

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

JUL 26 2018

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

## SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Epic Energy, LLC

3a. Address

7415 E. Main, Farmington, NM, 87402

3b. Phone No. (include area code)

505-327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

810' FNL and 1770' FWL, Sec. 11, T26N, R8W

5. Lease Serial No.

SF 078430

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Nickson #11E

9. API Well No.

30-045-24563

10. Field and Pool, or Exploratory Area

Ballard Pictured Cliffs/ Basin Dakota

11. County or Parish, State

San Juan

## 12. CHECK 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"/> Fracture Treat	<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 Downhole
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingle
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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 shall 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 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Epic Energy, LLC proposes to downhole commingle the production from the Basin Dakota (71599) and the Ballard Pictured Cliffs (71439) in the subject wellbore. These two pools are "pre-approved" under Division Order R-11363.

All working and revenue interests in the two pools are identical. The Basin Dakota is perforated from 6556' to 6756'. The Ballard Pictured Cliffs is completed in the interval from 2216' to 2246'. Based on the production from 2010 through 2014, it is proposed to allocate 80.4% of the gas production and 100% of the oil production to the Dakota formation and 19.6% of the gas production to the Pictured Cliffs formation. Downhole commingling of these two zones will not reduce the value of the total remaining production.

NMOCD

AUG 04 2018

DISTRICT III

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

President

Signature

Paul C. Thompson

Date

July 20, 2018

## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

7/27/2018

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

FFO

Title 18 U.S.C. Section 1001, 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.

NMOCD FV

## Nickson #11E

Ballard Pictured Cliffs			Basin Dakota	
	Oil BBI/Mo.	Gas MCF/Mo.	Oil BBI/Mo.	Gas MCF/Mo.
Jan-10	0	271	12	1423
	0	245	10	1239
	0	233	7	1017
	0	193	20	1066
	0	198	8	844
	0	208	15	915
	0	245	10	1357
	0	245	12	1303
	0	223	4	1245
	0	178	4	874
	0	244	0	1303
	0	255	22	1135
	0	259	23	1300
Jan-10	0	239	0	1224
	0	263	18	1302
	0	246	20	1240
	0	251	4	1260
	0	253	16	1244
	0	252	15	1333
	0	217	10	851
	0	229	10	905
	0	261	12	1195
	0	213	12	907
	0	265	21	1295
	0	268	15	1262
	0	254	15	1189
Jan-10	0	255	16	1139
	0	246	18	1169
	0	245	12	1187
	0	234	11	1170
	0	233	7	1106
	0	226	17	1197
	0	189	6	785
	0	269	12	1349
	0	263	15	1323
	0	265	15	1370
	0	254	15	1042
	0	225	13	1144

	0	240	14	1276
	0	231	13	1228
	0	229	19	1242
	0	484	7	590
	0	313	0	201
	0	363	0	98
	0	271	0	43
	0	517	0	23
	0	711	0	1106
	0	478	17	1314
Jan-10	0	437	10	799
	0	524	6	278
	0	465	0	93
	0	0	27	1840
	0	0	33	1566
	0	30	24	1398
	0	30	14	1451
	0	17	0	847
	0	0	0	17
	0	304	0	183
	0	305	10	167
	0	39	10	2072
5 year averag	0	252	11	1034

