

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: 5-17-18

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-29335-00-00	SAN JUAN 29 5 UNIT	055F	HILCORP ENERGY COMPANY	G	A	Rio Arriba	F	L	18	29	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; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)
- ☐ Other:

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Based on the 2006 CBL the well appears to need remediation prior to recomplete with a TOC at 3470'. The current cement coverage from the top perf to the TOC at 3534' only provides 64' of cement coverage with a 60%-65% bond. 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.

NMOCD Approved by Signature

6/19/18
Date

6

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 17 2018

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

Farmington Field Office
Bureau of Land Management NM8F078277

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

2. Name of Operator

Hilcorp Energy Company

3a. Address

382 Road 3100, Aztec, NM 87410

3b. Phone No. (include area code)

505-599-3400

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface Unit L (NWSW) 2460' FSL & 1050' FWL, Sec. 18, T29N, R05W

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

San Juan 29-5 Unit 55F

8. Well Name and No.

30-039-29335

9. API Well No.

Gobernador PC/Blanco MV/Basin DK

10. Field and Pool or Exploratory Area

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

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☒ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 with the existing Mesaverde and Dakota. Attached is the PC C102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved prior to commingling. A Closed Loop system will be utilized.

NMOCB

MAY 30 2018

DISTRICT III

SEE ATTACHED
FOR CONDITIONS
OF APPROVAL

**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)

Tammy Jones

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

Signature

Tammy Jones

Date

5-17-2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

William Tambekou

Title *Petroleum Engineer*

Date *5/24/2018*

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.

(Instruction on page 2)

NMOCB

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 252404

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-29335	2. Pool Code 77440	3. Pool Name GOVERNADOR PICTURED CLIFFS (GAS)
4. Property Code 318837	5. Property Name SAN JUAN 29 5 UNIT	6. Well No. 055F
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6598

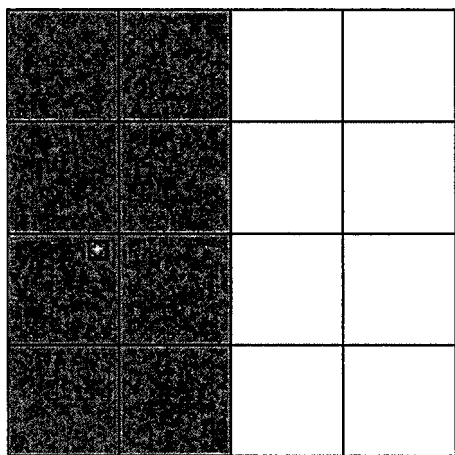
10. Surface Location

UL - Lot L	Section 18	Township 29N	Range 05W	Lot Idn	Feet From 2460	N/S Line S	Feet From 1050	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 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

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <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>Tammy Jones</i> Title: Operations/Regulatory Technician - Sr. Date: 5/17/2018</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <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: Jason C. Edwards Date of Survey: 9/13/2004 Certificate Number: 15269</p>
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HILCORP ENERGY COMPANY
San Juan 29-5 Unit 55F
PICTURED CLIFFS RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; test BOP.
2. TOOH with 2 3/8" tubing set at 7,881'.
3. Set a 4-1/2" cast iron bridge plug at +/- 3,760' to isolate the **Mesa Verde/Dakota**.
4. Load the hole and pressure test the casing to frac pressure.
5. Run a CBL on the 4-1/2" production CSG, if needed squeeze cement between the 4-1/2" X 7" annulus to obtain pressure isolation for the stimulation.
6. N/D BOP, N/U frac stack and test frac stack to frac pressure.
7. Perforate and frac the **Pictured Cliffs** in a single stage (Top Perforation @ 3,534'; Bottom Perforation @ 3,607').
8. Isolate frac stage with a composite bridge plug.
9. Nipple down frac stack, nipple up BOP and test.
10. TIH with a mill and drill out top **Pictured Cliffs** isolation plug.
11. Clean out to **Mesa Verde/Dakota** isolation plug and, when water and sand rates are acceptable, flow test the **Pictured Cliffs**.
12. Drill out **Mesa Verde/Dakota** isolation plug and cleanout to PBTD of 7,941'. TOOH.
13. TIH and land production tubing. Get a Trimingled **Mesa Verde/Dakota/Pictured Cliffs** flow rate.



