

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
NMSF078998

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

8. Well Name and No.
SAN JUAN 32-7 UNIT 17B

2. Name of Operator
HILCORP ENERGY COMPANY
Contact: PRISCILLA SHORTY
E-Mail: pshorty@hilcorp.com

9. API Well No.
30-045-35131-00-C1

3a. Address
1111 TRAVIS STREET
HOUSTON, TX 77002

3b. Phone No. (include area code)
Ph: 505-324-5188

10. Field and Pool or Exploratory Area
Multiple--See Attached

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

Sec 17 T31N R7W NENE 833FNL 857FEL
36.904433 N Lat, 107.588439 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 Workover Operations
	<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

NMOC

SEP 05 2019

DISTRICT III

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

**Electronic Submission #477552 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by JOHN HOFFMAN on 09/03/2019 (19JH0148SE)**

Name (Printed/Typed) PRISCILLA SHORTY

Title OPERATIONS REGULATORY TECH

Signature (Electronic Submission)

Date 08/12/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**

JOHN HOFFMAN
Title PETROLEUM ENGINEER

Date 09/03/2019

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 ****

2

4

5/3-6/2019 – MIRU AWS 840. SDFWE. CSG & TBG = 500 PSI - BDW. ND TREE & WH. NU BOP. PRTS RAMS T/1500 PSI. OK. UNLND TBG. RU SCANNER. SCAN OOH F/8257' T/2000' (TBG FILL OF WATER). RD SCANNER. FINISH TOH AND DRAIN TBG. TIH W/UNSCANNED TBG & FINISH SCAN OOH. RD SCANNER. MU 2-3/8" PLNGR LIFT BHA & TIH. SWI. SECURE LOC. SDFN.

5/7/2019 - CSG = 475 PSI. BDW. MU HANGER AND LND TBG = EOT @ 8265', SN @ 8264'. RD WRK FLR & TBG HNDLNG EQUIP. ND BOP. NU WH & TREE. BRING ON AIR. PRTS TBG T/500 PSI. PMP OFF CHK W/1030 PSI. CIRC INHIBITOR T/SURFACE. RD RR AWS 840 @ 11:30 HRS.

5/13-14/2019 – MIRU AWS 840. CSG = 510 PSI, TBG = 290 PSI. BDW. ND TREE AND WH. NU BOP & PRTS RAMS T/1500 PSI. RU WRK FLR & TBG HNDLNG EQUIP. UNLND TBG & LD HANGER. TOH W/2-3/8" PROD TBG F/8265'. TIH W/ 3-3/4" BIT AND 4-1/2" CSG SCRAPER T/5295'. TOH W/BIT & SCRAPER. TIH W/4-1/2" RBP AND PKR IN TANDEM T/4274'. SET RBP @ 5274'. RELEASE ON-OFF TOOL. SET PKR @ 5240'. FILL TBG & PRTS RBP T/1000 PSI W/RIG PMP, OK. FILL ANNULUS & PRTS 4-1/2" CSG ABOVE 5240' T/600 PSI F/30 MIN, POSITIVE TEST. RELEASE PKR. LATCH ONTO RBP AND RELEASE SAME. PULL UP 2 JNTS. SWI. SDFN.

5/15/2019 - CSG = 225 PSI, TBG = 200 PSI. BDW. TOH F/5200' W/RBG & PKR. DRIFT 2-3/8" L-80 TBG & TIH W/2-3/8" PLNGR LFT BHA. UNLOAD HOLE @ 5000' (RECOVER 20 BBLS). CONT TIH & TAG F/FILL = NO FILL. LD EXCESS TBG. LND TBG @ 8265'. ATTMPT T/UNLOAD HOLE W/AIR, NEG (TOO MUCH FLUID). TOH T/6250'. BRING ON AIR AND UNLOAD HOLE W/1100 PSI. AFTER INITIAL UNLOAD, CONT LIFT FLUID W/AIR ASSIST. AVG 30 BPH F/3 HRS. TOTAL RECOVERED FLUID 125 BBLS TODAY. SWI. SDFN.

5/16/2019 - CSG = 540 PSI. BDW W/EOT @ 6250' BRING ON AIR & UNLOAD HOLE W/950 PSI (23 BBLS RECOVERED). FLO TST WELL W/AIR ASSIST. FLOW RATE STARTING @ 35 BPH & GRADUALLY DROPPING T/23 BPH. LIFT PRESSURE F/750 PSI DROPPING T/620 PSI. RECOVERED 295 BBLS TODAY & TOTAL OF 425 BBLS F/2 DAYS. SWI. SDFN.

5/17/2019 - CSG = 540 PSI. BDW W/EOT @ 6250' BRING ON AIR & UNLOAD HOLE W/850 PSI (13 BBLS). FLO TST WELL W/AIR ASSIST. FLOW RATE STARTING @ 27 BPH & GRADUALLY DROPPING T/23 BPH. RECOVERED 245 BBLS TODAY & TOTAL OF 670 BBLS F/3 DAYS. SWI. SDFN.

