

Submit 3 Copies To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rs., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-11070
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No. B1-1133-38
7. Lease Name or Unit Agreement Name SAN JUAN 32-9 UNIT
8. Well Number 25
9. OGRID Number 372171
10. Pool name or Wildcat MV - BLANCO::MESAVERDE PC - BLANCO::PICTURED CLIFFS

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other
2. Name of Operator Hilcorp Energy Company
3. Address of Operator 382 Road 3100 Aztec, NM 87410
4. Well Location
Unit Letter G Footage 1650' FNL & 1500' FEL
Section 02 Township 031N Range 010W SAN JUAN COUNTY
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6321' GR

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
DOWNHOLE COMMINGLE [ ]
CLOSED-LOOP SYSTEM [ ]
OTHER: [ ]

SUBSEQUENT REPORT OF:

REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS. [ ] P AND A [ ]
CASING/CEMENT JOB [ ]
OTHER: [X]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see attached incident report and notifications.

Spud Date: 2/7/1956

Rig Released Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tammy Jones

TITLE Operations/Regulatory Tech - Sr. DATE 2/22/2023

Type or print name Tammy Jones

E-mail address: tajones@hilcorp.com

PHONE: 505.324.5185

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

<b>Well Name:</b> SAN JUAN 32-9 UNIT	<b>Well Location:</b> T31N / R10W / SEC 2 / SWNE / 36.92979 / -107.8488	<b>County or Parish/State:</b> SAN JUAN / NM
<b>Well Number:</b> 25	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> FEE	<b>Unit or CA Name:</b> SAN JUAN 32-9 UNIT--MV, SAN JUAN 32-9 UNIT--PC	<b>Unit or CA Number:</b> NMNM78425A, NMNM78425B
<b>US Well Number:</b> 3004511070	<b>Well Status:</b> Producing Gas Well	<b>Operator:</b> HILCORP ENERGY COMPANY

**Subsequent Report**

**Sundry ID:** 2715774

**Type of Submission:** Subsequent Report

**Type of Action:** Other

**Date Sundry Submitted:** 02/22/2023

**Time Sundry Submitted:** 06:54

**Date Operation Actually Began:** 02/13/2023

**Actual Procedure:** Please see attached incident report and notifications.

**SR Attachments**

**Actual Procedure**

Oil\_MishandleEVENT\_Sundry\_Notice\_20230222065210.pdf

Well Name: SAN JUAN 32-9 UNIT

Well Location: T31N / R10W / SEC 2 / SWNE / 36.92979 / -107.8488

County or Parish/State: SAN JUAN / NM

Well Number: 25

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: FEE

Unit or CA Name: SAN JUAN 32-9 UNIT--MV, SAN JUAN 32-9 UNIT--PC

Unit or CA Number: NMNM78425A, NMNM78425B

US Well Number: 3004511070

Well Status: Producing Gas Well

Operator: HILCORP ENERGY 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: TAMMY JONES

Signed on: FEB 22, 2023 06:54 AM

Name: HILCORP ENERGY COMPANY

Title: Regulatory Compliance Specialist

Street Address: 382 ROAD 3100

City: AZTEC

State: NM

Phone: (505) 324-5185

Email address: tajones@hilcorp.com

**Field**

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

**BLM Point of Contact**

BLM POC Name: VIRGIL S LUCERO

BLM POC Title: PET

BLM POC Phone: 5055647752

BLM POC Email Address: VLUCERO@BLM.GOV

Disposition: Approved

Disposition Date: 04/03/2023

Signature: Virgil Lucero

SAN JUAN 32-9 UNIT 25

30-045-11070

Date: 2/14/2023

Reporting Company/Individuals - Hilcorp Energy Company:

