

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

WELL API NO. NM 30-045-35634 / CO 05-067-09924
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. FEE
7. Lease Name or Unit Agreement Name Allison Unit Com
8. Well Number 138H
9. OGRID Number 372171
10. Pool name or Wildcat Basin Fruitland Coal

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.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
HILCORP ENERGY COMPANY

3. Address of Operator
382 Road 3100, Aztec NM 87410

4. Well Location

Unit Letter C 176 feet from the N line and 2615 feet from the W line

Section 8 Township 32N Range 6W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6134' GR

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE
 CLOSED-LOOP SYSTEM
 OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB
 OTHER: REDRILL REPORT

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.

6/26/2018: TROUBLE CALL TO CRAIG BURGER @ COGCC AND CHARLIE PERRIN @ OCD. DISCOVERED CASING DAMAGE AND A STUCK WS DRUING COMPLETION OPERATIONS. PROPOSED TO PLUG BACK THE PILOT HOLE ABV INITIAL ST (ABANDONING INITIAL ST) AND ST NEW LATERAL. KOP FOR NEW LATERAL 3010' MD. VERBAL APPROVAL GIVEN FROM CRAIG BURGER @ COGCC ON 6/27/2018, VERBAL GIVEN BY CHARLIE PERRIN @ OCD ON 6/27/2018.

7/1/2018: MIRU. INSTALL BOPs & TIGHTEN SAME. INSTALL CHOKE & KILL LINE. R/U & PULL TBG HANGER W/BPV. M/U TEST PLUG ON TEST JT. TEST BOPs & CHOKE MANIFOLD, 250-3000 PSI, ANNULAR 250-2100, R/D BOP TESTER.

NMOCD

JUL 10 2018

Spud Date:

4/23/2018

Rig Release Date:

5/21/2018

DISTRICT III

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 7/10/2018

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: Brenda Roll TITLE AV

ATE 7/12/18

Conditions of Approval (if any):

7/2/2018: R/U BASIN WL. M/U WFT CIBP. RIH. SET PLUG TOP @ 3042'. BTTM @ 3044.5' TAG PLUG TO VERIFY POSITION. POOH. R/D WIRELINE EQUIP. LOAD CSG W/115 BBLS PRODUCED WATER & TEST TO 600 PSI (GOOD). L/O DIRECTIONAL TOOLS & WHIPSTOCK. STRAP & PREP TO P/U. M/U MILLS & BHA, SCIBE HIGH SIDE. BOLT WHIPSTOCK TO MILLS. SET WHIPSTOCK ANCHOR @ 3026'. TOW 3010', BOW @ 3019'. SHEAR OFF WHIPSTOCK. MILL WINDOW IN 7" INT CSG F/3010' TO 3019'. TOOH L/D MWD TOOL & MILLS/ P/U SMART MOTOR (TEST SAME) M/U 6.25" BIT & CONT P/U LATERAL ASSM & TIH. BUILDING CURVE F/3024' TO 3050'.

7/3/2018: CONT DRILLING 6.25" PROD HOLE F/3050' TO 3099'. BUILDING CURVE. TOOH, L/D SCIENTIFIC SMART MOTOR AND PDC LOGIC BIT. M/U 6.25" QH20R BUTTON BIT. TIH. TAG ON OLD GAP SUB BOOTS @ 2690'. ABLE TO PUSH RUBBERS DOWN, WORK THROUGH WINDOW WITH NO ISSUES. TAG @ 3029'. DRILL & SLIDE 6.25" PROD HOLE BUILDING CURVE F/3099' TO 3166'. TOOH F/SMART MOTOR, L/O BIT & REMOVE PAYLOAD. TIH W/LATERAL ASSM TO 3166'. DRILL & SLIDE F/3166' TO 3232'.

7/4/2018: WORK TIGHT HOLE @ 3232'. ATTEMPT TO PULL OUT THROUGH WINDOW. WORK PIPE & CHANGE ORIENTATION WITH NO SUCCESS. SMART MOTOR BECAME STUCK IN WINDOW W/BIT DEPTH @ 3035'. CALL OUT WIRE LINE & FISHING EQUIPMENT, CONTINUE WORKING PIPE ATTEMPTING TO FREE. L/D TOP DP JT. R/U BAIL EXTENSIONS. R/U WIRELINE EQUIP. RIH W/EM MWD TOOL FISHING HEAD. LATCH ONTO MWD TOOL. PULL TOOL THROUGH STABILIZER CUTTERS, POOH & RECOVER MWD. TOOH. R/D WIRELINE. TOOH W/DP. L/D DIR TOOLS. (LEFT IN HOLE NMPC, UBHO, SMART MOTOR & BIT) TOF @ 2979', BOF @ 3029'. P/U JARRING ASSM & TIH W/SAME 2979 DPM. BREAK CIRC W/20BBLS, SCREW INTO FISH, JARRING DOWN, (NO MOVEMENT), JARRING (NO MOVEMENT). SLIP & CUT DRILL LINE. TOOH W/JARRING ASSM & L/O SAME. R/U W/L EQUIPMENT, M/U 7" 23# CIBP & RIH W/SAME.

