

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: 4/26/2018

Well information:

frmWellFilterSub												
API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng W/E
30-045-06131-00-00	HUERFANO UNIT	106	HILCORP ENERGY COMPANY	G	A	San Juan	F	J	33	27	N	10 W

Application Type:

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

Conditions of Approval:

- Set the bottom cast iron bridge plug (CIBP) inside of cement with enough room to show adequate formation/cement isolation. Based on the CBL this would be deeper than 4805'.
- Submit the proposed remediation plan to the agencies for review and approval prior to starting remediation.
- Perform a witnessed mechanical integrity test (MIT) after remediation. Provide at least 24hrs notice to the agencies prior to the MIT.
- Submit the subsequent cement bond log (CBL) to the agencies for review and approval prior to perforating for the recomplete.
- Hold C-104 for Down Hole Commingle (DHC) approval.
- Notify NMOCD 24hrs prior to beginning operations.

NMOCD Approved by Signature

6/13/18  
Date

RECEIVED

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>SF-080895</b>
2. Name of Operator <b>Hilcorp Energy Company</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>PO Box 4700, Farmington, NM 87499</b>	3b. Phone No. (include area code) <b>505-599-3400</b>	7. If Unit of CA/Agreement, Name and/or No. <b>Huerfano Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>Surface Unit J (NWSE) 1562' FSL &amp; 1830' FEL, Sec. 33, T27N, R10W</b>		8. Well Name and No. <b>Huerfano Unit 106</b>
		9. API Well No. <b>30-045-06131</b>
		10. Field and Pool or Exploratory Area <b>Basin DK / Angels Peak GL</b>
		11. Country or Parish, State <b>San Juan New Mexico</b>

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 recompleate 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 recompleation 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 recompleate the subject well in the Pictured Cliffs formation and downhole commingle the existing Dakota/Gallup with the Pictured Cliffs. Attached is the PC C102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds. A Closed Loop system will be utilized.**

SEE ATTACHED  
FOR CONDITIONS  
OF APPROVAL

NMOCD  
MAY 14 2018  
DISTRICT III

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

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) <b>Cherylene Weston</b>		Title <b>Operations/Regulatory Technician - Sr.</b>
Signature <i>Cherylene Weston</i>		Date <b>4/26/2018</b>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>William Tambekou</i>	Title <i>Petroleum Engineer</i>	Date <b>5/10/2018</b>
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 <b>FFD</b>

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

## **Huerfano Unit 106**

033-027N-010W-J

API: 3004506131

Pictured Cliffs Zone Add

04/23/2018

### **Proposed Procedure**

1. MIRU Service rig and associated equipment
2. Test BOP's
3. TOOH with 2-3/8" Tubing currently set with EOT at 6,406'
4. Set a CIBP at +/- 2100' to isolate the Dakota-Gallup
5. Load the hole and run CBL
6. Pressure test casing to maximum frac pressure
7. ND BOP's. NU frac stack and test same to maximum frac pressure
8. RDMO Service rig
9. MIRU frac spread
10. Perforate and frac the Pictured Cliffs from 1,847' to 1,942'. RDMO frac spread
11. MIRU Service rig
12. Test BOP's
13. PU mill & RIH to clean out to Dakota-Gallup isolation plug
14. When water and sand rates are acceptable, flow test the Pictured Cliffs
15. Drill out Dakota-Gallup isolation plug and cleanout to PBTD. TOOH
16. TIH and land production tubing. Obtain a trimmingle Dakota/Gallup/Pictured Cliffs flow rate
17. ND BOP's, NU production tree
18. RDMO service rig & turn well over to production

**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 251662

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number <b>30-045-06131</b>	2. Pool Code <b>79680</b>	3. Pool Name <b>KUTZ PICTURED CLIFFS, WEST (GAS)</b>
4. Property Code <b>318578</b>	5. Property Name <b>Huerfano Unit</b>	6. Well No. <b>106</b>
7. OGRID No. <b>372171</b>	8. Operator Name <b>HILCORP ENERGY COMPANY</b>	9. Elevation <b>6174</b>

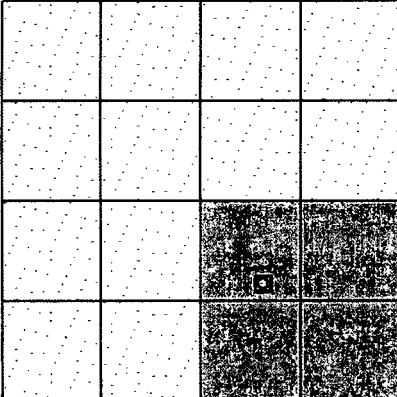
**10. Surface Location**

UL - Lot <b>J</b>	Section <b>33</b>	Township <b>27N</b>	Range <b>10W</b>	Lot Idn.	Feet From <b>1562</b>	N/S Line <b>S</b>	Feet From <b>1830</b>	E/W Line <b>E</b>	County <b>SAN JUAN</b>
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**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 <b>160.00 - SE/4</b>	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**

	<b>OPERATOR CERTIFICATION</b>	
	<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: Title: <b>Cherylène Weston, Operations/Regulatory Tech-Sr.</b> Date: <b>04/27/2018</b></p>	
	<b>SURVEYOR CERTIFICATION</b>	
<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: <b>David Kilven</b> Date of Survey: <b>10/22/1958</b> Certificate Number: <b>1760</b></p>		



Hillcorp Energy Company

## Current Schematic

Well Name: HUERFANO UNIT #106

Well Name	Surface Log # Location	Well Status	License No.	Well Type	Well Class
HUERFANO	033-027N-010W-J	Producing		NEW	NEW
Well ID	Well ID	Well ID	Well ID	Well ID	Well ID
11740	11740	11740	11740	11740	11740

## VERTICAL, Original Hole, 4/23/2018 1:15:00 PM

