

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5/6/2020

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.
NMNM021126

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NEUMAN 1E9. API Well No.
30-045-24388-00-S110. Field and Pool or Exploratory Area
UNNAMED

11. County or Parish, State

SAN JUAN COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
HILCORP ENERGY COMPANYContact: AMANDA WALKER
E-Mail: mwalker@hilcorp.com3a. Address
1111 TRAVIS STREET
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 505-324-5122

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

Sec 20 T31N R12W NENW 0830FNL 1610FWL
36.889893 N Lat, 108.122574 W Lon

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 recompleat 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 recompleat 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.

Attached please find the NOI submitted via paper copy on 6/10/2019. There is no reclamation plan attached as this was filed prior to the rule update on July 30, 2019 requiring a rec plan to be attached.

KP

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

**Electronic Submission #496811 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by ALBERTA WETHINGTON on 12/23/2019 (20AMW0115SE)**

Name (Printed/Typed) AMANDA WALKER

Title OPERATIONS/REGULATORY TECH SR.

Signature (Electronic Submission)

Date 12/20/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title ENGINEER

Date 05/06/2020

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

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 ****

Revisions to Operator-Submitted EC Data for Sundry Notice #496811

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	RCMPL NOI	RCMPL NOI
Lease:	NMNM021126	NMNM021126
Agreement:		
Operator:	HILCORP ENERGY 1111 TRAVIS ST. HOUSTON, TX 77002 Ph: 505-324-5122	HILCORP ENERGY COMPANY 1111 TRAVIS STREET HOUSTON, TX 77002 Ph: 713.209.2400
Admin Contact:	AMANDA WALKER OPERATIONS/REGULATORY TECH SR. E-Mail: mwalker@hilcorp.com Ph: 505-324-5122	AMANDA WALKER OPERATIONS/REGULATORY TECH SR. E-Mail: mwalker@hilcorp.com Ph: 505-324-5122
Tech Contact:	AMANDA WALKER OPERATIONS/REGULATORY TECH SR. E-Mail: mwalker@hilcorp.com Ph: 505-324-5122	AMANDA WALKER OPERATIONS/REGULATORY TECH SR. E-Mail: mwalker@hilcorp.com Ph: 505-324-5122
Location:		
State:	NM	NM
County:	SAN JUAN	SAN JUAN
Field/Pool:	BLANCO MESAVERDE	UNNAMED
Well/Facility:	NEUMAN 1E Sec 20 T31N R12W Mer NMP NENW 830FNL 1610FWL	NEUMAN 1E Sec 20 T31N R12W NENW 0830FNL 1610FWL 36.889893 N Lat, 108.122574 W Lon

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

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

Surface**Unit C (NENW) 830' FNL & 1610' FWL, Sec. 20, T31N, R12W**

5. Lease Serial No.

NMNM021126

6. If Indian, Allottee or Tribe Name

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

Neuman

8. Well Name and No.

1E

9. API Well No.

30-045-24388

10. Field and Pool or Exploratory Area

BLANCO MESAVERDE

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

☒ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Subsequent Report☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☒ Recomplete☐ Other☐ Change Plans☐ Plug and Abandon☐ Temporarily Abandon☐ Final Abandonment Notice☐ Convert to Injection☐ Plug Back☐ 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 requests permission to recompleate the subject well in the Mesaverde and downhole commingle with the existing Dakota. Please see the attached procedure, wellbore diagram, plat and GCP. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities. This well is pending Density Hearing.

