

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.
NMNM013688

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
140800111848. Well Name and No.
WALKER KOCH 1A9. API Well No.
30-045-21700-00-S110. Field and Pool or Exploratory Area
BLANCO MESAVERDE11. County or Parish, State
SAN JUAN COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
HILCORP ENERGY COMPANYContact: AMANDA WALKER
E-Mail: mwalker@hilcorp.com3a. Address
1111 TRAVIS STREET
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 505-324-5122

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 13 T31N R10W SESE 0990FSL 0940FEL
36.893720 N Lat, 107.829680 W Lon**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☒ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recompleate 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 recompleation 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 recompleate the subject well in the Fruitland Coal and downhole commingle with the existing Mesaverde. Please see the attached procedure, wellbore diagram, plat and gas capture plan. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities using the following attached plan.

NMOC

Notify NMOC 24 hrs
prior to beginning
operations

OCT 17 2019

DISTRICT III

HOLD C104 FOR DHC

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #480665 verified by the BLM Well Information System

For HILCORP ENERGY COMPANY, sent to the Farmington

Committed to AFMSS for processing by ALBERTA WETHINGTON on 09/03/2019 (19AMW0586SE)

Name (Printed/Typed) AMANDA WALKER

Title OPERATIONS REGULATORY TECH

Signature (Electronic Submission)

