

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No. Farmington Field Office
NMSF078198 Land Management

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.

NYE 10E

9. API Well No.

30-045-24872

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit G (SW/NE) 1540' FNL & 1530' FEL, Sec. 12, T30N, R11W

10. Field and Pool or Exploratory Area
Blanco Mesaverde/Basin Dakota

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 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.)

Hilcorp Energy Company requests permission to recomplete the subject well in the Mesaverde and downhole commingle with the existing Dakota formation. Attached is the procedure, wellbore diagram, plat, and gas capture plan. A DHC application will be filed and approved prior to commingling. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities

Notify NMOCD prior to begin operation.

Pending Density Approval

NMOCD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

HOLD C104 FOR Density Exception DISTRICT III

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

Priscilla Shorty

Title Operations/Regulatory Technician - Sr.

Signature

Priscilla Shorty

Date 5/20/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

JUN 28 2019

Date

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

FARMINGTON FIELD OFFICE

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)

NMOCD

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 267646

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24872	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318646	5. Property Name NYE	6. Well No. 010E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6018

10. Surface Location

UL - Lot G	Section 12	Township 30N	Range 11W	Lot Idn 7	Feet From 1540	N/S Line N	Feet From 1530	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 322.98	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

	OPERATOR CERTIFICATION	
	<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>	
	E-Signed By: <i>Priscilla Shorty</i>	Title: Operations Regulatory Technician - Sr.
	Date: 5/20/2019	
	SURVEYOR CERTIFICATION	
	<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>	
	Surveyed By: Fred Kerr	Date of Survey: 12/30/1980
	Certificate Number: 3950	



HILCORP ENERGY COMPANY
NYE 10E
MESA VERDE RECOMPLETION SUNDRY

API #: 3004524872

JOB PROCEDURES

- | | | |
|-------------------------------------|-------|--|
| <input checked="" type="checkbox"/> | NMOCD | Contact OCD and BLM 24 hrs prior to MIRU. Record and document all casing pressures <u>daily</u> , including BH, IC (if present) and PC. Comply with all NMOCD, BLM, and HEC safety and environmental regulations. |
| <input checked="" type="checkbox"/> | BLM | |
- MIRU service rig and associated equipment; NU and test BOP.
 - TOOH with **2 3/8"** tubing set at **7,165'**.
 - MU a **4-1/2"** cast iron bridge plug and RIH with work string; set a 4-1/2" CIBP at +/- **6,900'** to isolate the Dakota Formation.
 - Load hole with fluid and TOOH with the work string. MIRU E-line truck. Run a CBL on the wellbore from the CIBP to surface. Verify cement bond within the Mesa Verde. Review CBL results with NMOCD and BLM.
 - RU pressure test truck. Perform a Mechanical Integrity Test on wellbore. Chart record the MIT test (Notify NMOCD & BLM +24hr before actual test). Review and submit the MIT test results to the NMOCD and BLM. If the MIT fails, discuss with both the NMOCD and BLM on a plan of action to remediate the wellbore. Perform 2nd MIT once remediated.
 - (If needed) Based on CBL results, perform a suicide cement squeeze job on the backside of the 4-1/2" casing to provide adequate cement bond above, within, and below the planned recomplete perf interval for this project. Review with NMOCD and BLM before proceeding with this step.
 - (If needed) Drill out suicide squeeze cement within the wellbore, log the wellbore with a CBL, and review the log with the NMOCD and BLM. If approved, MIT the wellbore with the BLM and NMOCD (notify +24 hr notice before actual test).
 - MU and RIH with a 4-1/2" CIBP, set +/-50' below the lowest perf interval picked for the Mesa Verde frac interval.
 - RU wireline and perforate the Mesa Verde. (Top perforation @ **4,114'**, Bottom perforation @ **5,199'**). (If needed, set a flow through frac plug between perf intervals for stage isolation).
 - Changeout pipe rams on BOP to 2-7/8" and test. TIH with 2-7/8" frac tubing (P-110 6.5# BTS-8) string with a retrievable 4-1/2" packer (10K AS1-X), land the tbg/pkr, pressure test the backside of the packer to verify installation.
 - N/D BOP, N/U 10K frac stack and test frac stack and frac string together to 8,000 psi (55% of total pipe internal yield strength). RDMO service rig.
 - MIRU frac service equipment. Frac the **Mesa Verde** in one or two stages. RDMO frac service equipment.
 - MIRU service rig. ND frac stack, NU BOP and test. TOOH with the 2-7/8" frac tubing string and 4-1/2" packer and LD.
 - Changeout BOP pipe rams to 2-3/8", test BOP. MU and TIH with a mill with 2-3/8" pipe. Drill out all fill and any plugs set above the Dakota isolation plug.
 - Clean out to the top of the Dakota isolation plug and, when water and sand rates are acceptable, flow test the Mesa Verde.
 - Drill out the Dakota isolation plug and cleanout to PBTD of **7,198'**. TOOH.
 - TIH and land production tubing. RDMO service rig. Get a commingled **Dakota/Mesa Verde** flow rate.

HEC has reviewed all formation tops as per NMOCD website for the wellbore. Mancos formation top has been added based on our log evaluation. No logs exist above 4,541'. The wellbore is North of the Chacra Line.



