



Post Office Box 61229
Houston, Texas 77208-1229

1111 Travis Street
Houston, Texas 77002

Phone: (832) 839-4573
dduffy@hilcorp.com

March 1, 2018

R-309

Bureau of Land Management
6251 College Blvd, Suite A
Farmington, NM 87402

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, NM 87501-1148

Oil Conservation Division
State of New Mexico
1220 S. Saint Francis Drive
Santa Fe, NM 87505

**2018 PLAN OF DEVELOPMENT
FOR THE SAN JUAN 32-9 UNIT
NO. 14-08-001-569
SAN JUAN COUNTY, NEW MEXICO**

Prior to August 1, 2017, Burlington Resources Oil & Gas Company LP operated the San Juan 32-9 Unit and submitted a 2017 Plan of Development and Operations (“2017 POD”). Hilcorp Energy Company (“Hilcorp”) assumed the role of Unit Operator on August 1, 2017.

Pursuant to Section 10 of the San Juan 32-9 Unit Agreement, Hilcorp, as Unit Operator, hereby submits the proposed 2018 Plan of Development and Operations (“2018 POD”) to the Bureau of Land Management.

I. PERIOD

This plan will be effective from April 1, 2018 through March 31, 2019. The 2019 Plan will be submitted on or before March 1, 2019.

II. 2017 PLAN REVIEW OF OPERATIONS

A summary of key activities undertaken after August 1, 2017 include:

A. Production History: During 2017, approximate cumulative production from the San Juan 32-9 Unit was 25.31 (MBO) oil; 11.24 (BCF) gas; and 62 (MBW) produced water. Refer to Exhibit A attached for a listing of all wells in the San Juan 32-9 Unit.

B. Participating Areas: The Participating Areas currently established in the San Juan 32-9 Unit are:

Formation	Expansion	Effective Date
Fruitland Coal	019	10/1/2005
Mesaverde	032	8/1/1960

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Nacimiento	000	8/4/1975
Pictured Cliffs	012	12/1/1997

C. Drilling Program: The 2017 POD filed by ConocoPhillips (or amendments thereto) provided for no activity. Further, Hilcorp did not complete any drilling projects; there is therefore no status update to provide for 2017 development.

D. Workovers/Recompletion Program: Key activities included five (5) workover projects with zero (0) recompletes as outlined in the following table:

Well Name	API	Sec	Twp	Rng	Formation	Type
SAN JUAN 32-9 UNIT #241	3004531025	13	32	9	FC	RTP - Replace DH Pump & Cleanout
SAN JUAN 32-9 UNIT #257	3004528224	8	31	9	FC	RTP - Tubing Repair
SAN JUAN 32-9 UNIT #273S	3004532521	19	32	9	FC	RTP - Replace DH Pump
SAN JUAN 32-9 UNIT #34B	3004535183	35	32	10	DK/MV	RTP - Tubing Repair
SAN JUAN 32-9 UNIT #45A	3004524876	12	31	10	MV	RTP - Cleanout

E. Facility Program: The 2017 POD filed by ConocoPhillips (or amendments thereto) did not indicate anticipated activity. Further, Hilcorp did not complete any facility projects; there is therefore no status update to provide for 2017.

F. Plugging & Abandonment Program: The 2017 POD filed by ConocoPhillips (or amendments thereto) did not indicate anticipated activity. Further, Hilcorp did not complete any plugging/abandonment projects; there is therefore no status update to provide for 2017.

III. 2018 PLAN OF DEVELOPMENT AND OPERATIONS

A summary of key activities planned for 2018 includes:

A. Drilling Program: Hilcorp does not anticipate drilling any new wells in the San Juan 32-9 Unit. New drill opportunities will be evaluated and executed as they arise.

B. Workovers/Recompletion Program: Hilcorp has no near-term plans for recompletions in the San Juan 32-9 Unit. Hilcorp will evaluate and implement additional well repairs and/or workover projects as they arise.

C. Facility Program: Throughout 2018, Hilcorp will conduct routine repairs and replacement of facilities required to maintain and increase field production, including construction of additional gas lift lines and/or gas flow lines, expansion of production facilities(including electrical and piping upgrades), and construction of additional water disposal, injection or processing equipment.

D. Plugging & Abandonment Program: Hilcorp does not anticipate plugging/abandoning any wells in the San Juan 32-9 Unit at this time. Hilcorp will evaluate and implement additional P&A projects as they arise.

