

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Gabriel Wade, Acting 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: 1/17/19

Well information:

Hilcorp, Whitley #5, API# 30-045-06685

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 the OCD 24hrs prior to beginning operations.
- The initial CIBP must be placed no higher than 50' above the existing perforations.
- A Mechanical integrity test (MIT) must be performed from the initial CIBP to verify the integrity of the well. The pressure test must meet the requirements of 19.15.25.14 NMAC.
 - 24hr notice is required to be provided to the agencies prior to performing the MIT.
- After the MIT is performed a second temporary isolating device may be set up near the requested recomplete interval without additional OCD approval to protect the casing from the completion pressures.
- From the initial CIBP perform and submit a cement bond log (CBL) to the agencies for review and approval prior to perforating the formation.
- If needed, submit a proposed remediation plan to the agencies for review and approval prior to starting remediation.

A handwritten signature in black ink, appearing to read "Brand Bell".

NMOCD Approved by Signature

2/21/19

Date

RECEIVED

JAN 25 2019

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

Farmington
Bureau of Land Management

5. Lease Serial No. **NMNM02294**

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No. **Whitley 5**

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

9. API Well No. **30-045-06685**

3a. Address **382 Road 3100, Aztec, NM 87410**

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit G (SWNE), 1790' FNL & 1670' FEL, Sec. 08, T27N, R09W

11. Country or Parish, State **San Juan, 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 recomplate 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 recomplate 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 recomplate the subject well in the Pictured Cliffs formation and downhole commingle the existing Dakota with the Pictured Cliffs. Attached is the PC C102, recomplate procedure & wellbore schematic. The DHC application will be submitted and approved before the work proceeds. A Closed Loop system will be utilized. Interim reclamation will be performed after surface disturbing activities.

NMOC

FEB 12 2019

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

HOLD C104 FOR DHC

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Christine Brock

Title **Operations/Regulatory Technician**

Signature

Christine Brock

Date

1/17/19

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

RE

Date

2/6/19

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

FED

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.

NMOC

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 262462

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|---|
| 1. API Number 30-045-06685 | 2. Pool Code 72439 | 3. Pool Name BLANCO P. C. SOUTH (PRORATED GAS) |
| 4. Property Code 318764 | 5. Property Name WHITLEY | 6. Well No. 005 |
| 7. OGRID No. 372171 | 8. Operator Name HILCORP ENERGY COMPANY | 9. Elevation 6303 |

10. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|--------------------|
| UL - Lot G | Section 8 | Township 27N | Range 09W | Lot Idn | Feet From 1790 | N/S Line N | Feet From 1670 | E/W Line E | County SAN JUAN |
|---------------|--------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|--------------------|

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 160.00 NE/4 | 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>Lehustine Beck</i> Title: Operation/Regulatory Tech Sr. Date: 1/17/2019</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: E.L. Poteet Date of Survey: 10/3/1960 Certificate Number: 3084</p> |
|--|--|

Whitley #5

Section 8-T27N-R9W

API#: 30-045-06685

PC Recompletion Procedure

1/16/2019

Procedure:

1. MIRU Service rig and associated equipment, test BOP.
2. TOOH w/ 2 3/8" tubing set at 6649'.
3. Set bridge plug at approximately 2475' to isolate existing perforations.
4. ND BOP, NU frac stack and test frac stack to frac pressure.
5. Perforate and frac the Pictured Cliffs. Estimated interval: 2305'-2375'.
6. Cleanout to isolation plug. Flow test PC.
7. Cleanout to PBTD.
8. TIH and land production tubing. Get a commingled flow rate.
9. Release service rig and turn well over to production.

Well Name: WHITLEY #5

| | | | | | |
|-----------------------------------|--|---|--------------------------------|--------------------------------|-------------------------|
| API UWI 3004806685 | Surface Leg Location 008-027N-009W-G | Field Name BASIN DAKOTA (PRORATED GAS) | Route 0809 | State/Province NEW MEXICO | Well Configuration Type |
| Ground Elevation (ft) 6,317.00 | Original KBRT Elevation (ft) 6,303.00 | KB-Ground Distance (ft) -14.00 | KB-Casing Flange Distance (ft) | CS-Tubing Hanger Distance (ft) | |

Original Hole, 1/11/2019 9:11:43 AM

