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SEP 21 2013

Form 3160-5  
(August 2007)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010Farmington Field Office  
Bureau of Land Management

5. Lease Serial No.

NMSF079037

6. If Indian, Allottee or Tribe Name

## 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.**

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

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

8. Well Name and No.

HALE 3

2. Name of Operator

Hilcorp Energy Company

9. API Well No.

30-045-10069

3a. Address

382 Road 3100, Aztec, NM 87410

3b. Phone No. (include area code)

505-599-3400

10. Field and Pool or Exploratory Area

Blanco Mesaverde

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

Surface Unit K (NE/SW) 1750' FSL &amp; 1650' FWL, Sec. 34, T31N, R08W

11. Country or Parish, State

San Juan, New Mexico

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

## TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

## TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 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 must 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 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 requests permission to P&A the subject well per the attached procedure, current and proposed wellbore schematics. A Close Loop system will be utilized.

NMOCD

OCT 25 2018

Notify NMOCD 24 hrs  
prior to beginning  
operationsDISTRICT III  
SEE ATTACHED FOR  
CONDITIONS OF APPROVALBLM'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)

Priscilla Shorty

Title Operations/Regulatory Technician - Sr.

Signature

Date 9/18/2018

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title DE

Date 10/23/18

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 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.

(Instruction on page 2)

NMOCD

## PLUG AND ABANDONMENT PROCEDURE

April 18, 2018

### Hale #3

Blanco Mesaverde

K, Section 34, T31N, R8W, San Juan County, New Mexico

API 30-045-10069 Lat: 36° 51' 6.768" N/Lat: 107° 39' 54.756" W

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. This project will use an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.

3. Rods: Yes\_\_\_\_, No X, Unknown\_\_\_\_.  
Tubing: Yes\_\_\_\_, No X, Unknown\_\_\_\_, Size\_\_\_\_, Length\_\_\_\_.  
Packer: Yes\_\_\_\_, No X, Unknown\_\_\_\_, Type\_\_\_\_.

**Note: Need approximately 4920' of tubing workstring.**

4. **Plug #1 (Mesaverde interval and 5.5" casing shoe, 4920' – 4689')**: R/T 3.5" gauge ring or mill to 4920' and tag existing BP at 4920'. PU tubing workstring and RIH. Pressure test tubing to 800#. Circulate hole clean. Attempt to pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as necessary. Mix and pump 12 sxs Class G cement and spot a balanced plug inside casing to isolate the Mesaverde interval and 5.5" casing shoe. PUH.
5. **Plug #2 (Chacra top, 3874' - 3774')**: Mix and pump 7 sxs Class G cement and spot a balanced plug inside casing to cover the Chacra top. TOH.
6. **Plug #3 (Pictured Cliffs, top, 3160' – 3060')**: Perforate 3 deep penetrating squeeze holes at 3160'. Attempt to establish circulation in 3.5" x 5.5" casing annulus and 5.5" x 8.75" OH annulus. **NOTE:** sand was pumped down annulus (tower report doesn't specify specific annulus and sundry indicates 3.5" x 5.5") prior to cement squeeze in 1983; may not be able to establish injection. If able to establish injection rate then RIH and set 3.5" wireline CR at 3110'. Mix and pump approximately 60 sxs cement; squeeze 44 sxs into 5.5" x 8.75" OH annulus, 9 sxs in 3.5" x 5.5" annulus and leave 7 sxs inside 3.5" casing to isolate the Pictured Cliffs top. TOH. IF unable to establish injection rate then spot an inside plug to isolate interval. TOH.
7. **Plug #4 (Fruitland top, 2861' – 2761')**: Perforate 3 deep penetrating squeeze holes at 2861'. Attempt to establish circulation in 3.5" x 5.5" casing annulus and 5.5" x 8.75" OH annulus. **NOTE:** sand was pumped down annulus (tower report doesn't specify specific annulus and sundry indicates 3.5" x 5.5") prior to cement squeeze in 1983; may not be able to establish injection. If



able to establish injection rate then RIH and set 3.5" wireline CR at 2811'. Mix and pump approximately 60 sxs cement; squeeze 44 sxs into 5.5" x 8.75" OH annulus, 9 sxs in 3.5" x 5.5" annulus and leave 7 sxs inside 3.5" casing to isolate the Fruitland top. TOH.