3004529619	San Juan 32-9 Unit 068A	Blanco-Mesaverde	Flowing	NM	San Juan	24	032N	010W	NENW	Hilcorp Energy Company
3004529620	San Juan 32-9 Unit 050v	Blanco-Mesaverde	Flowing	NM	San Juan	25	032N	010W	NESE	Hilcorp Energy Company
3004529621	San Juan 32-9 Unit 036A	Blanco-Mesaverde	Flowing	NM	San Juan	33	032N	009W	NENW	Hilcorp Energy Company
3004529622	San Juan 32-9 Unit 051A	Blanco-Mesaverde	Flowing	NM	San Juan	29	032N	009W	SENW	Hilcorp Energy Company
3004529627	San Juan 32-9 Unit 040v	Blanco-Mesaverde	Flowing	NM	San Juan	30	032N	009W	SENW	Hilcorp Energy Company
3004529736	San Juan 32-9 Unit 009A	Blanco-Mesaverde	Flowing	NM	San Juan	25	032N	010W	SWNW	Hilcorp Energy Company
3004529803	San Juan 32-9 Unit 302	Basin Fruitland Coal	Flowing	NM	San Juan	9	032N	009W	NESW	Hilcorp Energy Company
3004529839	San Juan 32-9 Unit 007R	Blanco-Mesaverde	Flowing	NM	San Juan	32	032N	009W	SESW	Hilcorp Energy Company
3004530112	San Juan 32-9 Unit 014C	Blanco-Mesaverde	Flowing	NM	San Juan	9	031N	009W	NWSE	Hilcorp Energy Company
3004530548	San Juan 32-9 Unit 303	Basin Fruitland Coal	Flowing	NM	San Juan	14	031N	010W	NENE	Hilcorp Energy Company
3004530602	San Juan 32-9 Unit 272	Basin Fruitland Coal	Flowing	NM	San Juan	21	032N	009W	SENE	Hilcorp Energy Company
3004530896	San Juan 32-9 Unit 035B	Blanco-Mesaverde	Flowing	NM	San Juan	10	031N	009W	NESE	Hilcorp Energy Company
3004531025	San Juan 32-9 Unit 241	Basin Fruitland Coal	Flowing	NM	San Juan	13	032N	009W	SWSW	Hilcorp Energy Company
3004531104	San Juan 32-9 Unit 098J	Blanco Pictured Cliffs, East	Flowing	NM	San Juan	2	031N	010W	NESW	Hilcorp Energy Company
3004531772	San Juan 32-9 Unit 284S	Basin Fruitland Coal	Flowing	NM	San Juan	13	032N	010W	SESE	Hilcorp Energy Company
3004531774	San Juan 32-9 Unit 271S	Basin Fruitland Coal	Flowing	NM	San Juan	18	032N	009W	NENW	Hilcorp Energy Company
3004531930	San Juan 32-9 Unit 201S	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	2	031N	09W		Hilcorp Energy Company
3004531933	San Juan 32-9 Unit 235S	Basin Fruitland Coal	Flowing	NM	San Juan	36	032N	009W	NWNW	Hilcorp Energy Company
3004531934	San Juan 32-9 Unit 202S	Basin Fruitland Coal	Flowing	NM	San Juan	2	031N	009W	NWNW	Hilcorp Energy Company
3004532088	San Juan 32-9 Unit 250S	Basin Fruitland Coal	Flowing	NM	San Juan	4	031N	009W	SWSE	Hilcorp Energy Company
3004532089	San Juan 32-9 Unit 283S	Basin Fruitland Coal	Flowing	NM	San Juan	33	032N	009W	NENW	Hilcorp Energy Company
3004532137	San Juan 32-9 Unit 277S	Basin Fruitland Coal	Flowing	NM	San Juan	30	032N	009W	SENW	Hilcorp Energy Company
3004532173	San Juan 32-9 Unit 228S	Basin Fruitland Coal	Flowing	NM	San Juan	36	032N	009W	SESE	Hilcorp Energy Company
3004532251	San Juan 32-9 Unit 301S	Basin Fruitland Coal	Flowing	NM	San Juan	12	032N	010W	SESE	Hilcorp Energy Company
3004532253	San Juan 32-9 Unit 282S	Basin Fruitland Coal	Temp Abandoned	NM	San Juan	33	032N	09W		Hilcorp Energy Company
3004532519	San Juan 32-9 Unit 270S	Basin Fruitland Coal	Flowing	NM	San Juan	18	032N	009W	NWSE	Hilcorp Energy Company
3004532520	San Juan 32-9 Unit 286S	Basin Fruitland Coal	Flowing	NM	San Juan	14	032N	010W	SESE	Hilcorp Energy Company
3004532521	San Juan 32-9 Unit 273S	Basin Fruitland Coal	Flowing	NM	San Juan	19	032N	009W	NENW	Hilcorp Energy Company
3004532523	San Juan 32-9 Unit 254S	Basin Fruitland Coal	Flowing	NM	San Juan	6	031N	009W	SESE	Hilcorp Energy Company
3004532525	San Juan 32-9 Unit 257S	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	8	031N	09W		Hilcorp Energy Company