Allocation	0%		100%	
		19.6%		80.4%

## Rate/Time Graph

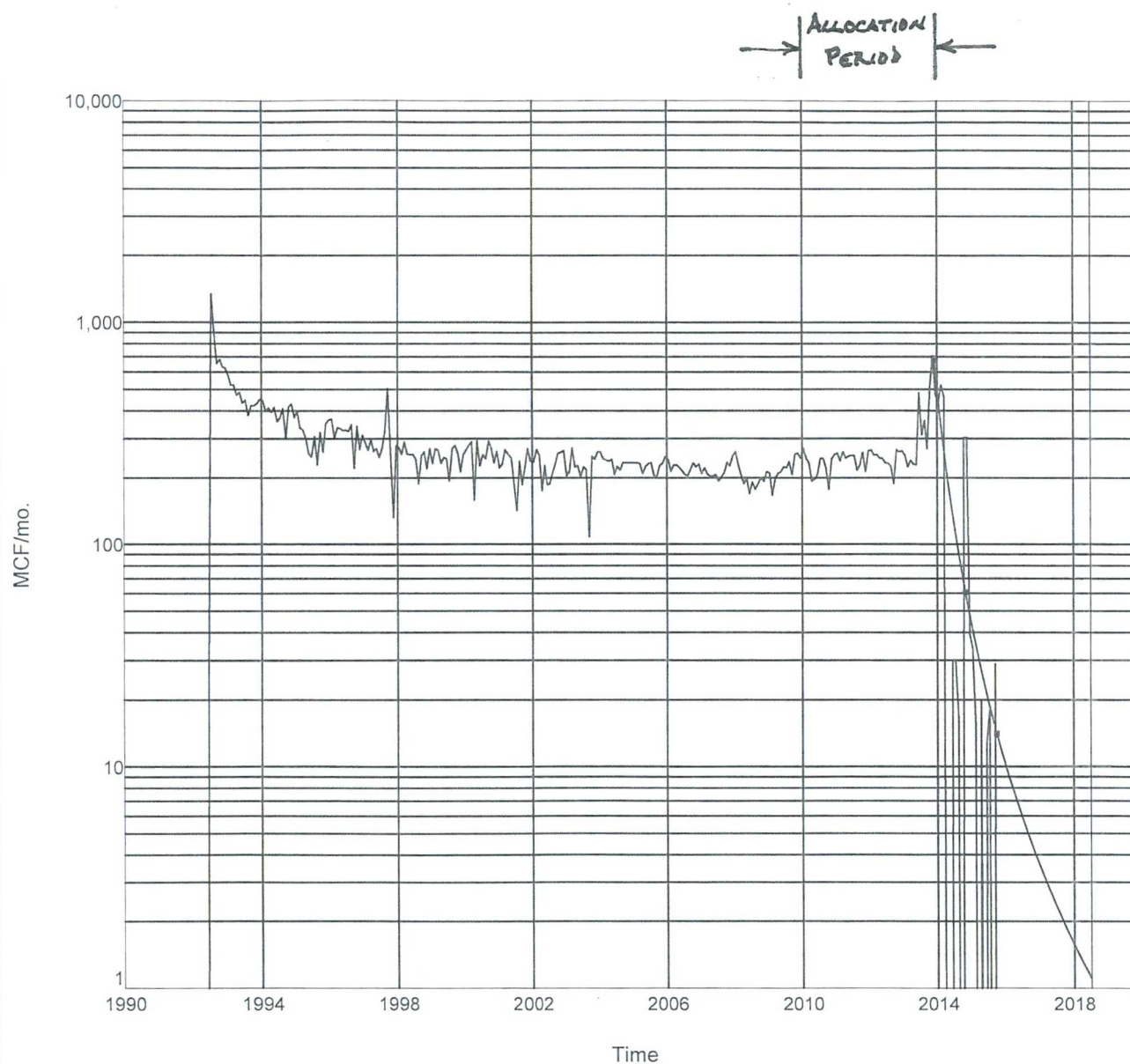
Project: C:\Users\Paul\Documents\IHS\PowerTools\Projects v9.3\Silver Creek 2016.mdb

Date: 7/20/2018

Time: 2:47 PM

Lease Name: NICKSON (11E)  
County, ST: SAN JUAN, NM  
Location: N26 W8 11 SW NE NW

Operator: COLEMAN OIL & GAS INCORPORATED  
Field Name: BALLARD **PC**



### Gas Curve:

Segment 1: 12/1/2013 - 10/1/2015

Start Rate:	684 mcf
End Rate:	14 mcf
Decline:	97.5491
Hyp Exponent:	0.266071
Goodness of Fit:	0.538785
Fit Grade:	4

### Water Curve:

Segment 1: 8/1/2014 - 5/1/2015

Start Rate:	18 bbl
End Rate:	32 bbl
Decline:	-122.0211
Hyp Exponent:	0.000000
Goodness of Fit:	0.882688
Fit Grade:	3



