

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 7/26/2019

Well information:

30-045-20170 C M MORRIS COM A #001

HILCORP ENERGY COMPANY

Application Type:

- ☒ P&A ☐ Drilling/Casing Change ☐ Location Change
☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)
☐ Other:

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Extend Gallup plug: 5,665'-5,454'. OCD Gallup pick @ 5,504'.
- Extend Mancos plug: 4,730'-4,560'. OCD Mancos pick @ 4,680'.
- Extend the Mesaverde plug: 3,593'-3,414'. OCD Mesaverde pick @ 3,543'.
- Extend Chacra plug: 2,982'-2,784'. OCD Chacra pick @ 2,834'.
- In addition to the BLM P.C/Fruitland plug, add a plug: 1,718'-1,678'. OCD Fruitland pick @ 1,668'.


NMOCD Approved by Signature

11/25/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.
NMSF077329

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
SW4451. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
CM MORRIS COM A 12. Name of Operator
HILCORP ENERGY COMPANYContact: CHRISTINE L BROCK
E-Mail: cbrock@hilcorp.com9. API Well No.
30-045-20170-00-S13a. Address
1111 TRAVIS STREET
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 505-324-515510. Field and Pool or Exploratory Area
BASIN DAKOTA

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

Sec 13 T27N R10W NWSW 1450FSL 0790FWL
36.571747 N Lat, 107.852722 W Lon11. 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 checked="" 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 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 recompleate 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 recompleation 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 Company requests permission to P&A the subject well per the attached procedure, current and proposed wellbore schematics. The Pre-Disturbance Site Visit was held on 7/18/2019 with Bob Switzer/BLM. The Re-Vegetation Plan is attached. A Closed Loop system will be used.

NMOC

NOV 12 2019

DISTRICT III

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

Electronic Submission #475435 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by ALBERTA WETHINGTON on 07/29/2019 (19AMW0498SE)

Name (Printed/Typed) CHRISTINE L BROCK

Title OPERATION/REGULATORY TECH

Signature (Electronic Submission)

Date 07/26/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title ENGINEER

Date 11/08/2019

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 Farmington

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 **

✓

PLUG AND ABANDONMENT PROCEDURE

C.M. Morris Com. "A" #1

Basin Dakota

**1450' FSL & 790' FWL, Section 13, T27N, R10W,
San Juan County, NM API 30-045-20170**

Note: This procedure is revised based on the approved P&A sundry. All cement volumes use 100% excess outside pipe and 50' excess inside pipe. 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 a 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 ☒ , Unknown ☐ .
Tubing: Yes ☐ , No ☒ , Unknown ☐ , Size ☐ , Length ☐ .
Packer: Yes ☐ , No ☒ , Unknown ☐ , Type ☐ .
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
Due to a recent Bradenhead attempt, the tubing has already been pulled from this well.
4. **Plug #1 (Dakota perforations and top, 6360' – 6260'):** TIH with gauge ring and RIH to 6360'. RIH w/ 4.5" CR and set at 6360'. Load casing with water and circulate well clean. Mix 12 sxs Class G cement. PUH.
5. **Plug #2 (Gallup top, 5665' – 5565'):** Mix and pump 12 sxs Class G cement and spot a balanced plug inside casing to cover the Gallup top. PUH.
6. **Plug #3 (Mancos top, 4660' – 4560'):** Mix and pump 12 sxs Class G cement and spot a balanced plug inside casing to cover the Gallup top. PUH.
7. **Plug #4 (Mesaverde top, 3514' – 3414'):** Mix and pump 12 sxs Class G cement and spot a balanced plug inside casing to cover the Mesaverde top. TOH.
8. **Plug #5 (Chacra top, 2982' - 2882'):** Perforate squeeze holes at 2982'. Establish injection rate. RIH and set 4.5" CR at 2932'. Sting into CR and establish injection rate. Mix and pump 37 sxs Class G cement; squeeze 25 sxs outside 4.5" casing and leave 12 sxs inside casing to isolate Chacra interval. TOH.