Colter Faverino – Area 4 Production Foreman

Jamie Huffman – San Juan Logistics Foreman

Tammy Jones – San Juan Regulatory Compliance

Ashley Williams – Compliance Reporting Accountant

Incident Report: Mishandling of Oil

State Lease No.: B1-1133-38

Lease/Unit Agreement Name: SAN JUAN 32-9 UNIT

Well No.: 25

Location: G – Sec. 02 - T31N - R10W, 1650'FNL, 1500'FEL

Est. Volume Removed: 79.695 bbls total fluid – 5.52 bbls water = 74.175 bbls oil

Mishandling Event: This serves as written notice to the Federal and New Mexico State agencies of an Oil Loss on the San Juan 32-9 Unit 25 for 02/2023 Production Month for Hilcorp Energy Company (OGRID: 372171). Please be advised of an 'oil theft' type of event that occurred in February 2023 production month. A third party, Kelley's Oilfield Service, was to haul off water and accidentally pulled approximately 80 bbls of condensate. Our Production Department will be accounting for this event appropriately as LOST once additional information is received from the field and operations groups on the exact barrels of Oil Lost. State Royalties and Taxes will be paid on these loss volumes. Please forward this notice to any impacted departments.

Individual discovered incident: Kim Cadle – Hilcorp Energy, San Juan Logistics Analyst

Date and time of discovery: 2/13/2023 at 12:21 PM MST

Incident Reported to Agencies: Verbal phone call notice given to – Bureau of Land Management, Farmington Field Office on 2/14/2023; Virgil Lucero, Branch Chief and Shannon Fachan, Prod Accountability Tech. Verbal phone call notice given to – New Mexico Oil Conservation Division, North District on 2/14/2023; Monica Kuehling, Compliance Office Supervisor and Amy Vermersch, Engineering Bureau. Email notification given to New Mexico State Land Office on 2/17/2023; Dilia Borunda, Royalty Revenue Processing Manager and Estevan Armijo, Royalty Revenue Accountant. Email notification given to New Mexico Taxation & Revenue Department on 2/17/2023; JudyAnn Abeyta (see attached emailed notices).

Tammy Jones

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From: Tammy Jones  
Sent: Friday, February 17, 2023 1:52 PM  
To: Kuehling, Monica, EMNRD  
Cc: Farmington Regulatory Techs; Clay Padgett  
Subject: RE: SJ 32 9 unit #25 45-11070  
Attachments: FW: San Juan 32-9 Unit 02/23 Production Oil Loss Notice - NM SLO Contact ; FW: San Juan 32-9 Unit 02/23 Production Oil Loss Notice - NM TRD Contact  
  
Importance: High

Thank you Monica,

In addition to the notice on 2/14/2023 given to Amy Vermersch & Monica Kuehling, NMOCD for this event, notice was also given to Virgil Lucero & Shannon Fachan with FFO BLM.

Also attached are notices given to Dilia Borunda & Estevan Armijo, NM SLO and JudyAnn Abeyta, NM TRD.

A subsequent report will be filed thru AFMSS and once approved will be submitted thru NMOCD Epermitting.

Thank you,

*Tammy Jones* | **HILCORP ENERGY COMPANY** | San Juan Regulatory | 505.324.5185 | [tajones@hilcorp.com](mailto:tajones@hilcorp.com)

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From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>  
Sent: Wednesday, February 15, 2023 9:36 AM  
To: Tammy Jones <tajones@hilcorp.com>  
Subject: [EXTERNAL] SJ 32 5 unit #25 45-11070

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Hello Tammy

The 80 bbls will need to be adequately tracked and reported on your C-115 not the C-115B. If you were able to recover the condensate from the disposal and haul it back would be the best.

Thank you

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](mailto:monica.kuehling@emnrd.nm.gov)

Tammy Jones

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From: Ashley Williams  
Sent: Friday, February 17, 2023 1:34 PM  
To: Tammy Jones  
Cc: Ryan Carreno; Cybil Shepherd  
Subject: FW: San Juan 32-9 Unit 02/23 Production Oil Loss Notice - NM SLO Contact

Importance: High

Below is the e-mail I sent to NM SLO

**Ashley N . Williams**

Compliance Reporting Accountant, Sr.  
San Juan Accounting  
**Hilcorp Energy Company**  
1111 Travis  
Houston, TX 77002  
Phone: 346-237-2310  
Email: [Ashley.williams@hilcorp.com](mailto:Ashley.williams@hilcorp.com)

