

Well Name: SAN JUAN 32-7 UNIT	Well Location: T32N / R7W / SEC 28 / SWNE / 36.9534 / -107.568329	County or Parish/State: SAN JUAN / NM
Well Number: 63	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078472	Unit or CA Name: SAN JUAN 32-7 UNIT--DK	Unit or CA Number: NMNM78423C
US Well Number: 3004524391	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2657359

Type of Submission: Notice of Intent

Date Sundry Submitted: 02/18/2022

Date proposed operation will begin: 02/28/2022

Type of Action: Recompletion

Time Sundry Submitted: 12:59

Procedure Description: Hilcorp Energy Company requests to REVISE the the original Recomplete NOI to update the procedure to include a Mancos DFIT. The original NOI was filed on 6/27/2019 and approved on 7/24/2019. Please see the attached updated procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. A pre-reclamation site visit was held on 2/11/2022 with Bob Switzer/BLM. The reclamation plan is attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

San_Juan_32_7_Unit_63_NOI_RC_20220218125846.pdf

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US Well Number: 3004524391	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

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: AMANDA WALKER	Signed on: FEB 18, 2022 12:59 PM
Name: HILCORP ENERGY COMPANY	
Title: Operations/Regulatory Technician	
Street Address: 1111 TRAVIS ST.	
City: HOUSTON	State: TX
Phone: (346) 237-2177	
Email address: mwalker@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: 02/18/2022
Signature: Kenneth Rennick	



HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 63
MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

1. MIRU workover rig and associated equipment; NU and test BOP.
2. TOOH with 2 3/8" tubing set at 8,162'.
3. Set a 4-1/2" cast iron bridge plug at +/- 8,070' to isolate the **Dakota**. (Note the casing weight changes at 6649').
4. Load hole with KCl fluid and run a CBL on the 4-1/2" casing. Verify cement bond across the **Mesa Verde and Mancos** formations; confirm cement top and bottom behind the 4-1/2" casing. Review CBL results with engineering/NMOCD/BLM and perform cmt remediation, if required.
5. ND BOPs, NU frac stack. Pressure test the csg to DFIT pressure
6. Cap the CIBP with 10' of cement.
7. RU wireline and perforate Mancos formation (**between 6348-7471'**)
8. RIH w/ RBP and pressure gauge, position above Mancos top perf (do not set)
9. RU pump truck and perform DFIT (pump into Mancos w/ KCl fluid at approximately 4-6 bpm. Max volume = 40 bbls) on Mancos perforations. Shut down pump.
10. Set RBP and pressure gauge above the Mancos perforations.
11. SI well and monitor wellhead pressure. RDMO pump truck and wireline
12. MIRU, NDNU BOP, RIH w/retrieving tool and pull RBP, gauge
13. Set a second 4-1/2" cast iron bridge plug at +/- 6,348' to provide a base for the frac. Load the 7" x 4.5" annulus with packer fluid. If a casing frac is pursued, install 5K tubing head and pressure test casing to anticipated frac pressure, but do not exceed 80% of casing burst pressure. ***Burst pressure of 4-1/2" x 10.5# casing is 4,790 psig. 80% of burst is 3832 psig.**
14. Perforate the **Mesa Verde**. (Top perforation @ 5,572', Bottom perforation @ 6,332')
15. Frac will be completed via existing casing or a frac string depending on TOC and casing integrity. If running a frac string set pkr at **-5,525'**.
16. N/D BOP, N/U frac stack (if necessary) and test frac stack to frac pressure. IF a frac string is needed, open well and PT frac string to **9000#** against the ceramic disc.
17. If necessary, RU slickline. RIH and break ceramic disc. RD slickline.
18. Frac the **Mesa Verde** in a single or multiple stages. Set CBPs between stages and a CIBP above the perforations in the case of a casing frac
19. IF a frac string is used, RU flowback eqmt if necessary. Flowback well until tubing pressure drops to working level and sand subsides or well loads up. RD flowback eqmt.
20. MIRU workover rig. Nipple down frac stack (if used), nipple up BOP and test.
21. If a frac string is used, release the pkr and POOH LD workstring.
22. If casing frac'd, drill out the top plug and clean out to the interstage CBP with air. Take and analyze **Mesa Verde** gas samples for each stage.
23. TIH with a mill and clean out to the top of the DK isolation plug at 8,070'. Take **Mesa Verde** gas samples and analyze.
24. Drill out Dakota isolation plug and cleanout to PBTD of 8,210'. TOOH.
25. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde** flow rate.



HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 63
MESA VERDE RECOMPLETION SUNDRY

SAN JUAN 32-7 UNIT 63 - CURRENT WELLBORE SCHEMATIC

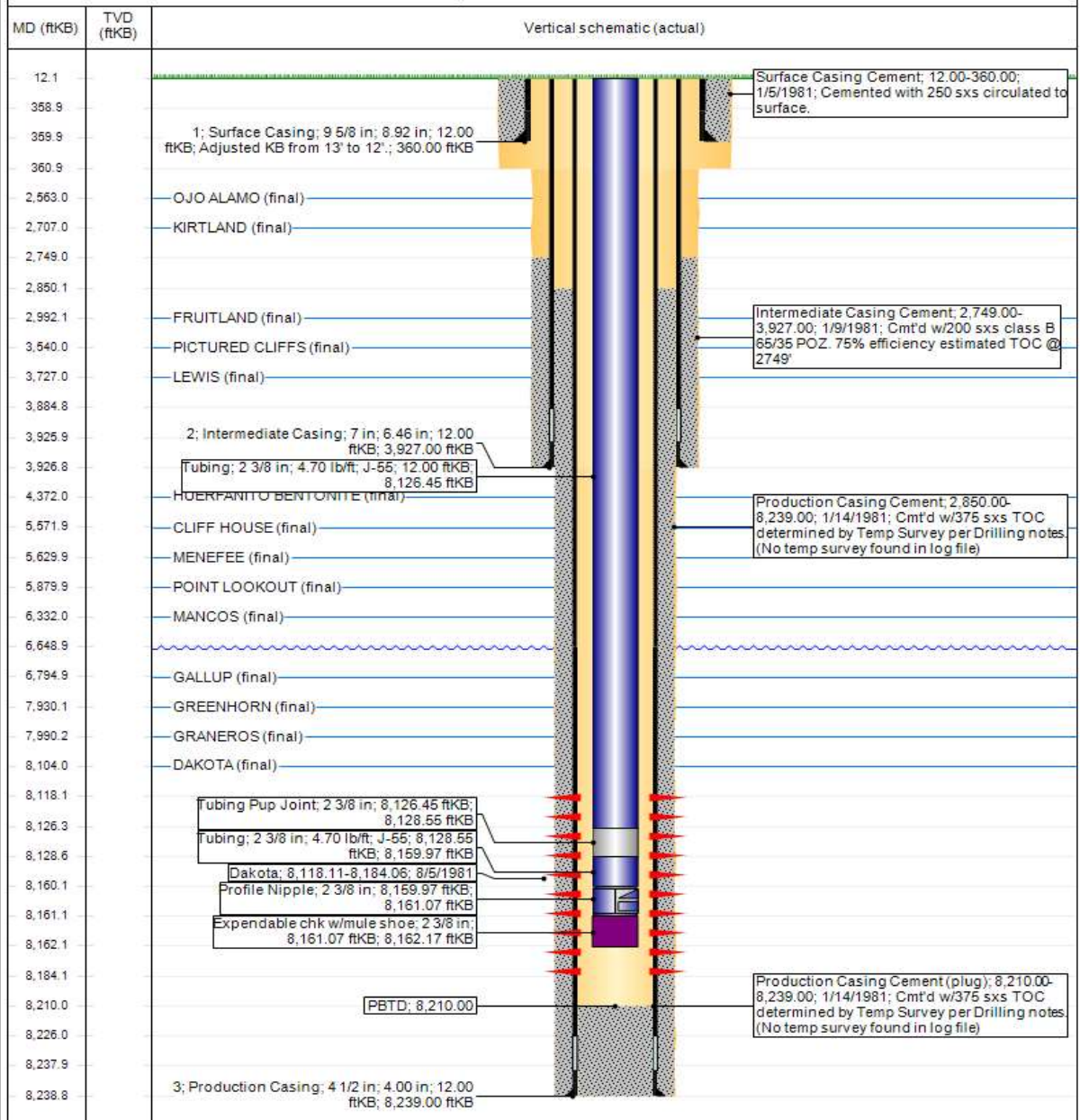


Current Schematic

Well Name: SAN JUAN 32-7 UNIT #63

API / UWI 3004524391	Surface Legal Location 028-032N-007W-G	Field Name DK	Route 0505	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,650.00	Original KB RT Elevation (ft) 6,662.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 6/26/2019 3:29:38 PM