HILCORP ENERGY COMPANY
NYE 10E
MESA VERDE RECOMPLETION SUNDRY

NYE 10E - CURRENT WELLBORE SCHEMATIC



Schematic - Current

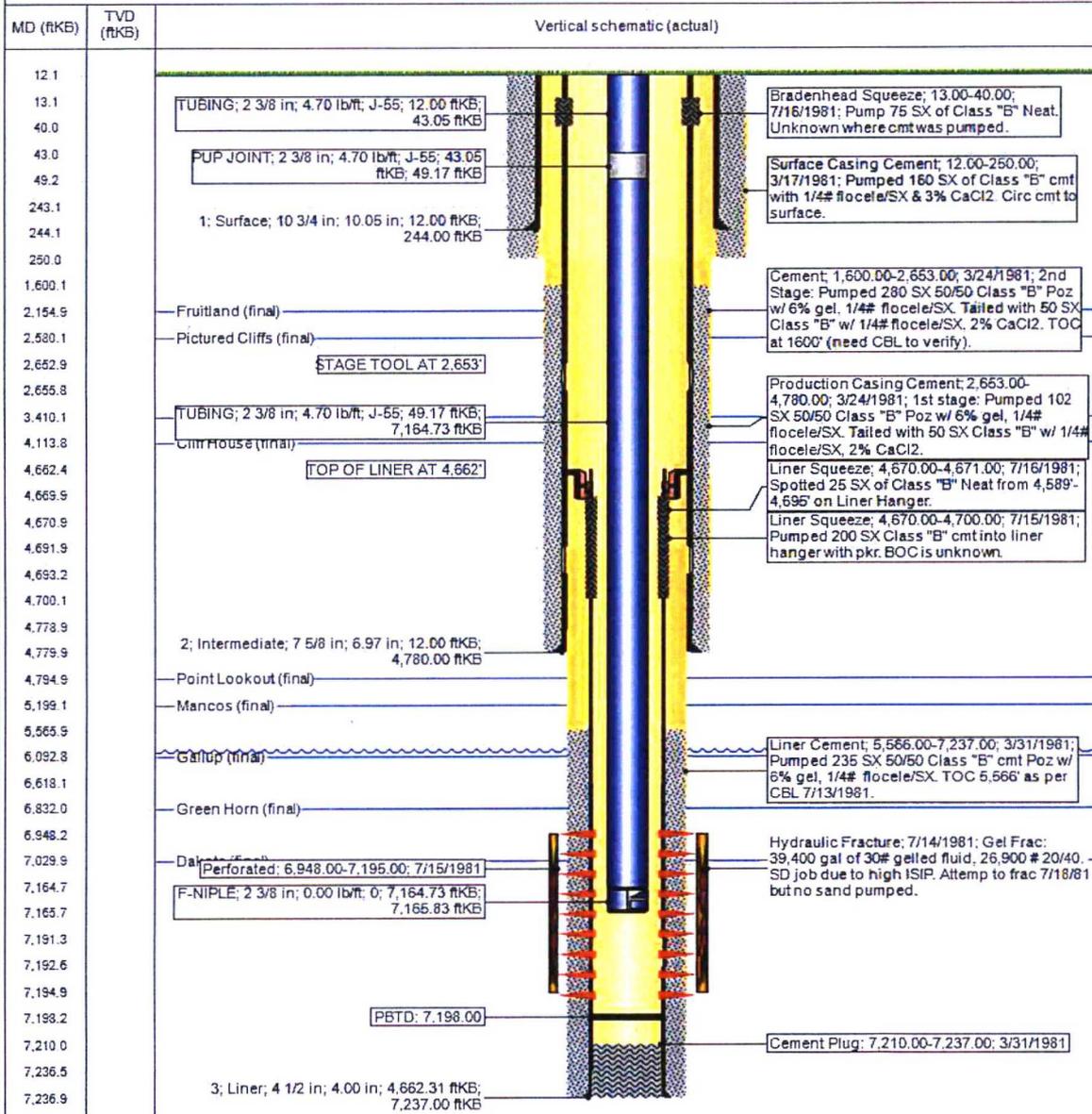
Well Name: NYE #10E

API / LWN 3004524872	Surface Logal Location 012-030N-011W-G	Field Name BASIN, DAKOTA (PROPRATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Original KB RT Elevation (ft) 6,030.00	KB-Ground Distance (ft) 12.00	Original Spud Date 3/16/1981 00:00	Rig Release Date	PSTD (ft) (ftKB) Original Hole - 7,198.0	Total Depth Air (TVD) (ftKB)

Most Recent Job

Job Category WELL INTERVENTION	Primary Job Type TUBING REPAIR	Secondary Job Type	Actual Start Date 6/26/2007	End Date 6/30/2007
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ID: 7,237.0 VERTICAL, Original Hole, 5/17/2019 11:50:00 AM



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of Intent to Recomplete & Commingle

Well: NYE 10E 30-045-24872

CONDITIONS OF APPROVAL

1. Contact BLM Inspection and Enforcement @ (505) 564 – 7750, 24 hours prior to conducting MIT work so an inspector can be present to witness the MIT.

Contact John Hoffman, Petroleum Engineer @ (505) 564 – 7742 to discuss failed MIT results and/or your remedial action and isolation plans.

Submit the electronic copy of the MIT Test Chart and CBL for verification to the following addresses: jhoffman@BLM.gov and Brandon.Powell@state.nm.us.

2. The following modifications to your recompletion program are to be made:

- a) Upon rigging up, record Bradenhead pressure and monitor same during recompletion operations. Notify BLM and NMOCD if anomalous pressure changes occur. Provide monitoring results in the subsequent Report of Operations.
- b) Casing pressure test for fracture stimulation operations cannot exceed the internal yield strength of the casing including a 20% safety factor unless a waiver is granted. Stimulation operations cannot exceed this test pressure.
- c) CIBP for base of fracture stimulation to be set less 50' above top existing perforation.

3. File well test and recompletion results within 30 days of completing recompletion operations.