

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

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

<p>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.)</p>		<p>WELL API NO. NM 30-045-35634 / CO 05-067-09924</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other NMOCD</p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator HILCORP ENERGY COMPANY</p>		<p>6. State Oil & Gas Lease No. FEE</p>
<p>3. Address of Operator 382 Road 3100, Aztec NM 87410</p>		<p>7. Lease Name or Unit Agreement Name Allison Unit Com</p>
<p>4. Well Location Unit Letter <u>C</u> <u>176</u> feet from the <u>N</u> line and <u>2615</u> feet from the <u>W</u> line Section <u>8</u> Township <u>32N</u> Range <u>6W</u> NMPM County <u>San Juan</u></p>		<p>8. Well Number 138H</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6134' GR</p>		<p>9. OGRID Number 372171</p>
<p>10. Pool name or Wildcat Basin Fruitland Coal</p>		

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER: <input type="checkbox"/>	
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>			

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.

5/14/2018 MIRU AWS 777. NU BOP.

5/15/2018 PT BOP 250 PSI F/5 MINS. 3000 PSI F/10 MINS. ALL EQUIP, ANNULAR HIGH TO 2100 PSI F/ 10 MIN, ACCUMULATOR FUNCTION TEST. PT CSG 30 MINS 600 PSI @ 10:00 HRS – HELD. GOOD TEST. TIH W/HWDP, TAG CMT @ 456'. DRILL THROUGH FLOAT/FLOAT EQUIP F/456' TO 533'. DRILL 8-3/4" INT HOLE F/533' TO 2140'

Spud Date: 4/23/2018 Rig Release Date: 5/21/2018

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

SIGNATURE Amanda Walker TITLE Operations / Regulatory Technician DATE 5/24/2018

Type or print name Amanda Walker E-mail address: mwalker@hilcorp.com PHONE: 505-324-5122

For State Use Only

APPROVED BY: Bob Roll TITLE IT&E Supervisor DATE 5/25/18
Conditions of Approval (if any): AV

5/16/2018 DRILL 8-3/4" INT HOLE F/2140' TO 3539'. CIRC & COND HOLEPUMP SWEEPS., L/D DIR TOOLS & 8-3/4" BIT. TD @ 3539 @ 1600HRS

5/17/2018 P/U 7" 23# L-80 LTC CSG, TOTAL 76 JTS RAN, SET @ 3495', FC @ 3449' (RD CSG CREW). RU CMT HEAD & IRON. B/C & TEST LINES TO 5000 PSI, PUMP 10 BBLS H2O, 40 BBLS TUNED II SPACER @ 11.5 PPG, MIX & PUMP #1 LEAD 485 SKS = 199.5 BBLS, 2.31 YLD @ 12.7 PPG, MIX & PUMP #2 LEAD 140 SKS=57.8 BBLS, 2.32 YLD @ 12.7 PPG. MIX & PUMP TAIL 165 SKS = 55 BBLS, 1.87 YLD, TOTAL @ 13.5 PPG, KICK OUT TOP PLUG & PUMP 136 BBLS OF FRESH H2O & PUMP PLUG W/970 PSI, PRESSURE TO 2250, BLEED OFF, FLOATS HELD, GOT BACK 200 BBLS OF CMT RD HALLIBURTON CMT EQUIP. W.O.C. BEGIN ND BOPS, CLEAN WBM F/MUD TANKS. SET 7' CSG SLIPS W/80K. RU MAKING FINAL CUT ON 7" CSG.

5/18/2018 TEST CSG 1500 PSI, HELD 30 MINS, TST MANIFOLD 3000 HIGH, 250 LOW. RU BASIN, RU LOGGERS RUN CBL & TRIP COMBO. TOC @ 42' PER CBL TIH W/WHIPSTOCK TO 3000' OREINATE WHIPSTOCK & SET @ 3066'. MILL WINDOW & FORMATION F/3050 TO 3065 (TOW @ 3050 BOW @ 3059) TOO H L/D MILLING ASSM. PU 1.75 MUD MOTOR, 6.25 BIT & DIRECTIONAL TOOLS, TIH W/30 STD OF DP F/DERRICK TO 2021', TIH PU 4" DP F/20210 TO 3065, FILL PIPE, BEGIN BUILDING CURVE F/3065' TO 3099'

5/19/2018 BUILDING CURVE & DRILLING LATERAL F/3099' TO 6171'

5/20/2018 DRILLING LATERAL F/6171' TO 6514. TOO H L/D DIRECTIONAL TOOLS & BIT. M/U SHOE ON 4.5" 11.6# N-80, TCBC-HT LINER & CONT P/U TIH TO 3412' R/D CSG TOOLS & L/D SAME CONT TIH W/4" HWDP & 4.5 LINER TO 6485'. TOL @ 3069' BTM @ 6484'. TOO H, L/D RUNNING TOOL. TIH TO RETRIEVE WHIPSTOCK, LATCH WHIPSTOCK @ 3048', TOO H L/D. *Hole size - Date TD Reached?*

5/21/2018 L/D DP & WHIPSTOCK, LAND MADRELL W/BACK PSI VALVE, TEST 5000 PSI HELD 5 MINS – OK. ND BOP & CHOKE GAS BUSTER ALL HARD LINES. R/D RR @ 0600 HRS ON 5/21/2018.