

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.
NMSF079381

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
891000446B

8. Well Name and No.
SAN JUAN 32-8 UNIT 218A

9. API Well No.
30-045-31670-00-S1

10. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL

11. County or Parish, State
SAN JUAN COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other: COAL BED METHANE

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

3a. Address 3b. Phone No. (include area code)
1111 TRAVIS STREET Ph: 505-324-5188
HOUSTON, TX 77002

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 35 T32N R8W SESE 680FSL 685FEL
36.934720 N Lat, 107.637500 W Lon

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.

1/30/2018 RU rig and equipment. PU rods, remove horse head, unseat pump w/ 12K over pull, pull rods, sinkers. Rods in good shape. Pump stacked out, would not scope. RU rig floor. ND wellhead. Tbg head severely corroded. NU BOP, function test BOP. Worked stuck tbg hanger free. PU lay down tbg hanger. Tagged 33' fill. SDFN
1/31/2018 RU Tuboscope to scan tbg. TOOH w/ 123 jts. LD bad tbg jts. PU junk mill and CO assembly. Tagged hard at 3730'. RU air unit. PRTST lines. Returns were heavy scale and coal. Unable to make hole w/ mill and power swivel. Cleaned 4' in 4 hours. Contacted HEC reps and called Baker Hughes for acid flush. Cut air unit. PU above top perf. RU Baker Petrolite. Pumped acid down tbg. RD Baker Petrolite. SDFN.
2/1/2018 TIH w/ 6 jts. Tag hard at 3735'. RU air unit. PRTST lines. Returns were scale and coal. Unable to make hole w/ mill and power swivel. Bit is not torquing up. Cut air unit. POOH w/ tbg string. Found XO stripped from milling on scale. 4-3/4" junk mill and bit remain down hole. Called

OIL CONS. DIV DIST. 3
FEB 13 2018

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

**Electronic Submission #403669 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFSS for processing by JACK SAVAGE on 02/07/2018 (18JWS0101SE)**

Name (Printed/Typed) PRISCILLA SHORTY

Title OPERATIONS REGULATORY TECH

Signature (Electronic Submission)

Date 02/07/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**

JACK SAVAGE
Title PETROLEUM ENGINEER

Date 02/07/2018

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 ****

Additional data for EC transaction #403669 that would not fit on the form

32. Additional remarks, continued

for overshot to recover fish. TIH w/ tbg string. Engaged and pulled fish free. TOO H and LD fish. SDFN.

2/2/2018 TIH w/ tapered mill. Tag hard at 3734'. RU air unit. Returns were scale and metal shavings. Made 3' to 3737'. Quit making progress, stalling ratty torque. TOO H, inspect mill, cut right wear on main OD and worn nose of mill (near center port). MU prod BHA, mud anchor swaged down on notched collar for guide. Tag @ 3737'. Worked pipe trying to get past tight spot, no progress. TOO H, inspect BHA, noticed teeth collar bent outward. SDFW.

2/5/2018 TIH w/ impression block. Set 5K on obstruction. POOH w/ tbg and inspect impression block. Sent to HEC reps. Called AG Elmandani, BLM, and Brandon Powell, NMOCD, about landing prod tbg higher and that returns of metal shavings might be evident of possible casing collapse. Last tag at 3737' with impression block is in middle of FC perms 3609'-3898'. AG and Brandon approved the decision to land tbg higher and move off location. TIH w/ prod tbg. PU tbg hanger and landed tbg @ 3732', SN @ 3699'. RD rig floor. ND BOP, NU WH. PU pump and test at surface, test good. TIH w/ new pump and rods, seat pump. Pressure test tbg to 500 psi. Test good. SDFN.

2/6/2018 Re-stroke test pump. Test good. Space out, run pump w/ pumping unit. RD.

↳ Tubing size, weight & Grade?