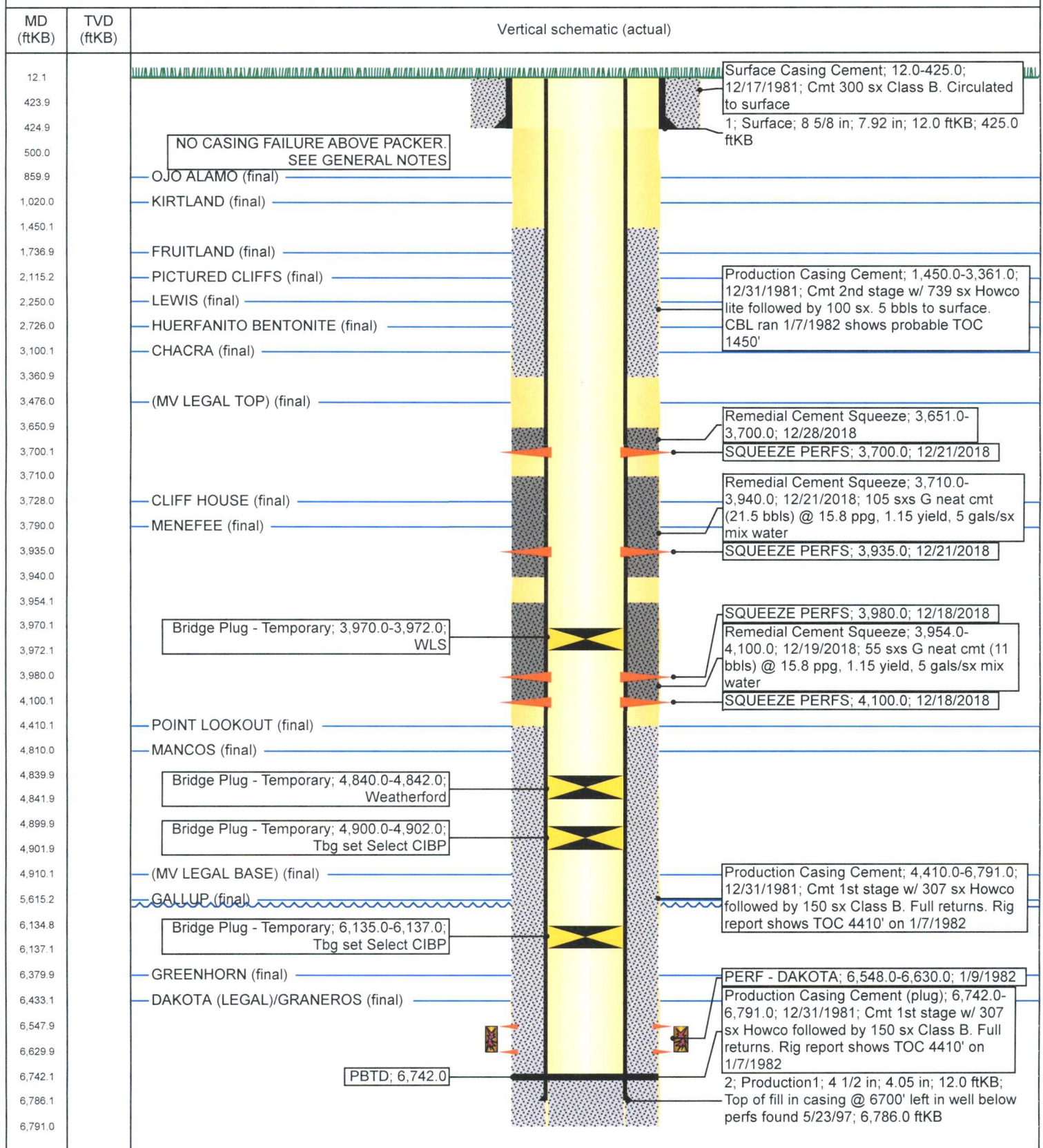
1/8/2019 DO cement 3313'-3631'. Circ hole clean @ 3631'. SD for pump repairs.

1/9/2019 Drill cement from 3631'-3710'. Circ hole clean. PT 4.5" csg & squeeze holes @ 3700' to 630# x 80 min, 50# loss. Bleed off psi. Retest 620# x 45 min, 20# loss. Retest 560# x 60 min, 15# loss. SDFN.

1/10/2019 RU Wellcheck. **MIT 4.5" csg & sqz holes @ 3700' to 560#.** 20# loss after 10 min. & cont to drop. Replaced TIW valve w/bull plug & needle valve. Csg & sqz holes psi back to 565#; 15# loss in 20 min. Leveled out @ 550# last 10 min of MIT; test passed. **MIT witnessed by Monica Kuehling with NMOCD and approval to proceed with Recomplete was obtained.**

Well Name: STATE B GAS COM 1E

API / UWI 3004525146	Surface Legal Location 016-029N-010W-E	Field Name DK	Route 0704	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 5,748.00	Original KB/RT Elevation (ft) 5,760.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 1/11/2019 10:36:39 AM


HILEADP
30-045-25146
SEC 16 T1N 29N R10W

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