

State of New Mexico
Energy, Minerals and Natural Resources Department

dhcSusana 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: 4/10/2018

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-21735-00-00	SAN JUAN 28 7 UNIT	258	HILCORP ENERGY COMPANY	G	A	Rio Arriba	F	K	23	28	N	7	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.
- Perform a CBL and submit it to the Agencies for review and approval prior to perforating.



NMOCD Approved by Signature

4/19/18

Date

6

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APR 11 2010

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

Farmington Field Office
Bureau of Land Management

5. Lease Serial No. **SF-079290**
6. If Indian, Allottee or Tribe Name

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

7. If Unit of CA/Agreement, Name and/or No.
San Juan 28-7 Unit

8. Well Name and No.
San Juan 28-7 Unit 258

2. Name of Operator
Hilcorp Energy Company

9. API Well No.
30-039-21735

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit K (NESW), 2480' FSL & 1615' FWL, Sec. 23, T28N, R07W

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 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 Company 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. A Closed Loop system will be utilized.

APR 17 2018

DISTRICT III

This well is pending approval of well density exemption.

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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

4/10/18

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

4/16/2018

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

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.

NMOCDF

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 249466

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-21735	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code	5. Property Name SAN JUAN 28 7 UNIT	6. Well No. 258
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6649

10. Surface Location

UL - Lot K	Section 23	Township 28N	Range 07W	Lot Idn	Feet From 2480	N/S Line S	Feet From 1615	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: *Christine Beck*
Title: Operations/Regulatory Tech. - Sr.
Date: 4/10/2018

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
Date of Survey: 2/24/1978
Certificate Number: 3950

San Juan 28-7 Unit #258

Sec 23-28N-7W-K

API# 30-039-21735

Mesa Verde Uphole Recomplete

4/1/2018

Procedure:

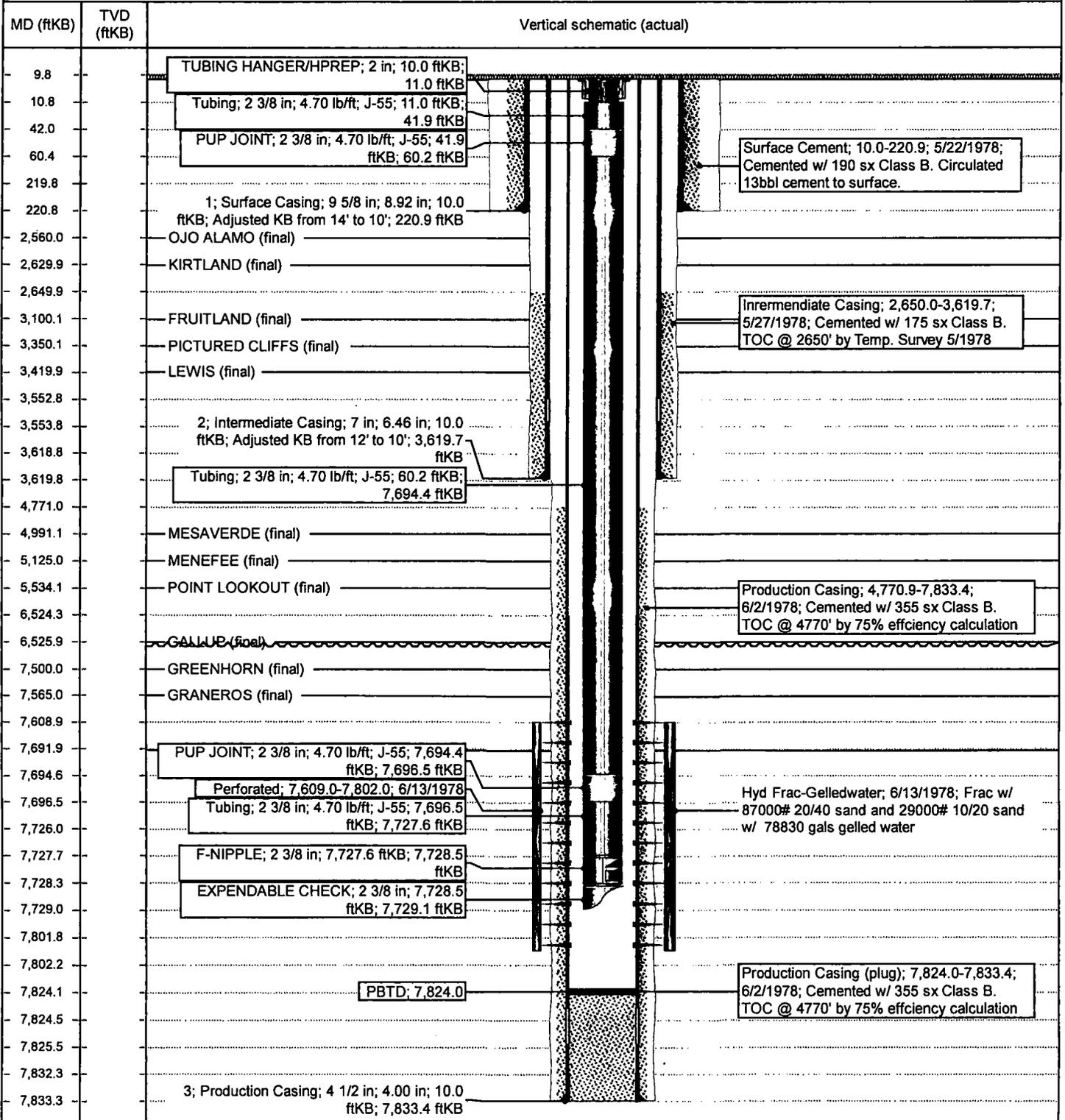
1. MIRU Service rig and associated equipment, test BOP.
2. TOOH w/ 2 3/8" tubing set at 7,729'.
3. Set 4.5" bridge plug to isolate the Dakota.
4. Load the hole and pressure test to frac pressure.
5. ND BOP, NU frac stack and test frac stack to frac pressure.
6. Perforate and frac the Mesaverde, isolating frac stages. (Proposed top perf at 4,990'; proposed bottom perf at 5,890')
7. TIH and drill out Mesaverde frac plugs.
8. Clean out to Dakota isolation plug and when water and sand rates are acceptable, flow test the Mesaverde.
9. Drill out Dakota isolation plug and cleanout to PBTD of 7,824'. TOOH.
10. TIH and land production tubing. Get a commingled Dakota/Mesaverde flow rate.
11. Release service rig and turn well over to production.