www.peloton.com

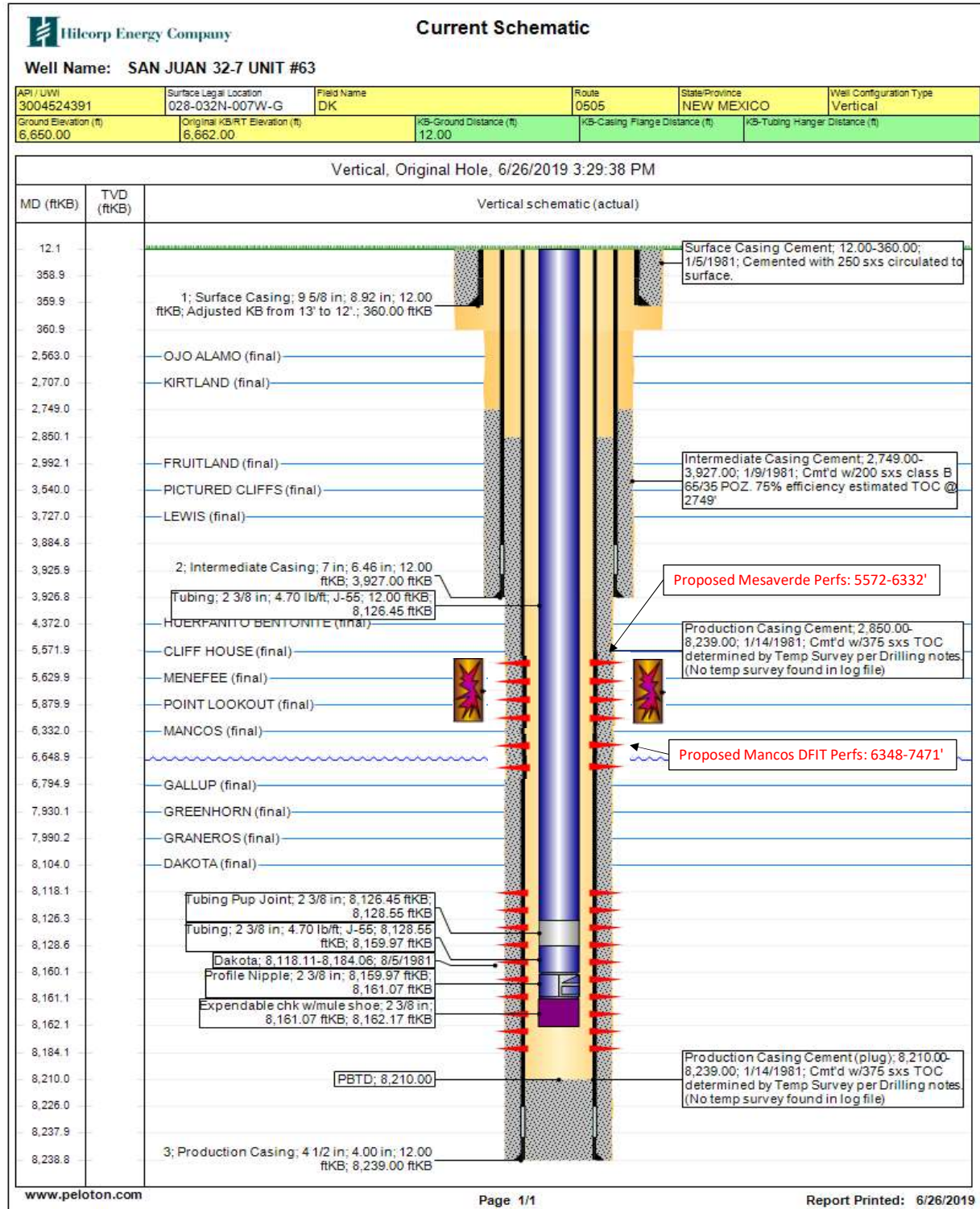
Page 1/1

Report Printed: 6/26/2019



HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 63
MESA VERDE RECOMPLETION SUNDRY

SAN JUAN 32-7 UNIT 63 - PROPOSED WELLBORE SCHEMATIC



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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24391	2. Pool Code 97232	3. Pool Name BASIN MANCOS
4. Property Code 318434	5. Property Name San Juan 32 7 Unit	6. Well No. 063
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6650

10. Surface Location

UL - Lot G	Section 28	Township 32N	Range 07W	Lot Idn	Feet From 1795	N/S Line N	Feet From 1575	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill			14. Consolidation Code			15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
	E-Signed By: Title: Operations Regulatory Tech - Sr. Date: 02/16/2022	
	SURVEYOR CERTIFICATION	
<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>		
Surveyed By: Fred Kerr Date of Survey: 4/7/1980 Certificate Number: 3950		

