

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: 12/17/18

Well information:

Hilcorp Energy Corp.
Sunray E #2B, API# 30-045-30013

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: Segregation of Production

Conditions of Approval:

- Notify NMOCD 24 Hours prior to commencing activities.
- This will not be considered a plugging of the Mesa Verde only as a segregation of the pools.
- If there is no intent of Commingling in the future Hilcorp will need to cancel the Downhole commingle on this well.
- The first packer leakage test must be performed within 20 days after the pools are segregated.
 - Notify NMOCD 24 Hours prior to commencing the packer test so it can be witnessed if possible.

NMOCD Approved by Signature

3/14/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
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.

5. Lease Serial No. **DEC 17 2018**
NMSF077730

6. If Indian, Allottee or Tribe Name
Farmington Field Office
Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

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

8. Well Name and No.
SUNRAY E 2B

2. Name of Operator
Hilcorp Energy Company

9. API Well No.
30-045-30013

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

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

10. Field and Pool or Exploratory Area
Blanco MV / Basin DK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit E (SWNW) 1450' FNL & 790' FEL, Sec. 09, T30N, R10W

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 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 checked="" 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 requests permission to plugback the Blanco Mesaverde formation and flow the Basin Dakota per the attached procedure.

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 22 2019
DISTRICT III

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

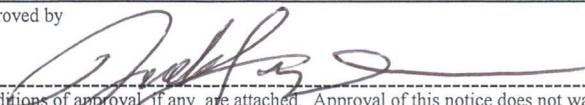
Amanda Walker

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

Signature 

Date **12/17/2018**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 

Title **RE**

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 **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.



HILCORP ENERGY COMPANY
Sunray E #2B
RESERVOIR ABANDONMENT SUNDRY

API: 3004530013

JOB PROCEDURE

1. MIRU service rig and associated equipment; ND wellhead and NU and test the BOP.
2. TOOH with **2-3/8"** tubing from the commingled Mesa Verde and Dakota formations set at **7,529'**.
3. MU and RIH with a 4-3/4" mill to perform an air cleanout to PBTD of **7,639'**. TOOH and LD mill assembly.
4. MU and RIH with a +/- 4-7/8" casing scraper to +/- 5,625'. TOOH and LD scraper.
5. MU and RIH with a 5-1/2" retrievable packer and set at **+/- 5,600'** (in-between the MV and DK formations) while landing the 2-3/8" production tubing with expandable check valve/ mule shoe at **7,529'**.
6. Pump a fluid pad down the tbg, drop a ball, pressure test the tbg to 500 psig. Pump off expandable check at +/-1050 psi.
7. ND BOP, NU wellhead. RDMO rig.
8. Flow test the Dakota formation up the 2-3/8" tbg. Utilize a swab rig as needed to unload the Dakota formation and attempt to produce the formation.
9. After 30 days from completed rig work and well is producing from the Dakota formation, perform an annual packer test and submit results to the NMOCD.
10. If unable to produce the Dakota formation, a plug and abandon procedure will be submitted for approval on the wellbore.



HILCORP ENERGY COMPANY
Sunray E #2B
RESERVOIR ABANDONMENT SUNDRY

Sunray E #2B - CURRENT WELLBORE SCHEMATIC



Schematic - Current

Well Name: SUNRAY E #2B

API Well No. 3004530013	Surface Log Location 009-030N-010W-E	Field Name BLANDHORN AVERDE (PRODUCED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Original KBRT Elevation (ft) 6,315.00	KS-Tubing Hanger Distance (ft)	Original Spud Date 4/28/2000 18:30	Rig Release Date 10/21/2000 12:00	PBD (ft) (ftKB) Original Hole - 7,639.0	Total Depth (ft) (ftKB)

Most Recent Job

Job Category WELL INTERVENTION	Primary Job Type COMMINGLE	Secondary Job Type	Actual Start Date 9/23/2015	End Date 11/9/2015
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TD: 7,660.0 **VERTICAL, Original Hole, 12/11/2018 7:41:48 AM**

