

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF080673
2. Name of Operator HILCORP ENERGY COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 1111 TRAVIS STREET HOUSTON, TX 77002		7. If Unit or CA/Agreement, Name and/or No. 8910010540
3b. Phone No. (include area code) Ph: 505-324-5161		8. Well Name and No. SAN JUAN 27-4 UNIT 40
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 6 T27N R4W SWNE 1775FNL 1474FEL 36.603973 N Lat, 107.287506 W Lon		9. API Well No. 30-039-20142-00-C1
		10. Field and Pool or Exploratory Area BASIN DAKOTA BLANCO MESAVERDE
		11. County or Parish, State RIO ARriba 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 Subsurface Commingling
	<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 recompletable 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 recompletable 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.

The subject well is now producing as Blanco Mesaverde and Basin Dakota commingle under DHC 4975.

Please see attached production allocation.

Well recompletable report approved 06/26/2019.

NMOCB

SEP 25 2019

DISTRICT III

14. I hereby certify that the foregoing is true and correct. Electronic Submission #484673 verified by the BLM Well Information System For HILCORP ENERGY COMPANY, sent to the Farmington Committed to AFMSS for processing by JOHN HOFFMAN on 09/25/2019 (19JH0218SE)	
Name (Printed/Typed) ETTA TRUJILLO	Title OPERATIONS REGULATORY TECH SR
Signature (Electronic Submission)	Date 09/24/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JOHN HOFFMAN Title PETROLEUM ENGINEER	Date 09/25/2019
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 ****

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
NMOCD Original
BLM 5 Copies
Accounting
Well File

Revised: March 9, 2018

Status

PRELIMINARY ☒

FINAL ☐

REVISED ☐

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 9/11/2019

API No. 30-039-20142

DHC No. DHC 4975

Lease No. NMSF080673

Federal

Well Name

San Juan 27-4 Unit

Well No.

#40

Unit Letter

G

Section

6

Township

T27N

Range

R04W

Footage

1775'FNL & 1474'FEL

County, State

Rio Arriba,
New Mexico

Completion Date

06/16/2019

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Dakota and the added formation to be commingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s). A fixed percentage based allocation will be submitted after the fourth year - of production. See attached documents for production forecast.

Oil production will be allocated based on average formation yields from offset wells: MV - 96%, DK - 4%

APPROVED BY

DATE

TITLE

PHONE

X

Nick Kunze

Area Operations Manager

713-209-2449