

|                            |  |                                       |
|----------------------------|--|---------------------------------------|
| Well Name: NV NAVAJO 27    | Well Location: T29N / R14W / SEC 27 / NENW / | County or Parish/State: SAN JUAN / NM |
| Well Number: 2             | Type of Well: OTHER                          | Allottee or Tribe Name: SHIPROCK      |
| Lease Number: 14206032168A | Unit or CA Name:                             | Unit or CA Number:                    |
| US Well Number: 3004531040 | Well Status: Gas Well Shut In                | Operator: HILCORP ENERGY COMPANY      |

Notice of Intent

Sundry ID: 2672293

|  |                                      |
|--|--------------------------------------|
| Type of Submission: Notice of Intent           | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 05/18/2022              | Time Sundry Submitted: 11:33         |
| Date proposed operation will begin: 06/08/2022 |                                      |

**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 4/13/22 with Emmanuel Adeloye/BLM, Bertha Spencer/BIA, Larson Nez/Navajo Nation. 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

- PA\_reclamation\_\_NV\_Navajo\_27\_2\_\_04\_13\_22\_Optimized\_20220518113158.pdf
- NV\_Navajo\_27\_2\_PA\_Procedure\_for\_NOI\_20220518113157.pdf

Received by OCD: 6/3/2022 5:58:31 AM

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|                            |  |                                       |
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| US Well Number: 3004531040 | Well Status: Gas Well Shut In                | Operator: HILCORP ENERGY COMPANY      |

Conditions of Approval

Additional

General\_Requirement\_PxA\_20220602151240.pdf  
2672293\_NOIA\_27\_2\_3004531040\_KR\_06022022\_20220602151225.pdf  
29N14W27CKpc\_NV\_Navajo\_27\_2\_20220602121016.pdf

Operator

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

|  |                                  |
|--|----------------------------------|
| Operator Electronic Signature: KANDIS ROLAND | Signed on: MAY 18, 2022 11:33 AM |
| 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 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: 06/02/2022            |
| Signature: Kenneth Rennick      |   |



## P&A Procedure

| General Information |                          |               |           |
|---------------------|--------------------------|---------------|-----------|
| <b>Well Name</b>    | NV Navajo 27 2           | <b>Date:</b>  | 5/18/2022 |
| <b>API:</b>         | 30-045-31040             | <b>AFE #</b>  |           |
| <b>Field:</b>       | San Juan                 | <b>County</b> | San Juan  |
| <b>Status:</b>      | Well is ACOI             |               |           |
| <b>Subject:</b>     | Permanently P&A wellbore |               |           |
| <b>By:</b>          | M. Wissing               |               |           |

### Well Data

Surface Casing: 7" 20# K-55 8rd at 123'

Production Casing: 4-1/2" 10.5# 8rd at 1,323'

Production tubing: 2-3/8" 4.7# J-55 with 2-3/4" ESP at 1,196' (in 2013)

Rod string: 7/8" rods

Current Perforations: 894-1,131'

Current PBTD: 1,278' (cement plug)

KB: 5'

SICP = 131 psig/ BH: 0 psi (no historic BH pressures in last 3 tests)

Hold PJSM prior to begin 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, Navajo Nation, and HEC safety and environmental regulations. Verify there is no H<sub>2</sub>S present prior to beginning operations. If any H<sub>2</sub>S is present, take the necessary actions to ensure that the location is safe prior to beginning operations. Observe and record pressures across all strings daily, prior to beginning operations. All cement plugs include 50' excess cement in length and volume.

Remember to notify NMOCD, Navajo Nation, and BLM 24 hours prior to starting operations on location. This procedure is contingent upon P&A sundry approval by the NMOCD, Navajo Nation, & BLM.