HILCORP ENERGY COMPANY
San Juan 29-5 Unit 55F
PICTURED CLIFFS RECOMPLETION SUNDRY

San Juan 29-5 Unit 55F - CURRENT WELLBORE SCHEMATIC

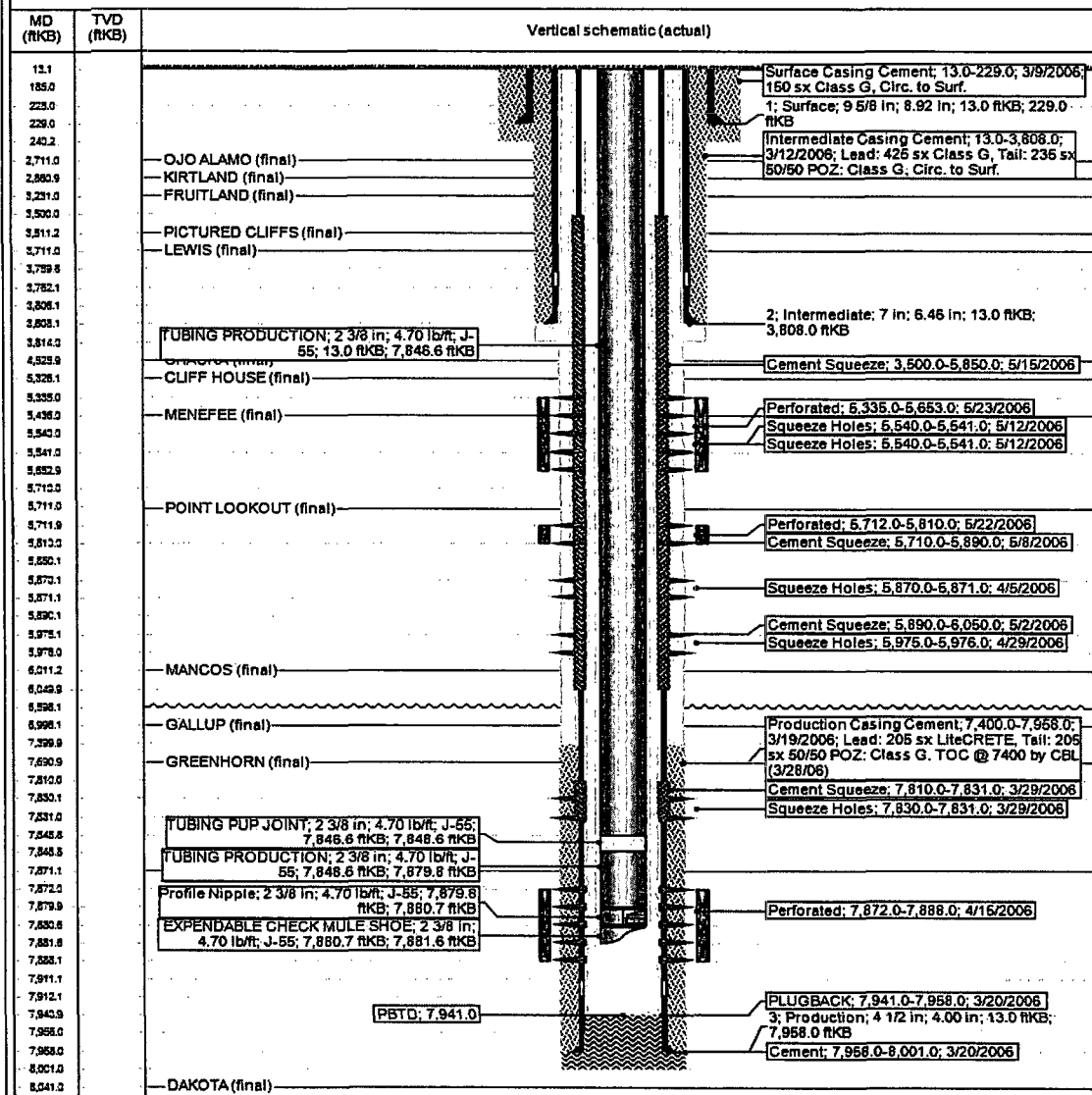


Current Schematic - Version 3

Well Name: SAN JUAN 29-5 UNIT #55F

API / UWI 3003829335	Surface Legal Location 018-029N-005W-L	Filed Name MW/DK COM	License No.	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,598.00	Original K/S RT Elevation (ft) 6,611.00	K/S-Ground Distance (ft) 13.00	K/S-Casing Flange Distance (ft)	K/S-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 5/10/2018 3:30:07 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.**