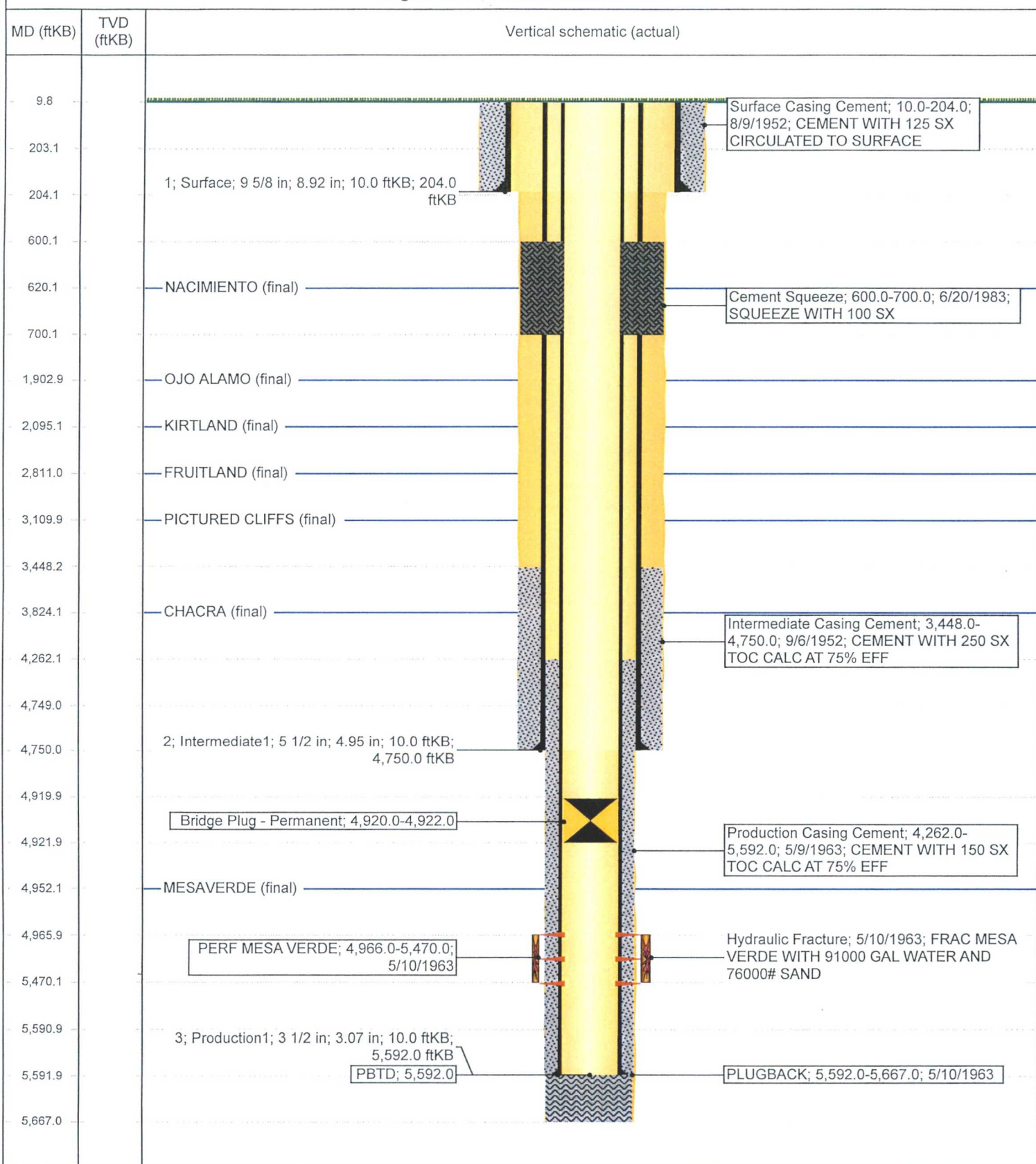
IF unable to establish injection rate then spot an inside plug to isolate interval. TOH.

