

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: 7/19/2019

Well information:

**HILCORP ENERGY COMPANY**  
**30-045-20347 LAWSON SRC #002**

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 C-104 for DHC (Trimmingle)
- A well file review revealed that this well appears to be directional. Please run a directional survey and provide a C-102 with correct BHL with the new C-104 for this well.

  
NMOCD Approved by Signature

9/6/19  
Date

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED **RECEIVED**  
OMB No. 1004-0137  
Expires: July 31, 2010 **JUL 19 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.*

*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. <b>NMNM010989</b>
2. Name of Operator <b>Hilcorp Energy Company</b>		6. If Indian, Allottee or Tribe Name <b>Farmington Field Office Bureau of Land Management</b>
3a. Address <b>382 Road 3100, Aztec, NM 87410</b>	3b. Phone No. (include area code) <b>505-599-3400</b>	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>Surface    Unit B (NW/NE) 1120' FNL &amp; 1560' FEL, Sec. 31, T32N, R11W</b>		8. Well Name and No. <b>Lawson SRC 2</b>
		9. API Well No. <b>30-045-20347</b>
		10. Field and Pool or Exploratory Area <b>Blanco Mesaverde / Blanco Pictured Cliffs / Basin Dakota</b>
		11. Country or Parish, State <b>San Juan    ,    New Mexico</b>

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 trimingle with the existing Pictured Cliffs and Dakota formations. Attached is the procedure, wellbore diagram, plat, and gas capture plan. A DHC application will be filed and approved prior to trimingling. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities**

**NMOCD**  
**HOLD C104 FOR DHC**  
**JUL 24 2019**  
**DISTRICT III**  
**SEE ATTACHED FOR CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) <b>Priscilla Shorty</b>		Title <b>Operations/Regulatory Technician - Sr.</b>
Signature <i>Priscilla Shorty</i>		Date <b>7/19/2019</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by <i>See attached</i>	Title	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	

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 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) 476-3462Form C-102  
August 1, 2011

Permit 268993

**State of New Mexico**  
**Energy, Minerals and Natural**  
**Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-20347	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 319539	5. Property Name LAWSON SRC	6. Well No. 002
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6466

**10. Surface Location**

UL - Lot B	Section 31	Township 32N	Range 11W	Lot Idn	Feet From 1120	N/S Line N	Feet From 1560	E/W 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	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**

	<b>OPERATOR CERTIFICATION</b>	
	<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:	6/25/2019	
<b>SURVEYOR CERTIFICATION</b>		
<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:	E.V. Echohawk	
Date of Survey:	9/6/1968	
Certificate Number:	3602	



