

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

OCT 25 2013

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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. NMNM113426
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. OJO ENCINO 21 FEDERAL DWS 2
9. API Well No. 30-031-21111-00-X1
10. Field and Pool, or Exploratory OJO
11. County or Parish, and State MCKINLEY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator HPOC, LLC Contact: BUTCH BUTLER E-Mail: bbutler@highplainsop.com
3a. Address P.O. BOX 5046 BUENA VISTA, CO 81211	3b. Phone No. (include area code) Ph: 719-395-8059
4. Location of Well (Footage, Sec., T., R., M.; or Survey Description) Sec 21 T20N R5W NESW 2621FSL 2360FWL 36.949160 N Lat, 107.372000 W Lon	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 type="checkbox"/> Recomplete	<input checked="" 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

HPOC, LLC is operating with Bond No. NMB 000457.

Drilled 8-3/4" hole to a TD of 6232'. Reached this TD on 10/7/2012. The long string of 7" used was 23#, J-55, NEW API casing.

This well is a dual completion. A PDF with the as drilled & completed wellbore diagram has been submitted previously. This is HPOC's first Downhole Water Sink (DWS) completion in the Entrada formation. We are testing to see if a pressure sink created at the oil/transition zone contact will prevent coning in the upper oil completion.

A PDF is attached with the completion details.

RCVD OCT 29 '13
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct. Electronic Submission #224265 verified by the BLM Well Information System For HPOC, LLC, sent to the Farmington Committed to AFMS for processing by TROY SALYERS on 10/28/2013 (14TLS0247SE)	
Name (Printed/Typed) BUTCH BUTLER	Title MANAGER
Signature (Electronic Submission)	Date 10/23/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	TROY SALYERS Title PETROLEUM ENGINEER	Date 10/28/2013
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.

** BLM REVISED **

NMOCDD

This document contains the completion details for HPOC's Ojo Encino 21 Federal DWS 2 well. It accompanies BLM Form 3160-5 Sundry Notice submitted to the BLM on October 23, 2013.

The well had three different phases of completion. Details from each phase follow.

Completion phase one from December 10-13, 2012.

1. **Drill out Stage Tool & clean-out hole.** Picked up a 6-1/4" tri cone bit, 7" csg scraper, X/O, 4ea 4-3/4" DC's, X/O and TIH on 2-7/8", J-55, EUE 8rd tbg. Tagged at 3351' KB. Picked up power swivel, RU pump, drilled cement to stage tool at 3369' KB. Drilled thru stage tool (2-1/2hrs), circulated csg clean. TIH and tagged at 6146' KB, drilled to 6168' KB, drilling became hard (PBSD reported at 6173' KB). Circulated csg clean & TIH.
2. **Pressure test long string of 7" casing.** RU Wellcheck, LLC. Loaded csg & pressure tested 7" csg F/ 6168' KB – T/ Surface to 1500psi, held 30 minutes, good test, charted. RD Wellcheck.
3. **Obtain CBL, GR, CCL.** RU Halliburton Wireline Services. RIH with CBL, GR, CCL. Logged well F/ 6130' KB – T/ Surface, held 1000 psi while logging (correlated with open hole logs run on Oct 8, 2012).
4. **Perforate the lower completion—the Entrada water sink zone.** RIH with a 3-1/8" gun and perforated the Entrada F/ 5908' – T/ 5912' (6spf, 21.5g, EHD=0.43", EPD=37.30", 60° phasing, total of 24 holes). Perforation depth correlated to original open hole logs.

Completion phase two from June 24-25, 2013.

1. **Perforate the upper completion—the Entrada oil zone.** RU Weatherford Wireline Services. RIH with a 3-1/8" gun and perforated the Entrada F/ 5881' – T/ 5894' (6spf, maximum charge, EHD=0.42", EPD=40", 60° phasing, total of 78 holes). Perforation depth correlated to original open hole logs.
2. **Run scraper prior to setting packer between upper and lower perforations.** PU 7" X 2-7/8" Weatherford Scraper. Tally 2-7/8" tbg. TIH to tag @ 6115' KB w/ jt 189. PBSD @ 6173' and hole cleaned out to 6168' in December 2012. 53' of fill in rat hole. Rat hole intended for use as sand trap below desander to be run on ESP lift from water sink perforations.
3. **Decision to shut down.** HPOC management made decision to suspend operations and clean-out rat hole and set packer when all equipment to be run in well is ready

Completion phase three from September 4-10, 2013.

1. **Clean-out rathole.** PU Weatherford 2-7/8" Hydro-static tubing bailer assembly w/ 20 jts tbg for fill. RIH on 2-7-8" tbg. Tag fill at 6109' KB. Bailed thru bridge from 6109' KB to 6120' KB. Fell 22' to 6142' KB. Bailed from 6142' KB to 6168' KB. Cleaned to 6168' KB w/ jt 190. Solid bottom.
2. **Set packer that will separate water sink from oil completion.** Rig up Weatherford WL. PU 1-11/16" GR/CCL. TIH. Make Correlation Log to Weatherford OH Log Dated 10-8-12. PU New Arrowset 1X Tubing set Packer w/ 12' Sub and Cavins Desander. 1 jt 2-7/8" tbg and 4' Marker Sub above Packer. RIH to 5906' on 181 jts 2-7/8" tbg. Rig up Weatherford WL. PU 1-11/16" GR/CCL. TIH. Locate Marker Sub. Correlate to previous log and OH log dated 10-8-12. Set Packer w/ element @ 5902' KB and Desander @ 5919' KB. Packer cup is 7' below water sink perms. RDMO Weatherford WL. Release off packer. Lay down 108 jts tbg, leaving 74 jts in hole for production tbg. Install 2nd on/off tool between jts 74/73.
3. **Run Long string connecting water sink completion below packer to surface.** PU 5-1/2" Shroud. 2 jts 5 1/2" flush jt csg w/ XO to 2-7/8" on bottom and XO to 2-3/8" on top. Make up to 2-7/8" tbg and RIH. PU ESP and run into Shroud. Install ESP Cable and band to pump. NU 1st jt of 2-3/8" tbg to ESP and

Shroud. RIH w/ 47 jts of 2-3/8" EUE tbg (1400'), banding cable twice per jt. Remove collar off last jt and NU Dual Tbg Anchor. Continue RIH w/ 2-3/8" Flush jt (FL4S threads). 68 jts total @ 2003'. Latch onto Arrowset @ 5902', 6' above Entrada water sink perfs. NU WH and land tbg. Tie in ESP cable.

4. **Run short string to pump from oil completion above packer.** Run 12' barrel for 2" tbg pump and 67 jts Flush jt tbg (FL4S threads) to 2009' KB. J into anchor @ 2009' KB. Pull 4 K tension. Land in WH. NU pumping tee. PU On/Off tool. RIH w/ 79, 3/4" sucker rods. Latch onto pull rod w/ on/off tool. Space out 16" off bottom tag. PU Polish Rod and Stuffing Box. Tag top of barrel to check on/off tool connection. Clamp off. Install Liner Rod Pump (LRP) Unit onto WH. Hang Polish Rod onto LRP Hangar. Final rod count on top of 2" x 2' x 12' tbg pump: 1 - on/off tool set left release right, 79 - 3/4" sucker rods, 1 - 8' pony, 1 - 22' x 1-1/4" polished rod.

Well left ready to proceed with electrical & wellhead/flowline installation.