

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-09520
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-10796
7. Lease Name or Unit Agreement Name Gonsales State Com
8. Well Number 1
9. OGRID Number 372171
10. Pool name or Wildcat Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
HILCORP ENERGY COMPANY

3. Address of Operator
PO BOX 4700, FARMINGTON NM 87499

4. Well Location
 Unit Letter G 1470 feet from the North line and 1770 feet from the East line
 Section 16 Township 30N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5720

OIL CONS. DIV DIST. 3
 DEC 22 2017

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
 PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE
 CLOSED-LOOP SYSTEM
 OTHER: Re-Complete

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB
 OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Plans are to recomplete the subject well in the Mesaverde formation and downhole commingle the existing Dakota with the Mesaverde. Attached is the MV plat and procedure. The DHC application will be submitted and approved before the work proceeds.

Submit CBL to the OCD for review and approval prior to perforating

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Christine Brock TITLE Operations / Regulatory Technician DATE 12/22/2017

Type or print name Christine Brock E-mail address: cbrock@hilcorp.com PHONE: 505-324-5155

For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE 1/11/18
 Conditions of Approval (if any): AV

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District I

1625 N. French Dr., Hobbs, NM 88240
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1000 Rio Brazos Rd., Aztec, NM 87410
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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 246480

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-09520	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318890	5. Property Name GONSALES STATE COM	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5720

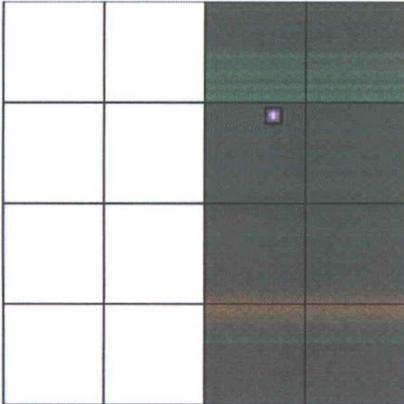
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	16	30N	11W		1470	N	1770	E	SAN JUAN

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 E/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

	<p 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>Lehister Brock</i> Title: Operations/Regulatory Tech - Sr. Date: 1/2/2018</p>
	<p 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: James P Leese Date of Survey: 2/25/1963 Certificate Number: 1463</p>

OIL CONS. DIV DIST. 3
JAN 03 2018

Gonzales State Com #1

1470' FNL & 1770' FEL. Spot G. Section 16 -T 030N -R 011W

API# 3004509520

Mesa Verde Pay Add Sundry

12/20/2017

History/Justification:

The Gonzales State Com #1 is a standalone DK well that was drilled and completed in 1963. Production tubing was upsized from 2 1/16" to 2 3/8" in 1995, and plunger lift installed the following year. The condition of the 4 1/2" casing and cement is unknown, but records indicate cement behind casing through the entire zone of interest. There is a (+/-) 300' section of casing uphole that has no cement, so a frac string may be required. The stimulation may be performed in multiple stages. Due to the tubing age, a new production string may be required. It will be landed at approximately the same depth, but without a tail joint. The well currently makes 50 Mcfd, 0.44 BWP/D, and 0.06 BOP/D.

This is a capital project to add a two stage MV completion in the Point Lookout and the Menefee.

Procedure:

1. MIRU service rig and associated equipment; NU and test BOP.
2. Tag fill, TOO/H and scan 2 3/8" tubing set at 6,743.
3. Run GR and set a 4 1/2" composite bridge plug at +/- 4790' to isolate the Dakota. POO/H.
4. TIH with tubing. Load well and PT casing to 500 psi. POO/H.
5. Run Casing Bond Log
6. Run 2 7/8" frac string with 4 x 2 3/8" packer and swedge, and set at top of perf interval.
7. ND BOP and NU 5k tubing hanger. PT workstring to 9000 psi.
8. N/U frac stack and test frac stack to frac pressure.
9. Perforate and frac the Mesaverde in two stages (Point Lookout and Menefee).
10. Nipple down frac stack, nipple up BOP and test.
11. TIH and cleanout to Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesaverde.
12. Drill out Dakota isolation plug and cleanout to PBTD of 6,800. TOO/H.
13. TIH and land production tubing. Get a commingled Dakota / Mesaverde flow rate.
14. Release service rig and turn well over to production.

Well Name: GONZALES STATE COM #1

API / UWI 3004509520	Surface Legal Location 016-030N-011W-G	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 5,770.00	Original KBRT Elevation (ft) 5,780.00	KB-Ground Distance (ft) 10.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole, 12/20/2017 10:37:38 AM