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

Form C-102
August 1, 2011

Permit 269130

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24391	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318434	5. Property Name SAN JUAN 32 7 UNIT	6. Well No. 063
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6650

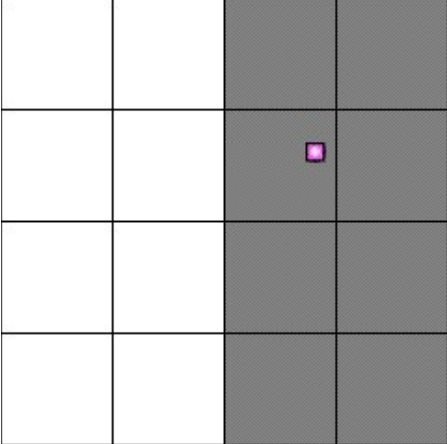
10. Surface Location

UL - Lot G	Section 28	Township 32N	Range 07W	Lot Idn	Feet From 1795	N/S Line N	Feet From 1575	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00				13. Joint or Infill	14. Consolidation Code			15. Order No.	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Priscilla Shorty Title: Operations Regulatory Technician - Sr. Date: 6/27/2019</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Fred Kerr Date of Survey: 4/7/1980 Certificate Number: 3950</p>
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State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description Effective May 25, 2021

I. Operator: Hilcorp Energy Company **OGRID:** 372171 **Date:** 2/18/2022

II. Type: ☐ Original ☒ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☒ Other.

If Other, please describe: Revised procedure

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
SJ 32-7 Unit 63	3004524391	G, 28, 32W, 7W	1795' FNL & 1575' FEL	0	500	3

IV. Central Delivery Point Name: Ignacio Gas Plant [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
SJ 32-7 Unit 63	3004524391	N/A	N/A	N/A	2022	2022

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices


1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: 
Printed Name: Amanda Walker
Title: Operations/Regulatory Tech Sr.
E-mail Address: mwalker@hilcorp.com
Date: 2/18/2022
Phone: 346.237.2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. Separation Equipment:

Hilcorp Energy Company (HEC or Operator) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our recompleting project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recompleting to optimize gas capture and send gas to sales or flare based on analytical composition. HEC operates facilities that are typically one-well facilities. Production separation equipment is upgraded prior to well being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the recompleting operations.

VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas
 - HEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
2. Subsection (B) Venting and Flaring during drilling operations
 - This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompleting
 - Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
4. Subsection (D) Venting and flaring during production operations
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
 - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
 - HEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 1-4.
5. Subsection (E) Performance standards
 - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

6. Subsection (F) Measurement or estimation of vented and flared natural gas
 - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

1. Operator has adequate storage and takeaway capacity for wells it chooses to recomplete as the flowlines at the sites are already in place and tied into a gathering system.
2. Operator will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
3. Operator combusts natural gas that would otherwise be vented or flared, when technically feasible.
4. Operator will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.

Hilcorp Energy
Interim Reclamation Plan
SJ 32-7 # 63
API: 30-045-24391
G – Sec.28-T032N-R07W
Lat: 36.953399, Long: -107.56829
Footage: 1795' FNL & 1575' FEL
San Juan County, NM

1. PRE- INTERIM RECLAMATION SITE INSPECTION

- 1.1) A pre-interim reclamation site inspection was completed by Roger Herrera with the BLM and Bobby Spearman Construction Foreman for Hilcorp Energy on February 11, 2022

2. LOCATION INTERIM RECLAMATION PROCEDURE

- 2.1) Interim reclamation work will be completed after well recompletion in the summer of 2022 or fall of 2022.
- 2.2) Tear drop v-ditch diversion will be installed to define location tear drop.
- 2.3) Outer tear drop v-ditch diversion will be installed to define location tear drop.
- 2.4) Location drainage will be reestablished on outside edge of permitted area if disturbed
- 2.5) All disturbed areas will be seeded, any disturbed areas that are compacted will be ripped before seeding.
- 2.6) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.

3. ACCESS ROAD RECLAMATION PROCEDURE:

- 3.1) No lease access road issues were identified at the time of onsite.

4. SEEDING PROCEDURE

- 4.1) A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the location.
- 4.2) Drill seeding 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.
- 4.3) Timing of the seeding will take place when the ground is not frozen or saturated.

5. WEED MANAGEMENT

- 5.1) No action is required at this time for weed management, no noxious weeds were identified during the onsite.

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 82848

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 82848
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	None	2/28/2022