

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-025-35596

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:
Hilburn

8. Well No. 3

9. Pool name or Wildcat
North Shoe Bar (Strawn) (Wolfcamp)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well:
Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Permian Resources, Inc. OGRID 25797

3. Address of Operator
608 N. Main, Midland, Texas 79701

4. Well Location
Surface D 510' North 250' West
BHL Unit Letter C: 510 feet from the North line and 1980 feet from the West line

Section 13 Township 16S Range 35E NMPM Lea County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
3968 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Simultaneous dedication X ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Administrative approval is being requested to simultaneously dedicate the proposed directionally drilled Hilburn #3 wellbore:

Surface location 510' FNL & 250' FWL, Unit Letter D, Sec.13, T16S, R35E. Proposed BHL 510' FNL & 1980' FWL, Unit Letter C, Sec. 13, T16S, R35E and the existing Hilburn #1 (1980' FNL & 660' FWL, Unit Letter E, Sec. 13, T16S, R35E) to the existing 160 acre standard North Shoe Bar (Strawn) proration unit consisting of the NW/4 of Sec. 13, T16S, R35E.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Engineer DATE 11/15/2001

Type or print name Mike Stewart
(This space for State use)

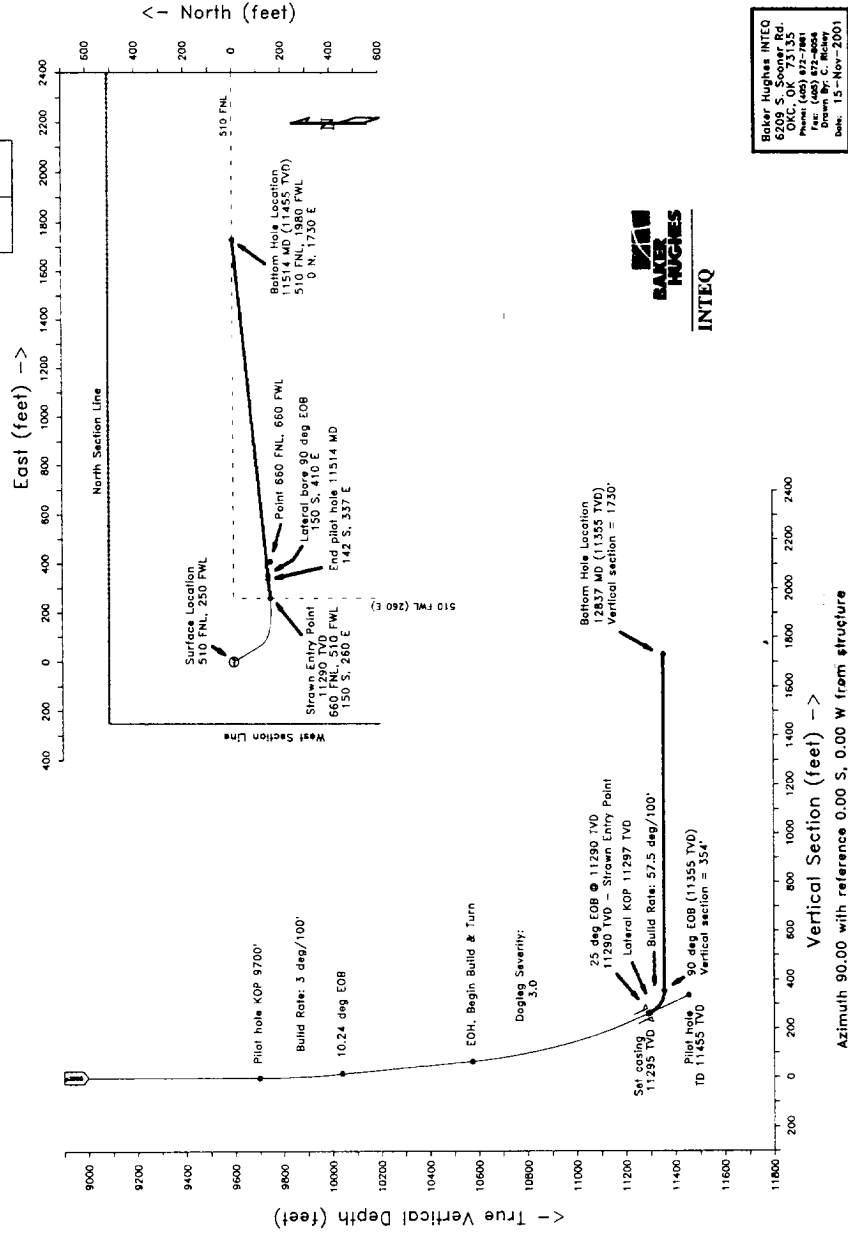
Telephone No. 915/685-0113

APPROVED BY [Signature] TITLE ENGINEER DATE NOV 19 2001
Conditions of approval, if any:

PERMIAN RESOURCES

Structure : Hilburn #3 Sec 13-16S-35E
Field : LEA COUNTY Location : NEW MEXICO

13



Baker Hughes INTEQ
6209 S. Sooner Rd.
OKC, OK 73135
Phone: (405) 771-1000
Fax: (405) 771-1001
Drawn By: C. Mickey
Date: 15-Nov-2001



Vertical Section (feet) -->
Azimuth 90.00 with reference 0.00 S, 0.00 W from structure

PERMIAN RESOURCES
Hilburn #3 Sec 13-16S-35E, slot #1
LEA COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1
Your ref : **Lateral** (p3743)
Last revised : 15-Nov-2001

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect	
11332.33	25.00	84.17	11290.01	150.09 S	260.06 E	0.00	260.06	11290 TVD - Strawn Entry Point
11337.83	25.00	84.17	11295.00	149.85 S	262.37 E	0.00	262.37	Set casing 11295 TVD
11340.00	25.00	84.17	11296.96	149.76 S	263.29 E	0.00	263.29	Lateral KOP
11396.14	57.00	84.17	11338.79	146.07 S	299.45 E	57.00	299.45	
11454.03	90.00	84.17	11355.00	140.51 S	353.91 E	57.00	353.91	90 deg EOB (11355 TVD) - Target
11500.00	90.00	84.17	11355.00	135.85 S	399.64 E	0.00	399.64	
11600.00	90.00	84.17	11355.00	125.69 S	499.13 E	0.00	499.13	
11700.00	90.00	84.17	11355.00	115.54 S	598.61 E	0.00	598.61	
11800.00	90.00	84.17	11355.00	105.39 S	698.09 E	0.00	698.09	
11900.00	90.00	84.17	11355.00	95.23 S	797.58 E	0.00	797.58	
12000.00	90.00	84.17	11355.00	85.08 S	897.06 E	0.00	897.06	
12100.00	90.00	84.17	11355.00	74.92 S	996.54 E	0.00	996.54	
12200.00	90.00	84.17	11355.00	64.76 S	1096.03 E	0.00	1096.03	
12300.00	90.00	84.17	11355.00	54.60 S	1195.51 E	0.00	1195.51	
12400.00	90.00	84.17	11355.00	44.44 S	1294.99 E	0.00	1294.99	
12500.00	90.00	84.17	11355.00	34.28 S	1394.47 E	0.00	1394.47	
12600.00	90.00	84.17	11355.00	24.12 S	1493.96 E	0.00	1493.96	
12700.00	90.00	84.17	11355.00	13.95 S	1593.44 E	0.00	1593.44	
12800.00	90.00	84.17	11355.00	3.79 S	1692.92 E	0.00	1692.92	
12837.27	90.00	84.17	11355.00	0.00 N	1730.00 E	0.00	1730.00	TD (510 FNL, 1980 FWL)

All data is in feet unless otherwise stated.
Coordinates from structure and TVD from rotary table.
Bottom hole distance is 1730.00 on azimuth 90.00 degrees from wellhead.
Vertical section is from S 0.00 W 0.00 on azimuth 90.00 degrees.
Calculation uses the minimum curvature method.
Presented by Baker Hughes INTEQ

PERMIAN RESOURCES

Hilburn #3 Sec 13-16S-35E, slot #1
LEA COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1

Your ref : **Pilot hole** (p3742)

Last revised : 15-Nov-2001

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect	
9700.00	0.00	148.88	9700.00	0.00 N	0.00 E	0.00	0.00	KOP 9700'
9800.00	3.00	148.88	9799.95	2.24 S	1.35 E	3.00	1.35	
9900.00	6.00	148.88	9899.63	8.96 S	5.41 E	3.00	5.41	
10000.00	9.00	148.88	9998.77	20.13 S	12.15 E	3.00	12.15	
10041.49	10.24	148.88	10039.67	26.07 S	15.73 E	3.00	15.73	10.24 deg End of Build
10500.00	10.24	148.88	10490.87	95.88 S	57.88 E	0.00	57.88	
10582.75	10.24	148.88	10572.30	108.48 S	65.48 E	0.00	65.48	EOH, Begin Build & Turn
10600.00	10.28	145.98	10589.28	111.07 S	67.14 E	3.00	67.14	
10700.00	10.97	130.09	10687.58	124.59 S	79.41 E	3.00	79.41	
10800.00	12.36	116.89	10785.54	135.56 S	96.23 E	3.00	96.23	
10900.00	14.25	106.72	10882.86	143.94 S	117.57 E	3.00	117.57	
11000.00	16.46	99.06	10979.30	149.72 S	143.35 E	3.00	143.35	
11100.00	18.89	93.24	11074.57	152.86 S	173.51 E	3.00	173.51	
11200.00	21.46	88.74	11168.44	153.37 S	207.97 E	3.00	207.97	
11300.00	24.12	85.17	11260.62	151.25 S	246.63 E	3.00	246.63	
11332.30	25.00	84.17	11290.00	150.00 S	260.00 E	3.00	260.00	11290 TVD - Strawn Entry Point
11500.00	25.00	84.17	11441.99	142.81 S	330.51 E	0.00	330.51	
11514.36	25.00	84.17	11455.00	142.19 S	336.54 E	0.00	336.54	End pilot hole 11455 TVD

