

Well Name: HANKS	Well Location: T27N / R9W / SEC 5 / SESW / 36.598038 / -107.813019	County or Parish/State: SAN JUAN / NM
Well Number: 10	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF077874	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004506764	Well Status: Gas Well Shut In	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2642933

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 11/04/2021	Time Sundry Submitted: 07:44
Date proposed operation will begin: 11/14/2021	

Procedure Description: Hilcorp Energy Company requests permission to P&A the subject well per the attached procedures, current and proposed wellbore schematics. The Pre-Disturbance Site Visit was held on 10/21/2021 with Bob Switzer, BLM. The Re-Vegetation Plan is attached. A closed loop system will be used.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Plug_and_Abandonment_Procedure___Hanks_10_Updated_20211105121354.pdf
- Hanks_10__Reclamation_Plan_20211104074338.pdf

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Conditions of Approval

Specialist Review

General_Requirement_PxA_20211105125224.pdf
2642933_NOIA_10_3004506764_KR_11052021_20211105125212.pdf

Additional Reviews

27N09W05NKpc_Hanks_10_20211104165314.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: KANDIS ROLAND	Signed on: NOV 05, 2021 12:14 PM
Name: HILCORP ENERGY COMPANY	
Title: Operation Regulatory Tech	
Street Address: 382 Road 3100	
City: Farmington	State: NM
Phone: (505) 599-3400	
Email address: kroland@hilcorp.com	

Field Representative

Representative Name:		
Street Address:		
City:	State:	Zip:
Phone:		
Email address:		

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5055647742	BLM POC Email Address: krennick@blm.gov
Disposition: Approved	Disposition Date: 11/05/2021
Signature: Kenneth Rennick	

Plug and Abandonment - NOI**Hanks 10****API # - 3004506764**

After testing for a HIC, we set our cement retainer ~150' above the bad spot in casing and pumped away 347 sacks of cement. Upon drill out we tagged TOC at 1503' and drilled to 1722' where drilling became harder and more erratic. From here, we began to see metal shavings during the rest of our drilling activities and were never able to make it through the bottom of our cement plug. Since we are unable to drill out this plug, the procedure for P&A is as follows:

Procedure:

Hold PJSM prior to beginning any and all operations. Properly document all operations via the JSA process. Ensure that all personnel onsite abide by HEC safety protocol, including PPE, housekeeping, and standard guidelines.

Verify cathodic protection is off and wellhead instrumentation is properly disconnected from the wellhead. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.

Verify there is no H₂S present prior to beginning operations. If any H₂S is present, take the necessary actions to ensure that the location is safe prior to beginning operations.

Observe and record pressures across all string daily, prior to beginning operations.

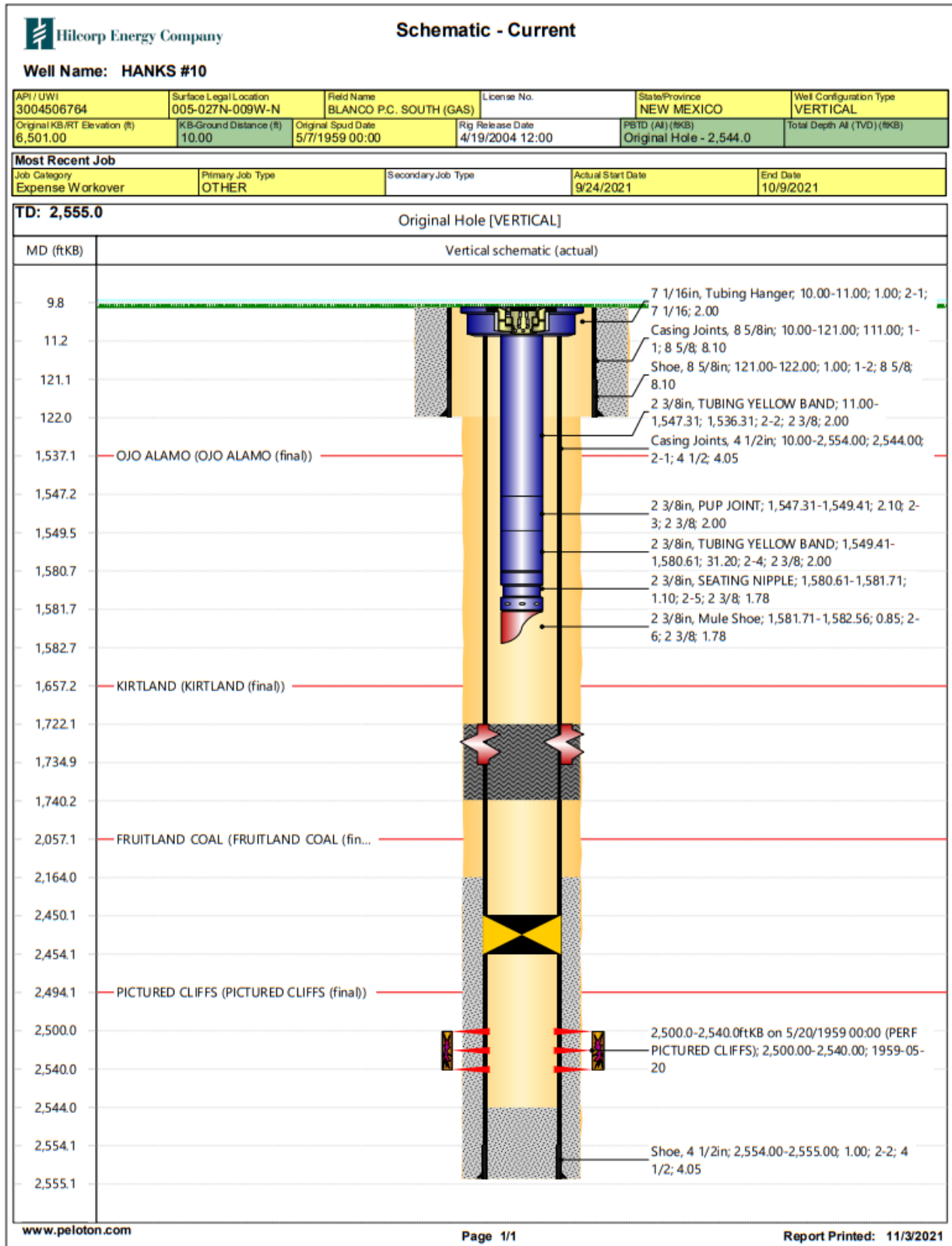
Remember to notify NMOCD 24 hours prior to starting operations on location.

