

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.
NMNM03187

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.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. LAMBE 2C
2. Name of Operator HILCORP ENERGY COMPANY Contact: PRISCILLA SHORTY E-Mail: pshorty@hilcorp.com		9. API Well No. 30-045-30747-00-C1
3a. Address 1111 TRAVIS STREET HOUSTON, TX 77002	3b. Phone No. (include area code) Ph: 505-324-5188	10. Field and Pool or Exploratory Area BASIN DAKOTA BLANCO MESAVERDE
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T31N R10W SENE 1965FNL 830FEL 36.885921 N Lat, 107.899444 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 type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 recomplete 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 recompletion 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 would like to evaluate the subject well to verify the source of the high volume of produced water. Pending the results, temporarily abandon the Dakota formation by setting a CIBP or re-land the existing production tubing.

NMOC

JAN 02 2020

DISTRICT III

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

**Electronic Submission #497186 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by JOHN HOFFMAN on 01/02/2020 (20JH0094SE)**

Name (Printed/Typed) PRISCILLA SHORTY	Title OPERATIONS REGULATORY TECH
Signature (Electronic Submission)	Date 12/31/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JOHN HOFFMAN</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>01/02/2020</u>
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 <u>Farmington</u>

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 ****

AV



HILCORP ENERGY COMPANY
Lambe 2C
TA Wellbore SUNDRY

API #: 3004530747

PROJECT DESCRIPTION

Verify the source of the high volume of produced water. Pending the results, temporarily abandon the Dakota formation by setting a CIBP or re-land the existing production tubing.

JOB PROCEDURES

- NMOCD Contact OCD and BLM (where applicable) 24 hrs prior to MIRU. Record and document all casing pressures daily, including
- BLM BH, IC (if present) and PC. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.

The wellbore was shut in on December 2018 due to the cleanup of a condensate spill (NVF 1836050592). When the wellbore was brought back online August 2019, the well's gas production never recovered to the pre-shut-in rate. The well is unable to stay unloaded due to excessive amounts of produced water. Swabbing operations and operational field work are unable to bring the well back to normal production gas rates. Remedial rig work is required to investigate the wellbore.

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with **2 3/8"** tubing set at **7,296'**.
3. MU mill and RIH to PBSD at **7,355'**. Cleanout any fill or scale with an foam/air unit. TOOH and LD mill.
4. RIH with tbg and test the Mesa Verde formation with the air unit to determine a bbls/hour water rate from the formation.
5. Discuss with **BLM** and **NMOCD** with results of water tests from the rig work.
- 6A. (Option #1) If the water rates from the MV formation are low enough to effectively produce the wellbore and understanding the wellbore's history of high Dakota formation water production, MU and RIH with a 4-1/2" CIBP and set at **7,160'**. Temporarily abandon the Dakota formation. RIH and land 2-3/8" production tubing at **5,092'**.
- 6B. (Option #2) If the water rates of the commingled wellbore reach acceptable rates to effectively produce the wellbore, RIH with 2-3/8" production tubing and land at **7,296'**.
7. ND BOP and NU whd. RDMO workover rig and associated equipment. Turn well back over to operations.



HILCORP ENERGY COMPANY
Lambe 2C
TA Wellbore SUNDRY