LAWSON SRC 2  
MESA VERDE RECOMPLETION SUNDRY

API #: 3004520347

JOB PROCEDURES

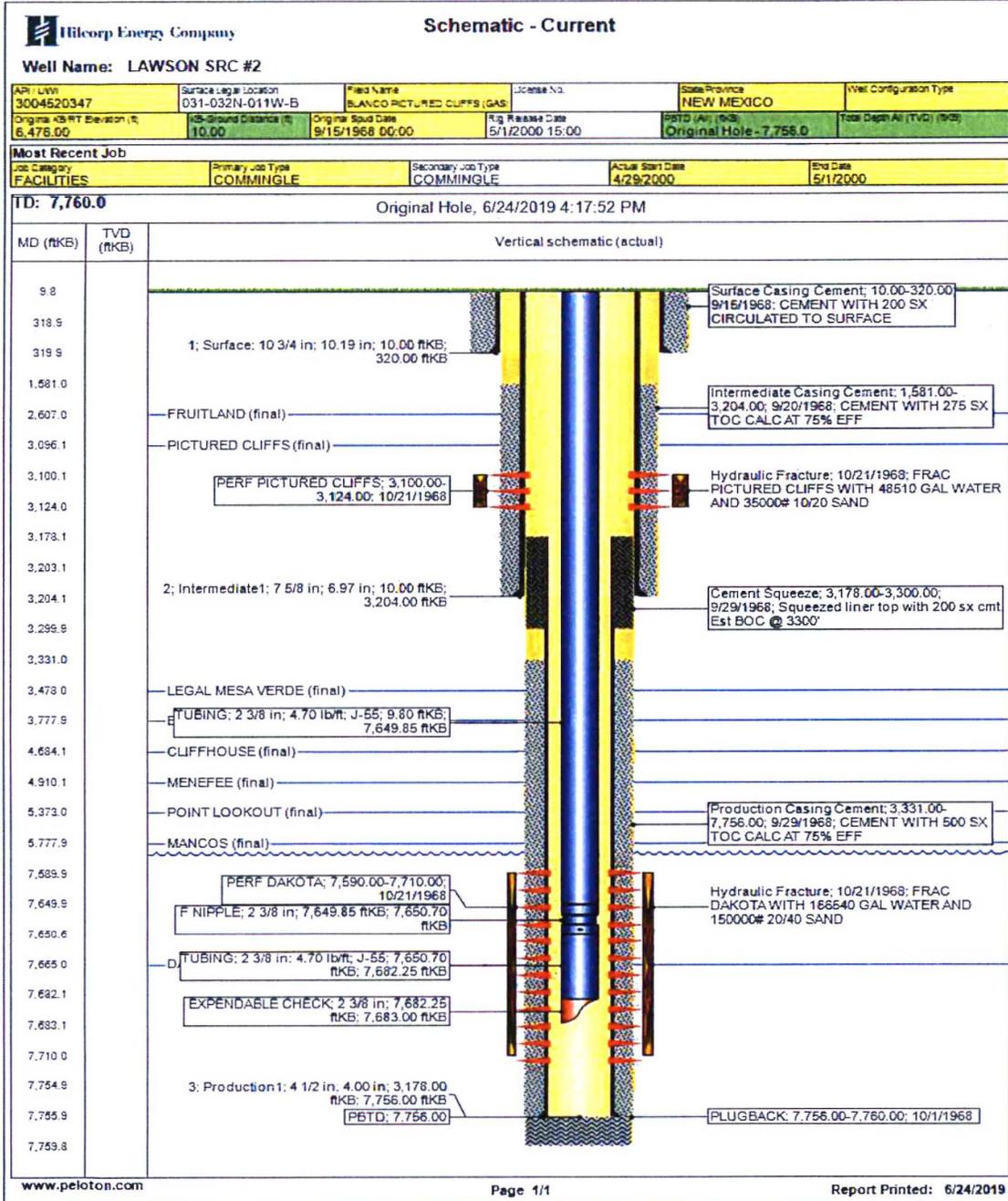
- NMOCD **Contact** OCD and BLM (where applicable) 24 hrs prior to MIRU or running MITs. Record and document all casing pressures
- BLM **daily, including** BH, IC (if present) and PC. Comply with all NMOCD, BLM (where applicable), and HEC safety and environmental regulations.

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with **2 3/8"** tubing set at **7,683'**.
3. Set a **4-1/2"** cast iron bridge plug at +/- **7,660'** to isolate the **Dakota**
4. Load hole with fluid run a CBL on the 4-1/2" casing. Verify cement bond within the **Mesa Verde** and confirm TOC. Review CBL results with the regulatory agencies and perform cmt remediation, as required.
5. RIH w/ 7-5/8" pkr, set at **3,175'** and perform a witnessed (by the appropriate regulatory agencies) MIT test, down the tbg, to 600 psi, POOH.
6. Set a **4-1/2"** cast iron bridge plug at +/- **5,860'** to provide a **base for the frac**.
7. Perforate the **Mesa Verde**. (Top perforation @ 4,684', Bottom perforation @ 5,760')
8. RIH w/ BHA (frac string, packer, burst disc sub), set packer @ ~4,600' **(to isolate the PC)**.
9. ND BOPs, NU frac stack. PT frac stack to 9,000#. PT frac string to 9,000#, PT backside to 300# (to insure packer is set).  
NOTE: frac string is 2-7/8" 6.5# P110 with BTS-8 connections. PT is to max anticipated treating pressure (~60% of burst)
10. Break disc with slickline
11. Frac the **Mesa Verde** in 1-2 stages down the frac string.
12. Flowback well for 1-3 days as required
13. MIRU workover rig. Nipple down frac stack, nipple up BOPs and test.
14. Release packer and POOH w/ frac string
15. TIH w/ mill and clean down to the top of the **base of frac plug at 5,860'**. Take **Mesa Verde/PC** gas samples and send for analysis
16. Drill out **base of frac plug** and cleanout to DK isolation plug at **7,660'**. POOH.
17. Drill out Dakota isolation plug and cleanout to PBTD of **7,756'**. TOOH.
18. TIH and land production tubing. ND BOPs and NU tree. Pump off expendable check.
19. RDMO. Get a commingled **Dakota/Mesa Verde/Pictured Cliffs** flow rate.



