

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

5. Lease Serial No.
NMSF080724A

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
ZACHRY 56

2. Name of Operator
HILCORP ENERGY COMPANY
Contact: CHERYLENE WESTON
E-Mail: cweston@hilcorp.com

9. API Well No.
30-045-25649-00-S1

3a. Address
1111 TRAVIS STREET
HOUSTON, TX 77002

3b. Phone No. (include area code)
Ph: 505-564-0779

10. Field and Pool or Exploratory Area
ARMENTA GALLUP

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

Sec 11 T28N R10W SWSW 0369FSL 0939FWL
36.670349 N Lat, 107.870331 W Lon

11. County or Parish, State
SAN JUAN COUNTY, NM

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"/> Hydraulic Fracturing	<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 recomple 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 recomple 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 recomplete the subject well in the Mesaverde formation and downhole commingle with the existing Gallup formation. Attached is the MV C-102, recomplete procedure and wellbore schematic. The DHC application will be submitted and approved prior to commingling. A closed loop system will be utilized. A Pre-Reclamation site visit was held on 9/25/19 with Bob Switzer/BLM. The reclamation plan is attached.

NMOCD

SEP 27 2019

DISTRICT III

Notify NMOCD 24 hrs
prior to beginning
operations

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #485357 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by JOHN HOFFMAN on 09/27/2019 (19JH0252SE)**

Name (Printed/Typed) CHERYLENE WESTON	Title OPERATIONS/REGULATORY TECH-SR
Signature (Electronic Submission)	Date 09/26/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JOHN HOFFMAN</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>09/27/2019</u>
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 <u>Farmington</u>

