

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NM 6682 |
| 2. Name of Operator EPIC Energy, LLC | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 7415 East Main, Farmington, NM 87402 | 3b. Phone No. (include area code) 505-327-4892 | 7. If Unit or CA/Agreement, Name and/or N |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1830' FNL & 1840' FEL, Section 34, T23N, R7W | | 8. Well Name and No. Federal B L #2 |
| | | 9. API Well No. 30-043-20338 |
| | | 10. Field and Pool, or Exploratory Area Alamito Gallup |
| | | 11. County or Parish, State Sandoval County, NM |

12. CHECK 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"/> Fracture Treat <input type="checkbox"/> Reclamation 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 <u>Frac Hit</u> |
| | <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 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 recomple 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 recomple 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.)

On June 23, 2019 at approximately 19:30 hrs the Federal BL #2 had an increase in pressure (2800 psi). Suspect that pressure was a result of the hydraulic stimulation that was being performed on the North Alamito Unit #233H by DJR. Due to the proximity of the lateral and prior to DJR initiating their completion, measures were taken to ensure that any abnormal pressure would not affect the wellhead or related surface equipment. Currently, the well is flowing the contaminated gas to a flowback tank until the nitrogen levels are pipeline acceptable at which point the well will be returned to production.

NMUCD

JUL 30 2019

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

| | |
|----------------------------------------|--------------------------------|
| Name (Printed/Typed) Vanessa Fields | Title Regulatory Specialist |
| Signature | Date July 11, 2019 |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------|
| Approved by | Title | Date |
| 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 | |
| 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. | | |

ACCEPTED FOR RECORD
JUL 23 2019
BY: VANESSA FIELDS
FARMINGTON FIELD OFFICE

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