

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Well Name: SAN JUAN 32-7 UNIT

Well Location: T32N / R7W / SEC 20 /
SENE / 36.968265 / -107.584798

County or Parish/State: SAN
JUAN / NM

Well Number: 11

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMSF078460

Unit or CA Name: SAN JUAN 32-7
UNIT--MV

Unit or CA Number:
NMNM78423B

US Well Number: 3004511344

Well Status: Producing Gas Well

Operator: HILCORP ENERGY
COMPANY

Subsequent Report

Sundry ID: 2779229

Type of Submission: Subsequent Report

Type of Action: Workover Operations

Date Sundry Submitted: 03/12/2024

Time Sundry Submitted: 08:38

Date Operation Actually Began: 03/01/2024

Actual Procedure: Hilcorp Energy has repaired the communication between the intermediate and production casing on the subject well per the attached details.

SR Attachments

Actual Procedure

SJ_32_7_UNIT_11_SR_INT_REPAIR_BLM_Submitted_20240312083841.pdf

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COMPANY**Operator**

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: PRISCILLA SHORTY

Signed on: MAR 12, 2024 08:38 AM

Name: HILCORP ENERGY COMPANY

Title: Regulatory Technician

Street Address: 382 ROAD 3100

City: AZTEC

State: NM

Phone: (505) 324-5188

Email address: PSHORTY@HILCORP.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Accepted

Disposition Date: 03/12/2024

Signature: Matthew Kade

SAN JUAN 32-7 UNIT 11

30.045.11344

INTERMEDIATE REPAIR

3/1/2024 – MIRU. CK PRESSURES. SITP 120 PSI, SICP 120 PSI, SIBH 20 PSI (30 SEC BD), SIIP 0 PSI. 4 MIN BD. RU RIG AND EQUIPMENT. ND WH, NU BOP AND FUNCTION TEST. GOOD TEST. RU RIG FLOOR. PULL HANGER TO SURFACE. NO TAG DUE TO TBG BEING IN WELL SINCE 2004. TOO H SCANNING 2-3/8" J-55 TBG. SDFN.

3/4/2024 - CK PRESSURES. SITP 0 PSI, SICP 120 PSI, SIBH 130 PSI (30 SEC BD), SIIP 0 PSI. 4 MIN BD. MU 4-3/4" SCRAPER, TIH W/ TBG. PU AND TALLY TBG. TOO H W/ 4-3/4" SCRAPER. MU 5-1/2" RBP, TIH W/ TBG AND SET @ 5192'. RU RIG PUMP TO TBG AND ATTEMPT TO ROLL HOLE. PUMPED 185 BBLs OF FW, NEVER GOT CIRC. TOO H W/ RETRIEVING HEAD. MU 5-1/2" AS1X PACKER AND TIH. SDFN.

3/5/2024 - CK PRESSURES. SITP 130 PSI, SICP 130 PSI. 4 MIN BD. SIBH 0 PSI (30 SEC BD), SIIP 130 PSI. 30 SEC BD. CONTINUE TO TIH W/ TBG AND SET PKR @ 5160'. RU PUMP TO TBG AND PUMP 30 BBLs OF FW, NO TEST. TIH AND LATCH ONTO RBP AND UNSET. SET RBP @ 5142'. SET PKR @ 5110'. PT RBP TO 1100 PSI, GOOD TEST. RELEASE PKR AND LOAD HOLE W/ 110 BBLs OF FW. PT TO 600 PSI, GOOD TEST. GAINED 20 PSI IN 40 MIN. TOO H W/ 5-1/2" PKR. ND BOP, ND TBG HEAD. NO BUSHING INSIDE TBG HEAD. SDFN.

3/6/2024 - CK PRESSURES. SITP N/A, SICP 0 PSI. SIBH 0 PSI, SIICP 0 PSI. 0 MIN BD. INSTALL NEW BUSHING W/ PACKOFF FOR 5 1/2", INSTALL WH AND PT. RECORDED 450/LOW AND 1600/HIGH, GOOD TEST, NU BOP. ATTEMPT PT ON 5 1/2" WHILE MONITORING INT, FIX SEVERAL LEAKS, BLIND RAMS WERE LEAKING. PU NEW RUBBERS, REPLACED BLIND RAM RUBBERS, RETEST 5 1/2". RESULTS: INT STARTED AT 10:40 0/PSI. AT 1:35 STARTED TEST ON 5 1/2" INT WAS 3.00/PSI. AFTER THE 30/MIN TEST IT WAS 3.3/PSI. GAINED A TOTAL OF 3.3/PSI IN 3 HRS AND 25/MINS. RESULTS ON 5 1/2": STARTED TEST AT 1:35 WITH 625/PSI. AFTER 30/MINS WE HAD 623.4/PSI. BH REMAINED AT 0/PSI. ALL DAY. NOTIFIED ENGINEER OF TEST RESULTS AND HE WOULD LIKE US TO LEAVE THE PRESSURE ON WELL AND CHECK IT IN THE MORNING. SDFN.

