

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, 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: 1-26-18
Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-23914-00-00	MCCLANAHAN	016E	HILCORP ENERGY COMPANY	G	A	San Juan	F	E	24	28	N	10	W

Application Type:

- P&A
 Drilling/Casing Change
 Location Change
 Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)
 Other:

Conditions of Approval:

- Notify OCD 24hrs prior to beginning operations.
- Run CBL and submit it to the agencies for review and approval prior to perforating.
- A downhole commingle NOI must be approved prior to commingling the Blanco Mesaverde and Basin Dakota.

NMOCD Approved by Signature

2/5/18
Date

FEB 02 2018

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

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)
2. Name of Operator (Hilcorp Energy Company)
3a. Address (PO Box 4700, Farmington, NM 87499)
3b. Phone No. (505-599-3400)
4. Location of Well (Surface Unit E (SWNW) 1520'FNL & 960' FWL, Sec. 24, T28N, R10W)
5. Lease Serial No. (SF-079634)
6. If Indian, Allottee or Tribe Name
7. If Unit of CA/Agreement, Name and/or No.
8. Well Name and No. (McClanahan 16E)
9. API Well No. (30-045-23914)
10. Field and Pool or Exploratory Area (Basin Dakota / Blanco Mesaverde)
11. Country or Parish, State (San Juan, New Mexico)

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

Table with columns: TYPE OF SUBMISSION (Notice of Intent, Subsequent Report, Final Abandonment Notice) and TYPE OF ACTION (Acidize, Deepen, Fracture Treat, New Construction, Plug and Abandon, Plug Back, Production, Reclamation, Recomplete, Temporarily Abandon, Water Disposal, Water Shut-Off, Well Integrity, Other).

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 plans 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. A DHC application will be filed and approved before work proceeds.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

RECEIVED JAN 29 2018

Farmington Field Office Bureau of Land Management

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 1/26/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by William Tambekou Title Petroleum Engineer Date 1/31/2018 Office FFO

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.

NMOCD AY

McClanahan 16E

1520' FNL & 960' FWL. Spot E. Section 24 -T 028N -R 010W

.API# 3004523914

Mesaverde Recompletion Sundry

1/24/2017

Procedure:

1. MIRU service rig and associated equipment; NU and test BOP.
2. TOOH and lay down current production tubing string.
3. Run gauge ring and scraper if necessary, and set a 5 ½" cast iron bridge plug at 6200' (~50' above the existing Dakota completion) to isolate the Dakota.
4. Load well and pressure test casing to 1000 psi.
5. Run a GR/CCL/CBL correlation log with 500 psi to 1000 psi. Logs will be used to pick formation tops, any need for remedial cement work, and other decisions related to the execution of the completion.
6. Complete the Mesaverde formation. Estimated perf interval from 3550' to 4500'.
7. Flow back on clean-up to a flow back tank. If there is no frac string, wireline set a 5 ½" bridge plug (composite or cast iron) above top perf.
8. TIH and drill out the top plug. Flow test the Mesaverde up the casing.
9. Drill out the CIBP set above the Dakota and cleanout to PBSD at 6,480'. TOOH.
10. Get a commingled Dakota / Mesaverde flow rate.
11. TIH and land production tubing.
12. Release service rig and turn over to production.

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

Form C-102

August 1, 2011

Permit 247581

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-23914	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318622	5. Property Name MCCLANAHAN	6. Well No. 016E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5756

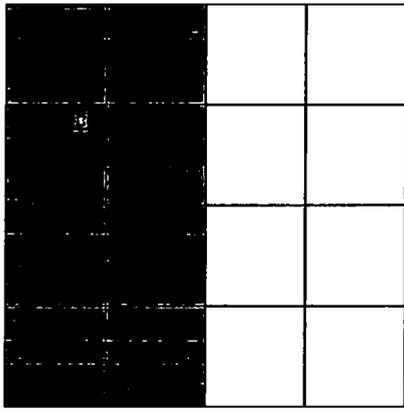
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	24	28N	10W		1520	N	960	W	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 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
	<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>Christine Brock</i> Title: Operations/Regulatory Tech - Sr. Date: 1/26/18</p>
	SURVEYOR CERTIFICATION
	<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: Fred B. Kerr, Jr. Date of Survey: 10/10/1979 Certificate Number: 3950</p>

Well Name: MCCLANAHAN #16E

API #/UWI 3004523914	Surface Legal Location 024-028N-010W-E	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 5,756.00	Original KBART Elevation (ft) 5,768.00				

Original Hole, 1/24/2018 3:58:24 PM