Well Name: SAN JUAN 28-7 UNIT #258

API / UWI 3003921735	Surface Legal Location 023-028N-007W-K	Field Name DK	License No.	State/Province NEW MEXICO	Well Configuration Type Vertical
Original KB/RT Elevation (ft) 6,659.00	KB-Tubing Hanger Distance (ft) 10.00	Original Spud Date 5/21/1978 00:00	Rig Release Date 6/2/1978 00:00	PBTD (All) (ftKB) Original Hole - 7,824.0	Total Depth All (TVD) (ftKB)

Most Recent Job				
Job Category WELL INTERVENTION	Primary Job Type TUBING REPAIR	Secondary Job Type	Actual Start Date 1/31/2014	End Date 2/10/2014

TD: 7,833.4 Vertical, Original Hole, 4/10/2018 1:17:57 PM





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd. - Suite A
Farmington, New Mexico 87402
www.blm.gov/nm



CASING REPAIR, WORKOVER, AND RECOMPLETION CONDITION OF APPROVAL

1. If casing repair operations are needed, obtain prior approval from this office before commencing repairs.
2. If a CBL or other logs are run, provide this office with a copy.
3. After any casing repair operations, test cement squeeze to a minimum of 500# for 30 minutes with no more than 10 % pressure fall off in the 30 minutes test period. Provide test chart with your subsequent report of operations
4. A properly functioning BOP and related equipment must be installed prior to commencing workover, casing repair, and/or recompletion operations.
5. **Contact this office at (505) 564-7750 prior to conducting any cementing operations**

SPECIAL STIPULATIONS:

1. **Pits will be fenced during work-over operation.**
2. **All disturbance will be kept on existing pad.**
3. **All pits will be pulled and closed immediately upon completion of the recompletion and work-over activities.**
4. **Pits will be lined with an impervious material at least 12 mils thick.**