

Well Name: NICKSON	Well Location: T26N / R8W / SEC 23 / SENE / 36.474487 / -107.646347	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078431	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004513319	Well Status: Gas Well Shut In	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2654248

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 01/26/2022	Time Sundry Submitted: 12:42
Date proposed operation will begin: 02/09/2022	

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 1/25/2022 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___Nickson_2_20220126124144.pdf
- Nickson_2__Reclamation_Plan_20220126124143.pdf

Well Name: NICKSON	Well Location: T26N / R8W / SEC 23 / SENE / 36.474487 / -107.646347	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078431	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004513319	Well Status: Gas Well Shut In	Operator: HILCORP ENERGY COMPANY

Conditions of Approval

Additional Reviews

2654248_NOIA_2_3004513319_KR_03222022_20220322174350.pdf
General_Requirement_PxA_20220322174308.pdf
26N08W23HKpc_Nickson_2_20220322105146.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: JAN 26, 2022 12:42 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: 03/22/2022
Signature: Kenneth Rennick

Plug and Abandonment - NOI**Nickson 2****API # - 3004513319****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.

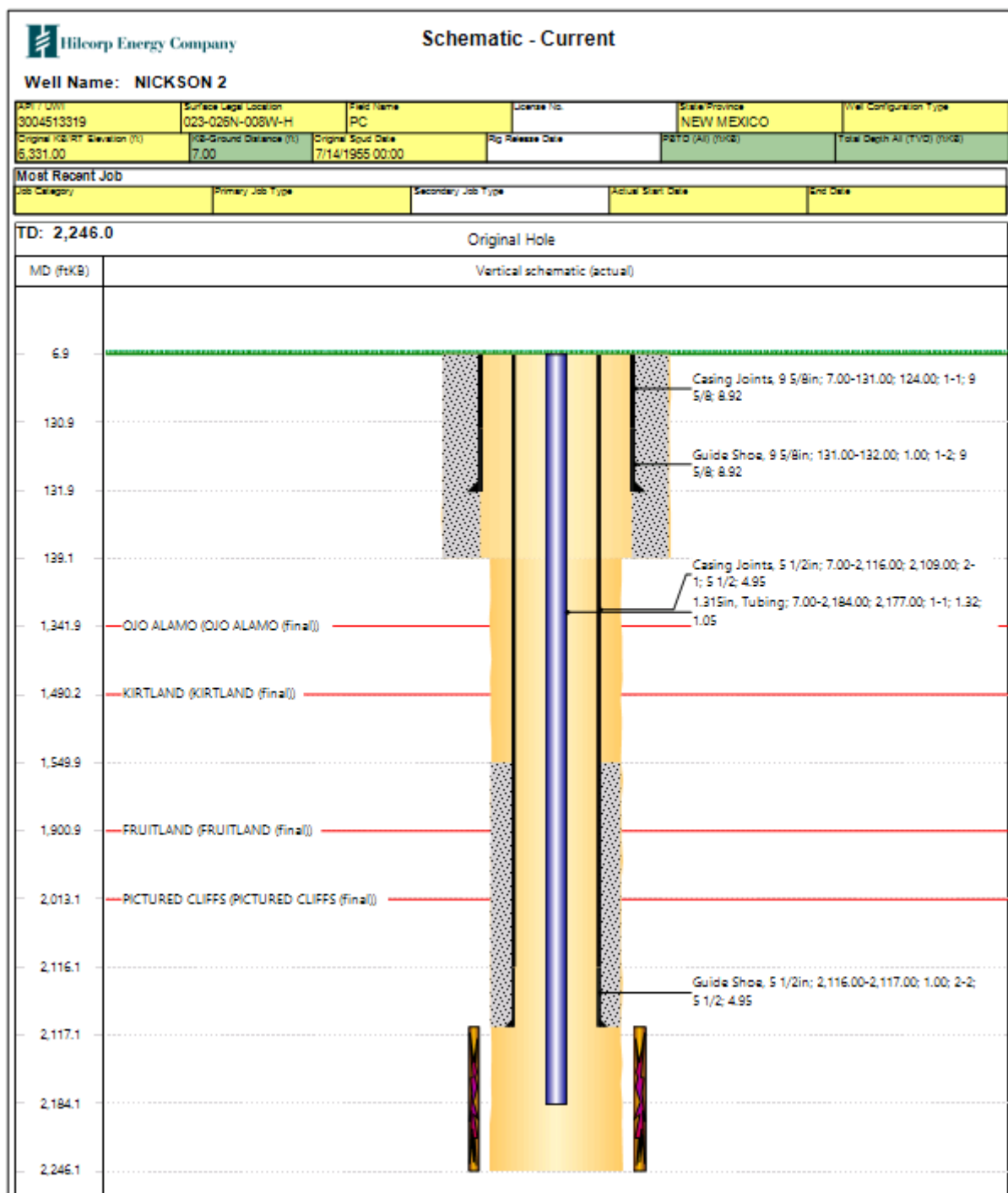
Observe and record pressures across all string daily, prior to beginning operations.

