

State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Gabriel Wade, Acting 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: 1/16/19

Well information:

**Hilcorp, Huerfano Unit #108E, API# 30-045-26428**

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.
- The initial CIBP must be placed no higher than 50' above the existing perforations.
- A Mechanical integrity test (MIT) must be performed from the initial CIBP to verify the integrity of the well. The pressure test must meet the requirements of 19.15.25.14 NMAC.
  - 24hr notice is required to be provided to the agencies prior to performing the MIT.
- After the MIT is performed a second temporary isolating device may be set up near the requested recomplete interval without additional OCD approval to protect the casing from the completion pressures.
- From the initial CIBP perform and submit a cement bond log (CBL) to the agencies for review and approval prior to perforating the formation.
- If needed, submit a proposed remediation plan to the agencies for review and approval prior to starting remediation.

A handwritten signature in black ink, appearing to read "Gabriel Wade", is written over a horizontal line.

NMOCD Approved by Signature

2/21/19  
Date

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Farmington Field Office  
Bureau of Land Management

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

JAN 23 2013

**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<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other                     |  | 7. If Unit of CA/Agreement, Name and/or No.<br><b>Huerfano Unit</b>       |
| 2. Name of Operator<br><b>Hilcorp Energy Company</b>   |  | 8. Well Name and No.<br><b>Huerfano Unit 108E</b>                         |
| 3a. Address<br><b>382 Road 3100, Aztec, NM 87410</b>   | 3b. Phone No. (include area code)<br><b>505-599-3400</b> | 9. API Well No.<br><b>30-045-26428</b>                                    |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br><b>Surface Unit M (SWSW), 790' FSL &amp; 1090' FWL, Sec. 1, T26N, R10W</b> |  | 10. Field and Pool or Exploratory Area<br><b>Basin DK / Angel Peak GL</b> |
|  |  | 11. Country or Parish, State<br><b>San Juan, New Mexico</b>               |

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 recomplate 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 recomplate the subject well in the Gallup formation and downhole commingle the existing Dakota with the Gallup. Attached is the GL C102, recomplate 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.

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

NMOCB

FEB 12 2019

DISTRICT III

|   |  |  |
|---|--|--|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)<br><b>Christine Brock</b> |  | Title<br><b>Operations/Regulatory Technician</b> |
| Signature <i>Christine Brock</i>  |  | Date <i>1/16/19</i>                              |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|   |                   |                    |
|---|-------------------|--------------------|
| Approved by <i>[Signature]</i>  | Title <i>PE</i>   | Date <i>2/6/19</i> |
| 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 <i>FFO</i> |                    |

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.

NMOCB

**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 262336

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |  |   |
|-------------------------------|--|---|
| 1. API Number<br>30-045-26428 | 2. Pool Code<br>2170                       | 3. Pool Name<br>ANGELS PEAK-GALLUP (ASSOCIATED) |
| 4. Property Code<br>318578    | 5. Property Name<br>HUERFANO UNIT          | 6. Well No.<br>108E                             |
| 7. OGRID No.<br>372171        | 8. Operator Name<br>HILCORP ENERGY COMPANY | 9. Elevation<br>6629                            |

**10. Surface Location**

|          |         |          |       |         |           |          |           |          |          |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|----------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County   |
| M        | 1       | 26N      | 10W   |         | 790       | S        | 1090      | W        | 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<br>319.61 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**

|  |   |
|--|---|
|  | <b>OPERATOR CERTIFICATION</b>   |
|  | <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>Christine Brock</i>   |
|  | Title: Operation/Regulatory Tech Sr.<br>Date: 1/15/2019   |
|  | <b>SURVEYOR CERTIFICATION</b>   |
|  | <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: Fred B. Kerr   |
|  | Date of Survey: 4/10/1985   |
|  | Certificate Number: 3950  |

## Huerfano Unit 108E

001-026N-010W-M

API: 3004526428

Gallup Recomplete

01/14/2019

### **Proposed Procedure**

1. MIRU Service rig and associated equipment
2. Test BOP's
3. TOOH with 2-3/8" tubing currently set with EOT at 6,821'
4. Set a CIBP @ 6,415' to isolate the Dakota
5. Load the hole
6. ND BOP's. NU frac stack
7. RDMO Service rig
8. MIRU frac spread
9. Perforate and frac the Gallup from 5,783' to 6,315'. RDMO frac spread
10. MIRU Service rig
11. Test BOP's
12. PU mill & RIH to clean out to Dakota isolation plug
13. When water and sand rates are acceptable, flow test the Gallup
14. Drill out Dakota isolation plug & TOOH
15. TIH and land production tubing. Obtain a commingled Gallup-Dakota flow rate
16. ND BOP's, NU production tree
17. RDMO service rig & turn well over to production

Well Name: HUERFANO UNIT #108E

|                                   |   |   |                                |                                |                                     |
|-----------------------------------|---|---|--------------------------------|--------------------------------|-------------------------------------|
| API / UWI<br>3004526428           | Surface Legal Location<br>001-026N-010W-M | Field Name<br>BASIN DAKOTA (PRORATED GAS) | Route<br>0606                  | State/Province<br>NEW MEXICO   | Well Configuration Type<br>VERTICAL |
| Ground Elevation (ft)<br>6,629.00 | Original KBRT Elevation (ft)<br>6,643.00  | KB-Ground Distance (ft)<br>14.00          | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft) |                                     |

VERTICAL, Original Hole, 1/16/2019 2:12:08 PM