8. **Plug #5 (Kirtland and Ojo Alamo tops, 2145' – 1853')**: Perforate 3 deep penetrating squeeze holes at 2145'. Attempt to establish circulation in 3.5" x 5.5" casing annulus and 5.5" x 8.75" OH annulus. **NOTE:** sand was pumped down annulus (tower report doesn't specify specific annulus and sundry indicates 3.5" x 5.5") prior to cement squeeze in 1983; may not be able to establish injection. If able to establish injection rate then RIH and set 3.5" wireline CR at 2095'. Mix and pump approximately 165 sxs cement; squeeze 129 sxs into 5.5" x 8.75" OH annulus, 21 sxs in 3.5" x 5.5" annulus and leave 15 sxs inside 3.5" casing to isolate the Kirtland and Ojo Alamo tops. TOH.  
IF unable to establish injection rate then spot an inside plug to isolate interval. TOH.
9. **Plug #6 (Nacimiento top, 670' – 570')**: Perforate 3 deep penetrating squeeze holes at 670'. Attempt to establish circulation in 3.5" x 5.5" casing annulus and 5.5" x 8.75" OH annulus. **NOTE:** cement squeeze was done over this zone in 3.5" x 5.5" annulus in 1983. Sand was pumped down annulus (tower report doesn't specify specific annulus and sundry indicates 3.5" x 5.5") prior to cement squeeze in 1983; may not be able to establish injection. If able to establish injection rate in 5.5" x 8.75" annulus then RIH and set 3.5" wireline CR at 620'. Mix and pump approximately 51 sxs cement; squeeze 44 sxs into 5.5" x 8.75" OH annulus and leave 7 sxs inside 3.5" casing to isolate the Nacimiento top. TOH.  
IF unable to establish injection rate then spot an inside plug to isolate interval. TOH and LD tubing. TOH.
10. **Plug #7 (9.625" Surface casing shoe and Surface, 254' - Surface)**: Perforate 4 deep penetrating squeeze holes at 254'. Establish circulation out 3.5" x 5.5" annulus and 5.5" by 8.75" annulus with water and circulate the BH annulus clean. Mix and pump approximately 100 sxs cement and pump down the 3.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
11. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and cut off anchors. Restore location per BLM stipulations

Well Name: **HALE #3**

API / UWI 3004510069	Surface Legal Location 034-031N-008W-K	Field Name BLANCO MESAVERDE (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,227.00	Original KB/RT Elevation (ft) 6,237.00	KB-Ground Distance (ft) 10.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole, 9/18/2018 9:35:08 AM