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

**LAWSON SRC 2 - CURRENT 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: Lawson SRC 2 30-045-20347

**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](mailto:jhoffman@BLM.gov) and [Brandon.Powell@state.nm.us](mailto: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.

## Vermersch, Amy H, EMNRD

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**From:** Priscilla Shorty <pshorty@hilcorp.com>  
**Sent:** Tuesday, September 10, 2019 5:45 AM  
**To:** Vermersch, Amy H, EMNRD  
**Subject:** [EXT] FW: [EXTERNAL] Lawson SRC 2\_MV RC NOI BLM Appvd

Good morning Amy,

Please see Joe Killins', BLM, email below. Thank you.

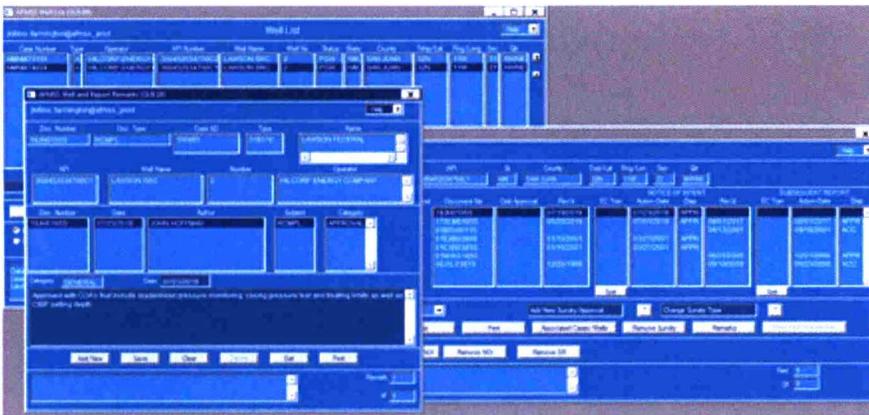
Priscilla

**From:** Killins, Joe [mailto:jkillins@blm.gov]  
**Sent:** Monday, September 9, 2019 3:58 PM  
**To:** Priscilla Shorty <pshorty@hilcorp.com>  
**Cc:** John Hoffman (jhoffman@blm.gov) <jhoffman@blm.gov>  
**Subject:** Re: [EXTERNAL] Lawson SRC 2\_MV RC NOI BLM Appvd

Hi Priscilla,

The NOI was approved 7/23/2019. See the screenshot attached as record of approval. If you want a stamp, please bring it by and we can add one.

best regards,  
Joe



On Mon, Sep 9, 2019 at 3:28 PM Priscilla Shorty <pshorty@hilcorp.com> wrote:

Joe and John,

It was brought to my attention by Amy, NMOCD, that the attached recomplete (and their copy) did not have an approved signature or an Accepted for Record/Date stamp. The Conditions of Approval were attached. Just to be sure, is this officially approved by you (BLM)?

Thank you,

*Priscilla A. Shorty*

San Juan North Regulatory Technician

**Hilcorp Energy Company**

505-324-5188

[pshorty@hilcorp.com](mailto:pshorty@hilcorp.com)

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