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

Amanda WalkerTitle **Operations/Regulatory Technician - Sr.**

Signature

Date **6/3/2019**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

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)



NEUMAN 1E
MESA VERDE RECOMPLETION SUNDRY

API #: 3004524388

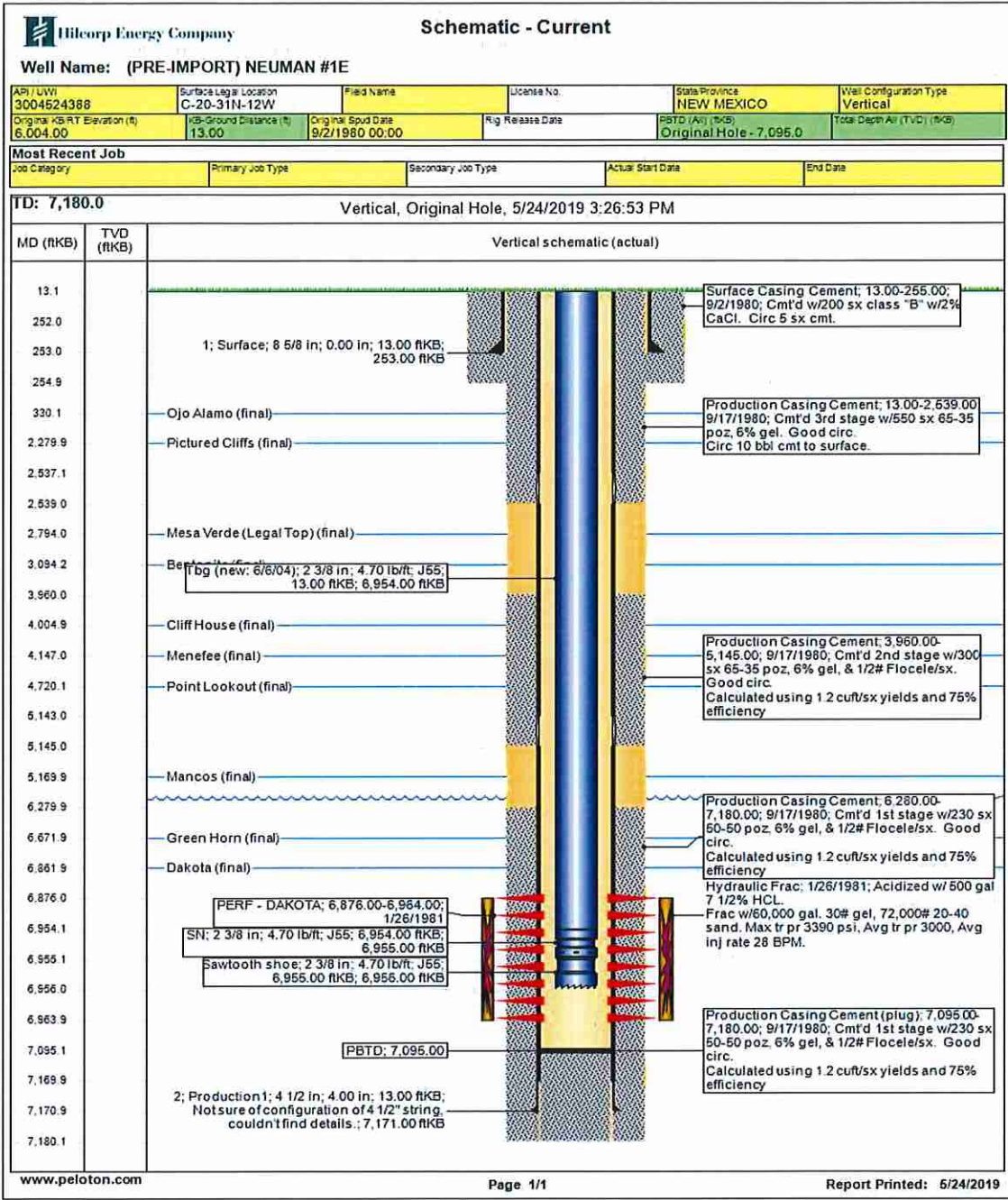
JOB PROCEDURES

- ☒ NMOCD **Contact OCD and BLM (where applicable) 24 hrs prior to MIRU or running MITs. Record and document all casing pressures**
- ☒ BLM **daily, including BH, IC (if present) and PC. Comply with all NMOCD, BLM (where applicable), and HEC safety and environmental regulations.**
1. MIRU workover rig and associated equipment; NU and test BOP.
 2. TOOH with **2 3/8"** tubing set at **6,956'**.
 3. Set a **4-1/2"** cast iron bridge plug at +/- **6,826'** to isolate the **Dakota**
 4. Load hole with fluid, PT the csg to 600 psi and run a CBL on the 4-1/2" casing. Verify cement bond within the **Mesa Verde** and confirm TOC. Review CBL results with the regulatory agencies and perform cmt remediation, as required.
 5. Perform a witnessed MIT test on the csg with the appropriate regulatory agencies to 600 psi
 6. Set a **4-1/2"** cast iron bridge plug at +/- **5,270'** to provide a **base for the frac**.
 7. ND BOPs, NU frac stack. PT frac stack to 5,000psi. Top off all csg strings and PT PC to 4,000 psi (84% of 4-1/2" 10.5# K55 PC burst psi)
 8. Perforate (Top perforation @ 4,005', Bottom perforation @ 5,170') and frac the **Mesa Verde** down casing in 2-3 stages
 9. Set composite plugs between stages and a top plug above the perforations after the final stage
 10. MIRU workover rig. Nipple down frac stack, nipple up BOPs and pressure test.
 11. TIH w/ mill and mill out top plug and CBPs to the top of the **base of frac plug** at **5,270'**. Take **Mesa Verde** gas samples and send for analysis
 12. Drill out **base of frac plug** and cleanout to DK isolation plug at **6,826'**. POOH.
 13. Drill out Dakota isolation plug and cleanout to PBTD of **7,095'**. TOOH.
 14. TIH and land production tubing. ND BOPs and NU tree. Pump off expendable check.