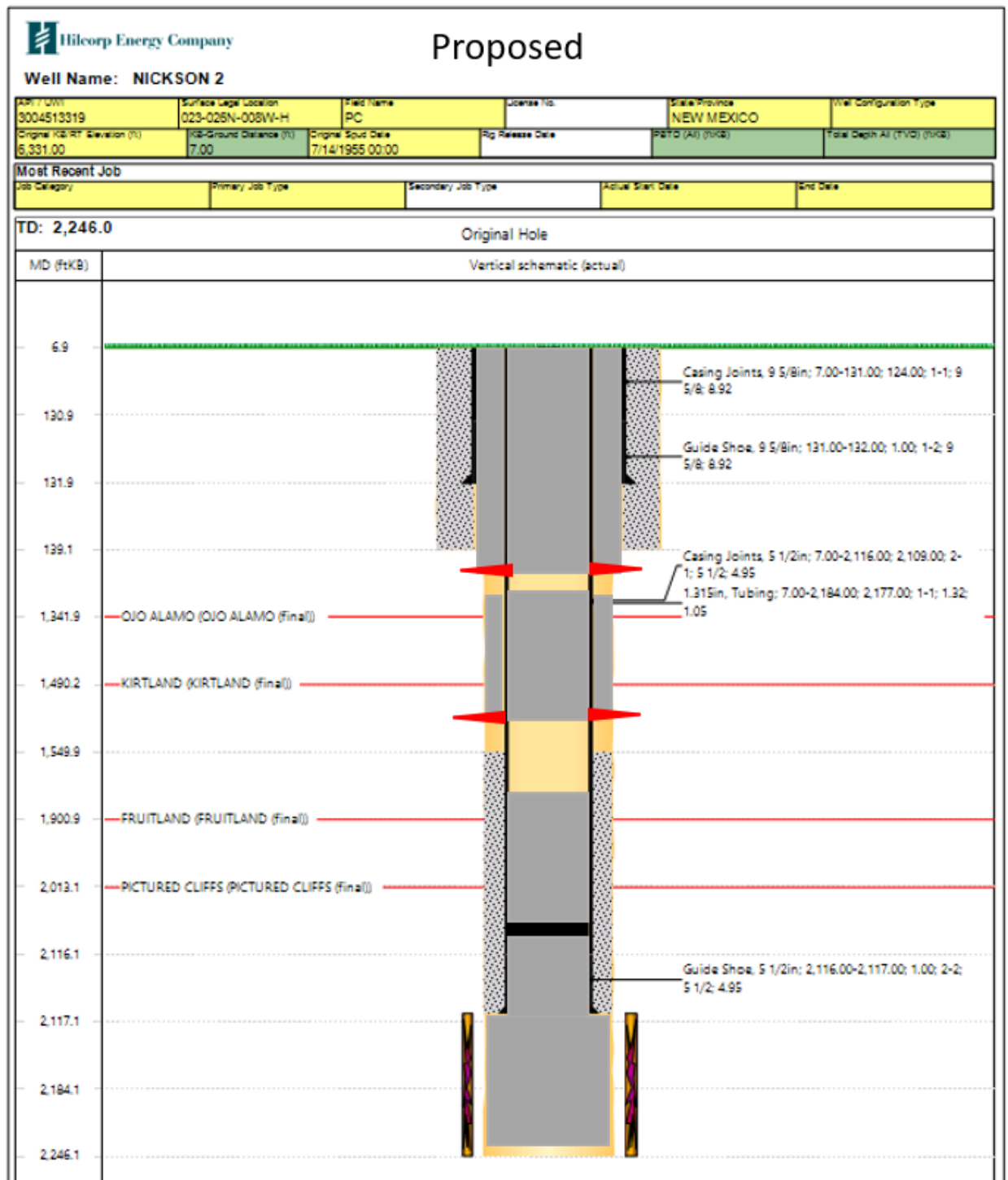
Remember to notify NMOCD 24 hours prior to starting operations on location.