3/7/2024 - CK PRESSURES. SITP N/A, SICP 680 PSI LEFT 625 PSI OVERNIGHT 5 MIN BD. SIBH 0 PSI, SIICP 13 PSI LEFT 3.3 PSI (30 SEC BD). CHART PT ON CSG TO 600 PSI GOOD TEST. CHARTED INT, WENT UP 6 PSI IN 30 MIN. TIH W/ RETREIVEING HEAD. STAGE IN TBG UNLOADING WELL AT 2500' AND 5400'. LATCH ONTO RBP AND UNSET. TOO H W/ RBP. MU PROD BHA, TIH DRIFTING TBG. **HEC ENGINEER EMAILED MONICA KUEHLING, NMOC, AND KENNY RENNICK, BLM, PROVIDING UPDATE THAT THE 5-1/2" PROD CSG HAD A GOOD PT. THE WH WAS PROVEN TO BE THE SOURCE OF THE INT PRESSURE, IT WAS REPAIRED AND PERFORMED ANOTHER TEST. NO COMMUNICATION WAS OBSERVED BETWEEN THE PROD AND INT CSG. INTEND IS TO RD, AND FOLLOW UP WITH A BH TEST WITHIN 30 DAYS.** SDFN.

3/8/2024 - CK PRESSURES. SITP- 0 PSI. SICP- 200 PSI 3 MIN BD. SIBHP 0 PSI. SIICP 5 PSI(5 SEC BD). PU 2 JTS, TAG @ 5414', RU TBG SWIVEL. BROUGHT ON AIR UNIT. PT LINES. TEST GOOD. EST CIRC W/ AIR/MIST. CO FROM 5414' TO 5470'. CIRC CLEAN. LD 2 JNTS. PU TBG PUPS AND LAND TBG: (1) 2-3/8" EXP CK; (1) 2-3/8" x 1.78 SN; (1) 2-3/8" TBG JT; (1) 2-3/8" PUP JT; (179) 2-3/8" 4.7# J-55 TBG; (4) 2-3/8" PUP JTS; (1) 2-3/8" TBG; (1) TBG HANGER. EOT @ 5701.40'. SN @ 5700.65'. PBD @ 5740'. RD RIG FLOOR, ND BOP, NU WH. PT TBG STRING TO 500 PSI. TEST GOOD. POPPED OFF CHECK @ 1000 PSI. RD AIR UNIT. RD RR.