9. **Plug #6 (Pictured Cliffs top, 2078' – 1978'):** Perforate squeeze holes at 2078'. Establish injection rate. RIH and set 4.5" CR at 2028'. Sting into CR and establish injection rate. Mix and pump 37 sxs Class G cement; squeeze 25 sxs outside 4.5" casing and leave 12 sxs inside casing to isolate Pictured Cliffs interval. TOH.
10. **Plug #7 (Fruitland top, 1920' – 1820'):** Perforate squeeze holes at 1920'. Establish injection rate. RIH and set 4.5" CR at 1870'. Sting into CR and establish injection rate. Mix and pump 37 sxs Class G cement; squeeze 25 sxs outside 4.5" casing and leave 12 sxs inside casing to isolate Fruitland interval. TOH.
11. **Plug #8 (Kirtland and Ojo Alamo top, 1300' – 947'):** Mix and pump 32 sxs Class G cement and spot a balanced plug inside casing to cover the Kirtland/Ojo Alamo tops. TOH.
12. **Plug #9 (8-5/8" casing shoe, 519' – 0'):** Perforate squeeze holes at 519'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 153 sxs Class G cement and pump down the 4.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
13. **ND BOP and cut off wellhead below surface casing flange.** Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Cut off anchors and clean up location. Restore location per BLM stipulations.