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

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HILCORP ENERGY COMPANY
ZACHRY 56
MESA VERDE RECOMPLETION SUNDRY

API #: 30-045-25649

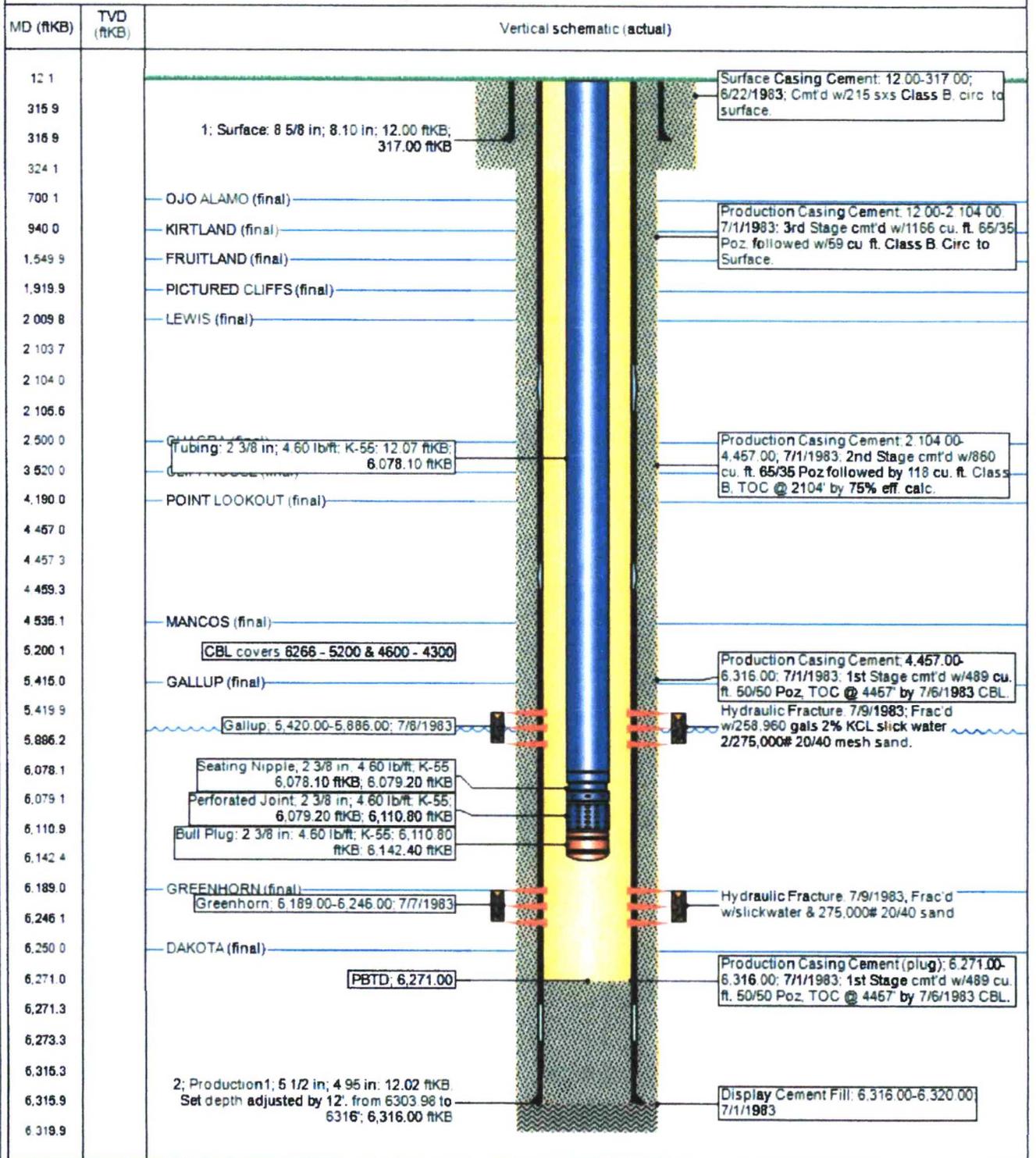
JOB PROCEDURES

1. MIRU Service rig and associated equipment, test BOP. Check Bradenhead pressures daily and record throughout the recomplete project. Notify NMOCD and BLM if any anomalous pressure changes occur on the Bradenhead.
2. TOOH w/ 2 3/8" tubing set at 6142'.
3. Set initial CIBP at 5370' 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 recomplete 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 Mesa Verde within 3520'-4690'.
9. Optionally set a kill plug above recomplete 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 Mesa Verde frac plugs if applicable.
12. Clean out the wellbore to the top of the Gallup/Greenhorn isolation plug.
13. Once water and sand rates are acceptable, drill out the Gallup/Greenhorn isolation plug and cleanout to PBTD of 6271'. TOOH.
14. TIH and land production tubing. Get a commingled Greenhorn/Gallup/MV flow rate.

Well Name: ZACHRY #56

API / UWI 3004525649	Surface Legal Location 011-028N-010W-M	Field Name BLANCO MV (PRO #0078	Route 0707	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 5,719.00	Original KBRT Elevation (ft) 5,731.00	IS-Ground Distance (ft) 12.00	IS-Casing Flange Distance (ft)	IS-Tubing Hanger Distance (ft)	

Original Hole, 9/24/2019 2:04:35 PM



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 272604

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-25649	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318769	5. Property Name ZACHRY	6. Well No. 056
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5719

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	11	28N	10W		369	S	939	W	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 262.28 - All Sec 11				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
	<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>Cherylene Weston</i> Title: Cherylene Weston, Operations/Regulatory Tech-Sr. Date: 09/23/2019</p>
	SURVEYOR CERTIFICATION
	<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: MICHAEL DALY Date of Survey: 12/16/1982 Certificate Number: 5992</p>

9/23/2019

Hilcorp Energy
Recomplete Reclamation Plan
Zachry 56
API: 30-045-25649
T28N-R10W-Sec. 11-M
LAT: 36.67037 LONG: -107.87032
Footage: 369' FSL & 939' FWL
San Juan County, NM

1. PRE- RECLAMATION SITE INSPECTION

A pre-reclamation site inspection was completed with Bob Switzer from the BLM and Eufracio Trujillo Hilcorp Energy SJ South Construction Foreman on September 25, 2019.

2. LOCATION RECLAMATION PROCEDURE

1. Reclamation work will begin in fall/ early winter time period.
2. All trash and debris will be removed within a 25' buffer outside of the location disturbance during reclamation.
3. Reclaim all disturbed area being used for recompletion activities.
4. Pull diversion ditch from southside of location and run out to the East and West.

3. SEEDING PROCEDURE

1. A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the well pad and lease road.
2. Drill seed will be done where applicable and all other disturbed areas will be broadcast seeded and harrowed. Broadcast seeding will be applied at a double the rate of seed.
3. Timing of the seeding will be when the ground is not frozen or saturated.

4. WEED MANAGEMENT

1. No action is required at this time for weed management, no noxious weeds were identified during this onsite.