

RECEIVED

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010Farmington Field
Bureau of Land Management

31 Lease Serial No.

SF-076566

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.

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

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

Huerfano Unit

8. Well Name and No.

Huerfano Unit 105E

2. Name of Operator

Hilcorp Energy Company

9. API Well No.

30-045-26373

3a. Address

382 Road 3100, Aztec, NM 87410

3b. Phone No. (include area code)

505-599-3400

10. Field and Pool or Exploratory Area

Angels Peak Gallup/Basin Dakota

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

Surface Unit L (NWSW) 1520' FSL & 420' FWL, Sec. 29, T27N, R10W

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 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 Gallup formation and downhole commingle with the existing Dakota. Attached is the Gallup C-102, recompleate procedure & wellbore schematic. The DHC application will be submitted and approved prior to commingling. A closed loop system will be utilized. Interim reclamation will be performed after surface disturbing activities.

NMOCD

JUL 02 2019

DISTRICT III

SEE ATTACHED FOR
CONDITIONS OF APPROVALNotify NMOCD 24 hrs
prior to beginning
operations

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

Christine Brock

Title Operations/Regulatory Technician - Sr.

Signature

Christine Brock

Date

5/14/19

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

5

District I1625 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 265939

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-26373	2. Pool Code 2170	3. Pool Name ANGELS PEAK-GALLUP (ASSOCIATED)
4. Property Code 318578	5. Property Name HUERFANO UNIT	6. Well No. 105E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6056

10. Surface Location

UL - Lot L	Section 29	Township 27N	Range 10W	Lot Idn	Feet From 1520	N/S Line S	Feet From 420	E/W Line W	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 320.00 S/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

	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>Lehristine Brock</i> Title: Operation/Regulatory Tech Sr. Date: 5/14/2019	
	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 B Kerr Date of Survey: 2/2/1985 Certificate Number: 3950		



HILCORP ENERGY COMPANY
HUERFANO UT 105E
GALLUP RECOMPLETION NOI

API#: 30-045-26373

JOB PROCEDURES

1. MIRU Service rig and associated equipment, test BOP. Check Bradenhead pressures daily and record throughout the recompleting project. Notify NMOCD and BLM if any anomalous pressure changes occur on the Bradenhead.
2. TOOH w/ 2 3/8" tubing set at 6274'.
3. Set initial CIBP at 6161' or deeper (no higher than 50' above existing perforations)
4. Perform MIT from initial CBP, providing 24 hr notice to BLM and NMOCD. Once completed, review and submit the MIT charted test results to both the NMOCD and BLM. If the MIT fails, discuss and gain approval with both the NMOCD and BLM with a plan of action to remediate the wellbore. Perform a 2nd MIT once remediated.
5. Run CBL and submit it to NMOCD and BLM.
6. Optionally set bridge plug below intended recompleting interval.
7. ND BOP, NU frac stack. Pressure test the production casing or frac string and frac stack to maximum frac pressure. The pressure test will not exceed 85% of the internal yield pressure rating of the primary treatment string.
8. Perforate and frac the Gallup within 5,229 - 6092'.
9. Optionally set a kill plug above recompleting interval for casing fracs.
10. ND the frac stack, NU the BOP and test.
11. MU and TIH with a mill. Tag and drill out the top isolation plug and Gallup frac plugs if applicable.
12. Clean out the wellbore to the top of the Dakota isolation plug.
13. Once water and sand rates are acceptable, drill out the Dakota isolation plug and cleanout to PBTD of 6428'. TOOH.
14. TIH and land production tubing. Get a commingled Dakota/Gallup flow rate.