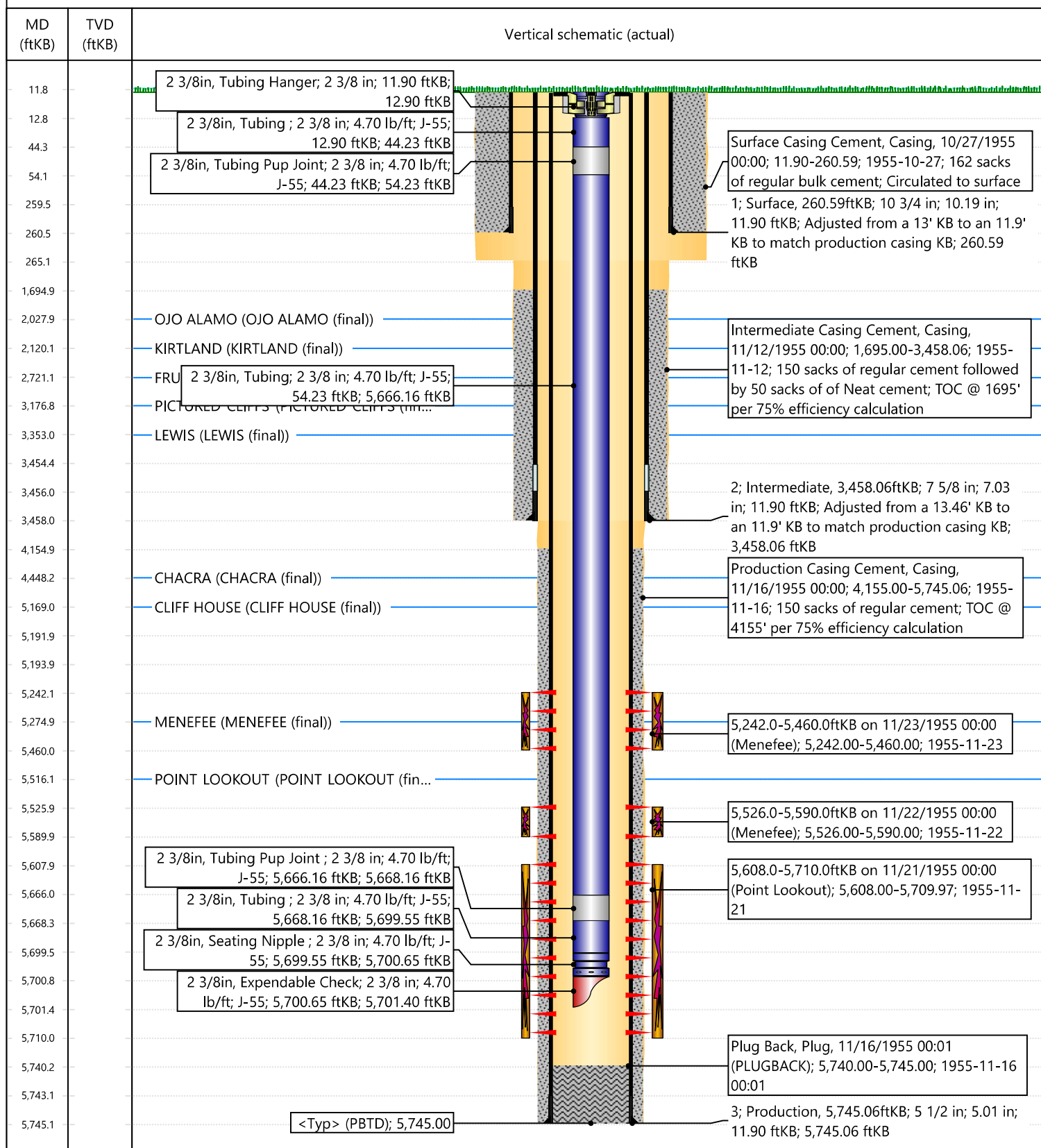


Current Schematic - Version 3

Well Name: SAN JUAN 32-7 UNIT #11

| | | | | | |
|-----------------------------------|---|-------------------------|--------------------------------|--------------------------------|-------------------------------------|
| API / UWI 3004511344 | Surface Legal Location 020-032N-007W-H | Field Name MV | Route 0504 | State/Province NEW MEXICO | Well Configuration Type Vertical |
| Ground Elevation (ft) 6,321.00 | Original KB/RT Elevation (ft) 6,332.90 | RKB to GL (ft) 11.90 | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft) | |

Original Hole [Vertical]



Priscilla Shorty

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Sent: Thursday, March 7, 2024 10:52 AM
To: Christian Zuvich; Rennick, Kenneth G; Scott Anderson
Cc: Priscilla Shorty; Cameron Garrett; Scott Wagner; JP Knox; Brian Bradshaw; Tammy Jones; Ben Mitchell; Mandi Walker; Amanda Atencio
Subject: RE: [EXTERNAL] SAN JUAN 32-7 UNIT 11 (API: 3004511344) - BH directive

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Thank you for the update

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: Christian Zuvich <Christian.Zuvich@hilcorp.com>
Sent: Thursday, March 7, 2024 10:50 AM
To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Scott Anderson <sanderson@hilcorp.com>
Cc: Priscilla Shorty <pshorty@hilcorp.com>; Cameron Garrett <cgarrett@hilcorp.com>; Scott Wagner <swagner@hilcorp.com>; JP Knox <jknox@hilcorp.com>; Brian Bradshaw <Brian.Bradshaw@hilcorp.com>; Tammy Jones <tajones@hilcorp.com>; Ben Mitchell <bemitchell@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>; Amanda Atencio <Amanda.Atencio@hilcorp.com>
Subject: RE: [EXTERNAL] SAN JUAN 32-7 UNIT 11 (API: 3004511344) - BH directive

Monica and Kenny,

We ran in hole with an RBP and tested our 5-1/2" production casing and it held like a jug. The wellhead was proven to be the source of our intermediate pressure, so we repaired the wellhead and performed another pressure test. We observed no communication between the production and intermediate casing. We intend to rig down, move out, and follow up with a BH test within 30 days.

