

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV 07 2013
DISTRICT 111

FORM 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 B (NWNE), 1042' FNL & 2088' FEL, Sec. 35, T26N, R7W
Bottomhole Unit E (SWNW), 1769' FNL & 660' FWL, Sec. 34, T26N, R7W

5. Lease Serial No.

SF-078047

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Palluche HZMC 1H

9. API Well No.

30-039-31138

10. Field and Pool or Exploratory Area

Basin Mancos

11. Country or Parish, State

Rio Arriba, New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Casing Report
	<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.)

9/30 - 10/1/2018 MIRU Precision 829.

10/2/2018 Finish RU, FT equipment, test good. NU BOP, rotate head, remove bolts from DSA, hook up koomey lines, FT BOP, test good. Test choke manifold, valves, rams, back to pumps 250-3000 psi. Test Annular 250-1500 psi. Test showed leak.

10/3/2018 Re-Test manifold, valves, rams, back to pumps 250-3000 psi. Test annular 250-1500 psi. Test good. TIH w/ 8-3/4" mill assembly, tag @ 6018'. Displace hole w/ OBM, continue circ & condition mud. Pump slug & POOH.

10/4/2018 Continue POOH w/ 8-3/4" scraper mill run t/2000'. Slip & cut drill line. Continue POOH w/ scraper assembly. RU WRLN, RIH & set CIBP @ 5926'. POOH w/ WRLN. MU whipstock, TIH w/ whipstock to 5885'. Pump pipe capacity. RU WRLN, RIH w/ gyro, seat tool 3x, orient whipstock to 270 azm, tag CIBP @ 5924'. POOH w/ gyro. RD WRLN. Mill window 5902'-5904' w/ 8-3/4" bit. Top window 5902', estimated bottom window 5913'.

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

10/26/18

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)

10/5/2018 Continue mill window 5904'-5917'. Circ bottoms up, ream window. POOH w/ window mills. MU 8-3/4" bit #1 & directional BHA t/ UBHO sub. MWD equipment failed surface test. Install MWD & TIH w/ bit # 1 & curve assembly.

10/6/2018 Continue TIH w/ bit # 1 & curve assembly to 5889'. Orient mud motor and go through window t/5917'. Slide drill 5917'-5928'. POOH & LD MWD tools, LD bit#1. MU 8-3/4" bit # 2 & directional BHA. MU MWD tools. Install & surface test. TIH w/ 8-3/4" bit # 2 & curve assembly. Orient motor & work through window w/out MP, wake up MWD tool @ 5919'.

10/7/2018 Circ, work to bottom, pump slug. POOH w/ Bit # 2. MU 8-3/4" bit # 3 & curve BHA & TIH to 5980'. Fill pipe, orient through window w/out pumps t/ 5927'. Communicate & sync MWD/Gyro. Drill curve 5928'-6247'.

10/8/2018 Drill curve 6247'-6381'. Circ hole clean. Pump slug, POOH to 6270'. Flow check pump slug. Continue POOH for build rates t/ 2000' Cut & slip drlg line. Continue POOH, LD bit & motor. MU tri-cone 8-3/4" bit #4 & 2.25 MM & TIH, 6100' on hook.

10/9/2018 Wash to btm 6382'. Slide drill f/6382' to 6466'. Circ bottoms up. TOOH t/ shoe. TIH no fill. Slide drill 6466'—6557'. Circ hole clean. Pump slug & POOH w/ bit #4, LD flex collars, MWD, motor & bit. MU 8-1/2" tri cone, 2.5 deg motor.

10/10/2018 TIH w/ 2.5 MM # 8.5" bit #5. Slide drill curve 6557'-6636'. Flow check, pump slug & POOH. LD 2.5 motor & roller cone bit, MU 2.25 motor & 8.5" PDC.

10/11/2018 Continue MU 8.5 bit #6 @ 2.25 MM & TIH t/ 6550'. Wash & ream 6550'-6636'. Rotate & Slide drill 6636'-7136'. Wiper trip to 6550'. Wash & ream back to bottom. Circ hole clean. Flow check, pump slug & POOH w/ bit #6 & MM for RSS assembly.

10/12/2018 Continue POOH, LD bit & BHA. MU 8.5" bit #7 & RSS assembly & TIH to 7086'. Re-log 7086'-7136'. Downlink RSS. Drill 7136'-8195'.

10/13/2018 Drill lateral 8195'-8742'. Circ bottoms up. POOH into csg. TIH to 8735'. Drill lateral 8742'-9051'.

10/14/2018 Drill 9051'-11640'.

10/15/2018 Drill 11640'-12373'. Circ B/U. POOH to 5250'. Slip & cut drill line. Continue POOH, LD RSS assembly.

10/16/2018 LD RSS, MU 8.5" bit #8 & MM direction assembly & TIH w/ directional BHA.

10/17/2018 Continue TIH w/ directional assembly from 8075'-12373'. Stage to bottom. Drill 8.5" prod hole from 12373' – 12565'. Circ hole clean. TOOH from 12565' to surface, LD conv directional tools. Flow check. Pumped slug. PU RSS equip.

10/18/2018 Finish downlink for RSS. Finish picking up directional assembly. Install rot head. Stage in hole from surface t/ 12373'. Ream through conventional drilled section f/ 12373' – 12565'. Drill 8.5" prod hole from 12545' – 13350'.

10/19/2018 Drill 8.5" prod hole from 13350' – TD @ 14274'. Proj at bit – 90.13 deg 270.22 azm, 6518.12 TVD. Circ at TD. Rot 110 rpm, reciprocate pipe 600 gpm. Pump 2 weighted sweeps. Pump slug. TOOH f/ 14274' to surface. LD directional tools. RU CRT & csg equip.

10/20/2018 Continue rigging up csg equip. Begin running csg. 5.5", 20# P110 TXP. MU Innovex float shoe and collar, Toe sleeve. Continue running pipe. MU Sage Rider downhole gauge. Continue running csg banding calve to csg.

10/21/2018 Continue running csg to 12489'. Circ. Finish running 5.5" prod csg to **landing depth @ 14241'**. Circ csg on bottom. RU cmt equip. Cement 5.5" prod csg. Pump 60 bbls tuned spacer followed by 2115 sx (2876 cf – 512 bbl = 1.36 yld) tail cmt @ 13.3 ppg w/ 50 % class G - 50% POZ – 0.05% SA1015 – 0.2% HR5 – 0.7% HAL567 – 0.3% SCBL. Drop Innovex plug & displace w/ 315 bbl 2% KCL. Bump w/ 2780 psi. Check floats. Held. RD cmt equip. Remove flow line & choke lines. ND BOP & PU stack. Set slips w/ 120k. Cut csg w/ manual cutter. NU DSA w/ downhole gauge outlet. NU 11" 5M x7-1/6" 10M tbg head.

10/22/2018 Continue NU to 7-1/6" 10M frac valve. RDRR @ 12:00 hrs on 10/22/2018.

PT will be conducted by Completion Rig. Results & TOC will appear on next report. ✓