**P&A Rig Procedure- Navajo 27 2**

1. MIRU P&A rig and equipment.
  - a. *Record daily pressures on all strings.*
  - b. *Document all agency onsite witnesses and any approved procedure changes with all agencies.*
2. Release ESP rotor and TOOH with rods.
3. ND whd. NU 5k BOP & test. Release ESP and TOH & LD 2-3/8" production tbg & pump.
4. RIH with tbg to 1,171'.
5. **Plug #1 (PC formation top at 1,121', top PC perf at 1,121')**: RU cementers and pump a 150' balanced cmt plug + 100% excess inside the 4-1/2" csg from 1,021' – 1,171', using 5 bbls (24 sx) of 15.8+ ppg Class G cmt.
6. WOC, RIH and tag TOC. TOC needs to be above 1,121'. Review tag depth with NMOCD and BLM if below 1,121'.
7. MU work string and RIH with 4.5" casing scraper or 4.5" gauge ring to +/- 860'.
8. MU 4.5" CICR and RIH. Set CICR at 844'. Roll wellbore if set with pipe.
  - a. **Top FRC perf at 894'.**
9. Pressure test the casing to 500 psi to verify wellbore integrity and plug set.
10. RIH with tbg.
11. **Plug #2 (FRC top at 894'; FRC top perf at 894')**: RU cementers and pump a 150' balanced cmt plug inside the 4-1/2" csg from 694' – 844', using 2.5 bbls (12 sx) of 15.8+ ppg Class G cmt.
12. TOOH with tbg to 173'.
13. **Plug #3 (Surface csg at 123')**: RU cementers and pump a 173' balanced cmt plug inside the 4-1/2" csg from 0' – 173', using 2.9 bbls (14 sx) of 15.8+ ppg Class G cmt.
14. Verify all pressures on all strings are at 0 psi.
15. ND BOP. Cutoff wellhead at surface and weld on labeled P&A marker. Top off entire wellbore with cmt as needed.
16. RDMO P&A rig.