3004532544	San Juan 32-9 Unit 289S	Basin Fruitland Coal	Flowing	NM	San Juan	23	032N	010W	SWNW	Hilcorp Energy Company
3004532545	San Juan 32-9 Unit 295S	Basin Fruitland Coal	Flowing	NM	San Juan	26	032N	010W	SENW	Hilcorp Energy Company
3004532546	San Juan 32-9 Unit 275S	Basin Fruitland Coal	Flowing	NM	San Juan	29	032N	009W	SWNW	Hilcorp Energy Company
3004532547	San Juan 32-9 Unit 274S	Basin Fruitland Coal	Flowing	NM	San Juan	28	032N	009W	SWSE	Hilcorp Energy Company
3004532562	San Juan 32-9 Unit 300S	Basin Fruitland Coal	Flowing	NM	San Juan	11	032N	010W	SESE	Hilcorp Energy Company
3004532563	San Juan 32-9 Unit 276S	Basin Fruitland Coal	Flowing	NM	San Juan	27	032N	009W	SWNW	Hilcorp Energy Company
3004532568	San Juan 32-9 Unit 294S	Basin Fruitland Coal	Flowing	NM	San Juan	26	032N	010W	NESE	Hilcorp Energy Company
3004532579	San Juan 32-9 Unit 293S	Basin Fruitland Coal	Flowing	NM	San Juan	25	032N	010W	SENW	Hilcorp Energy Company
3004532580	San Juan 32-9 Unit 287S	Basin Fruitland Coal	Flowing	NM	San Juan	14	032N	010W	NENW	Hilcorp Energy Company
3004532775	San Juan 32-9 Unit 261S	Basin Fruitland Coal	Flowing	NM	San Juan	10	031N	009W	NENW	Hilcorp Energy Company
3004532851	San Juan 32-9 Unit 242	Basin Fruitland Coal	Flowing	NM	San Juan	14	032N	009W	NWSW	Hilcorp Energy Company
3004533041	San Juan 32-9 Unit 281S	Basin Fruitland Coal	Flowing	NM	San Juan	32	032N	009W	SENW	Hilcorp Energy Company
3004533042	San Juan 32-9 Unit 217S	Basin Fruitland Coal	Flowing	NM	San Juan	16	032N	009W	NESE	Hilcorp Energy Company
3004533171	San Juan 32-9 Unit 241S	Basin Fruitland Coal	Flowing	NM	San Juan	13	032N	009W	NWNW	Hilcorp Energy Company
3004533219	San Juan 32-9 Unit 302S	Basin Fruitland Coal	Flowing	NM	San Juan	9	032N	009W	NWSE	Hilcorp Energy Company
3004533220	San Juan 32-9 Unit 255S	Basin Fruitland Coal	Flowing	NM	San Juan	6	031N	009W	SENW	Hilcorp Energy Company
3004533229	San Juan 32-9 Unit 253S	Basin Fruitland Coal	Flowing	NM	San Juan	5	031N	009W	NENW	Hilcorp Energy Company
3004533230	San Juan 32-9 Unit 252S	Basin Fruitland Coal	Flowing	NM	San Juan	5	031N	009W	NESE	Hilcorp Energy Company
3004533232	San Juan 32-9 Unit 279S	Basin Fruitland Coal	Flowing	NM	San Juan	31	032N	009W	NENW	Hilcorp Energy Company
3004533278	San Juan 32-9 Unit 251S	Basin Fruitland Coal	Flowing	NM	San Juan	4	031N	009W	SWNW	Hilcorp Energy Company
3004533283	San Juan 32-9 Unit 230S	Basin Fruitland Coal	Perm Abandoned	NM	San Juan	36	032N	010W		Hilcorp Energy Company
3004533313	San Juan 32-9 Unit 229S	Basin Fruitland Coal	Flowing	NM	San Juan	36	032N	010W	NWSE	Hilcorp Energy Company
3004533329	San Juan 32-9 Unit 215S	Basin Fruitland Coal	Flowing	NM	San Juan	10	032N	009W	SESE	Hilcorp Energy Company
3004533331	San Juan 32-9 Unit 226S	Basin Fruitland Coal	Flowing	NM	San Juan	32	032N	009W	NWSE	Hilcorp Energy Company
3004533335	San Juan 32-9 Unit 050B	Basin Dakota	Flowing	NM	San Juan	25	032N	010W	NWNE	Hilcorp Energy Company
3004533335	San Juan 32-9 Unit 050B	Blanco-Mesaverde	Flowing	NM	San Juan	25	032N	010W	NWNE	Hilcorp Energy Company
3004533351	San Juan 32-9 Unit 278S	Basin Fruitland Coal	Flowing	NM	San Juan	31	032N	009W	SESE	Hilcorp Energy Company
3004533352	San Juan 32-9 Unit 272S	Basin Fruitland Coal	Flowing	NM	San Juan	21	032N	009W	SESE	Hilcorp Energy Company
3004533353	San Juan 32-9 Unit 104S	Basin Fruitland Coal	Flowing	NM	San Juan	24	032N	010W	SESE	Hilcorp Energy Company