NOTE: This procedure is contingent upon P&A sundry approval by NMOCD. All cement volumes use 100% excess outside pipe and 50' excess inside (100' between pipe or unless otherwise stated). All cement will be Class G, mixed at 15.8 ppg w/ a 1.15 cf/sx yield. The stabilizing wellbore fluid will be an 8.3 ppg fluid, sufficient to balance all exposed formation pressures.

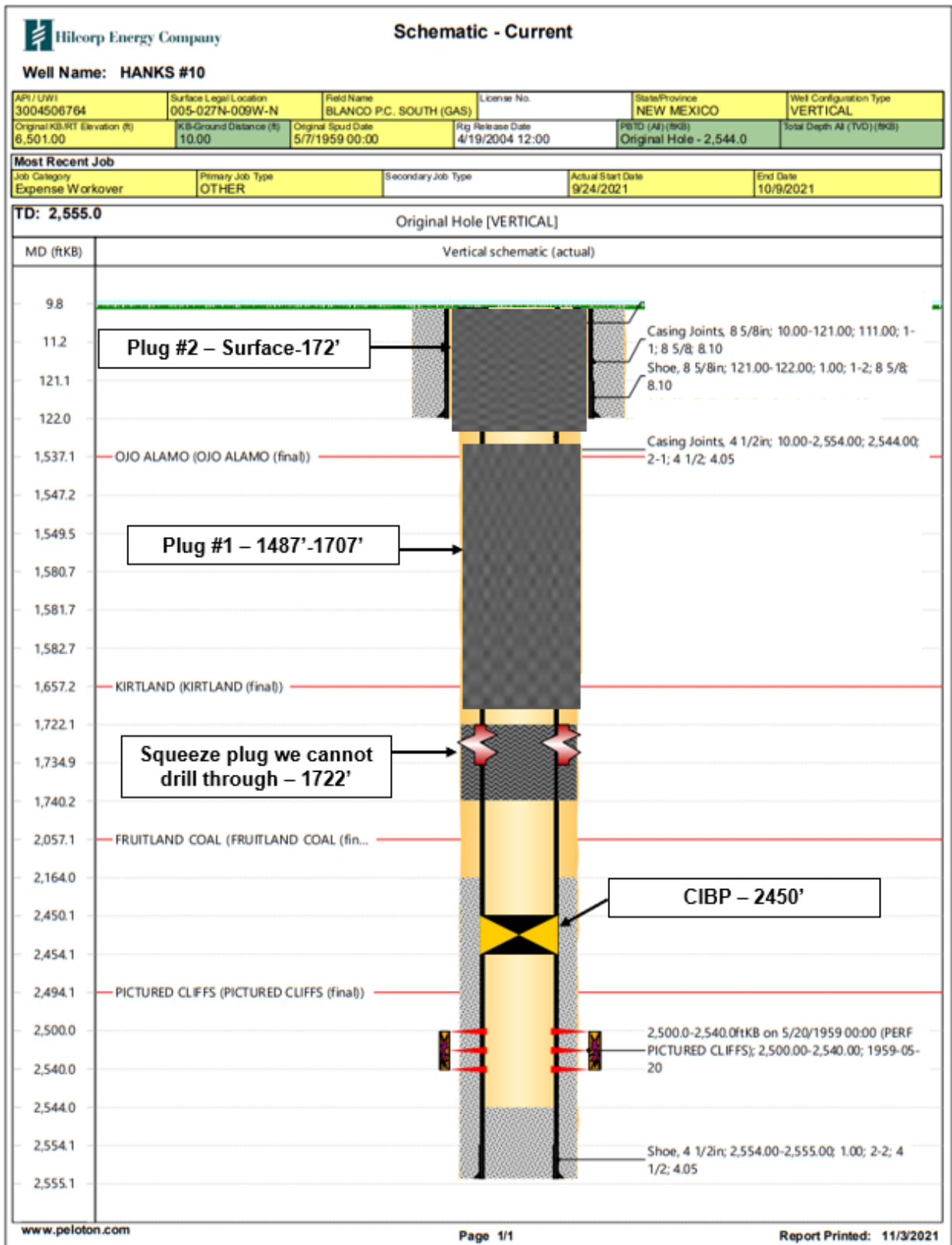
1. This project will use a steel tank to handle waste fluids circulated from the well and cement wash up.
2. Test anchors if not using a base beam. Comply with all NMOCD, BLM, and HEC safety regulations. MIRU and conduct safety meeting for all personnel on location.
3. Record casing, tubing, and bradenhead pressures. Remove existing piping on casing valve. RU blow lines from casing valves and begin BD casing pressure. Kill well with water as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP. Function test BOP. RU floor and 2 3/8" handling tools.
5. POOH w/ J-55 2-3/8" work string (1582'). Load and roll the hole.