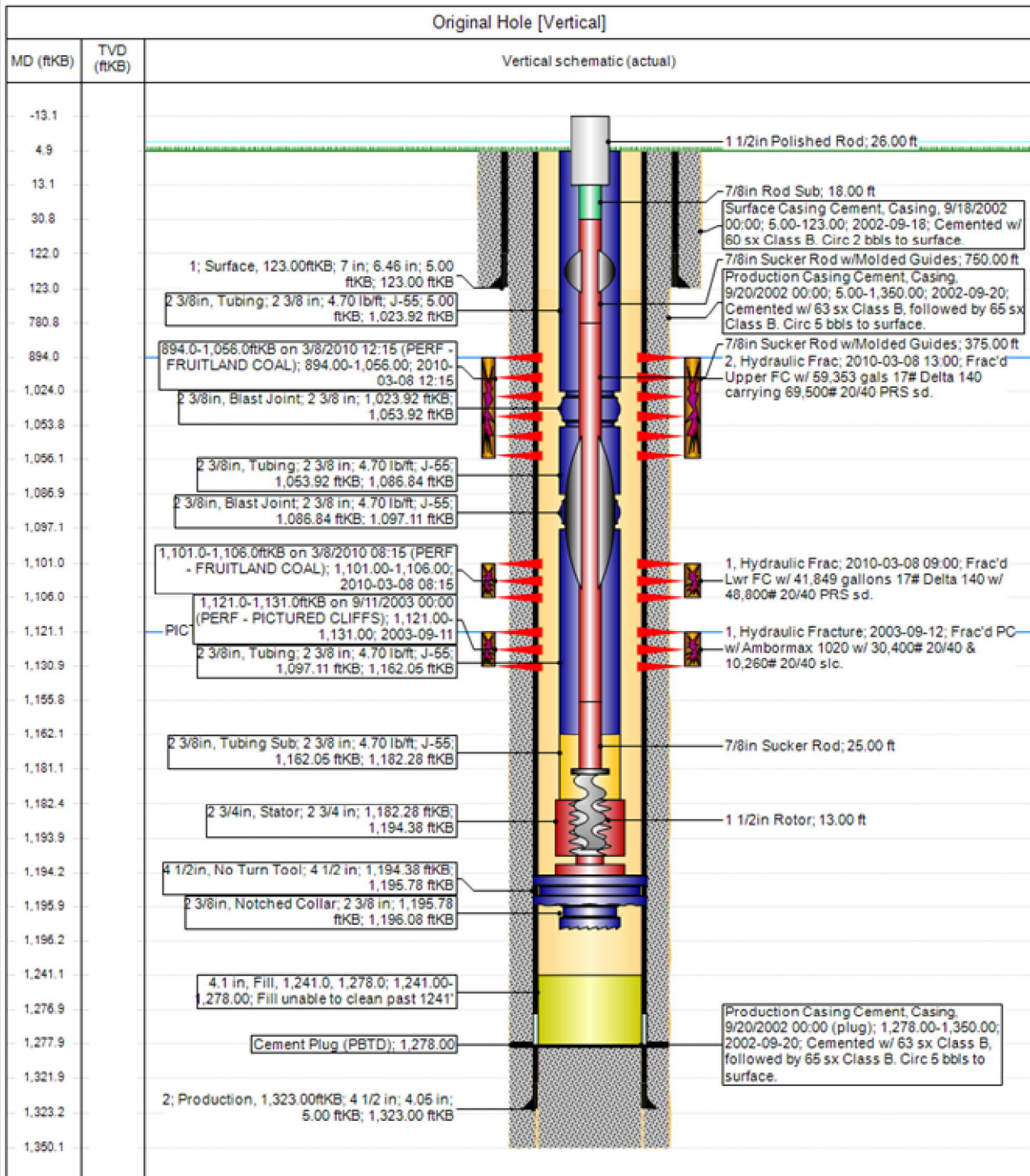


Hilcorp Energy Company

## Current Schematic - Completion Comments

Well Name: NV NAVAJO 27 #2

|                                   |   |                                      |                                |                                |                                     |
|-----------------------------------|---|--------------------------------------|--------------------------------|--------------------------------|-------------------------------------|
| API / UWI<br>3004531040           | Surface Legal Location<br>T29N-R14W-S27   | Field Name<br>Kutz W Pictured Cliffs | Route<br>0207                  | State/Province<br>New Mexico   | Well Configuration Type<br>Vertical |
| Ground Elevation (ft)<br>5,670.00 | Original KB/RT Elevation (ft)<br>5,675.00 | KB-Ground Distance (ft)<br>5.00      | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft) |                                     |



www.peloton.com

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Report Printed: 5/18/2022




Hilcorp Energy Company

3



## PROPOSED P&A WELLBORE SCHEMATIC



# Hilcorp Energy Company

## Wellbore Schematic - PROPOSED

Cut Whd and weld P&A Marker

SPUD: 9/18/2002

173' Cmt plug from 0' - 173'  
2.9 bbls (14 sx) Class G,1.15 yl, 15.8# cmt

8-3/4" hole  
7" 20# K-55 8rd Csg @ 123'  
Cmt'd w 60 sx; 2 bbls cmt to surface

Fruitland Coal Formation Top (894')

150' Cmt plug from 694' - 844'  
2.5 bbls (12 sx) Class G,1.15 yl, 15.8# cmt  
4-1/2" CICR set at 844'

Pictured Cliffs Formation Top (1121')

150' Cmt plug from 1,021' - 1,171'  
5 bbls (24 sx) Class G,1.15 yl, 15.8# cmt

Fruitland Perfs: 894'-1106'

Pictured Cliffs Perfs: 1121'-1131'

Fill at 1,241' (8/13)

PBTD: 1,278'

6-1/4" hole  
4-1/2" 10.5# 8rd Csg @ 1,323'  
Cmt'd w 63 sx + 65 sx  
Circ 5 bbls cmt to surf

|                        |                  |               |                    |
|------------------------|------------------|---------------|--------------------|
| WELL NAME/NUMBER       | DESCRIPTION      |               | Ground Elevation:  |
| Navajo 27 2            | Proposed P&A WBD |               | RKB-THF: 5'        |
| FIELD/LEASE/AREA       | PREPARED BY      | APPROVED/DATE | CFH:               |
| San Juan Basin- Area 2 | M. Wissing       | 5/18/2022     | API # 30-045-31040 |

Hilcorp Energy  
P&A Final Reclamation Plan  
**NV Navajo 27 #2**  
API: 30-045-31040  
C – Sec.27-T029N-R014W  
Lat: 36.703072, Long: -108.298861  
Footage: 695' FNL & 1885' FWL  
San Juan County, NM

**1. PRE-RECLAMATION SITE INSPECTION**

- 1.1) A pre-reclamation site inspection was completed by Emmanuel Adeloye with the BLM, Bertha Spencer with BIA, Larson Nez with the Navajo Nation, and Chad Perkins construction Foreman for Hilcorp Energy on Wednesday April 13, 2022.

