

Submit 1 Copy To Appropriate District Office
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

Form C-103
Revised July 18, 2013

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

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.)		WELL API NO. 30-045-09977
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator HILCORP ENERGY COMPANY		6. State Oil & Gas Lease No. FEE
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name Zella Calloway
4. Well Location Unit Letter <u>A</u> <u>845</u> feet from the <u>North</u> line and <u>835</u> feet from the <u>East</u> line Section <u>03</u> Township <u>30N</u> Range <u>11W</u> NMPM County <u>San Juan</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5758'		9. OGRID Number 372171
		10. Pool name or Wildcat Basin Dakota

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 type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input checked="" type="checkbox"/> RECOMPLETE		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.

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, recomplete procedure, updated schematic and Gas Capture Plan. A DHC application will be filed and approved prior to commingling. A Closed Loop system will be used.

Please note that this well is pending approval of well density exemption

* See Attached Conditions of Approval

NMOC
JUN 20 2018
DISTRICT III

Spud Date:

Rig Release Date:

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 6/19/2018

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

For State Use Only

Deputy Oil & Gas Inspector,
District #3

APPROVED BY: Brandt Bell TITLE Deputy Oil & Gas Inspector, District #3 DATE 7/3/18

Conditions of Approval (if any): See Attached Conditions

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HILCORP ENERGY COMPANY
ZELLA CALLOWAY 1
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU service rig and associated equipment; NU and test BOP.
2. TOOH with 2 3/8" tubing set at 6,805'.
3. Set a 4-1/2" cast iron bridge plug at +/- 5,075' to isolate the Dakota.
4. Perforate holes in 4-1/2" at +/- 4,300' and +/- 5,025' for a casing squeeze, set a cement retainer above the 5,025' perms, establish circulation between both sets of perforations on the backside of the 4-1/2" casing, and circulate cement behind the 4-1/2" casing. (For the well's 3 stage cement job, the TOC @ 6000', BOC @ 4,260', TOC @ 3,355' based on CBL)
5. WOC, TIH with a mill, tag cement, and drill out the cement to top of the cement retainer.
6. Run a CBL to determine cement bond behind the 4-1/2" casing and review with the NMOCD.
7. Drill out the cement retainer.
8. RU wireline and perforate the Mesa Verde. (Top perforation @ 4,300', Bottom perforation @ 4,800')
9. TIH with 2-7/8" frac tubing string with a packer, land the tbg, pressure test the tubing and packer.
10. N/D BOP, N/U frac stack and test frac stack to frac pressure.
11. Frac the **Mesa Verde** in one stage.
12. Nipple down frac stack, nipple up BOP and test. TOOH with the frac tubing string and packer and LD.
13. TIH with a mill and drill out top isolation plug and Mesa Verde frac plugs.
14. Clean out to Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesa Verde.
15. Drill out Dakota isolation plug and cleanout to PBTD of 6,957'. TOOH.
16. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde** flow rate.