Christian Zuvich
Operations Engineer - San Juan East
Hilcorp Energy Company
O: 713-289-2983
M: 832-671-8256

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Sent: Thursday, February 29, 2024 8:35 AM

To: Rennick, Kenneth G <krennick@blm.gov>; Scott Anderson <sanderson@hilcorp.com>
Cc: Priscilla Shorty <pshorty@hilcorp.com>; Cameron Garrett <cgarrett@hilcorp.com>; Scott Wagner <swagner@hilcorp.com>; Christian Zuvich <Christian.Zuvich@hilcorp.com>; JP Knox <jknox@hilcorp.com>; Brian Bradshaw <Brian.Bradshaw@hilcorp.com>; Tammy Jones <tajones@hilcorp.com>; Ben Mitchell <bemitchell@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>; Amanda Atencio <Amanda.Atencio@hilcorp.com>
Subject: RE: [EXTERNAL] SAN JUAN 32-7 UNIT 11 (API: 3004511344) - BH directive

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Thank you for the update

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: Rennick, Kenneth G <krennick@blm.gov>
Sent: Wednesday, February 28, 2024 5:23 PM
To: Scott Anderson <sanderson@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Cc: Priscilla Shorty <pshorty@hilcorp.com>; Cameron Garrett <cgarrett@hilcorp.com>; Scott Wagner <swagner@hilcorp.com>; Christian Zuvich <Christian.Zuvich@hilcorp.com>; JP Knox <jknox@hilcorp.com>; Brian Bradshaw <Brian.Bradshaw@hilcorp.com>; Tammy Jones <tajones@hilcorp.com>; Ben Mitchell <bemitchell@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>; Amanda Atencio <Amanda.Atencio@hilcorp.com>
Subject: Re: [EXTERNAL] SAN JUAN 32-7 UNIT 11 (API: 3004511344) - BH directive

The BLM finds the procedure appropriate.

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From: Scott Anderson <sanderson@hilcorp.com>
Sent: Wednesday, February 28, 2024 3:13:49 PM
To: Kuehling, Monica, EMNRD <monica.kuehling@state.nm.us>; Rennick, Kenneth G <krennick@blm.gov>
Cc: Priscilla Shorty <pshorty@hilcorp.com>; Cameron Garrett <cgarrett@hilcorp.com>; Scott Wagner <swagner@hilcorp.com>; Christian Zuvich <Christian.Zuvich@hilcorp.com>; JP Knox <jknox@hilcorp.com>; Brian Bradshaw <Brian.Bradshaw@hilcorp.com>; Tammy Jones <tajones@hilcorp.com>; Ben Mitchell <bemitchell@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>; Amanda Atencio <Amanda.Atencio@hilcorp.com>
Subject: [EXTERNAL] SAN JUAN 32-7 UNIT 11 (API: 3004511344) - BH directive

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Monica, Kenny – We were unable to bleed off the intermediate casing pressure enough on the San Juan 32-7 Unit 11 (API: 3004511344) to repair the wellhead in situ. We will need to proceed forward with a rig operation to isolate the perfs and pull the wellhead, as referenced in the original NOI. That operation is planned to commence at the end of this week and we will keep you posted throughout the operation on our progress towards finding the source of the intermediate casing pressure.

Scott Anderson
San Juan East – Operations Engineer
Hilcorp Energy Company
W: 713-289-2772
C: 248-761-3965

From: OCDOnline@state.nm.us <OCDOnline@state.nm.us>

Sent: Wednesday, January 31, 2024 2:28 PM

To: Tammy Jones <tajones@hilcorp.com>

Subject: [EXTERNAL] The Oil Conservation Division (OCD) has approved the application, Application ID: 302481

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To whom it may concern (c/o Tammy Jones for HILCORP ENERGY COMPANY),

The OCD has approved the submitted *NOI - Remedial Workover* (C-103G), for API number (30-#) 30-045-11344, with the following conditions:

- **Notify NMOCD 24 hours prior to moving rig on - Notify NMOCD prior to any cement work. Cement work cannot go past Kirtland formation if pressure on the bradenhead or intermediate, Once bradenhead/intermediate issue fixed - a bradenhead test will be required within 30 days - 6 months and one year of fix or rig move.**

The signed C-103G can be found in the OCD Online: Imaging under the API number (30-#).

If you have any questions regarding this application, please contact me.

Thank you,
Monica Kuehling
OCD Inspector
505-334-6178
monica.kuehling@emnrd.nm.gov

New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

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District III
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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

CONDITIONS

Action 322597

CONDITIONS

| | |
|--|--|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 322597 |
| | Action Type: [C-103] Sub. Workover (C-103R) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| mkuehling | bradenhead test required 30 days after rig move - 6 months after rig move - one year after rig move | 4/19/2024 |