

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: 1/10/19

Well information:

Hilcorp, Hodges #12E, API# 30-045-35229

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.
- Remediation will be required on the 4 ½ casing prior to the recomplete Hilcorp will need to file a notice of intent for the cement remediation and receive approval prior to the recomplete.
- 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.
- A CBL will be required as part of the remediation process.

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

NMOCD Approved by Signature

2/21/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JAN 23 2019

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

Farmington Field Office
Bureau of Land Management

5. Lease Serial No. **SF 078962**

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.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
Hodges 12E

2. Name of Operator
Hilcorp Energy Company

9. API Well No.
30-045-35229

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

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

10. Field and Pool or Exploratory Area
Basin DK / Basin MC / Ballard PC

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit M (SWSW), 203' FSL & 91' FWL, Sec. 34, T26N, R08W
Bottomhole Unit M (SWSW), 714' FSL & 703' FWL, Sec. 34, T26N, R08W

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 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 recomplate 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 Pictured Cliffs formation and downhole commingle the existing Dakota & Manco with the Pictured Cliffs. Attached is the PC 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.

NMOCD
HOLD C104 FOR DHC
FEB 01 2019
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)

Christine Brock

Title **Operations/Regulatory Technician**

Signature

Christine Brock

Date

1/10/19

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Jack Snow

Title

PE

Date

1/31/19

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

FFO

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 261993

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-35229	2. Pool Code 71439	3. Pool Name BALLARD PICTURED CLIFFS (GAS)
4. Property Code 318796	5. Property Name HODGES	6. Well No. 012E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6686

10. Surface Location

UL - Lot M	Section 34	Township 26N	Range 08W	Lot Idn	Feet From 203	N/S Line S	Feet From 91	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 34	Township 26N	Range 08W	Lot Idn	Feet From 714	N/S Line S	Feet From 703	E/W Line W	County SAN JUAN
12. Dedicated Acres 160.00 SW/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

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <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>Christine Buck</i> Title: Operation/Regulatory Tech Sr. Date: 1/9/2019</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <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 Russell Date of Survey: 3/18/2010 Certificate Number: 10201</p>
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Hodges #12E

Section 34-T26NN-R8W

API#: 30-045-35229

PC Recompletion Procedure

1/8/2019

Procedure:

1. MIRU Service rig and associated equipment, test BOP.
2. TOOH w/ 2 3/8" tubing set at 6982'.
3. Set bridge plug at approximately 2567' to isolate existing perforations.
4. ND BOP, NU frac stack and test frac stack to frac pressure.
5. Perforate and frac the Pictured Cliffs. Estimated interval: 2352'-2467'.
6. Cleanout to isolation plug. Flow test PC.
7. Cleanout to PBTD.
8. TIH and land production tubing. Get a commingled flow rate.
9. Release service rig and turn well over to production.

Well Name: HODGES #12E

API / UWI 3004535229	Surface Legal Location 034-026N-008W-M	Field Name MNCS/DK.COM	Route 0909	State/Province NEW MEXICO	Well Configuration Type DEVIATED
Ground Elevation (ft) 6,686.00	Original KBRT Elevation (ft) 6,701.00	KB-Ground Distance (ft) 15.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

DEVIATED, Original Hole, 1/8/2019 7:27:05 AM

