

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: 1/29/2019

Well information:

HILCORP ENERGY COMPANY

30-039-22762 SAN JUAN 29 7 UNIT #117

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:

- The bottom of the Mesaverde is located at 6087' and the proposed perforations are 5030' - 6090'.
- Because the perforations extend below the bottom of the proposed formation Hilcorp will need to submit a revised Notice of intent (NOI) to include the Mancos formation or resubmit the NOI with revised perforations within the limits of the Mesaverde.
- The Downhole commingle (DHC) will also need to be revised to a trimmingle to include the Mancos or it will need to be revised to include the revised perforations.
- 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 "Brandon Bell".

NMOCD Approved by Signature

2/22/19

Date

RECEIVED

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 29 2019

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

Farmington Field Office
Bureau of Land Management

5. Lease Serial No.	NMSF078503
6. If Indian, Allottee or Tribe Name	

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 <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. San Juan 29-7 Unit
2. Name of Operator Hilcorp Energy Company	8. Well Name and No. San Juan 29-7 Unit 117
3a. Address 382 Road 3100, Aztec, NM 87410	9. API Well No. 30-039-22762
3b. Phone No. (include area code) 505-599-3400	10. Field and Pool or Exploratory Area Blanco Mesaverde / Basin Dakota
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit L (NWSW) 2190' FSL & 550' FWL, Sec. 19, T29N, R07W	11. Country or Parish, State Rio Arriba , 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 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 plans to recomplete the subject well in the Mesaverde formation and downhole commingle with the existing Dakota. Attached is the Mesaverde C-102, recomplete procedure & wellbore schematic. A DHC application and Density exception will be filed and approved before 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

NMOCD
HOLD C104 FOR Density exception
FEB 22 2019
DISTRICT III

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Cherylene Weston	Title Operations/Regulatory Technician - Sr.
Signature <i>Cherylene Weston</i>	Date 1-29-19

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title DE	Date 2/20/19
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 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.

(Instruction on page 2)