**2. LOCATION RECLAMATION PROCEDURE**

- 2.1) Final reclamation work will be completed after the well is Plugged.
- 2.2) All production equipment, rig anchors, and flowlines will be removed.
- 2.3) The produced water pipeline piping approximately ~264' from the well pad to the mainline will be abandoned in place and capped ~4' below grade on both ends. The mainline pipeline will be blind flanged or capped off from the abandoned pipeline.
- 2.4) The gas pipeline piping approximately ~264' from the well pad to the mainline will be abandoned in place and capped ~4' below grade on both ends. The mainline pipeline will be blind flanged or capped off from the abandoned pipeline.
- 2.5) All nonnative aggregate will be scraped up and hauled off prior to re-contouring.
- 2.6) Disk entire well pad before seeding, no re-contouring required.
- 2.7) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.

**3. ACCESS ROAD RECLAMATION PROCEDURE:**

- 3.1) There is no lease access road to close for this well pad, the access is off a NAPI access road.

**4. SEEDING PROCEDURE**

- 4.1) A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the location and lease road.
- 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.







# Navajo 27 #2

Reclamation Map

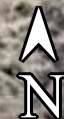
## Legend

 36.709763, -108.307908

Disk entire well pad before seeding,  
no re-contouring required.


 36.703072, -108.298861

There is no lease access road to close for this  
well pad, the access is off a NAPI access road.







## Hilcorp ArcGIS Web Map

Date: 4/26/2022  
 Scale: 1:1,128  
 0 0.01 0.02 0.02 0.03 mi  


## Wells



## Hilcorp Wells Surface Location

-  Gas Well
-  SWD

## Pipelines

-  Hilcorp Operated Pipeline

## Hilcorp Boundaries

-  Asset Teams
-  Supervisor Areas, outline

## Roads and Highways


## SJB Roads

-  Road

Water and Gas pipelines will be blind flanged or capped off from pipeline mainline.

Water and Gas pipelines will be abandoned in place.

Water and Gas pipelines will be capped at edge of well pad @ ~4'.

NV NAVAJO  
272 

SJN-497

SJN-038

**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 H<sub>2</sub>S.

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)

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

AFMSS 2 Sundry ID 2672293

Attachment to notice of Intention to Abandon

Well: NV Navajo 27 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 06/02/2022



# BLM FLUID MINERALS P&A Geologic Report

**Date Completed:** 06/02/2022

|  |            |  |     |       |            |     |
|--|------------|--|-----|-------|------------|-----|
| Well No. NV Navajo 27 #2 (API# 30-045-31040) | Location   | 695                                      | FNL | &     | 1885       | FWL |
| Lease No. 14206032168A                       | Sec. 27    | T29N                                     |     |       | R14W       |     |
| Operator Hilcorp Energy Company              | County     | San Juan                                 |     | State | New Mexico |     |
| Total Depth 1350'                            | PBTD 1278' | Formation Pictured Cliffs/Fruitland Coal |     |       |            |     |
| Elevation (GL) 5670'                         |            | Elevation (KB) 5675'                     |     |       |            |     |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks                              |
|---------------------|----------|-------------|---------|------------|--------------------------------------|
| San Jose Fm         |          |             |         |            |                                      |
| Nacimiento Fm       |          |             |         |            |                                      |
| Ojo Alamo Ss        |          |             |         |            |                                      |
| Kirtland Shale      |          |             | Surface | 894        | Surface/potential water/possible gas |
| Fruitland Fm        |          |             | 894     | 1121       | Coal/Gas/Water                       |
| Pictured Cliffs Ss  |          |             | 1121    | 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

- The plugs proposed in the P&A procedure will adequately protect any freshwater sands in this well bore.
- Fruitland perms 894' – 1106'.
- Pictured Cliffs perms 1121' – 1131'.

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 113301

CONDITIONS

|  |   |
|--|---|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                    |
|  | Action Number:<br>113301                            |
|  | Action Type:<br>[C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition   | Condition Date |
|------------|---|----------------|
| kpickford  | Notify NMOCD 24 Hours Prior to beginning operations   | 6/6/2022       |
| kpickford  | Adhere to BLM approved plugs and COAs. See GEO Report | 6/6/2022       |