

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. NMSF078386 |
| 2. Name of Operator HILCORP ENERGY COMPANY Contact: PRISCILLA SHORTY E-Mail: pshorty@hilcorp.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 1111 TRAVIS STREET HOUSTON, TX 77002 | 3b. Phone No. (include area code) Ph: 505-324-5188 | 7. If Unit or CA/Agreement, Name and/or No. 8910005690 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T31N R9W SENE 1650FNL 0990FEL 36.900730 N Lat, 107.797380 W Lon | | 8. Well Name and No. SAN JUAN 32-9 UNIT 19 |
| | | 9. API Well No. 30-045-10769-00-S1 |
| | | 10. Field and Pool or Exploratory Area BLANCO MESAVERDE |
| | | 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 checked="" 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 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 checked="" type="checkbox"/> Recomplete | <input 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 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.

Hilcorp Energy Company requests permission to recomplete the subject well in the Pictured Cliffs and downhole commingle with the existing Mesaverde. Attached is the procedure, wellbore diagram, plat, gas capture plan, and interim reclamation plan. A pre-interim reclamation site inspection was completed by Bob Switzer, BLM, on 8/20/2019. A DHC application will be filed and approved prior to commingling. A closed loop system will be used.

Notify NMOCD 24 hrs
prior to beginning
operations

NMOCD

OCT 11 2019

DISTRICT III

| | |
|--|-------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #479735 verified by the BLM Well Information System For HILCORP ENERGY COMPANY, sent to the Farmington Committed to AFMSS for processing by ALBERTA WETHINGTON on 08/26/2019 (19AMW0571SE) | |
| Name (Printed/Typed) PRISCILLA SHORTY | Title OPERATIONS REGULATORY TECH SR |
| Signature (Electronic Submission) | Date 08/21/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-----------------------|--------------------------|
| Approved By <u>JOE KILLINS</u> | Title <u>ENGINEER</u> | Date <u>10/09/2019</u> |
| 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 <u>Farmington</u> |

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 ****

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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 271383

WELL LOCATION AND ACREAGE DEDICATION PLAT

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|-------------------------------|--|--|
| 1. API Number 30-045-10769 | 2. Pool Code 72359 | 3. Pool Name BLANCO PICTURED CLIFFS (GAS) |
| 4. Property Code 318718 | 5. Property Name SAN JUAN 32 9 UNIT | 6. Well No. 019 |
| 7. OGRID No. 372171 | 8. Operator Name HILCORP ENERGY COMPANY | 9. Elevation 6554 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|--------------------|
| UL - Lot H | Section 17 | Township 31N | Range 09W | Lot Idn 8 | Feet From 1650 | N/S Line N | Feet From 990 | E/W Line E | County SAN JUAN |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|--------------------|

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 157.28 | | | 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

| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table> | | | | | | | | | | | | | | | | | <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 Tech - Sr. Date: 08/21/2019</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: S. Schulema Date of Survey: 5/4/1954 Certificate Number:</p> |
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HILCORP ENERGY COMPANY
SAN JUAN 32-9 UNIT 19
PICTURED CLIFFS RECOMPLETION SUNDRY

API #:

3004510769

JOB PROCEDURES

- ☒ NMOCD **Contact** OCD 24 hrs prior to MIRU. Record and document all casing pressures daily, including BH, IC (if present) and PC. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.
- ☒ BLM
1. MIRU service rig and associated equipment; NU and test BOP.
 2. TOOH with insert pump and rodstring. TOOH with **2-3/8"** tubing set at **6,006'**.
 3. PU a **4-1/2"** cast iron bridge plug and RIH with work string; set CIBP at +/- **5,210'** to isolate the Mesa Verde formation.
 4. Load wellbore with fluid. RU pressure test truck. Perform a Mechanical Integrity Test on wellbore. Chart record the MIT test (Notify NMOCD +24hr before actual test). Review and submit the MIT test results to the NMOCD. If the MIT fails, discuss with both the NMOCD on a plan of action to remediate the wellbore. Perform 2nd MIT once remediated.
 5. Top-off wellbore with fluid and run a CBL from the CIBP to surface. TOC estimated at **3,010'**, top proposed perf at **3,412'**. Squeeze work possible.
 6. If squeeze work is required based on CBL, perforate the 4-1/2" casing above the TOC and attempt to circulate fluid to surface. If circulation is possible, rig up cementers and squeeze cement in 7" x 4-1/2" annulus until good cement returns are realized at surface. If good returns are realized to surface a second CBL is not required.
 7. If circulation to surface is not possible, work with engineering to determine the best way to achieve adequate cement coverage across the Pictured Cliffs interval using standard remedial cementing techniques. Confirm TOC and adequate cement coverage (minimum 200' above and below maximum proposed perforation interval) with a second CBL.
 8. PU and RIH with a second CIBP and set at +/- **3,570'** to provide a base for the frac.
 9. RU E-line crew. Perforate the Pictured Cliffs. (Top perforation @ 3,412', Bottom perforation @ 3,522').
 10. RIH with 2-7/8" or larger frac string and packer, land packer at +/- **3,370'**. PT frac string to 9000#, PT backside to 300#.
 11. N/D BOP, N/U frac stack and test frac stack to frac pressure. RDMO service rig.
 12. RU stimulation crew. Frac the **Pictured Cliffs** in one or two stages. (Top perforation @ 3,412', Bottom perforation @ 3,522').
 13. Flowback well until pressures diminish.
 14. MIRU service rig. Nipple down frac stack, nipple up BOP and test.
 15. POOH w/ frac string and packer.
 16. Clean out to the top of the first isolation plug. When water and sand rates are acceptable, drill out the plug.
 17. Clean out to the top of the Mesa Verde isolation plug. When water and sand rates are acceptable, drill out the plug.
 18. Clean out the wellbore to PBTD at **6,038'**, TOOH.
 19. TIH and land 2-3/8" production tubing. Run new insert pump and rodstring. Get a commingled **Pictured Cliffs/Mesa Verde** flow rate.

All formation tops have been reviewed by Hilcorp Energy for the San Juan 32-9 Unit 19. The proposed formation tops agree with those shown on the NMOCD website.



HILCORP ENERGY COMPANY
SAN JUAN 32-9 UNIT 19
PICTURED CLIFFS RECOMPLETION SUNDRY

SAN JUAN 32-9 UNIT 19 - CURRENT WELLBORE SCHEMATIC



Current Schematic

Well Name: SAN JUAN 32-9 UNIT #19

| | | | | | |
|-----------------------------------|---|---|--------------------------------|--------------------------------|-------------------------|
| API: UYV1 3004510769 | Surface Legal Location 017-031N-009W-H | Field Name BLANCO MESAVERDE (PRORATED GAS) | Route 0405 | State/Province NEW MEXICO | Well Configuration Type |
| Ground Elevation (ft) 6,556.00 | Original KB RT Elevation (ft) 6,556.00 | KB-Ground Distance (ft) 10.00 | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft) | |

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