

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: 2-2-18

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-23910-00-00	SAN JUAN 27 5 UNIT	108E	HILCORP ENERGY COMPANY	G	A	Rio Arriba	F	M	15	27	N	5	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.
- Density exception must be approved prior to producing the Blanco Mesaverde
- Submit CBL to the agencies for review and approval.

NMOCD Approved by Signature

2/19/18
Date

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.

5. Lease Serial No.
NMSF-079403

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

7. If Unit of CA/Agreement, Name and/or No.
San Juan 27-5 Unit

8. Well Name and No.
San Juan 27-5 Unit 108E

2. Name of Operator
Hilcorp Energy Company

9. API Well No.
30-039-23910

3a. Address
PO Box 4700, Farmington, NM 87499

3b. Phone No. (include area code)
505-599-3400

10. Field and Pool or Exploratory Area
Blanco Mesaverde / Basin Dakota

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
Surface Unit M (SWSW) 530' FSL & 90' FWL, Sec. 15, T27N, R05W

11. Country or Parish, State
Rio Arriba, New Mexico

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 recomplate 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 recomplate 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 plans to recomplate the subject well in the Mesaverde formation and downhole commingle the existing Dakota with the Mesaverde. Attached is the MV C102, recomplate procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds.

RECEIVED

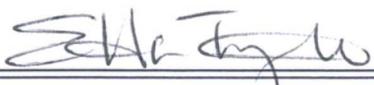
OIL CONS. DIV DIST. 3
FEB 12 2018

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

FEB 06 2018

Farmington Field Office
Bureau of Land Management

14. I hereby certify that the foregoing is true and correct. Name (*Printed/Typed*)
Etta Trujillo Title **Operations/Regulatory Technician - Sr.**

Signature  Date **2/2/2018**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **William Tambekou** Title **Petroleum Engineer** Date **2/9/2018**

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 **FFD**

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.

(Instruction on page 2)

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) 476-3462

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 247917

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 3003923910	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318920	5. Property Name SAN JUAN 27 5 UNIT	6. Well No. 108E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6590

10. Surface Location

UL - Lot M	Section 15	Township 27N	Range 05W	Lot Idn	Feet From 530	N/S Line S	Feet From 90	E/W Line W	County RIO ARRIBA
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-----------------	---------------	----------------------

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

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.

E-Signed By: *Etta Trujillo*
 Title: Operations/Regulatory Tech
 Date: 2/1/2018

SURVEYOR CERTIFICATION

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.

Surveyed By: Fred B. Kerr Jr
 Date of Survey: 9/13/1985
 Certificate Number: 3950



HILCORP ENERGY COMPANY
SAN JUAN 27-5 UNIT 108E
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 7,786'.
3. RU Wireline. Run CBL. Record top of cement. (Note: TOC at 3,200' by Temperature Log)
4. Set a 4-1/2" cast iron bridge plug at +/- 6,075' to isolate the Dakota.
5. Load the hole and pressure test the casing to frac pressure.
6. N/D BOP, N/U frac stack and test frac stack to frac pressure.
7. Perforate and frac the Mesa Verde in two or three stages (Top Perforation @ 4,900'; Bottom Perforation @ 5,750').
8. Isolate frac stages with a composite bridge plug.
9. Nipple down frac stack, nipple up BOP and test.
10. TIH with a mill and drill out top isolation plug and Mesa Verde frac plugs.
11. Clean out to Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesa Verde.
12. Drill out Dakota isolation plug and cleanout to PBTD of 7,814'. TOOH.
13. TIH and land production tubing. Get a commingled Dakota/Mesa Verde flow rate.



HILCORP ENERGY COMPANY
SAN JUAN 27-5 UNIT 108E
MESA VERDE RECOMPLETION SUNDRY

SAN JUAN 27-5 UNIT 108E - CURRENT WELLBORE SCHEMATIC



Current Schematic - Version 3

Well Name: **SAN JUAN 27-5 UNIT #108E**

APR / UWI 3003923910	Surface Leg # Location 015-027N-005W-M	Field Name BASIN DAKOTA (PROGRATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,690.00	Original KB RT Elevation (ft) 6,600.00	KB-Ground Distance (ft) 10.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole, 1/31/2018 7:58:52 AM