Date 08/27/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title ENGINEER

Date 10/10/2019

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

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****



HILCORP ENERGY COMPANY
WALKER KOCH 1A
FRUITLAND COAL RECOMPLETION SUNDRY

API #: 3004521700

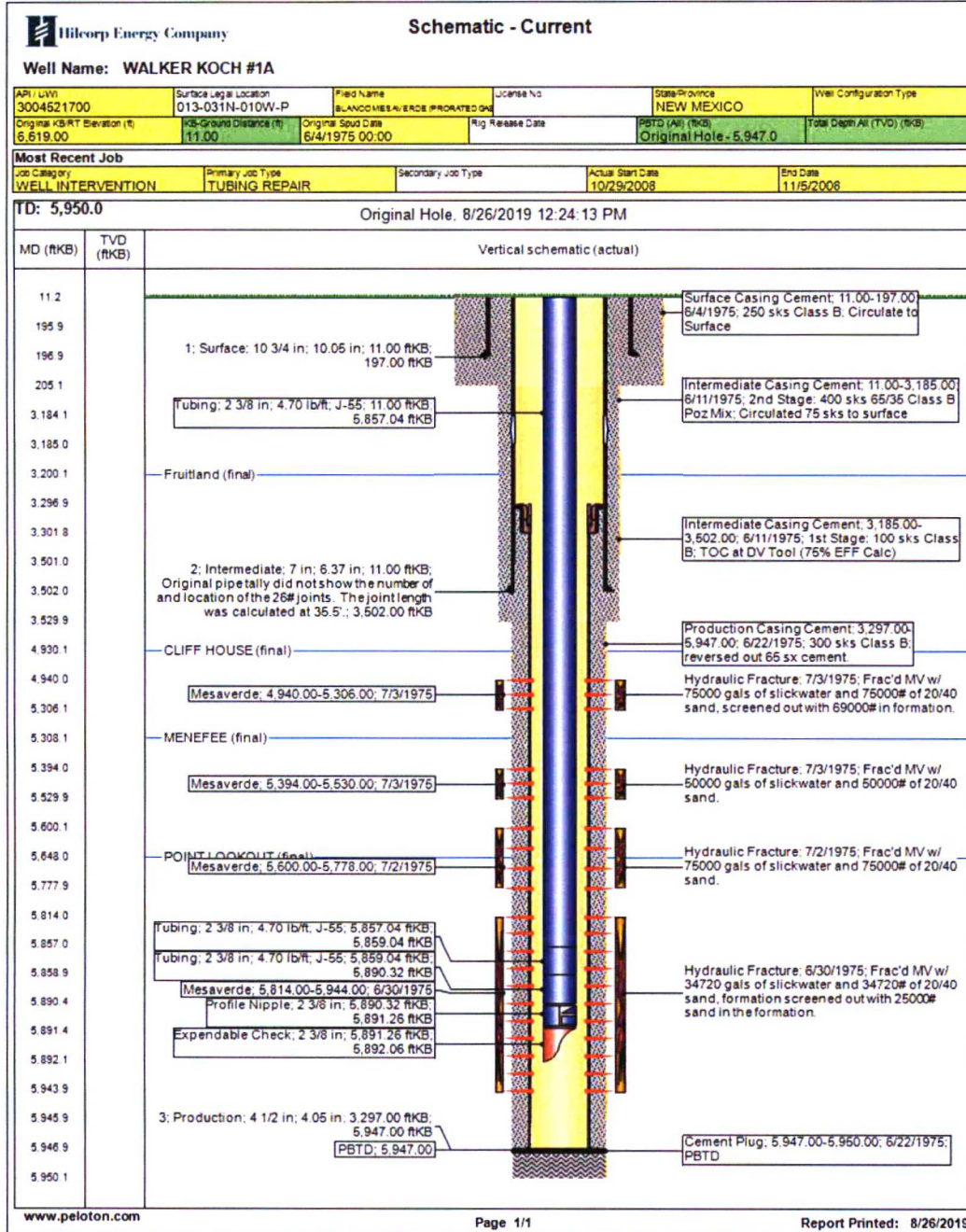
JOB PROCEDURES

- | | | |
|-------------------------------------|-------|--|
| ☒ | NMOCD | Contact OCD and BLM (where applicable) 24 hrs prior to MIRU. Record and document all casing pressures daily , including BH, IC (if present) and PC. Comply with all NMOCD, BLM (where applicable), and HEC safety and environmental regulations. |
| ☒ | BLM | |
1. MIRU service rig and associated equipment; NU and test BOP.
 2. TOOH with **2 3/8"** tubing set at **5,892'**.
 3. MU a **4-1/2"** cast iron bridge plug and RIH with work string; set CIBP at +/- **4,900'** to isolate the Mesa Verde Formation (set 50' above top perforation).
 4. Load hole with fluid and TOOH with the work string. MIRU E-line truck. Run a CBL from the CIBP to surface. Verify cement bond within the Fruitland Coal. Review the CBL results with NMOCD and BLM.
 5. RU pressure test truck. Perform a Mechanical Integrity Test on wellbore. Chart record the MIT test (Notify NMOCD & BLM +24hr before actual test). Review and submit the MIT test results to the NMOCD and BLM. If the MIT fails, discuss with both the NMOCD and BLM on a plan of action to remediate the wellbore. Perform 2nd MIT once remediated.
 6. MU a **4-1/2"** cast iron bridge plug and RIH with work string; set CIBP at +/- **3,425'**.
 7. N/D BOP, N/U frac stack and load the wellbore full of water.
 8. Pressure test the production casing to frac pressure and frac stack to +/- **3,900** psi. The pressure test will not exceed 90% of the internal yield strength of the casing(s). (7" 23# & 26#).
 9. RDMO service rig. MIRU stimulation and perforating equipment.
 10. Perforate and frac the **Fruitland Coal** in one or two stages. (Top perforation @ 3,200', Bottom perforation @ 3,394")
 11. Isolate frac stages with a composite bridge plug and set top isolation plug once frac is completed. RD stimulation and perforating equipment.
 12. MIRU service rig. Nipple down frac stack, nipple up BOP and test.
 13. TIH with a mill and drill out top isolation plug and Fruitland Coal frac plugs.
 14. Clean out to the top of the Mesa Verde isolation plug.
 15. Once water and sand rates are acceptable, drill out Mesa Verde isolation plug and cleanout to PBTD of **5,947'**. TOOH.
 16. TIH and land production tubing. ND BOP, NU whd. Get a commingled **Fruitland Coal/Mesa Verde** flow rate. RDMO service rig.



