

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.
NMSF0079380

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
891000446X

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE8. Well Name and No.
SAN JUAN 32-8 UNIT 254H2. Name of Operator
HILCORP ENERGY COMPANYContact: PRISCILLA SHORTY
E-Mail: pshorty@hilcorp.com9. API Well No.
30-045-35882-00-X13a. Address
1111 TRAVIS STREET
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 505.324.518810. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL

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

Sec 23 T32N R8W SENW 1893FNL 1684FWL
36.971172 N Lat, 107.648048 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 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"/> 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 type="checkbox"/> Recomplete | <input checked="" 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.

See attached casing report.

NMOC

JUL 02 2019

DISTRICT III

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

**Electronic Submission #471452 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 07/01/2019 (19JK0069SE)**

Name (Printed/Typed) PRISCILLA SHORTY

Title OPERATIONS REGULATORY TECH

Signature (Electronic Submission)

Date 07/01/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

JOE KILLINS
Title ENGINEER

Date 07/01/2019

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 ****

NMOC

6/21/2019 – MIRU AWS 777. NU SPACER SPOOL, BOP & ROTATING HEAD, MANIFOLD & FLOW LINE. MU TEST PLUG, TEST PIPE & BLIND RAMS, KELLY COCK, OUTER & INNER MANIFOLD, HCR, STINGER 1, STINGER 2, KILL 1, KILL 2, CHECK & DART VALVES, TIW TO LOW/ 5 MINS @ 250 PSI, HIGH/10 MINS @ 3000 PSI. TEST ANNULAR TO LOW/ 5 MINS @ 250 PSI, HIGH/10 MINS @ 2100 PSI.

6/22/2019 - PULL TEST PLUG & **PT 9-5/8" SURFACE CSG TO 600 PSI F/ 30 MINS. TEST GOOD.** PRE-SPUD INSPECTION. PREP TO PU BHA. PU DIRECTIONAL TOOLS. MU HUGHES 8-3/4" BIT. TIH & TAG CMT @ 496'. DRILL CMT, FLOAT COLLAR, SHOE TRACK AND FLOAT SHOE. **DRILL 8-3/4" INT HOLE F/ 535' TO 2840'.**

6/23/2019 - DRILL 8-3/4" INT HOLE F/ 2840' TO 2949'. CIRC HOLE CLEAN. TOOH TO SHOE @ 500'. BACK REAM FROM 1400' TO 700'. TIH, WASH AND REAM F/ 1550' TO 1910'. CONT DRILLING 8-3/4" INT HOLE F/ 2949' TO 4050'.

6/24/2019 - CONT DRILLING 8-3/4" INT HOLE F/ 4050' **TO TD @ 4144'.** SLIDE & ROTATE. (60 RPM - 8K FTLBS, 500 GPM - 1800 PSI). CIRC HOLE CLEAN, PUMP SWEEPS. TOOH & LD DIR. TOOLS. INSTALL CRT TOOL, RU SJ CSG AND RUN 7" CSG. BREAK CIRC EVRY 1000'. BEGIN TO WASH CSG DOWN F/3321' TO 3618'. PICK UP AND ATTEMPT TO RUN CSG JOINT AT 3616', PULLED TIGHT AND PU. CIRC AND CLEAN UP. CONT RUNNING CSG, WASHING DWN @ 3655'.

6/25/2019 - CONT RUNNING INT CSG, WASHING DWN @ 3655' TO 3921 FT. **LAND 86 JTS 7" 23# P110 CSG @ 3916', FC @ 3869'.** MD RD CSG CREW. RU HALLIBURTON TEST PUMPS & LINES TO 3,500 PSI PUMP 40 BBLS TUNED SPACER @ 11.5 PPG, 3.74 YIELD 24 GAL PER SK, **LEAD CMT, 52.6 BBLS OR 140 SKS** 12.9 PPG, YIELD 2.11 GAL/SK 11.22, **TAIL CMT 117 BBLS OR 310 SKS @ 12.9 PPG** YIELD 2.12, GAL/SK 11.25 DISPLACEMENT W/ 152 BB FRESH WATER 500 OVER HOLD 5 MI. LIFT PSI 980, BUMP PLUG @ 500 OVER 1480 PSI, HOLD FOR 5 MIN FLOATS HELD 1 BBL BACK, **CMT TO SURFACE 19 BBLS** **GOOD CMT.** ND, SET SLIPS, CUT 7" CSG. DRESS CSG TOP, NU, SET PACK OFF & TEST. PU DIRECTIONAL TOOLS. MU BIT AND MOTOR, SCRIBE TOOLS, PU MWD TOOLS. TIH. TAGGED FLOAT COLLAR AT 3,864' FLOAT SHOE AT 3,912'. **PT 7" INT CSG FOR 1500 PSI FOR 30 MIN. TEST GOOD.** DRILLING F/ 4,144' T/ 4,280.