6. RU WL and run CBL from 1722' to surface. (Anticipate inside outside plugs to surface).
7. TIH w/ CICR and set at 1660'. PT tbg to 500 psi.
8. **Plug #1, 1707' – 1487' (Kirtland Top: 1657' Ojo Alamo Top: 1537')** Mix and pump 71 sacks of Class G cement and pump an inside outside plug to cover the Kirtland and Ojo Alamo tops. (This is 220' outside + 100% excess + 220' inside).
9. Sting out of CICR. LD 2-3/8" work string.
10. RU WL and perforate 4-1/2" production string at 172'. Establish injection rate.
11. **Plug #2, 172' – Surface (Surface Shoe: 122')** Bullhead 87 sacks of class G cement and verify sufficient returns to surface.
12. LD tubing string.
13. Ensure we have no pressure on BHD or intermediate strings before cutting off the wellhead.
14. ND BOP and cut off wellhead below surface casing flange per regulation. Top off w/ cement if needed. Install PxA marker w/ cement to comply w/ regulations.
15. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Current Schematic



Proposed Schematic



**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: Hanks 10

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.

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.

K. Rennick 11/05/2021

**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.

(October 2012 Revision)

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 11/4/2021

Well No. Hanks #10 (API# 30-045-06764)	Location	660	FSL	&	1850	FWL
Lease No. NMSF077874	Sec. 05	T27N			R09W	
Operator Hilcorp Energy Company	County	San Juan		State	New Mexico	
Total Depth 2555'	PBTD 2544'	Formation Pictured Cliffs				
Elevation (GL) 6494'		Elevation (KB) 6501'				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					
Nacimiento Fm			Surface	1537	Fresh water sands
Ojo Alamo Ss			1537	1657	Aquifer (fresh water)
Kirtland Shale			1657	2057	
Fruitland Fm			2057	2494	Coal/Gas/Possible water
Pictured Cliffs Ss			2494	PBTD	Gas
Lewis Shale					
Chacra (La Ventana)					
Cliff House Ss					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					
Gallup					O&G/Water
Greenhorn					
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:

P & A

Reference Well:

1) **Formation Tops**
Same

- Fish in the hole at 1722'. CIBP at 2450'.
- PxA procedure includes running a CBL from 1722' to Surface and expects inside/outside plugs.
- The plugs proposed in the P&A procedure, with changes as recommended above, will adequately protect any freshwater sands in this well bore.
- Pictured Cliffs perfs @ 2500 – 2544'.

Prepared by: Chris Wenman

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 60512

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 60512
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	Perforating plug will need to be started at top of squeeze cement - no gap - will need to discuss once cbl is ran.	11/8/2021
mkuehling	Fruitland formation is wide open - CIBP 50 feet above PC perms with no cement	11/8/2021
mkuehling	Watch bradenhead pressure	11/8/2021