

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: 2/18/2019

Well information:

HILCORP ENERGY COMPANY
30-045-24022 Lawson #2E

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.

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

NMOCD Approved by Signature

4/15/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

RECEIVED
FEB 20 2019

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. **NMSF079960**

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. **Lawson 2E**

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

9. API Well No. **30-045-24022**

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 Mesaverde/Basin Dakota**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit O (SW/SE) 1000' FSL & 1790' FEL, Sec. 31, T32N, 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			
<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 requests permission to recomplete the subject well in the Mesaverde and downhole commingle with the existing Dakota formation. Attached is the procedure, wellbore diagram, plat, and gas capture plan. A DHC application will be filed and approved prior to commingling. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities

HOLD C104 FOR DHC

NMCCD
MAR 18 2019
DISTRICT III

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Priscilla Shorty Title **Operations/Regulatory Technician - Sr.**
Signature *Priscilla Shorty* Date **2/18/2019**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]* Title **AFM** Date **3/14/19**
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 I1625 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 263616

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24022	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318605	5. Property Name LAWSON	6. Well No. 002E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6420

10. Surface Location

UL - Lot O	Section 31	Township 32N	Range 11W	Lot Idn	Feet From 1000	N/S Line S	Feet From 1790	EW Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	EW Line	County
12. Dedicated Acres 320.00	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

	OPERATOR CERTIFICATION
	<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>Priscilla Shorty</i>
	Title: Operations Regulatory Technician - Sr. Date: 02/12/2019
	SURVEYOR CERTIFICATION
	<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 Kerr
	Date of Survey: 10/10/1979
	Certificate Number: 3950



HILCORP ENERGY COMPANY
LAWSON 2E
MESA VERDE RECOMPLETION SUNDRY

API #:

3004524022

JOB PROCEDURES

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with **2 3/8"** tubing set at **7,625'**.
3. Set a **4-1/2"** cast iron bridge plug at +/- **6150'** to isolate the **Dakota** and provide a base for the frac.
4. Load hole with fluid and run a CBL on the 4-1/2" casing. Verify cement bond within the **Mesa Verde** and confirm TOC. Review CBL results with the BLM and NMOCD and perform cmt remediation, as required. PT csa to 650 psi
5. Perforate the **Mesa Verde**. (Top perforation @ 4879', Bottom perforation @ 5650')
6. Frac the **Mesa Verde** in 2-3 stage down casing. Set frac plugs in between the stages and set a top plug above the top shot at +/- **4830'**
7. MIRU workover rig. Nipple down frac stack, nipple up BOP and test.
8. TIH with a mill and drill out the top plug and the frac plugs.
9. Clean down to the top of the DK isolation plug at **6150'**. Take **Mesa Verde** gas samples and send for analysis
10. Drill out Dakota isolation plug and cleanout to PBSD of **7,641'**. TOOH.
11. TIH and land production tubing. ND BOPs and NU tree. Pump off expendable check.
12. RDMO. Get a commingled **Dakota/Mesa Verde** flow rate.



**HILCORP ENERGY COMPANY
LAWSON 2E
MESA VERDE RECOMPLETION SUNDRY**

LAWSON 2E - CURRENT WELLBORE SCHEMATIC

