

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

Adrienne Sandoval, 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: 2/20/2019

Well information:

HILCORP ENERGY COMPANY
30-039-27028 Reuter #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.
- Hold the C-104 for the DHC.
- The initial CIBP must be placed no higher than 50' above the existing perforations.
- Submit the CBL to the agencies for review and approval prior to perforating.
- 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.
- If needed, submit a proposed remediation plan to the agencies for review and approval prior to starting remediation.

NMOCD Approved by Signature

4/22/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

RECEIVED
FEB 20 2013

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		5. Lease Serial No. NMSF079210
2. Name of Operator Hilcorp Energy Company		6. If Indian, Allottee or Tribe Name
3a. Address 382 Road 3100, Aztec, NM 87410	3b. Phone No. (include area code) 505-599-3400	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit F (SENW) 1450' FNL & 1600' FWL, Sec. 34, T27N, R06W		8. Well Name and No. Reuter 2E
		9. API Well No. 30-039-27028
		10. Field and Pool or Exploratory Area South Blanco Pictured Cliffs/Blanco MV
		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 recompleat 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 recompleat 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 recompleat the subject well in the Pictured Cliffs formation and downhole commingle with the existing Mesaverde. Attached is the PC C102, recompleat procedure & wellbore schematic. The DHC application will be submitted and approved prior to commingling. A closed loop system will be utilized. Interim reclamation will be performed after surface disturbing activities.

HOLD C104 FOR DHC

NMOCB

MAR 15 2013

DISTRICT III

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Tammy Jones		Title Operations/Regulatory Technician - Sr.
Signature: <i>Tammy Jones</i>		Date 2/20/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title <i>AFM</i>	Date <i>3/13/19</i>
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 <i>FEO</i>	

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)

NMOCB *AY*

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 263986

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-27028	2. Pool Code 72439	3. Pool Name BLANCO P. C. SOUTH (PRORATED GAS)
4. Property Code 318677	5. Property Name REUTER	6. Well No. 002E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6601

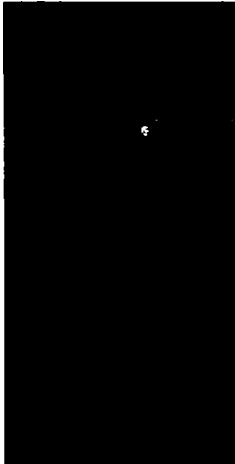
10. Surface Location

UL - Lot F	Section 34	Township 27N	Range 06W	Lot Idn	Feet From 1450	N/S Line N	Feet From 1600	E/W Line W	County RIO ARRIBA
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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	E/W 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

			<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>Tammy Jones</i> Title: Operations/Regulatory Technician - Sr. Date: 2/20/2019</p> <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: Roy A. Rush Date of Survey: 3/7/2002 Certificate Number: 8894</p>



HILCORP ENERGY COMPANY
REUTER 2E
PICTURED CLIFFS RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2-3/8" tubing set at 7,522'.
3. Set a 4-1/2" plug at +/- 3,600' to isolate the **Mesaverde and Dakota Formations**.
4. RU Wireline. Run CBL. Record Top of Cement.
5. **IF NECESSARY** (Based on the results of the CBL top of cement) - Perform cement squeeze work.
6. Load the hole and pressure test the casing.
7. N/D BOP, N/U frac stack and pressure test frac stack.
8. Perforate and frac the **Pictured Cliffs** formation (Top Perforation @ 3,150'; Bottom Perforation @ 3,233').
9. Isolate frac stage with a plug.
10. Nipple down frac stack, nipple up BOP and test.
11. TIH with a mill and drill out top **Pictured Cliffs** isolation plug.
12. Clean out to **Mesaverde and Dakota Formations** isolation plug.
13. Drill out **Mesaverde and Dakota Formations** isolation plug and cleanout to PBTD of 7,705'. TOOH:
14. TIH and land production tubing. Get a commingled **Mesa Verde/Dakota/Pictured Cliffs** flow rate.

Well Name: REUTER #2E

API / UWI 3003927028	Surface Legal Location 034-027N-006W-F	Field Name BLANCO MESAVERDE (PRORATED GAS)	Route 1300	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,601.00	Original KB/RT Elevation (ft) 6,613.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole, 2/20/2019 9:25:23 AM