HILCORP ENERGY COMPANY
WALKER KOCH 1A
FRUITLAND COAL RECOMPLETION SUNDRY

WALKER KOCH 1A - CURRENT WELLBORE SCHEMATIC



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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-21700	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 319378	5. Property Name WALKER KOCH	6. Well No. 001A
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6608

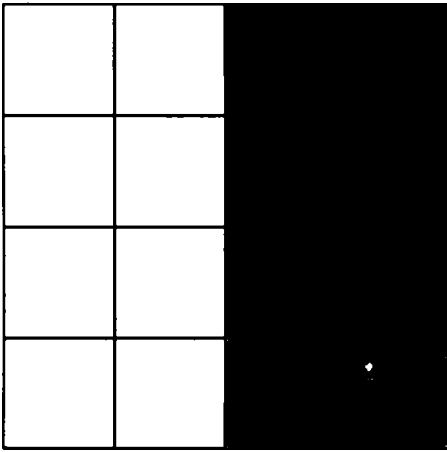
10. Surface Location

UL - Lot P	Section 13	Township 31N	Range 10W	Lot Idn 16	Feet From 990	N/S Line S	Feet From 940	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 277.56	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>Amanda Walker</i> Title: Operations / Regulatory Tech Sr. Date: 8/26/2019 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: James P. Leese Date of Survey: 1/10/1975 Certificate Number: 1463
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District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 8/26/2019

☒ Original Operator & OGRID No.: Hilcorp Energy Company 372171
☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Walker Koch 1A	30-045-21700	P 13, 31N, 10W	990' FSL & 940' FEL	250	Vent	

Gathering System and Pipeline Notification

This is a recompletion of a producing gas well. Gas production, sales and transportation infrastructure is already in place. The gas is dedicated to Enterprise and will be connected to their gathering system located in San Juan County, New Mexico. Gas from these wells will be processed at Chaco Processing Plant located in Sec.16, Twn.26N, Rng.12W, San Juan County, New Mexico.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be routed to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Enterprise system at that time. Based on current information, it is Hilcorp's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

Hilcorp Energy
Interim Reclamation Plan
Walker Koch #1A
API: 30-045-21700
P – Sec.13-T031N-R010W
Lat: 36.89372, Long: -107.82968
Footage: 990' FSL & 940' FEL
San Juan County, NM

1. PRE- INTERIM RECLAMATION SITE INSPECTION

- 1.1) A pre-interim reclamation site inspection was completed by Bob Switzer with the BLM and Chad Perkins construction Foreman for Hilcorp Energy on August 20, 2019.

2. LOCATION INTERIM RECLAMATION PROCEDURE

- 2.1) Interim reclamation work will be completed after well recompletion in the fall of 2019 or spring of 2020.
2.2) Location tear drops will be defined as applicable during interim reclamation.
2.3) Meter in meter house will be turned to face the location to discourage traffic from traveling behind the meter house.
2.4) New inner tear drop v-ditch diversion will be install to define tear drops.
2.5) All disturbed areas will be seeded, any disturbed areas that are compacted will be ripped before seeding.
2.6) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.

3. ACCESS ROAD RECLAMATION PROCEDURE:

- 3.1) No lease access road issues were identified at the time of onsite.

4. SEEDING PROCDURE

- 4.1) A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the location.
4.2) Drill seeding will be done where applicable and all other disturbed areas will be broadcast seeded and harrowed, broadcast seeding will be applied at a double the rate of seed.
4.3) Timing of the seeding will take place when the ground is not frozen or saturated.

5. WEED MANAGEMENT

- 5.1) No action is required at this time for weed management, no noxious weeds were identified during the onsite.