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From: Ashley Williams  
Sent: Friday, February 17, 2023 1:01 PM  
To: Borunda, Dilia <[dborunda@slo.state.nm.us](mailto:dborunda@slo.state.nm.us)>  
Cc: Armijo, Estevan A. <[eaarmijo@slo.state.nm.us](mailto:eaarmijo@slo.state.nm.us)>; Ryan Carreno <[Ryan.Carreno@hilcorp.com](mailto:Ryan.Carreno@hilcorp.com)>; Cybil Shepherd <[Cybil.Shepherd@hilcorp.com](mailto:Cybil.Shepherd@hilcorp.com)>  
Subject: San Juan 32-9 Unit 02/23 Production Oil Loss Notice  
Importance: High

Good Morning Dilia,

This e-mail serves as a notice to the New Mexico State Land Office of an Oil Loss on the San Juan 32-9 Unit 25 for 02/2023 Production Month for Hilcorp Energy Company (OGRID: 372171).

Please be advised of an 'oil theft' type of event that occurred in February 2023 production month. A third party, Kelley's Oilfield Service, was to haul off water and accidentally pulled approximately 80 bbls of condensate.

Our Production Department will be accounting for this event appropriately as LOST once additional information is received from the field and operations groups on the exact barrels of Oil Lost.

State Royalties and Taxes will be paid on these loss volumes. Please forward this notice to any impacted State departments.

Thanks,

**Ashley N . Williams**

Compliance Reporting Accountant, Sr.  
San Juan Accounting  
**Hilcorp Energy Company**  
1111 Travis  
Houston, TX 77002  
Phone: 346-237-2310  
Email: [Ashley.williams@hilcorp.com](mailto:Ashley.williams@hilcorp.com)

Tammy Jones

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From: Ashley Williams  
Sent: Friday, February 17, 2023 1:35 PM  
To: Tammy Jones  
Cc: Ryan Carreno; Cybil Shepherd  
Subject: FW: San Juan 32-9 Unit 02/23 Production Oil Loss Notice - NM TRD Contact

Importance: High

I sent the below e-mail to the NM TRD

**Ashley N . Williams**

Compliance Reporting Accountant, Sr.  
San Juan Accounting  
**Hilcorp Energy Company**  
1111 Travis  
Houston, TX 77002  
Phone: 346-237-2310  
Email: [Ashley.williams@hilcorp.com](mailto:Ashley.williams@hilcorp.com)

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From: Ashley Williams  
Sent: Friday, February 17, 2023 1:02 PM  
To: Abeyta, JudyAnn, TAX <JudyAnn.Abeyta@tax.nm.gov>  
Cc: Ryan Carreno <Ryan.Carreno@hilcorp.com>; Cybil Shepherd <Cybil.Shepherd@hilcorp.com>  
Subject: San Juan 32-9 Unit 02/23 Production Oil Loss Notice  
Importance: High

Good Afternoon JudyAnn,

This e-mail serves as a notice to the New Mexico State Land Office of an Oil Loss on the San Juan 32-9 Unit 25 for 02/2023 Production Month for Hilcorp Energy Company (OGRID: 372171).

Please be advised of an 'oil theft' type of event that occurred in February 2023 production month. A third party, Kelley's Oilfield Service, was to haul off water and accidentally pulled approximately 80 bbls of condensate.

Our Production Department will be accounting for this event appropriately as LOST once additional information is received from the field and operations groups on the exact barrels of Oil Lost.

State Royalties and Taxes will be paid on these loss volumes. Please forward this notice to any impacted State departments.

Thanks,

**Ashley N . Williams**

Compliance Reporting Accountant, Sr.  
San Juan Accounting  
**Hilcorp Energy Company**  
1111 Travis  
Houston, TX 77002  
Phone: 346-237-2310  
Email: [Ashley.williams@hilcorp.com](mailto:Ashley.williams@hilcorp.com)

**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**

CONDITIONS

Action 356348

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 356348
	Action Type: [C-103] Sub. General Sundry (C-103Z)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclore	ACCEPTED FOR RECORD ONLY	7/5/2024
dmcclore	Report the volume appropriately on Form C-115	7/5/2024