5/20/2019 - CSG = 680 PSI. BDW. TIH W/2-3/8" PROD BHA ON 2-3/8" L-80 TBG. LND TBG = EOT @ 8265', SN @ 8264'. BRING ON AIR AND UNLOAD HOLD W/MAX PRESSURE OF 1500 PSI. UNLOAD 27 BBLS. RD WRK FLR & TBG HNDLNG EQUIP. ND BOP. NU WH AND TREE. PRTS TBG T/500 PSI W/AIR. PMP OFF CHK W/1150 PSI. UNLOAD HOLE (27 BBL). CONT FLO-TST WELL W/AIR ASSIST. RD RR AWS @ 14:30 HRS.

5/21/2019 - CSG = 645 PSI, TBG = 950 PSI. BD CSG. BRING ON AIR. MAX PSI TO UNLOAD = 1550 PSI (18 BBL). FLOWBACK WELL W/AIR ASSIST. STARTING W/40 BPH RECEEDING T/27 BPH @ END OF DAY. RECOVERED 281 BBL TODAY. TOTAL OF 1145 BBLS F/5 DAYS.

5/22/2019 - BH = 0 PSI. CSG = 990 PSI. TBG = 900 PSI. BD CSG. UNLOAD HOLE (MAX PRESSURE TO UNLOAD = 1500 PSI). AIR ASSIST FLOW TEST WELL. STARTING @ 32 BPH FIRST HR & DECREASING T/27 BPH. RECOVER 307 BBLS TODAY.

5/23/2019 - BH = 0 PSI. CSG = 575 PSI. TBG = 900 PSI. BD CSG. UNLOAD HOLE (MAX PRESSURE TO UNLOAD = 1500 PSI). AIR ASSIST FLOW TEST WELL. FLOW RATE = 27 BPH. RECOVER 243 BBLS TODAY. SHUT WELL IN. RD AIR UNIT AND FLOWBACK TANK.

5/30/2019 – MIRU AWS 840. PJSM. CSG = 720 PSI, TBG = 750 PSI – BDW. ND TREE & WH. NU BOP & PRTS RAMS T/1750 PSI. UNLND TBG. TOH TBG. SWI. SDFN.

5/31/2019 - CSG = 250 PSI. BDW. M/U 3-7/8" JNK MILL & 4-1/2" CSG SCRAPER AND TIH T/7642' BELOW GALLUP PERFS (ABOVE DAKOTA). TOH W/B & S. MU 4-1/2" RBP ON RUNNING TOOL & TIH T/6330'. SET RBP. RELEASE RUN TOOL & P/U 1 JNT. UNLOAD HOLE W/AIR (27 BBLS). TEST WELL FLOW W/AIR ASSIST F/2 HRS = 43 BPH. TOH W/RUNNING TOOL T/5300'. SWI. SDFWE.

6/3/2019 - CSG = 210 PSI, TBG = 200 PSI. BDW. TIH W/RUN TOOL F/5300'. TAG FILL @ 6320' = 5' FILL. SWVL UP. BRING ON AIR. UNLOAD HOLE W/850 PSI = (13 BBLS). FLOW TST MV ZONES W/AIR ASSIST F/2 HRS = 27 BPH. CLEAN OUT T/RBP @ 6330'. LATCH ONTO & RELEASE RBP & TOH T/5830' (BETWEEN CLIFF HOUSE & POINT LOOK OUT). SET RBP. UNLOAD HOLE W/600 PSI. AIR ASSIST FLOW TEST F/5 HRS = AVG 18 BPH TURN OFF AIR. BDW. TOH W/RUN TOOL T/5300'. SWI. SDFN.

6/4/2019 - CSG = 338 PSI, TBG = 338 PSI. BDW. TIH W/RUN TOOL F/5300' T/5825'. UNLOAD HOLE W/700 PSI (18 BBLS). AIR ASSIST FLOW TEST F/1 HR = 27 BPH. TAKE AIR OFF WELL. LATCH ONTO & RELEASE RBP. TOH W/RBP F/5830'. RACK SWVL. DRIFT & TIH W/2-3/8" PROD STRNG = MULE SHOE, SN, 61 JNTS 4.7#, L-80 TBG, 4-1/2" AS1-X FULL BORE PKR, 205 JNTS L-80 TBG & TBG HNGR (EOT @ 8246', SN @ 8244'). SPACE OUT & SET PKR (IN 5K TENSION @ 6349'). LND HANGER. RD WRK FLR & TBG HNDLNG EQUIP. ND BOP. NU WH & TREE. **HEC ENGINEER SENT BRANDON POWELL, NMOCD, AND JIM LOVATO, BLM, AN E-MAIL EXPLAINING THE UNEXPECTED INFLOW OF WATER. ENGINEER PROPOSED THAT A PACKER BE SET BELOW THE MESAVERDE TO STOP THE WATER AND ALLOW THE GALLUP AND DAKOTA INTERVAL TO PRODUCE. IT WAS AGREED THAT A PACKER WILL BE SET AND ALLOW PRODUCTION FROM GALLUP AND DAKOTA, TEST THE VIABILITY OF THE WELL FOR UP TO 6 MONTHS AFTER WHICH TIME THE PACKER WILL BE REMOVED AND IMPLEMENT A PLAN FOR THE WELL. A SUNDRY WAS SUBMITTED OUTLINING THE AGREEMENT AND PLAN FORWARD.** SWI. SDFN.