7/4/2018: TROUBLE CALL TO CRAIG BURGER @ COGCC AND CHARLIE PERRIN @ OCD. DISCOVERED THAT WE DRILLED INTO THE LINER IN THE ORIGINAL LATERAL. ONE BIT BECAME STUCK, AND WE HAD TO LEAVE A FISH IN THE HOLE. WE WERE UNABLE TO RECOVER FISH. PROPOSED TO SIDETRACK FROM FURTHER UPHOLE TO BE ABLE TO STEER AWAY FROM PREVIOUSLY DRILLED LATERAL. KOP FOR NEW LATERAL WILL BE @ 2894' MD. VERBAL APPROVAL GIVEN FROM CRAIG BURGER @ COGCC ON 7/5/2018, VERBAL GIVEN BY CHARLIE PERRIN @ OCD ON 7/5/2018.

7/5/2018: CONT RIH W/CIBP ON WL. UNABLE TO GET PAST 2830'. POOH, R/D WL EQUIP. M/U 6.25" TAPER MILL & 6.25" WATERMELON MILL. TIH TO TOP OF FISH TO VERIFY OD. NO DRAG SEEN. TOOH. L/D MILLS. P/U WEATHERFORD CIBP & HYD RUNNING TOOL. TIH AND SPACE. TOP OF CIBP @ 2975' BOTTOM @ 2977.5'. DROP BALL & DISP DP, PRESS UP TO 2000 PSI & SET CIBP. TOOH. L/D RUNNING TOOL. P/U WEATHERFORD COMPOSITE BRIDGE PLUG. TIH & SPACE OUT. TO OF PLUG @ 2903' BOTTOM @ 2906'. DROP BALL & DISP DP. PRESS UP TO 2000 PSI & SET CIBP. STACK OUT DP WEIGHT ON PLUG (55K) TOOH. L/D RUNNING TOOL. SMALL COAL DEBRIS FOUND IN SETTING TOOL. M/U 6.25" LEAD AND WATERMELON MILLS. TIH TO TOP OF CBP @ 2903', BREAK CIRC & PUMP SWEEPS. TOOH. P/U KNIGHT OIL TOOLS WHIPSTOCK. M/U DIR TOOLS & SCRIBE. TIH W/WHIPSTOCK. SET ANCHOR OFF OF CBP @ 2903, TOP OF SLIDE @ 2876', BTTM OF SLIDE @ 2884'. MILL WINDOW IN 7" CSG F/2876' TO 2884'. TOOH W/MILLS & L/O SAME.

7/6/2018: M/U DIR BHA. TAG @ 2889'. DRILL 6.25" PROD HOLE BUILDING CURVE F/2889' TO COAL ENTRY POINT @ 3179'. DRILL 6.25" PROD HOLE LAT SECTION F/3179' TO 5915'.

7/7/2018: DRILL 6 1/4" PROD HOLE LAT SECTION F/5915' TO TD @ 6300'. TOOH F/6300' TO 3700'. CONT TOOH. L/D DIR TOOLS. R/U CSG CREW, RAN 92 JTS OF 4.5" 11.6# N-80 LINER. M/U DROP OFF TOOL. RUN DP TO SET LINER. SPACE OUT W/BOL @ 6294', TOL @ 2889.8". TOOH LAYING DOWN DP & HWDP, L/D DROP OFF TOOL. M/U WHIPSTOCK RETRIEVAL HOOK. TIH LATCH WHIPSTOCK, TOOH L/D DP (CLEANING MUD TANKS). INSTALL TBG HANGER IN WH W/BPV, SCREW IN HOLD DOWN PINS, N/D BOPE.

RDMO 600hrs ON 7/8/2018.

Allison Unit Com 138H

NM: 30-045-35634 / CO: 05-067-09924