All data is in feet unless otherwise stated.
Coordinates from structure and TVD from rotary table.
Bottom hole distance is 365.35 on azimuth 112.90 degrees from wellhead.
Vertical section is from N 0.00 E 0.00 on azimuth 90.00 degrees.
Calculation uses the minimum curvature method.
Presented by Baker Hughes INTEQ

Permian Resources, Inc

Hilburn No. 3

Procedure to Drill Vertical Wellbore to Test, Log and Evaluate North Shoe Bar (Strawn) Pool then Set Casing, Kick-Off and Drill Horizontally in Strawn Porosity to Proposed BHL

Proposed Surface Location

510' FNL & 250' FWL
Section 13, T16S, R35E
Lea County, New Mexico

Proposed Bottom Hole Location

510' FNL & 1980' FWL
Section 13, T16S, R35E
Lea County, New Mexico

Proposed Hole Sizes, Casing Sizes and Cement

17-1/2" hole @ 450' 13-3/8" 48 #/ft casing @ 450'

Cmt. w/ ± 275 sx Class "C" w/ 4% Gel + 2% CaCl lead + 175 sx "C" w/ 2% CaCl. Sufficient to circulate to surface.

11" hole @ $\pm 4,800'$ 8-5/8" 32 & 24 #/ft casing @ $\pm 4,800'$

Cmt. w/ ± 850 sx Lite lead + 200 sx "C" + 1% CaCl tail. Sufficient to circulate to surface.

7-7/8" hole @ $\pm 11,450'$ 5-1/2" 17 #/ft casing @ 11,300'

Cmt. w/ ± 450 sx "H" pozmix w/ RFA & retarders + 400 sx Poz/ "C" tail. Sufficient to bring TOC to $\pm 4,000'$.

4-3/4" hole @ $\pm 13,000'$ MVD

Abbreviated Proposed Procedure

1. Contract John West Surveys to survey confirming surface location as permitted and providing latitude and longitude. Build roads, location, cellar and dig pits to accommodate selected drilling rig. Drill mouse hole and rat hole.
2. MIRU rotary drilling rig. Drill 17-1/2" surface hole utilizing FW native spud mud and circulating cellar returns with #2 pump cellar jet to $\pm 450'$. Survey @ TD. Circ. and condition hole. POOH w/ DP, Collars & BHA. Run $\pm 450'$ of 13-3/8" Used or LS, 48 #/ft, J-55, ST&C casing w/ float equipment. Land casing and cement with 100% excess ± 275 sx Class "C" + 4% Gel + 2% CaCl lead + 175 sx "C" + 2% tail cement. Circulate cement to surface. WOC 12 hrs. Cut off and weld on 13-3/8" x 8-5/8" series 600 flanged casing head. NU 11" x 5000# Shaffer double preventer with 11" x 5000# Hydril annular preventer. Test casing and BOP to 1000#. PU 11" Bit, BHA, collars and RIH. Wait on cement total of 18 hrs before drilling plug.
3. Drill 11" intermediate hole utilizing FW circulating inside reserve pit adding oil @ $\pm 1,600'$ for Red Beds. At $\pm 1,900'$, after drilling Red Beds, begin adding BW to system to minimize salt washout. Mud logger on @ $\pm 3,000'$. Drill to TD @ $\pm 4,800'$. Surveys every 500', Max deviation 5 deg., Max change 1-1/2% per 100'. Circ. and condition hole. POOH w/ DP, Collars & BHA. Run $\pm 4,800'$ of 8-5/8", 24 #/ft, J-55, 32 #/ft, J-55 and 32 #/ft, S-65, ST&C casing w/ float equipment. Land casing and cement with ± 850 sx Lite (35/65) Poz / "C" lead

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Hilburn No. 3
Drill & Complete to North Shoe Bar (Strawn)
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cement + 200 sx Class "C" w/ 1% CaCl. Circulate cement to surface. WOC 8 hrs. Cut off and weld on 8-5/8" x 5-1/2" series 900 flanged casing head. NU BOP and test casing to 1000#. NU choke manifold, install mud degasser and flare line. Install rotating head. Test BOP, choke manifold and associated lines. PU 7-7/8" bit, BHA, collars and RIH. Wait on cement total of 18 hrs before drilling plug.