6/5/2019 - SICP = 102 PSI, SITP = 142 PSI. RD RR AWS 840 @ 9:00 HRS.

7/29/2019 – MIRU BWD 102. ND WH, RELEASE TBG HANGER, NU BOPE. PT BOPE 1500 PSI, GOOD TEST. RELEASE AS1-X PKR, TOOH TBG, LD PKR. CONT TOOH W/ TBG. PU RBP AND TIH, SET RBP AT 6339'. ISOLATE MESA VERDE PERFS. SWI. SDFN.

7/30/2019 – TIH W/ TBG TO 6308'. RBP SET AT 6339'. MESA VERDE PERFS 5324' TO 6282'. UNLOAD HOLE AND EST CIRC. UNLOAD 20 BBLS CONTINUE TO CIRC W/ AIR MIST. TOOH 17 STANDS ABOVE TOP PERF TO 5261'. SWI SDFN.

7/31/2019 - TIH W/ 17 STANDS OF TBG TO 6308'. RBP SET AT 6339'. UNLOAD HOLE AND EST CIRC. LATCH ONTO RBP, EQUALIZE AND RELEASE RBP. WELL FLOWED FOR 14 MIN AFTER RBP WAS RELEASED. TOOH 17 STANDS, ATTEMPT TO SET RBP AT 5279' AND 5248', WOULD NOT SET. TOOH. PICK ANOTHER RBP AND PKR TANDEM. TIH W/ RBP AND PKR TANDEM. SET RBP AT 5279', PUMP 20 BBLS OF WATER. SET PKR 5266', PUMP 20 BBLS OF WATER. PT RBP TO 600 PSI FOR 30 MIN, GOOD TEST. SET RBP AND PKR WELL STARTED FLOWING. SWI. SDFN.

8/1/2019 - LOAD W/ 60 BBLS OF WATER, PT CSG. RBP SET AT 5279. PT CSG FROM 5279 TO SURFACE. PT 840 PSI FOR 30 MIN. GOOD TEST. UNLOAD WATER AND RELEASE RBP. TIH W/ RBP, PKR TANDEM, SET RBP AT 7497', PULL UP AND SET PKR AT 7484'. LOAD AND PT RBP TO 700 PSI, GOOD TEST. PT CSG 7497'

TO 6346, 705 PSI TO 505 PSI IN 30 MIN. 800 PSI TO 705 PSI IN 30 MIN, 705 PSI TO 685 PSI IN 30 MIN, GOOD TEST. RELEASE PKR, UNLOAD WATER. TIH, LATCH AND RELEASE RBP. TOO H. SWI. SDFN.

8/2/2019 - FINISH TOO H W/ RBP AND PKR. LD RBP AND PKR. PU HYDRAULIC SET CIBP AND PKR TANDEM. TIH. SET CIBP AT 8134'. SET PKR AT 8115', PT CIBP 680 PSI FOR 30 MIN GOOD TEST. RELEASE PKR. UNLOAD WATER FROM WELL AT 8115'. RETURNED 20 BBLS. TOO H. LD EXCESS TBG. PU BHA AND TIH DRIFTING TBG. SWI. SDFWE. **HEC ENGINEER SENT AN E-MAIL TO BRANDON POWELL, NMOCD, AND JOE KILLINS, BLM, UPDATING THAT THE PACKER SET BELOW THE MESA VERDE TO STOP THE WATER INFLUX WAS UNSUCCESSFUL. RE-TESTING THE CASING SHOWED THAT THERE ARE NO INTEGRITY ISSUES. PLAN IS TO CONTINUE TO ISOLATE THE SOURCE OF THE FLUID AND WILL SET A CIBP AT 50' OVER THE DAKOTA AND FLOW TEST AGAIN. APPROVAL WAS GIVEN TO SET A PLUG OVER THE DAKOTA TO TEST THE WELL.**

8/5/2019 - UNLOAD WATER FROM WELL AT 6201'. RETURNED 12 BBLS. EST CIRC.LAND TUBING AS FOLLOWS: (1)- 2 3/8" EXP CHECK; (1)- 2 3/8" X 1.78 SN (1.10'); (1)- 2 3/8" 4.7# J-55 NEW TBG (31.25); (1)- 2 3/8" X 2', PUP JNT MARKER; (199)- 2 3/8" 4.7# J-55 NEW TBG (6149.86'); (1)- 2 3/8" X 5K TBG HANGER. EOT @ 6201', SN @ 6199'. CIBP @ 8134'. RD FLOOR, ND BOPE, NU WH. RD RR AT 11:00 HOURS.