

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: 5/10/18 Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-20380-00-00	SAN JUAN 28 6 UNIT	159	HILCORP ENERGY COMPANY	G	A	Rio Arriba	F	N	18	28	N	6	W

Application Type:

P&A     Drilling/Casing Change     Location Change

**Recomplete/DHC** (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

**Other:**

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Set cast iron bridge plug (CIBP) inside of cemented casing and at least 500' below the bottom of the proposed perforations. To show adequate formation/cement isolation.
- Hilcorp will need to verify the cement top for the Intermediate casing and submit it to the agencies for review and approval prior to proceeding.
  - Hilcorp must submit their plan to verify the Intermediate cement top for review and approval prior to proceeding.
- Submit the cement bond log (CBL) to the agencies for review and approval prior to perforating the formation.
- If needed, submit proposed remediation to the agencies for review and approval prior to starting remediation.



NMOCD Approved by Signature

6/19/18  
Date

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

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

APR 27 2018

5. Lease Serial No. **SF-080430-B**

**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.*

6. If Indian, Allottee or Tribe Name  
6. Enter on Field Office and Management

**SUBMIT IN TRIPPLICATE - 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 28-6 Unit**

2. Name of Operator  
**Hilcorp Energy Company**

8. Well Name and No.  
**San Juan 28-6 Unit 159**

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

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

9. API Well No.  
**30-039-20380**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**Surface Unit N (SESW) 800' FSL & 1450' FWL, Sec. 18, T28N, R06W**

10. Field and Pool or Exploratory Area  
**Blanco MV / Basin DK / S. Blanco PC**

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.)

**Plans are to recomplete the subject well in the Picture Cliffs formation and downhole commingle the existing Mesaverde & Dakota with the Picture Cliffs. Attached is the PC plat and procedure. A DHC application will be submitted and approved before work proceeds. A Closed Loop system will be utilized.**

SEE ATTACHED FOR CONDITIONS OF APPROVAL

NMOC D  
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)

**Christine Brock**

Title **Operations/Regulatory Technician - Sr.**

Signature

*Christine Brock*

Date **4/25/2018**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

*William Tambekou*

Title

*Petroleum Engineer*

Date

*5/10/2018*

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.

## **San Juan 28-6 Unit 159**

018-028N-006W-N

API: 3003920380

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 7,742'
4. Set a CIBP at +/- 3,600' to isolate the Dakota/MV
5. Load the hole
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 3,384' to 3,450'. RDMO frac spread
11. MIRU Service rig
12. Test BOP's
13. PU mill & RIH to clean out to Dakota isolation plug
14. When water and sand rates are acceptable, flow test the Pictured Cliffs
15. Drill out Dakota/MV isolation plug & TOOH
16. TIH and land production tubing. Obtain a trimmingled Dakota/MV/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 251552

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-039-20380	2. Pool Code 72439	3. Pool Name BLANCO P. C. SOUTH (PRORATED GAS)
4. Property Code 318710	5. Property Name SAN JUAN 28 6 UNIT	6. Well No. 159
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6609

**10. Surface Location**

UL - Lot N	Section 18	Township 28N	Range 06W	Lot Idn	Feet From 800	N/S Line S	Feet From 1450	E/W Line W	County RIO ARRIBA
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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 262.84 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**

	<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: <i>Christine Brock</i> Title: Operations/Regulatory Tech. - Sr. Date: 4/26/2018</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: David Kilven Date of Survey: 3/18/1971 Certificate Number: 1760</p>	

Well Name: SAN JUAN 28-6 UNIT #159

API #/US# 3003920380	Surface Legal Location 018-028N-006W-N	Field Name SASH DAKOTA (PROVATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,609.00	Original KB/RT Elevation (ft) 6,623.00	KB-Ground Distance (ft) 14.00	KB-Casing-Flange Distance (ft)	KB-Tubing-Flange Distance (ft)	

SAN JUAN 28-6 UNIT #159, 4/23/2018 2:01:57 PM

