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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Farmington Field Office
Bureau of Land Management

5. Lease Serial No. **SF-079634**

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
 Oil Well Gas Well Other

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

8. Well Name and No. **McClanahan 20E**

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

9. API Well No. **30-045-24106**

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/Armenta GL/Basin DK**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit F (SENW) 1840' FNL & 1660' FWL, Sec. 13, T28N, 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 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 Gallup and Dakota. Attached is the MV C102, recomplete 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.

NMOCD

JUL 02 2019

HOLD COPY FOR DHC

DISTRICT III

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Notify NMOCD 24 hrs
prior to beginning
operations

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

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

Signature *Christine Brock*

Date **5/17/19**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title **JUL 1 2019** Date

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 **FARMINGTON FIELD OFFICE**
BY: *[Signature]*

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

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 267592

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24106	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318622	5. Property Name MCCLANAHAN	6. Well No. 020E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5777

10. Surface Location

UL - Lot F	Section 13	Township 28N	Range 10W	Lot Idn	Feet From 1840	N/S Line N	Feet From 1660	E/W Line W	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	E/W Line	County
12. Dedicated Acres 320.00 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

OPERATOR CERTIFICATION

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.

E-Signed By: *Christine Brock*
Title: Operation/Regulatory Tech SR.
Date: 5/17/2019

SURVEYOR CERTIFICATION

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.

Surveyed By: Fred B. Kerr
Date of Survey: 10/31/1979
Certificate Number: 3950



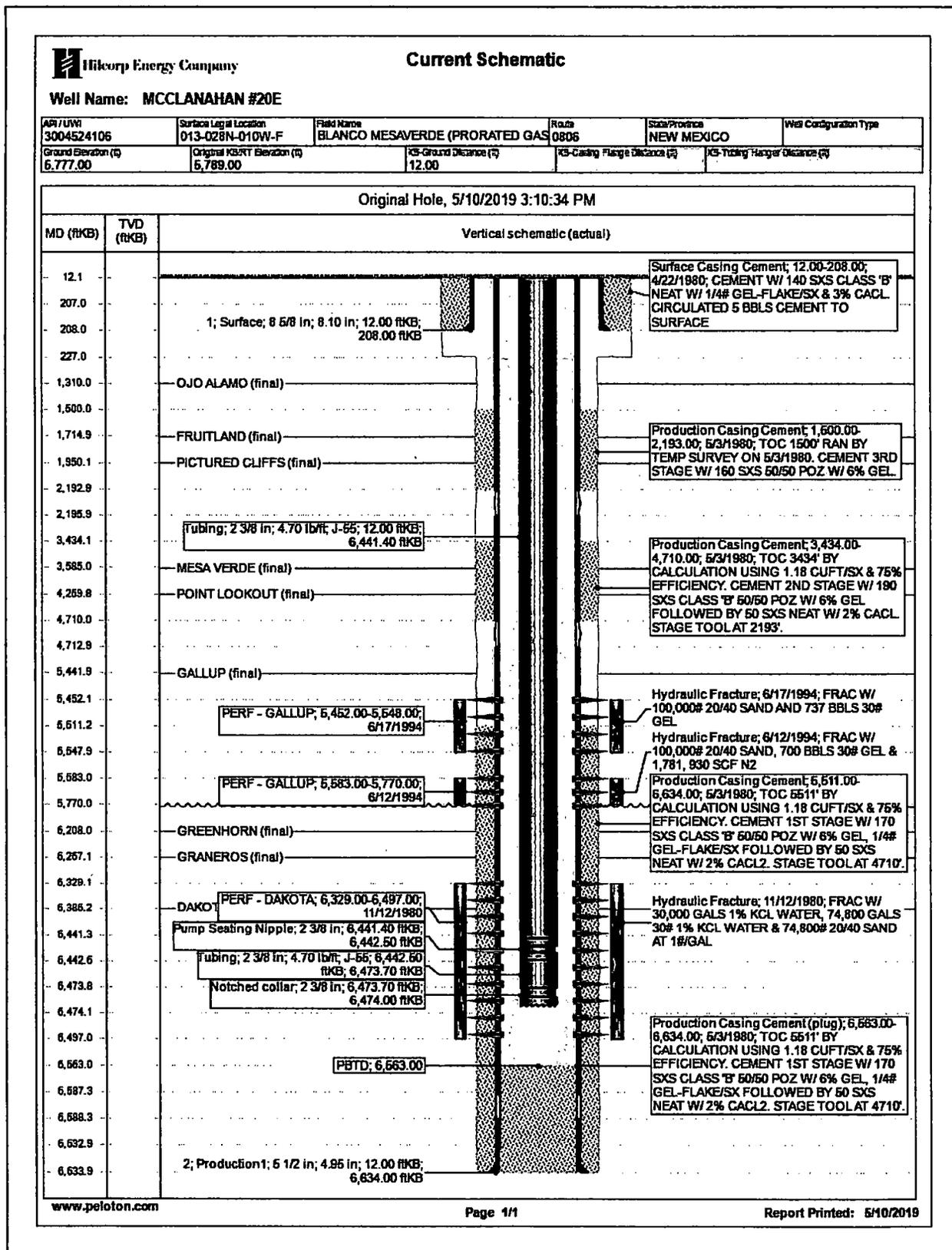
HILCORP ENERGY COMPANY
McClanahan 20E
MESA VERDE RECOMPLETION NOI

