

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.  
NMSF078543

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

7. If Unit or CA/Agreement, Name and/or No.  
891000441B

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
SAN JUAN 32-7 UNIT 69

2. Name of Operator  
HILCORP ENERGY COMPANY  
Contact: AMANDA WALKER  
E-Mail: mwalker@hilcorp.com (san juan nort)

9. API Well No.  
30-045-24777-00-S1

3a. Address  
1111 TRAVIS STREET  
HOUSTON, TX 77002  
3b. Phone No. (include area code)  
Ph: 505.324.5122

10. Field and Pool or Exploratory Area  
BASIN DAKOTA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 35 T32N R7W NWNE 0860FNL 1570FEL  
36.941528 N Lat, 107.531921 W Lon

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 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.

Hilcorp Energy Company requests permission to recompletable the subject well in the Mesaverde and downhole commingle with the existing Dakota. Please see the attached procedure, wellbore diagram, plat and gas capture plan. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities.

Notify NMOCD 24 hrs prior to beginning operations

HOLD C104 FOR DHC

approval with attached COA

NMOCD  
JUL 17 2019  
DISTRICT III

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

Electronic Submission #471707 verified by the BLM Well Information System  
For HILCORP ENERGY COMPANY, sent to the Farmington  
Committed to AFMSS for processing by JOE KILLINS on 07/11/2019 (19JK0097SE)

Name (Printed/Typed) AMANDA WALKER Title OPERATIONS REGULATORY TECH

Signature (Electronic Submission) Date 07/01/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS Title ENGINEER Date 07/11/2019

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 \*\*

NMOCD AV

**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**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-24777	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318434	5. Property Name SAN JUAN 32 7 UNIT	6. Well No. 069
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6730

**10. Surface Location**

UL - Lot B	Section 35	Township 32N	Range 07W	Lot Idn	Feet From 860	N/S Line N	Feet From 1570	E/W Line E	County SAN JUAN
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**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 320.00	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"> <tr><td> </td><td> </td><td> </td><td> </td></tr> </table>																	<p align="center"><b>OPERATOR CERTIFICATION</b></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>Amanda Walker</i> Title: Operations/Regulatory Tech. Sr. Date: 6/28/2019</p>
<p align="center"><b>SURVEYOR CERTIFICATION</b></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: Fred B. Kerr Jr. Date of Survey: 11/17/1980 Certificate Number: 3950</p>																	



HILCORP ENERGY COMPANY  
SAN JUAN 32-7 UNIT 69  
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with 2 3/8" tubing set at 8,143'.
3. Prior to prepping the well, **removal of the packer/tubing fish at ~8,165' will be attempted**. RIH with tapered mill and ream through tight spot at 4,030'. TOOH. TIH with washover mill, wash over and mill through packer elements. Remove fish from wellbore if possible, otherwise chase to bottom below Dakota perforations.
4. Set a 4-1/2" cast iron bridge plug at +/- 8,150' to isolate the **Dakota**.
5. Load hole with fluid and run a CBL on the 4-1/2" casing. Verify cement bond within the **Mesa Verde** and confirm TOC (estimated at 3,300' by temperature survey). Review CBL results with engineering/NMOCD and perform cmt remediation, if required (**min TOC @ 5,159' unless otherwise approved**). PT csg to 650 psi.  
**see COA**
6. Set a second 4-1/2" cast iron bridge plug at +/- 6,475' to provide a base for the frac. Load the 7" x 4.5" annulus with packer fluid. If a casing frac is pursued, install 5K tubing head and pressure test casing to anticipated frac pressure, but do not exceed 80% of casing burst pressure. **"Burst pressure of 4-1/2" x 10.5# casing is 4,790 psig. 80% of burst is 3832 psig.**
7. Perforate the **Mesa Verde**. (Top perforation @ 5,659', Bottom perforation @ 6,427')
8. Frac will be completed via existing casing or a frac string depending on TOC and casing integrity. If running a frac string set pkr at -5,610'.
9. N/D BOP, N/U frac stack (if necessary) and test frac stack to frac pressure. Open well and PT frac string (if used) to 9000#.
10. If necessary, RU slickline. RIH and break ceramic disc. RD slickline.
11. Frac the **Mesa Verde** in a single or multiple stages.
12. RU flowback eqmt if necessary. Flowback well until tubing pressure drops to working level and sand subsides or well loads up. RD flowback eqmt.
13. MIRU workover rig. Nipple down frac stack (if used), nipple up BOP and test.
14. Release pkr (if used) and POOH LD workstring (if used).
15. TIH with a mill and clean out to the top of the DK isolation plug at 8,150'. Take **Mesa Verde** gas samples and analyze.
16. Drill out Dakota isolation plug and cleanout to PBTD of 8,305'. TOOH.
17. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde** flow rate.