NMOCD

SJ 29-7 Ut #117

019-029N-007W-L

API#: 3003922762

Mesa Verde Recompletion Procedure

1/25/2019

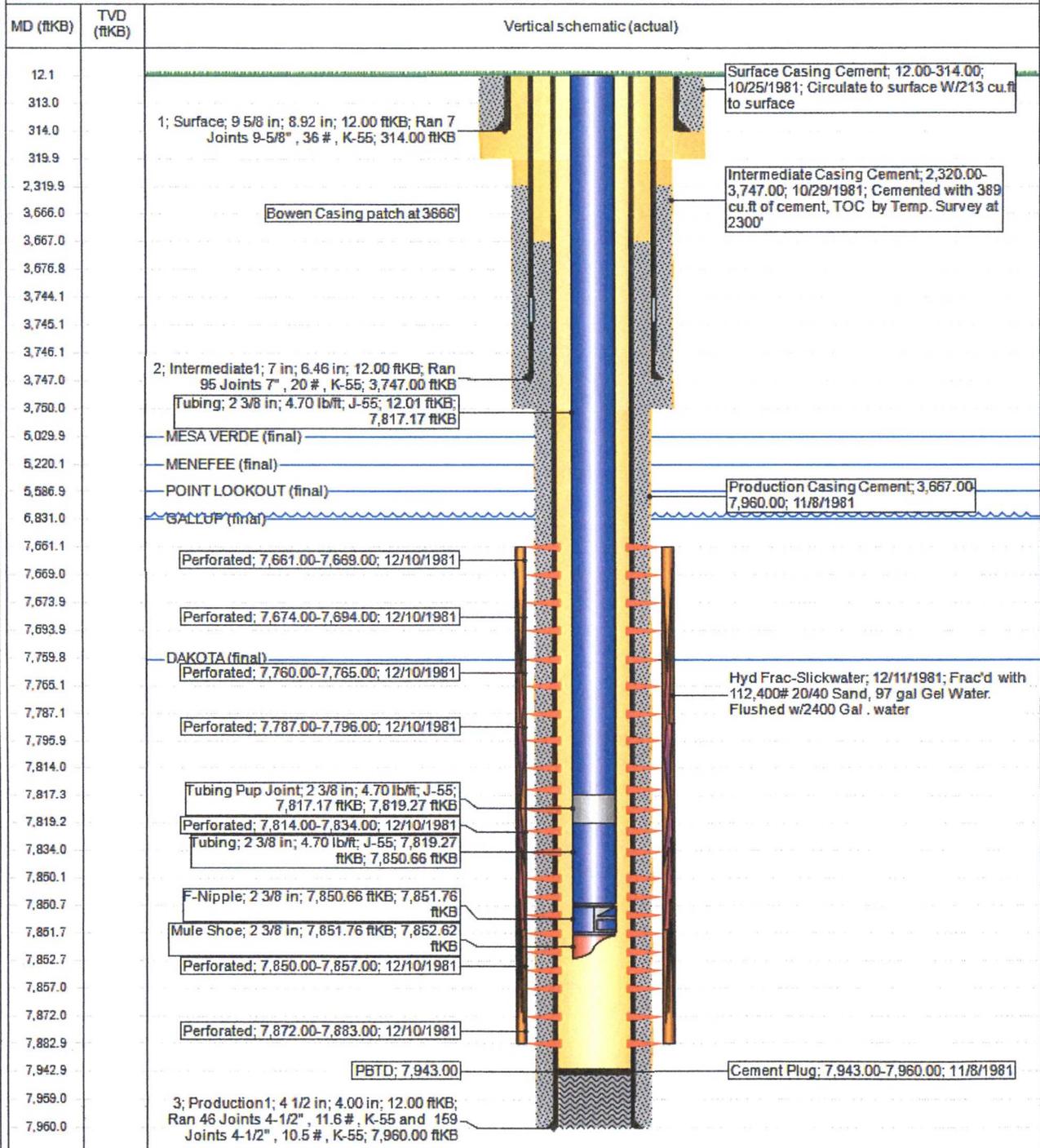
Procedure:

1. MIRU Service rig and associated equipment
2. Test BOP's
3. TOOH with 2-3/8" tubing currently set with EOT at 7,852'
4. Set a CIBP to isolate the Dakota @ $\pm 6,300'$
5. Load the hole
6. Pressure test casing to maximum frac pressure
7. ND BOP's. NU frac stack and test same to maximum frac pressure
8. RDMO Service rig
9. MIRU frac spread
10. Perforate and frac the MV from 5,030' to 6,090'. RDMO frac spread
11. MIRU Service rig
12. Test BOP's
13. PU mill & RIH to clean out to Dakota isolation plug
14. When water and sand rates are acceptable, flow test the MV
15. Drill out Dakota isolation plug & TOOH
16. TIH and land production tubing. Obtain a commingled Dakota flow rate
17. ND BOP's, NU production tree
18. RDMO service rig & turn well over to production.

Well Name: SAN JUAN 29-7 UNIT #117

API / UWI 3003922762	Surface Legal Location 019-029N-007W-L	Field Name BASIN DAKOTA (PRORATED G #0068)	Route 1001	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,712.00	Original KB/RT Elevation (ft) 6,724.00	K(B)-Ground Distance (ft) 12.00	K(C)-Casing Flange Distance (ft)	K(S)-Tubing Hanger Distance (ft)	

VERTICAL, Original Hole, 1/25/2019 2:40:55 PM



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 262891

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-22762	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318713	5. Property Name SAN JUAN 29 7 UNIT	6. Well No. 117
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6712

10. Surface Location

UL - Lot L	Section 19	Township 29N	Range 07W	Lot Idn 7	Feet From 2190	N/S Line S	Feet From 550	E/W Line W	County RIO ARRIBA
---------------	---------------	-----------------	--------------	--------------	-------------------	---------------	------------------	---------------	----------------------

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 238.88 - 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

	<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>Cherylene Weston</i> Title: Cherylene Weston, Operations/Regulatory Tech-Sr. Date: 01/28/2019</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: FRED B. KERR, JR. Date of Survey: 9/9/1980 Certificate Number: 3950</p>
--	---