4. Drill 7-7/8" hole utilizing FW circulating outside reserve pit adding MF-55 for solids. Surveys every 500', max deviation 5 deg., max. change 1-1/2% per 100'.
5. At $\pm 10,280'$, **(KOP)**, turn into steel pits and mud up by adding gel for viscosity of 32 – 34 and lower fluid loss to <15 cc by adding starch. RU directional company and MWD equipment. Run gyro. PU directional BHA and directionally drill w/ 7-7/8" bit using a build rate @ 3 deg / 100'. EOB 25 deg. Drill tangent pilot hole w/ 25 deg angle to $\pm 11,450'$. Estimated top of Strawn lime @ 11,290'. DST's possible in Wolfcamp section $\pm 10,400'$ and Strawn porosity $\pm 11,335'$. Drill 7-7/8" hole to $\pm 60'$ below last Strawn drilling break. Circ. and condition hole for logs. POOH w/ DP, Collars & directional BHA. Run open hole log suite consisting of GR / CNL / FDL and DIL / MSL from TD to intermediate casing. GR / CNL to surface. Evaluate Strawn formation for election to run 5-1/2" casing and complete.
6. If elect to complete, RIH w/ DP and circulate for casing. Spot 17.5 – 18 #/gal cement KO plug across Strawn interval to $\pm 100'$ above top of Strawn lime. POOH w/ DP and PU bit, BHA, DC's and DP and RIH to TOC. Drill and dress off cmt. KO plug to $\pm 2'$ below Strawn lime top. POOH and lay down BHA, DC's & DP.
7. Run $\pm 11,292'$ of 5-1/2", 17 #/ft, N-80 & S-95, LT&C casing w/ float equipment. Land casing and cement with ± 450 sx (50/50) Poz/ "H" lead cement w/ appropriate friction reducers and retarders + 400 sx Poz/ "C" tail cement w/ appropriate additives. Cement volume based upon open hole logs with sufficient volume to bring cement up inside intermediate casing to $\pm 4,200'$. WOC 8 hrs. Cut off and weld on 5-1/2" x 2-7/8" series 900 flanged tubing head. NU BOP and test casing to 2000#. NU choke manifold, choke lines, gas buster and flare line. Test BOP, choke manifold and associated lines. Install rotating head. Jet steel pits
8. PU 4-3/4" bit, directional BHA and RIH on 2-7/8" AOH drill pipe to top of plug. DO plug, float collar, shoe jt. and shoe w/ FW treated w/ sodium bicarb and/or SAPP. After drilling cement, mud up with Starpac II/MF-55/DCS light low viscosity system for 8.4 ppg., 30-32 viscosity with a FL of 8 cc's or less. Directional drill curve w/ build rate of 60 deg/100 ft to turn well to horizontal in Strawn porosity target. Drill horizontal section in Strawn porosity to projected BHL of 510' FNL and 1,980' FWL, Sec 13, T16S, R35E. Control well and record orientation, depth, angle, and coordinates per directional drilling contractor and NMOC requirements. To aid in hole cleaning, utilize XCD-polymer for small periodic viscous sweeps.
9. Upon reaching BHL target estimated @ TVD @ 11,355', MVD @ $\pm 13,000'$, total displacement $\pm 1,600'$. Lay down DP & BHA. RD rotary drilling rig.
10. RU well service unit. NU BOP and PU 2-7/8" N-80 tbg and RIH to OH TD. Circulate hole clean w/ 2% KCL water. RU acid stimulation company and spot 15% MCA through OH interval. POOH w/ tbg & PU 5-1/5" x 2-7/8" loc-set FO pkr. w/ on/off tool and profile nipple. RIH and set pkr. @ $\pm 11,270'$ & NU flowing wellhead. Acidize Strawn formation w/ spot acid + volume of additional acid to be determined upon pay interval. RU swab and swab

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Drill & Complete to North Shoe Bar (Strawn)
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and test well. Complete as flowing completion or install BPU if required. RD well service unit. Restore location.

C:/PRI Hilburn 3 detailed procedure

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