NOTE: This procedure is contingent upon P&A sundry approval by NMOCD. All cement volumes use 100% excess outside pipe and 50' excess inside (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. NU relief line and blow down well. Kill well with water as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP, POOH with velocity string (1.315" tubing)
5. RUWL and RIH with 5.5" CICR, set retainer at 2070'
6. **Plug #1, PBTD' – 1850' (Fruitland Top:1901') (PC Top: 2013')**
7. Sting into retainer with work string, pump 22 bbl of cement below retainer (casing volume from retainer to bottom of OH, 100% excess)
8. Sting out of retainer and circulate 220' on top of retainer to make TOC 1850'.
9. Roll hole to prep for CBL
10. Run CBL from 1849' to surface on 5.5" casing
11. Verify final plug COA's with BLM/NMOCD.
12. **Plug #2, 1540'-1292' (Kirtland Top: 1490' Ojo Alamo Top:1342')**
13. Perforate at 1540' (assuming CBL shows TOC below this point)
14. POOH and RDMO WL

15. RIH with CICR and set at 1490'
16. Squeeze 33 bbl (behind pipe from 1540' to 1292 plus 5.5" ID below retainer to 1540' plus 100% excess)
17. Cap retainer with 4.75 bbl cement to make TOC 1292'
18. Circulate plug mud to 190'
19. **Plug #3, 182' - Surface (Surface Shoe: 132')** Perforate at 182' and establish circulation to bradenhead on 9-5/8" x 5.5" annulus with fresh water. Circulate cement (13.5 bbl. volume) to surface. If unable to establish circulation, fill 5.5" ID to surface (4.33 bbl.)
20. ND BOP and cut off wellhead below surface casing flange per regulation. Top off w/cement if needed. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location.





Hilcorp Energy
P&A Final Reclamation Plan
Nickson 2
API: 30-045-13319
T26N-R08W-Sec. 23-Unit H
LAT: 36.474491 LONG: -107.64634 NAD 27
Footage: 1650' FNL & 990' FEL
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 January 25, 2022.

2. LOCATION RECLAMATION PROCEDURE

1. Reclamation work will begin in the spring/summer time.
2. Removal of line drip, anchors, and flowlines.
3. All trash and debris will be removed within a 50' buffer outside of the location disturbance during reclamation.
4. Location will not be recontoured.
5. Remove all gravel from wellhead and meter run.
6. Harvest will blind and barricade their riser.

3. ACCESS ROAD RECLAMATION PROCEDURE

1. The well sits in the middle of the access road.
2. No reclaim of road needed.

4. SEEDING PROCEDURE

1. A Pinion/Juniper seed mix mixed with sage will be used for all reclaimed and disturbed areas of the well pad.
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 noxious weeds were identified during this onsite.

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

AFMSS 2 Sundry ID 2654248

Attachment to notice of Intention to Abandon

Well: Nickson 2

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 at (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 3/22/2022

**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.

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 03/22/2022

Well No. Nickson #2 (API# 30-045-13319)	Location	1650	FNL	&	990	FEL
Lease No. NMSF-078431	Sec. 23	T26N			R08W	
Operator Hilcorp Energy Company	County	San Juan		State	New Mexico	
Total Depth 2247'	PBTD	Formation Pictured Cliffs				
Elevation (GL) 6324'		Elevation (KB) 6331'				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					
Nacimiento Fm			Surface	1342	Surface/freshwater sands
Ojo Alamo Ss			1342	1490	Aquifer (possible freshwater)
Kirtland Shale			1490	1911	
Fruitland Fm			1911	2113	Coal/Gas/Possible water
Pictured Cliffs Ss			2113	PBTD	Gas
Lewis Shale					
Chacra					
Cliff House Ss					
Menefee Fm					
Point Lookout Ss					
Mancos Shale					
Gallup					
Greenhorn					
Graneros Shale					
Dakota Ss					
Morrison Formation					

Remarks:

P & A

- BLM picks for the Fruitland and Pictured Cliffs formation tops vary from Operator submission. Proposed plugs are sufficient.
- The plugs proposed in the P&A procedure will adequately protect any freshwater sands in this well bore.

Reference Well:

1) **Formation Tops**
Same

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 92294

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 92294
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	CBL required	3/25/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	3/25/2022
kpickford	Adhere to BLM approved COAs and plugs. See GEO report.	3/25/2022