API#: 30-045-24106

JOB PROCEDURES

1. MIRU Service rig and associated equipment, test BOP. Check Bradenhead pressures daily and record throughout the recomplete project. Notify NMOCD and BLM if any anomalous pressures changes occur on the Bradenhead.
2. TOOH w/ 2 3/8" tubing set at 6474'.
3. Set initial CIBP at 5450' or deeper (no higher than 50' above existing perforations)
4. Perform MIT from initial CBP, providing 24 hr notice to BLM and NMOCD. Once completed, review and submit the MIT charted test results to both the NMOCD and BLM. If the MIT fails, discuss and gain approval with both the NMOCD and BLM with a plan of action to remediate the wellbore. Perform a 2nd MIT once remediated.
5. Run CBL and submit it to NMOCD and BLM.
 - a. If CBL confirms calculated cement coverage, then a remediation plan will be submitted to agencies for approval in order to provide adequate cement coverage.
6. Optionally set bridge plug below intended recomplete interval.
7. ND BOP, NU frac stack. Pressure test the production casing or frac string and frac stack to maximum frac pressure. The pressure test will not exceed 85% of the internal yield pressure rating of the primary treatment string.
8. Perforate and frac the Mesa Verde within 3585'-4760'.
9. Optionally set a kill plug above recomplete interval for casing fracs.
10. ND the frac stack, NU the BOP and test.
11. MU and TIH with a mill. Tag and drill out the top isolation plug and Mesa Verde frac plugs if applicable.
12. Clean out the wellbore to the top of the Dakota isolation plug.
13. Once water and sand rates are acceptable, drill out the Dakota isolation plug and cleanout to PBTD of 6563'. TOOH.
14. TIH and land production tubing. Get a trimmed Dakota/Gallup/MV flow rate.

Wellbore Schematic:



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of Intent to Recomplete & Commingle

Well: McClanahan 20E 30-045-24106

CONDITIONS OF APPROVAL

1. Contact BLM Inspection and Enforcement @ (505) 564 – 7750, 24 hours prior to conducting MIT work so an inspector can be present to witness the MIT.

Contact John Hoffman, Petroleum Engineer @ (505) 564 – 7742 to discuss any failed MIT results and/or your remedial action and isolation plans.

Submit the electronic copy of the MIT Test Chart and CBL for verification to the following addresses: jhoffman@BLM.gov and Brandon.Powell@state.nm.us.

2. The following modifications to your recompletion program are to be made:

- a) Upon rigging up, record Bradenhead pressure and monitor same during recompletion operations. Notify BLM and NMOCD if anomalous pressure changes occur. Provide monitoring results in the subsequent Report of Operations.
- b) Casing pressure test for fracture stimulation operations cannot exceed the internal yield strength of the casing including a 20% safety factor unless a waiver is granted. Stimulation operations cannot exceed this test pressure.
- c) CIBP for base of fracture stimulation to be set less 50' above top existing perforation.

3. File well test and recompletion results within 30 days of completing recompletion operations.