HILCORP ENERGY COMPANY
ZELLA CALLOWAY 1
MESA VERDE RECOMPLETION SUNDRY

ZELLA CALLOWAY 1 - CURRENT WELLBORE SCHEMATIC



Schematic - Current

Well Name: ZELLA CALLOWAY #1

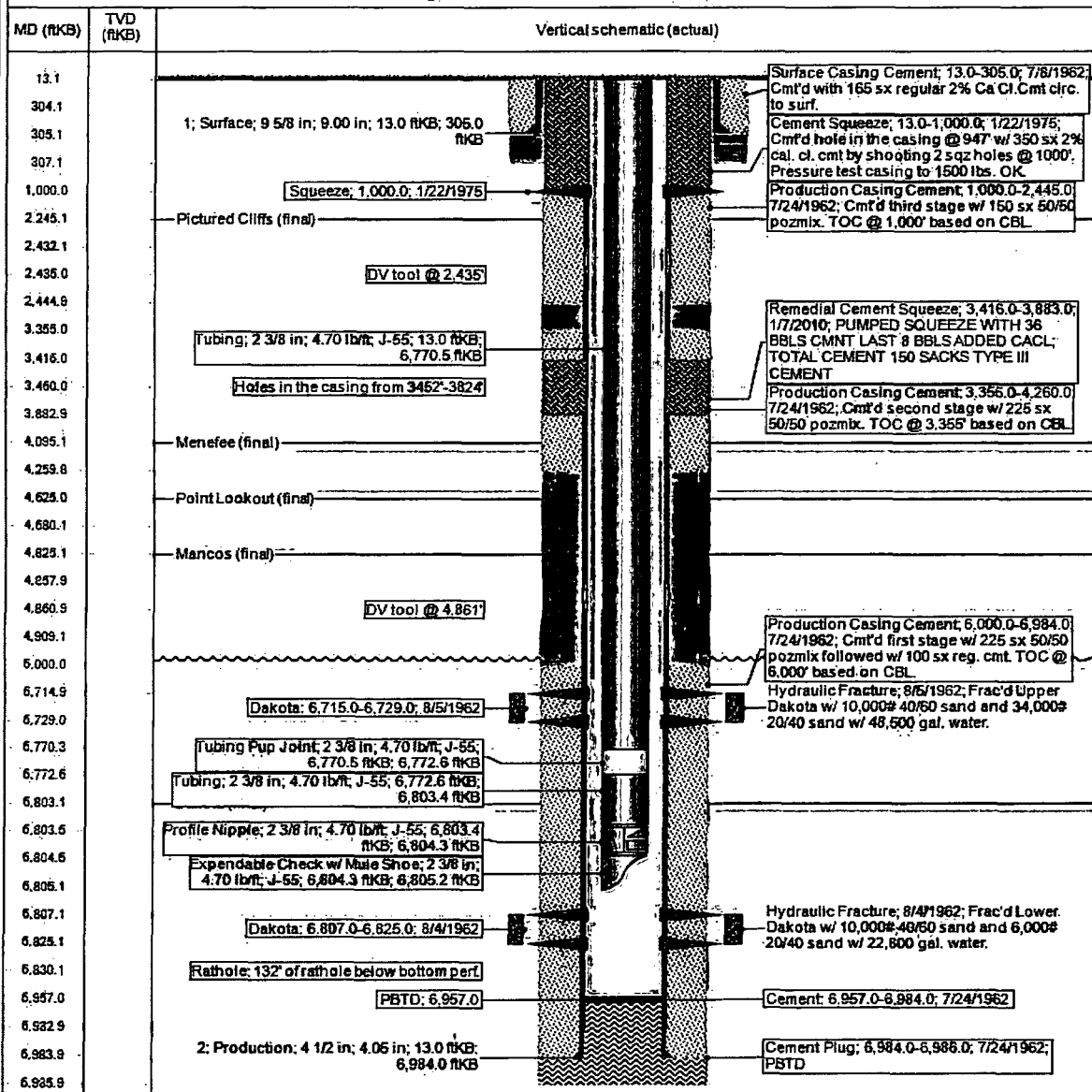
API/URN 3004509977	Surface Legal Location 003-030N-011W-A	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Original KBRT Elevation (ft) 5,771.00	KBRT to Surface Distance (ft) 5,771.00	Original Spud Date 7/7/1962 00:00	Rig Release Date	PETO (PS) (PSS) (PSS) (PSS) Original Hole: 6,957.0 ft	Test Depth (ft) (PSS)

Most Recent Job

Job Category WELL INTERVENTION	Primary Job Type CASING REPAIR	Secondary Job Type	Actual Start Date 1/5/2010	End Date 1/15/2010
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ID: 6,986.0

Original Hole, 6/18/2018 12:51:25 PM



District I1625 N. French Dr., Hobbs, NM 88240
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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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-09977	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 319239	5. Property Name ZELLA CALLOWAY	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5758

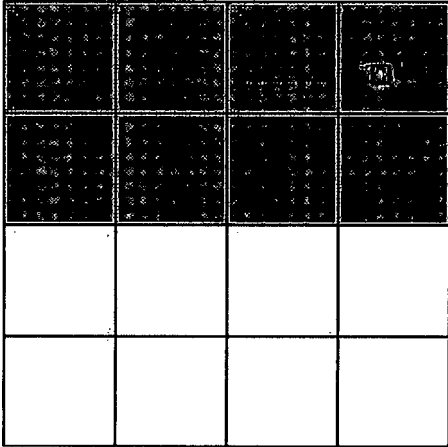
10. Surface Location

UL - Lot A	Section 3	Township 30N	Range 11W	Lot Idn	Feet From 845	N/S Line N	Feet From 835	E/W Line E	County SAN JUAN
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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 320.40	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>Amanda Walker</i> Title: Operations/Regulatory Tech Date: 6/19/2018</p> <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: James Leese Date of Survey: 7/2/1962 Certificate Number: 1463</p>
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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
Conditions of Approval**

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-09977-00-00	ZELLA CALLOWAY	001	HILCORP ENERGY COMPANY	G	A	San Juan	P	A	3	30	N	11	W

Application Type:

☒ **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)

Conditions of Approval:

- Notify the OCD 24hrs prior to beginning operations.
- For remediation good cement needs up to extend to at least 4100'.
- If needed, Hilcorp is approved to perform a CBL prior to remediation to evaluate the cementing from the prior casing repair and 2009 CBL. If a CBL is performed submit it for review and approval prior to remediation.
- 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.
- After remediation, perform and submit a cement bond log (CBL) to the OCD for review and approval prior to perforating for the recomplete.
- Must have Down Hole Commingle and well density exception approved prior to producing the Mesa Verde. The C-104 will be held for the DHC and Exception.