# Hale #3

## Proposed P&A

### Blanco Mesaverde

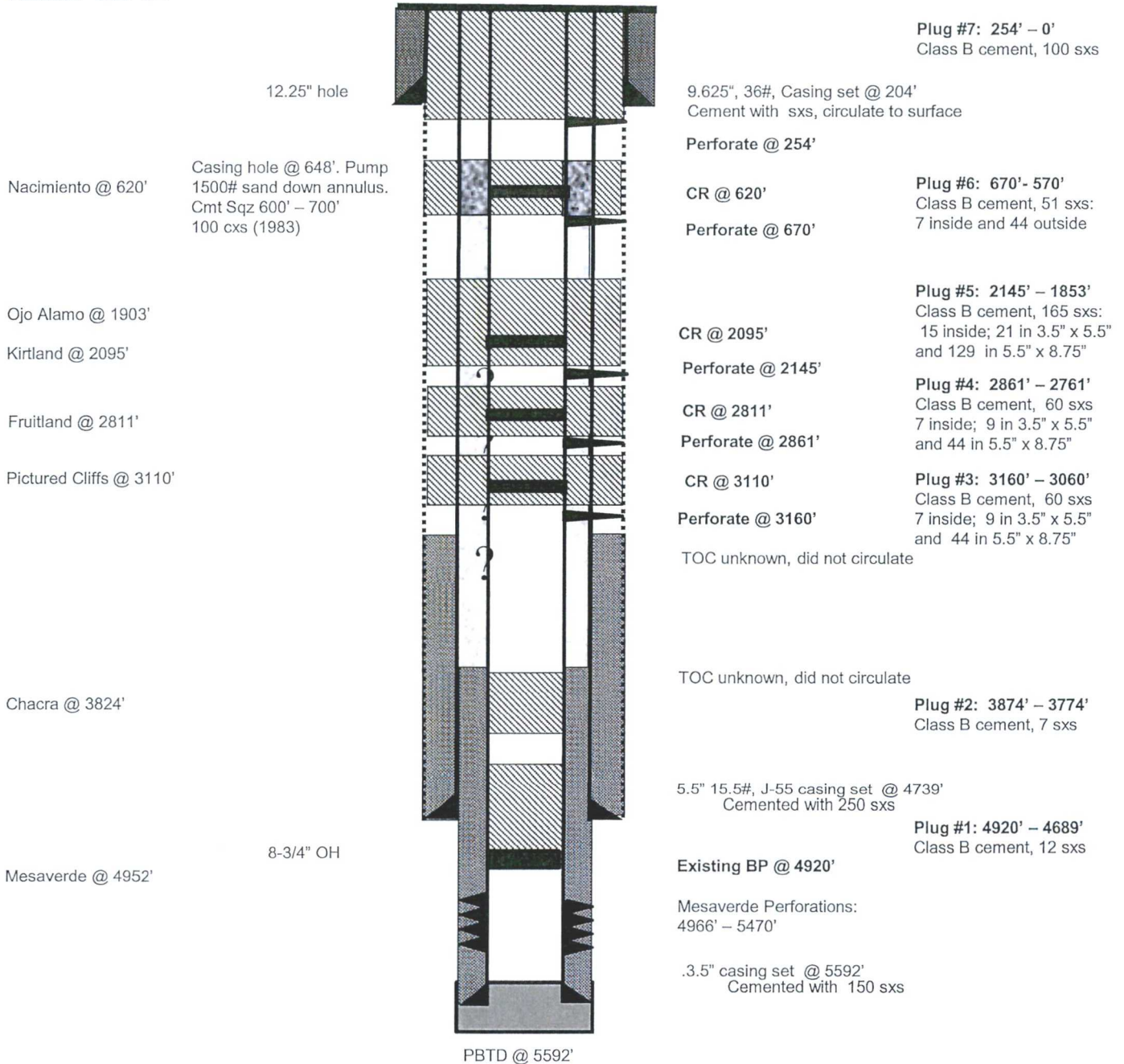
Today's Date: 4/18/18

Spud: 8/9/52

Elevation: 5592' GR

K, Section 34, T-31-N, R-8-W, San Juan County, NM

Lat: 36° 51'6.768" N / Lat: 107° 39'54.756" W, API #30-045-10069





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

Attachment to notice of  
Intention to Abandon:

Re: Permanent Abandonment  
Well: Hale 3

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
  - a) Set Plug #2 (3130 – 3030) ft. to cover the Pictured Cliffs top. BLM picks top of Pictured Cliffs at 3080 ft.
  - b) Set Plug #4 (2800 – 2700) ft. to cover the Fruitland top. BLM picks top of Fruitland at 2750 ft.
  - c) Set Plug #6 (637 – 537) ft. to cover the Nacimiento top. BLM picks top of Nacimiento at 587 ft.

Operator must run a CBL to verify cement top. Submit electronic copy of the log for verification to the following addresses: [jwsavage@blm.gov](mailto:jwsavage@blm.gov) [Brandon.Powell@state.nm.us](mailto:Brandon.Powell@state.nm.us)

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.