Wellbore Schematic:

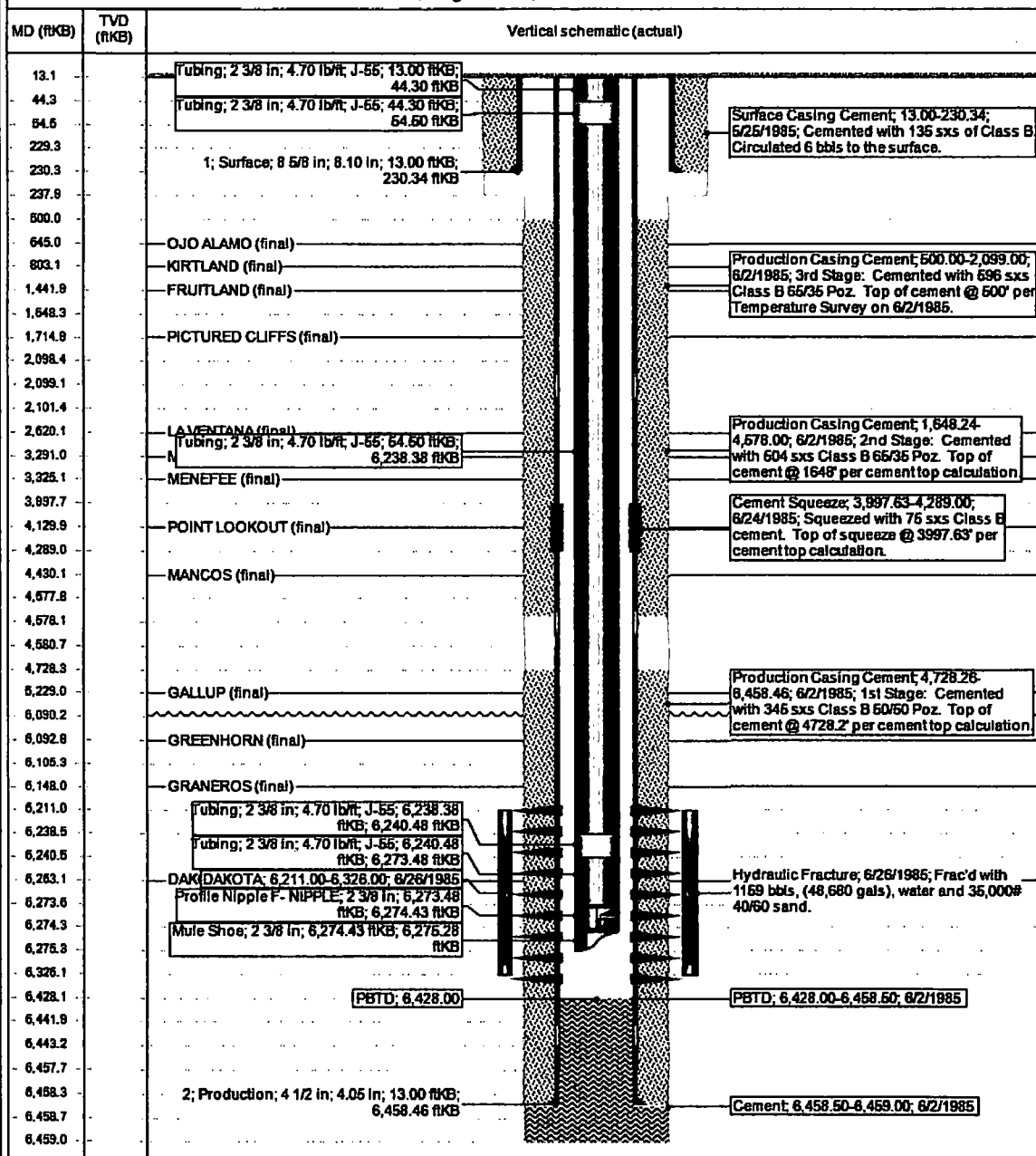


Current Schematic

Well Name: HUERFANO UNIT #105E

API / UWI 3004526373	Surface Legal Location 029-027N-010W-L	Field Name BASIN DAKOTA (PRORATED GAS)	Route 0604	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,056.00	Original KUBIT Elevation (ft) 6,069.00	CS-Gravel Distance (ft) 13.00	CS-Casing Flange Distance (ft)	CS-Tubing - Flange Distance (ft)	

VERTICAL, Original Hole, 5/10/2019 2:21:00 PM



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: Huerfano Unit 105E 30-045-26373

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.