 15. RDMO. Get a commingled **Dakota/Mesa Verde** flow rate.



HILCORP ENERGY COMPANY
NEUMAN 1E
MESA VERDE RECOMPLETION SUNDRY

NEUMAN 1E - CURRENT WELLBORE SCHEMATIC



6/3/2019

OCD Permitting

Form C-102
August 1, 2011
Permit 268158

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24388	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 325070	5. Property Name NEUMAN	6. Well No. 001E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5991

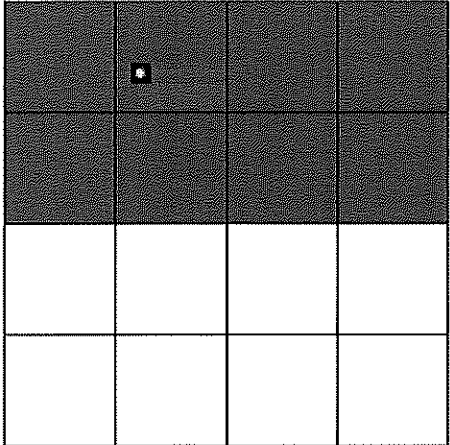
10. Surface Location

UL - Lot C	Section 20	Township 31N	Range 12W	Lot Idn	Feet From 830	N/S Line N	Feet From 1610	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				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>Amanda Walker</i> Title: Operation/Regulatory Tech Sr. Date: 6/3/2019</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: James P. Leese Date of Survey: 2/29/1980 Certificate Number: 1463</p>
-------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

OCD Received
5/6/2020

Date: 6/3/2019

☒ Original Operator & OGRID No.: Hilcorp Energy Company 372171
☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Neuman 1E	3004524388	C, 20, 31N, 12W	830' FNL & 1610' FWL	300	Vented	

Gathering System and Pipeline Notification

This is a recompletion of a producing gas well. Gas production, sales and transportation infrastructure is already in place. The gas is dedicated to Harvest and will be connected to their gathering system located in San Juan County, New Mexico. Gas from these wells will be processed at Kutz Processing Plant located in Sec. 13 Twn.28N, Rng.11W, San Juan County, New Mexico.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be routed to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Harvest system at that time. Based on current information, it is Hilcorp's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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

CONDITIONS

Action 18768

CONDITIONS OF APPROVAL

Operator:	HILCORP ENERGY COMPANY	1111 Travis Street	Houston, TX77002	OGRID:	372171	Action Number:	18768	Action Type:	C-103E
OCD Reviewer	Condition								
kpickford	None								