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: 1/10/2019
Well information:

Hilcorp Energy Company
30-045-30710 PAN AMERICAN FEDERAL GAS COM B #003

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 Pictured Cliffs must be plugged in this well or a density exception approved for **30-045-08926 PAN AMERICAN FEDERAL GAS COM B #001.**

Kathleen Allen

NMOCD Approved by Signature

2/18/19
Date

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
JAN 28 2019
Farmington Field Office
Bureau of Land Management

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

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.*

5. Lease Serial No.: **NMNM048574**

6. If Indian, Allottee or Tribe Name:

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

1. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other

8. Well Name and No.: **Pan American Federal Gas Com B 3**

2. Name of Operator: **Hilcorp Energy Company**

9. API Well No.: **30-045-30710**

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

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

10. Field and Pool or Exploratory Area: **Aztec Pictured Cliffs/Basin Fruitland Coal**

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: **Surface Unit P (Lot 16) 660' FSL & 660' FEL, Sec. 31, T30N, R11W**

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			
[ ] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[X] Subsequent Report	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other **Continue TA Status**
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
[ ] Final Abandonment Notice	[ ] Convert to Injection	[ ] Plug Back	[ ] 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 has submitted an NOI to recomplete the Pan American Federal Gas Com B 1 well (API 30-045-08926) to the Aztec Pictured Cliffs formation and commingle with the existing Dakota formation.

The new PC completion will replace the Pan American Federal Gas Com B 3 as to the Aztec Pictured Cliffs formation, that is currently Temporarily Abandoned behind a 4.5" CIBP @ 2070', as of 10/14/2004. The TA'd zone will not be returned to production without a density exception for the Aztec Pictured Cliffs proration unit in SE/4 Sec. 31. The zone will remain in TA status.

DISTRICT III
FEB 01 2019
NMOCD

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*: **Cherylene Weston**

Title: **Operations/Regulatory Technician - Sr.**

Signature: Cherylene Weston

Date: 1-10-19

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

NMOCD

(Instruction on page 2)

Hilcorp Energy Company

Current Schematic

Well Name: PAN AMERICAN FEDERAL GAS COM B #3

API / UWI	Surface Legal Location	Field Name	Route	State/Province	Well Configuration Type
3004530710	T30N-R11W-S31	Basin Fruitland Coal	0701	New Mexico	Vertical

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
5,870.00	5,876.00	6.00		

Vertical, Original Hole, 1/10/2019 2:46:45 PM