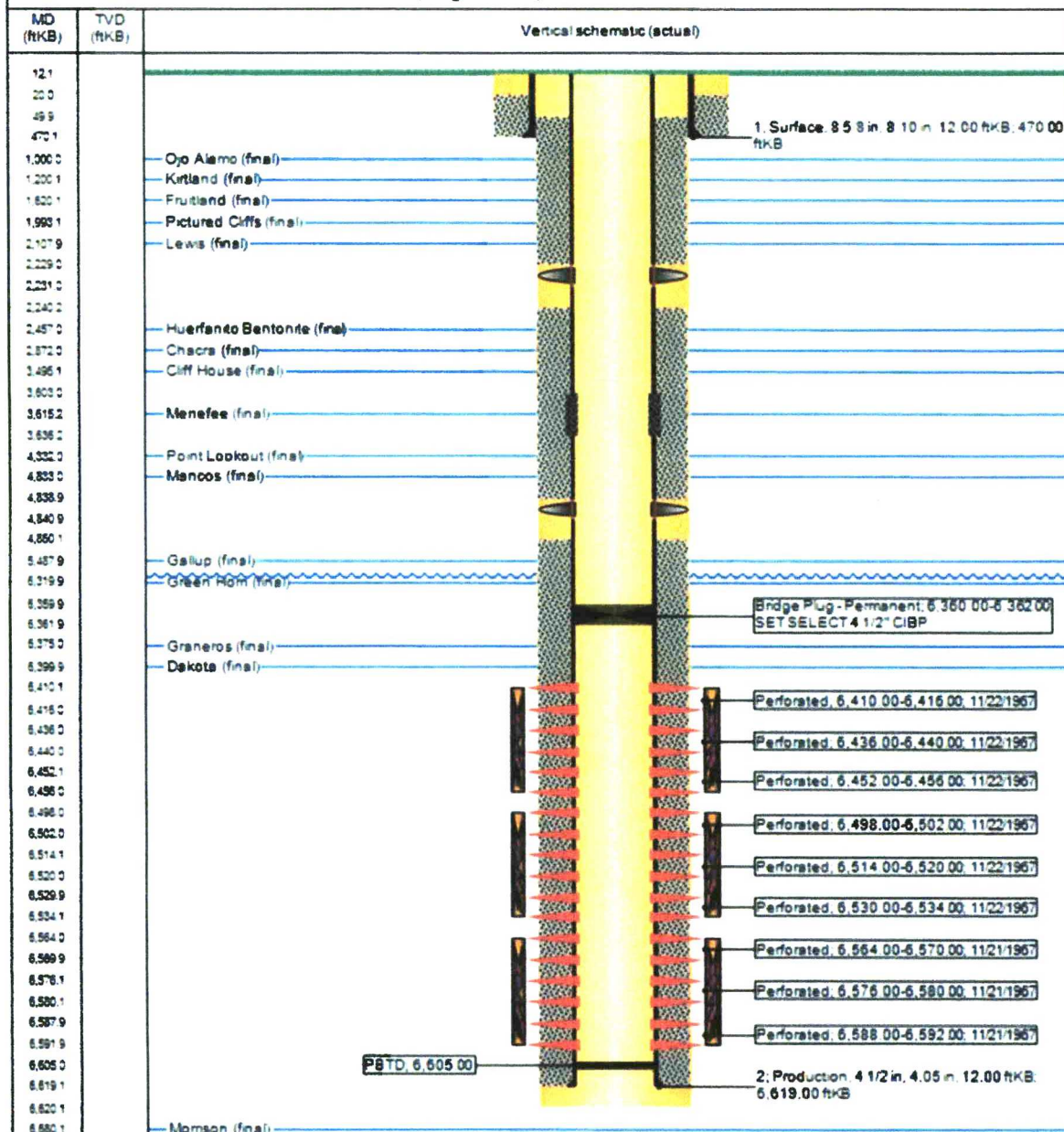
Schematic - Current

Well Name: CM MORRIS COM A #1

API Well 3004520170	Surface Legal Location T27N-R10W-S13	Field Name Basin Dakota	License No 10/9/1967	State/Province New Mexico	Well Configuration Type Vertical
Original KB RT Elevation ft 6,133.00	Production Elevation ft 12.00	Original Spud Date 10/28/1967 00:00	Rig Release Date 11/8/1967 00:00	Perforation Original Hole - 5.505.0	Test Spud All Time ftKB

Most Recent Job					
Job Category Expense Workover	Primary Job Type BRADENHEAD REPAIR	Secondary Job Type BRADENHEAD REPAIR	Actual Start Date 6/7/2019	End Date 6/12/2019	

