

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED
JUN 27 2019
FARMINGTON FIELD OFFICE
BUREAU OF LAND MANAGEMENT

5. Lease Serial No.

NMSF078472

6. If Indian, Allottee or Tribe Name

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 G (SW/NE) 1795' FNL & 1575' FEL, Sec. 28, T32N, R07W

11. Country or Parish, State

San Juan

New Mexico

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

8. Well Name and No.

SAN JUAN 32-7 UNIT 63

9. API Well No.

30-045-24391

10. Field and Pool or Exploratory Area

BASIN DAKOTA

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☒ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 Blanco Mesaverde fotation and downhole commingle with the existing Dakota formation. Please see the attached procedure, wellbore diagram, gas capture plan and plat. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities.

Notify NMOCD 24 hrs
prior to beginning
operations

NMOCD

JUL 24 2019

DISTRICT III

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Priscilla Shorty

Title Operations/Regulatory Technician - Sr.

Signature

Priscilla Shorty

Date

6/27/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

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)

NMOCD

ACCEPTED FOR RECORD
JUL 23 2019
FARMINGTON FIELD OFFICE
BY: [Signature]

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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

Form C-102

August 1, 2011

Permit 269130

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24391	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318434	5. Property Name SAN JUAN 32 7 UNIT	6. Well No. 063
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6650

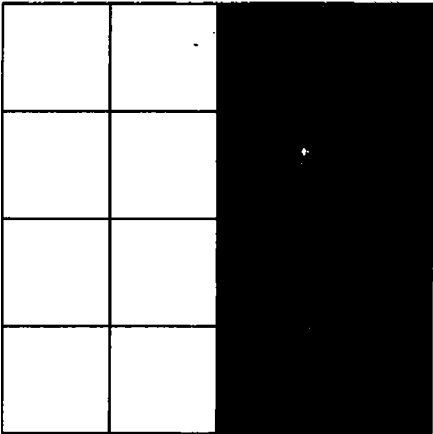
10. Surface Location

UL - Lot G	Section 28	Township 32N	Range 07W	Lot Idn	Feet From 1795	N/S Line N	Feet From 1575	E/W Line E	County SAN JUAN
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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>Priscilla Shorty</i> Title: Operations Regulatory Technician - Sr. Date: 6/27/2019</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: Fred Kerr Date of Survey: 4/7/1980 Certificate Number: 3950</p>
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HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 63
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with 2 3/8" tubing set at 8,162'.
3. Set a 4-1/2" cast iron bridge plug at +/- 8,070' to isolate the Dakota. (Note the casing weight changes at 6649')
4. Load hole with fluid and run a CBL on the 4-1/2" casing. Verify cement bond within the Mesa Verde and confirm TOC (estimated at 2,850' by temperature survey). Review CBL results with engineering/NMOCD and perform cmt remediation, if required (min TOC @ 5,072' unless otherwise approved). PT csg to 650 psi.
5. Set a second 4-1/2" cast iron bridge plug at +/- 6,380' to provide a base for the frac. Load the 7" x 4.5" annulus with packer fluid. If a casing frac is pursued, install 5K tubing head and pressure test casing to anticipated frac pressure, but do not exceed 80% of casing burst pressure. *Burst pressure of 4-1/2" x 10.5# casing is 4,790 psig. 80% of burst is 3832 psig.
6. Perforate the Mesa Verde. (Top perforation @ 5,572', Bottom perforation @ 6,332')
7. Frac will be completed via existing casing or a frac string depending on TOC and casing integrity. If running a frac string set pkr at -5,525'.
8. N/D BOP, N/U frac stack (if necessary) and test frac stack to frac pressure. Open well and PT frac string (if used) to 9000#.
9. If necessary, RU slickline. RIH and break ceramic disc. RD slickline.
10. Frac the Mesa Verde in a single or multiple stages.
11. RU flowback eqmt if necessary. Flowback well until tubing pressure drops to working level and sand subsides or well loads up. RD flowback eqmt.
12. MIRU workover rig. Nipple down frac stack (if used), nipple up BOP and test.
13. Release pkr (if used) and POOH LD workstring (if used).
14. TIH with a mill and clean out to the top of the DK isolation plug at 8,070'. Take Mesa Verde gas samples and analyze.
15. Drill out Dakota isolation plug and cleanout to PBTD of 8,210'. TOOH.
16. TIH and land production tubing. Get a commingled Dakota/Mesa Verde flow rate.



HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 63
MESA VERDE RECOMPLETION SUNDRY

SAN JUAN 32-7 UNIT 63 - CURRENT WELLBORE SCHEMATIC

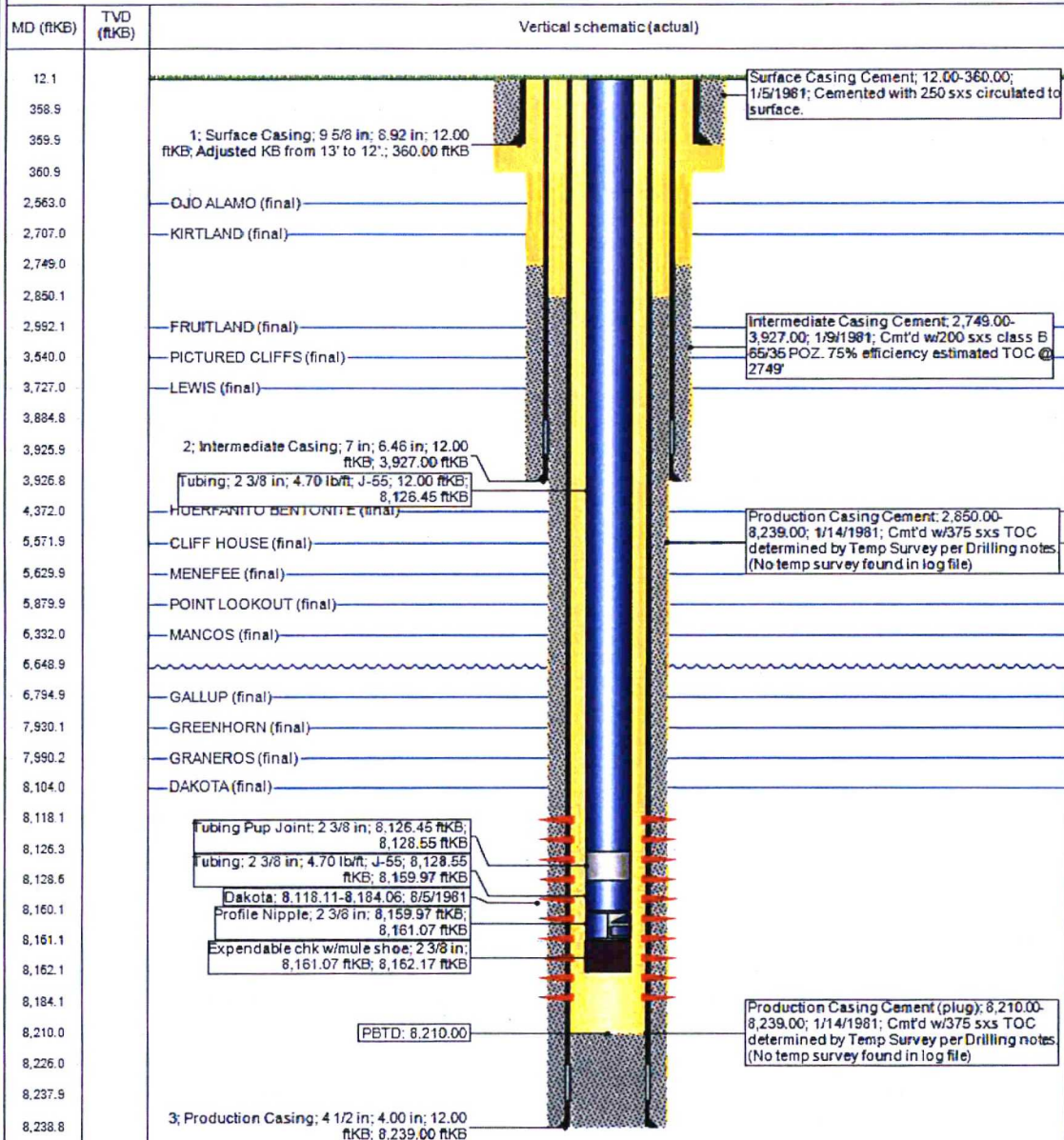


Current Schematic

Well Name: SAN JUAN 32-7 UNIT #63

API Well 3004524391	Surface Legal Location 028-032N-007W-G	Field Name DK	Route 0605	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 8,650.00	Original KB RT Elevation (ft) 8,662.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 6/26/2019 3:29:38 PM



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of Intent to Recomplete & Commingle

Well: San Juan 32-7 Unit 63 30-045-24391

CONDITIONS OF APPROVAL

1. Contact BLM Inspection and Enforcement @ (505) 564 – 7750, 24 hours prior to conducting MIT work so an inspector can be present to witness the MIT.

Contact John Hoffman, Petroleum Engineer @ (505) 564 – 7742 to discuss any failed MIT results and/or your remedial action and isolation plans.

Submit the electronic copy of the MIT Test Chart and CBL for verification to the following addresses: jhoffman@BLM.gov and Brandon.Powell@state.nm.us.

2. The following modifications to your recompletion program are to be made:

- a) Upon rigging up, record Bradenhead pressure and monitor same during recompletion operations. Notify BLM and NMOCD if anomalous pressure changes occur. Provide monitoring results in the subsequent Report of Operations.
- b) Casing pressure test for fracture stimulation operations cannot exceed the internal yield strength of the casing including a 20% safety factor unless a waiver is granted. Stimulation operations cannot exceed this test pressure.
- c) CIBP for base of fracture stimulation to be set less 50' above top existing perforation.

3. File well test and recompletion results within 30 days of completing recompletion operations.