6/26/2019 – DRILLING F/4280' T/6061'.

6/27/2019 - BACK REAM F/ 6,089' FT TO 3,916'. HEAVY LOSSES AND TIGHT HOLE. TOOH TO CHECK DIR TOOLS. TIH WITH HWDP. DRILLING F/ 6,089' **T/ 6,338'.** 50 SCUFFS OF AIR WAS PUMPED WITH NO IMPROVEMENT ON LOSSES. DRILL STAND DOWN TO 6,338'. IN THE PROCESS OF REAMING STAND UP, STUCK PIPE AT 6,338'. FULL CIRC WHILE STUCK, LOST HALF OF OUR PUMP PRESSURE TO 325 PSI, PULLING 150K, CAME FREE, LOST GAMMA SIGNAL ON OUR DIRECTIONAL TOOLS. TOOH TO CHECK CONDITION OF BHA. TOTAL LOSSES FOR THE DAY APPROX. 1500 BBLS. **(NOTE) NMOCD AND BLM HAVE BEEN VERBALLY ADVISED OF THE UPCOMING 4 1/2" LINER RUN.**

6/28/2019 - TOOH LEFT 19 JTS DRILL PIPE & DIR BHA IN HOLE. WO FISHING TOOLS, TOP OF FISH @ 5623'. UNLOAD FISHING TOOLS - STRAP & PU - TIH T/5600'. BREAK CIRC & WORK DOWN T/TOP OF FISH @ 5623' - ENGAGE FISH & ATTMPT T/LATCH ONTO FISH - UNABLE TO PULL MORE THAN 30K OVER STRNG WT BEFORE GRAPPLE PULLS OFF OF

FISH - ATTEMPT T/LATCH ON REPEATEDLY W/SAME RESULTS. TOH W/FISHING
ASSMBLY F/5623' - BREAK OUT OS W/4" GRAPPLE & PUMP OUT SUB. SERVICE RIG -

LUBRICATE RIG, UNIT MOTOR, PUMP, TOP DRIVE & BREAKS. MAKE UP NEW OS W/2'
EXTENSION, NEW

4-1/16" CONTROL & NEW 4" GRAPPLE & NEW PUMP OUT SUB W/2000 PSI BURST DISK -
TIH T/5610'. BREAK CIRC & WORK DOWN HOLE T/5636' - WORK PIPE W/PIPE BUT
UNABLE TO LATCH ONTO FISH - MWD INDICATES OVERSHOT MAY BE BESIDE FISH -
CONT WORK PIPE AND ATTEMPT LATCH ONTO FISH - NO PROGRESS IN WORKING FISH
UP HOLE. TOTAL LOSSES 1600 BBLs LAST 24 HRS. ATTEMPT FISH PARTED DP & BHA.

6/29/2019 - TOOH, LD FISHING TOOLS LOAD OUT. MU BIT & BIT SUB. TIH FOR CO RUN.
CIRC HOLE CLEAN PUMP SWEEPS. TOOH LD BIT. CLEAN RIG FLR - RU CSG CREW.
PJSM W/CSG CREW, RIG CREW & TOOL HAND - MU BULL NOSE & TIH W/40 JNTS (1725')
OF 4-1/2" PERFORATED LINER & DROP OFF TOOL - RD CSG CREW. CONT TIH W/4-1/2" LINER
ON 30 JNTS DP, 50 JNTS HWDP & 46 JNTS OF DP - TAG UP @ 5614' - ATTEMPT T/WORK
LINER DEEPER W/NO PROGRESS. PUMP 20 BBL FLUSH DN DRILL PIPE - DROP DART &
PMP DOWN - PU T/1500 PSI - SHEAR OFF 4-1/2". LAND 40 JTS 4-1/2" 11.6# J-55 CSG @
5614'. TOP OF LINER @ 3880'. TD 6-1/4" PROD HOLE @ 6338'.

6/30/2019 - TOH & LD DP & HWDP F/3389' - TIH W/EXCESS DP F/DERRICK & LD SAME. ND
BOPE - NU DSAF W/NIGHT CAP & 2" BALL VALVE - RD BACK YARD - RD FLARE LINE. RD
RR AWS 777 @ 6:00 HRS ON 6/30/2019.

7/1/2019 - BRANDON POWELL, NMOCD, AND VIRGIL LUCERO, BLM, WERE NOTIFIED OF
THE UNSUCCESSFUL FISHING AND LANDING THE LINER ABOVE THE FISH. VERBAL
APPROVALS WERE RECEIVED FROM BOTH AGENCIES.