## Rate/Time Graph

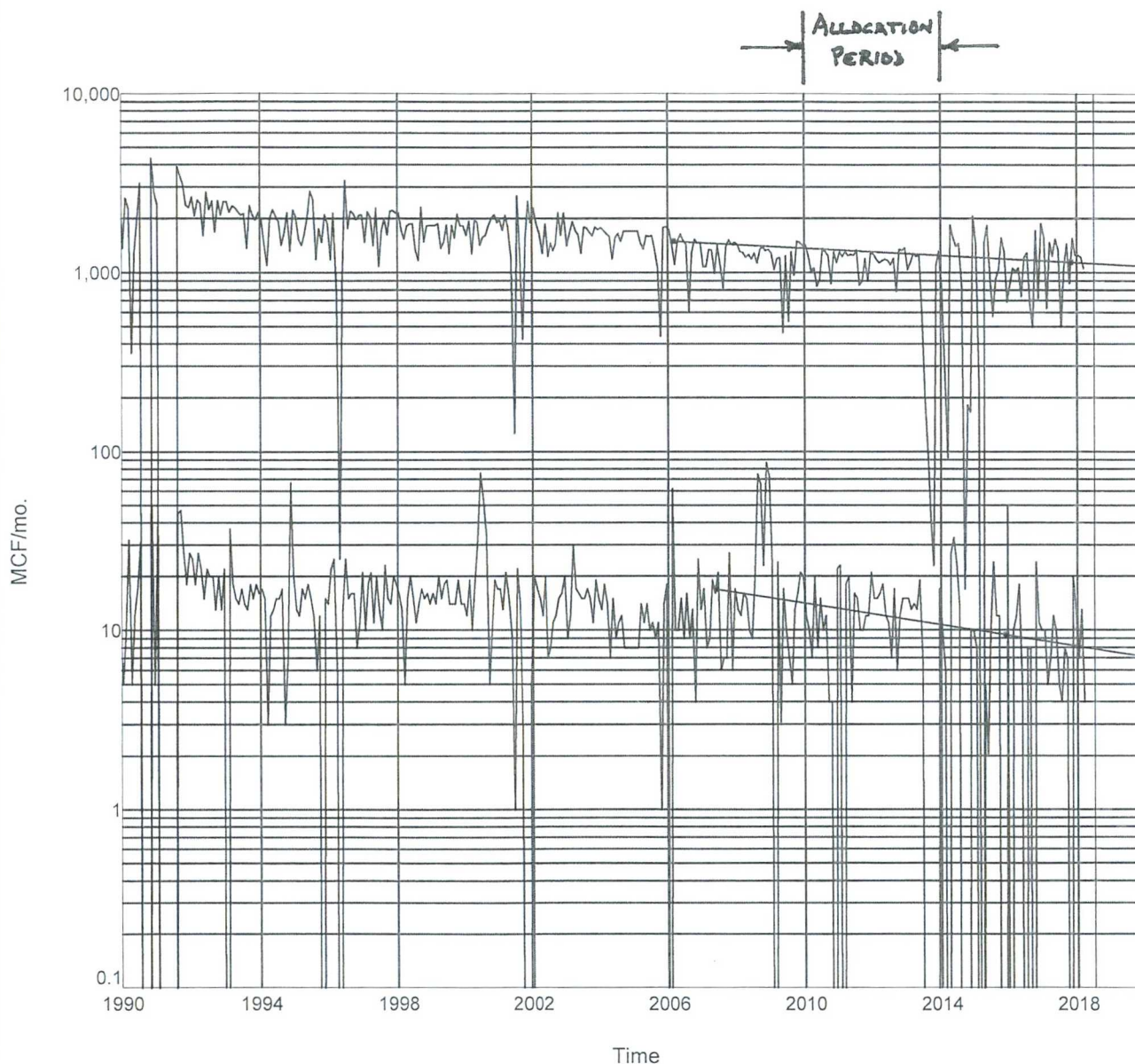
Project: C:\Users\Paul\Documents\IHS\PowerTools\Projects v9.3\Silver Creek 2016.mdb

Date: 7/20/2018

Time: 2:47 PM

Lease Name: NICKSON (11E)  
County, ST: SAN JUAN, NM  
Location: N26 W8 11 SW NE NW

Operator: COLEMAN OIL & GAS INCORPORATED  
Field Name: BASIN DK



### Oil Curve:

Segment 1: 6/1/2007 - 12/1/2015

Start Rate: 17 bbl  
End Rate: 9 bbl  
Decline: 6.6414  
Hyp Exponent: 0.000000  
Goodness of Fit: 1.000000  
Fit Grade: 1

### Gas Curve:

Segment 1: 3/1/2006 - 11/1/2017

Start Rate: 1,493 mcf  
End Rate: 1,144 mcf  
Decline: 2.2548  
Hyp Exponent: 0.000000  
Goodness of Fit: 1.000000  
Fit Grade: 1

### Water Curve:

Segment 1: 1/1/2015 - 1/1/2016

Start Rate: 12 bbl  
End Rate: 112 bbl  
Decline: -863.7113  
Hyp Exponent: 0.000000  
Goodness of Fit: 0.694362  
Fit Grade: 4

**Original: Nickson #22**

KB: 0.0'

DF: 0.0'

GL: 0.0'

Datum: 0.0' above GL

**Nickson #11E**  
Dual completionbem/sdb 3/31/11  
API #30-045-24563

810' FNL &amp; 1770' FWL

Section 11, T26N-R8W

San Juan Co., NM

Spud: 12/17/80

12-1/4" Hole  
Surface Casing: 8-5/8" 17 & 23 #/ft  
set @ 315' w/ 275 sx cement  
circulated to surface

7-7/8" Hole

DV Tool @ 2347' w/774 sx cement

**Ballard Pictured Cliffs**

Perfs: 2216-2246', 10 holes  
Acid: 1008 gal HCL, 200 ball sealers  
Frac: 37500 lb sand & 394400  
scf nitrogen

DV Tool @ 4685' w/334 sx cement

**Basin Dakota**

Perfs: 6556-6756', 22 holes  
Acid: 2000 gal HCL, 44 ball sealers  
Frac: 79968 gal & 160000 lb sand

Production Casing: 4-1/2" 10.5 #/ft  
K55 set @ 7010' w/ 438 sx cement

PBTD = 6968'  
TD = 7002'

Tubing: 1-1/2" 2.9 #/ft

Baker blast joints 2208-2256' 5/30/81

Sliding sleeve @ 6384' (?)

Baker Model D Packer @ 6390'  
5/29/81 seal assembly in placeBaker Model D Pkr @ 6400'  
set on 5/10/81 (no seal assembly)

EOT @ 6634' (6530' calc actual?)

Baker Model D Pkr @ 6667'  
set 4/28/81 (no seal assembly)Last WO:  
Updated: 3/31/11