**HILCORP ENERGY COMPANY**  
**SAN JUAN 32-7 UNIT 69**  
**MESA VERDE RECOMPLETION SUNDRY**

**SAN JUAN 32-7 UNIT 69 - CURRENT WELLBORE SCHEMATIC**

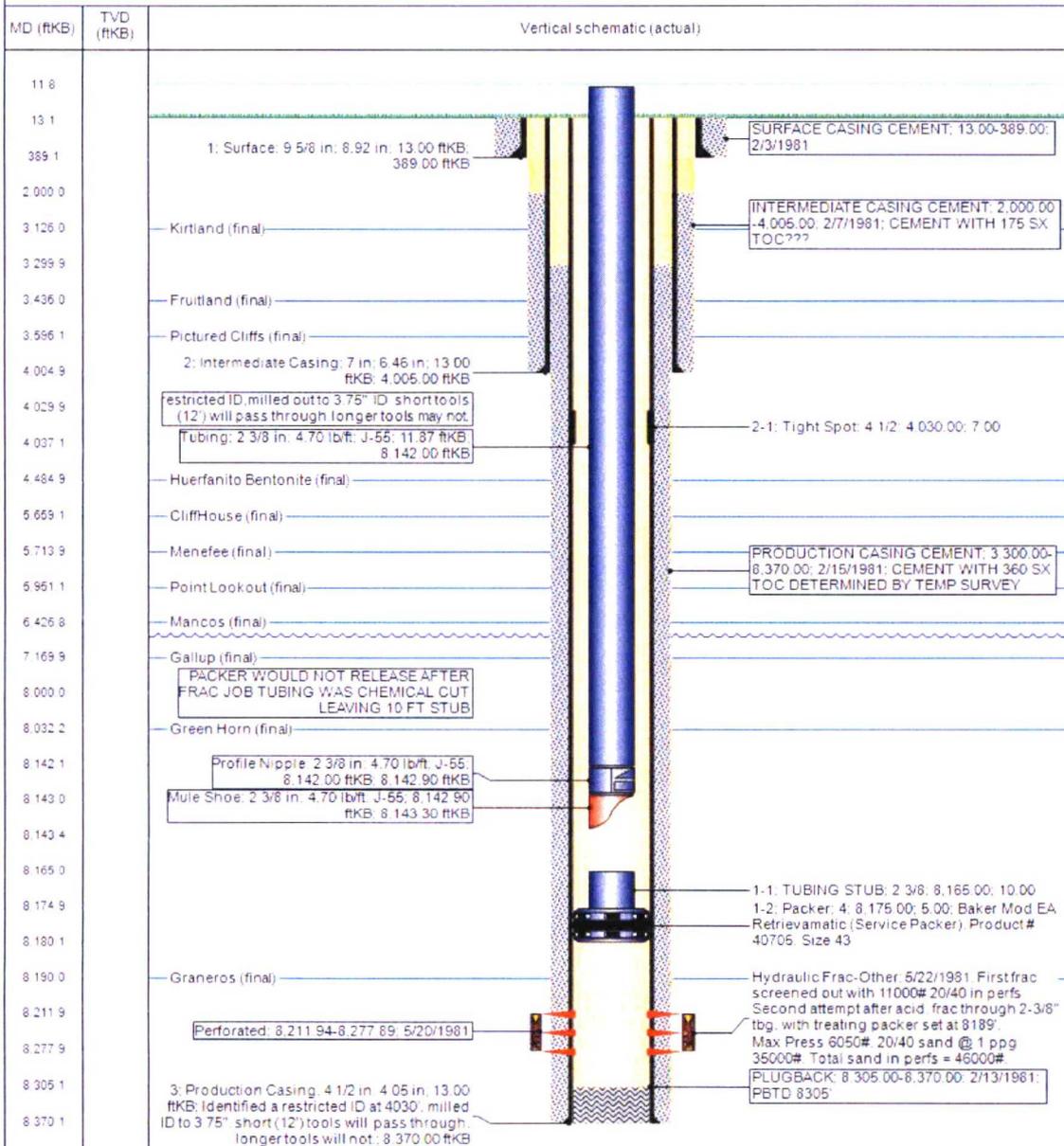


**Current Schematic**

**Well Name: SAN JUAN 32-7 UNIT #69**

API Well 3004524777	Surface Legal Location 035-032N-007W-B	Field Name DK	Route 0606	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,730.00	Original KB RT Elevation (ft) 6,743.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Vertical: Original Hole, 6/27/2019 1 17 52 PM



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
FARMINGTON DISTRICT OFFICE  
6251 COLLEGE BLVD.  
FARMINGTON, NEW MEXICO 87402

Attachment to notice of Intent to Recomplete & Commingle

Well: San Juan 32-7 Unit 69  
API: 3004524777

**CONDITIONS OF APPROVAL**

1. Contact BLM Inspection and Enforcement @ (505) 564 – 7750, 24 hours prior to conducting MIT work so an inspector can be present to witness the MIT.

Contact Joe Killins, Petroleum Engineer @ (505) 564 – 7736 to discuss failed MIT results and/or your remedial action and isolation plans.

**Submit the electronic copy of the MIT Test Chart and CBL for verification to the following addresses: [jkillina@BLM.gov](mailto:jkillina@BLM.gov) and [Brandon.Powell@state.nm.us](mailto:Brandon.Powell@state.nm.us).**

2. The following modifications to your recompletion program are to be made:

- a) Upon rigging up, record Bradenhead pressure and monitor same during recompletion operations. Notify BLM and NMOCD if anomalous pressure changes occur. Provide monitoring results in the subsequent Report of Operations.
- b) Casing pressure test for fracture stimulation operations cannot exceed the internal yield strength of the casing including a 20% safety factor unless a waiver is granted. Stimulation operations cannot exceed this test pressure.
- c) CIBP for the base of fracture stimulation is to be no more than 50' above the top of tubing stub at 8165' MD.

3. File well test and recompletion results within 30 days of completing recompletion operations.