ID: 6,620.0 Vertical, Original Hole, 6/21/2019 3:06:32 PM

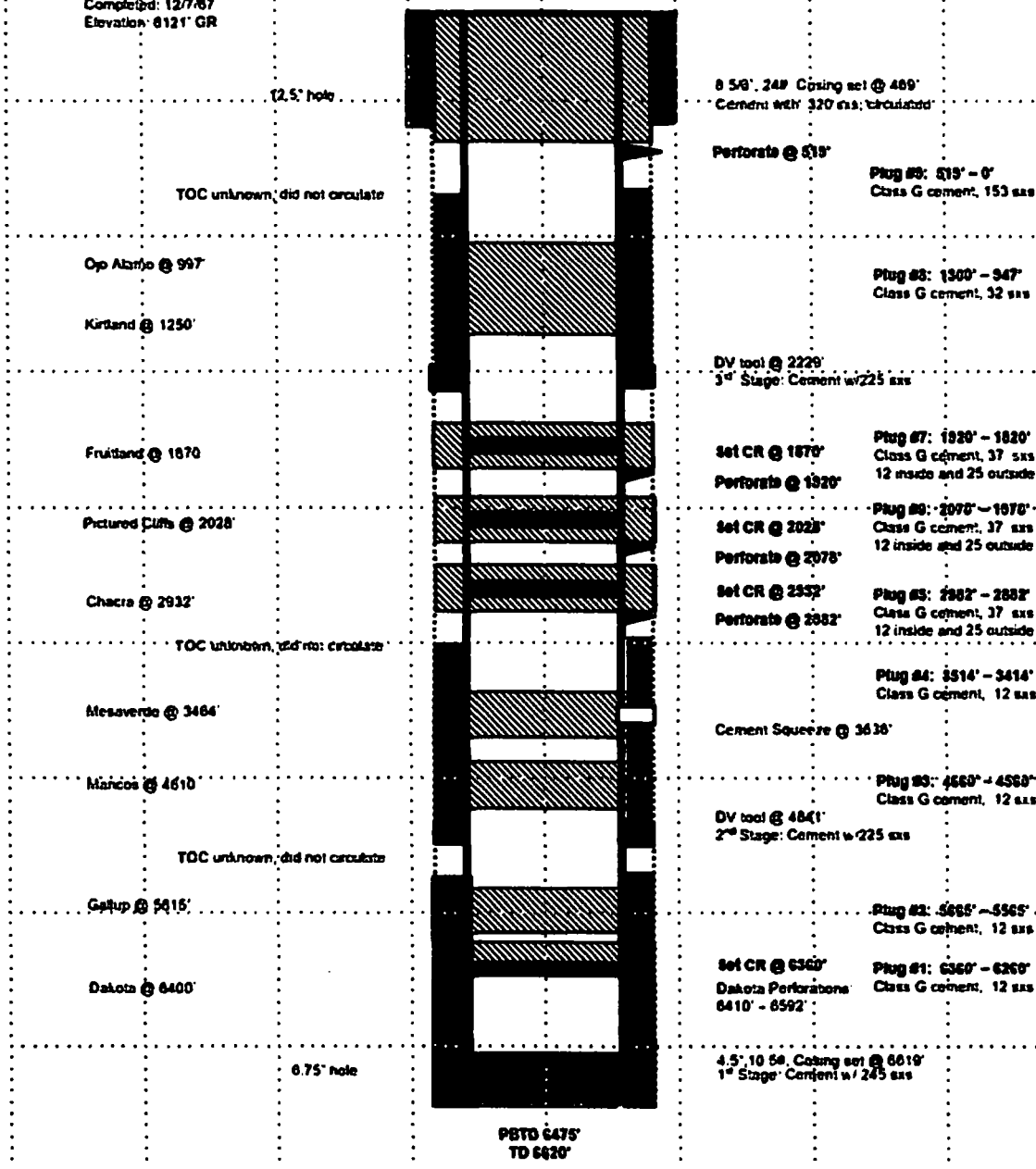


C.M. Morris Com. "A" #1 Proposed P&A

Basin Dakota
1450' FSL & 790' FWL, Section 13, T27N, R10W, NMPM
San Juan County, New Mexico
API# 30-043-20170

Today's Date: 8/13/19

Spud: 10/28/67
Completed: 12/7/67
Elevation: 8121' GR



Hilcorp Energy
P&A final Reclamation Plan
CM Morris Com A 1
API: 30-045-20170
T27N-R10W-Sec. 13-Unit L
LAT: 36.57194 LONG: -107.85332
Footage: 1450' FSL & 790' FWL
San Juan County, NM

1. PRE- RECLAMATION SITE INSPECTION

A pre-reclamation site inspection was completed with Bob Switzer from the BLM and Eufracio Trujillo Hilcorp Energy SJ South Construction Foreman on July 18, 2019.

2. LOCATION RECLAMATION PROCEDURE

1. Reclamation work will begin in summer/ fall time period.
2. Removal of all equipment and flowlines.
3. Below Grade Tank will be sampled and tested. It will be closed after approval has been given.
4. All trash and debris will be removed within a 50' buffer outside of the location disturbance during reclamation.
5. Rip compacted soil and walk down entire well pad.
6. Remove gravel from berms and where equipment was installed.
7. Pull soil from fill slope and push to cut slope. Recontour in shallow swales or slit traps to create rolling terrain that matches natural drainage features to limit erosion.

3. ACCESS ROAD RECLAMATION PROCEDURE

1. The main lease access is about 15' in length and has no culverts that need to be removed.
2. All trash and debris will be removed within a 50' buffer outside of the road disturbance during reclamation.
3. Rip and contour drainage at entrance.

4. SEEDING PROCEDURE

1. A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the well pad and lease road.
2. Drill seed will be done where applicable and all other disturbed areas will be broadcast seeded and harrowed. Broadcast seeding will be applied at a double the rate of seed.
3. Timing of the seeding will be when the ground is not frozen or saturated.

5. WEED MANAGEMENT

1. No action is required at this time for weed management, no noxious weeds were identified during this onsite.

Hilcorp Energy
P&A final Reclamation Plan
CM Morris Com A 1
API: 30-045-20170
T27N-R10W-Sec. 13-Unit L
LAT: 36.57194 LONG: -107.85332
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**GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON FIELD OFFICE**

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densometer/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

4.6 A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

- 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. *If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.*

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

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: CM Morris Com A1

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. Run a CBL from approximately 6360 to surface. Submit electronic copy of the CBL for verification to the following addresses: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us . Based on CBL results inside/outside plugs and volumes will be adjusted accordingly. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing.
4. BLM pick top of the Cliffhouse at 3464 ft. Modify Plug #4 to include coverage 3414 - 3514.
5. Combine plugs #6 and #7 1820 – 2078. (PC and Fruitland)