Received by NCD: 5/2/2023 1:36:33 PM U.S. Department of the Interior BUREAU OF LAND MANAGEMENT		Sundry Print Report 02/02/2023
Well Name: GRENIER A	Well Location: T30N / R10W / SEC 35 / SWSW / 36.76433 / -107.85902	County or Parish/State: SAN JUAN / NM
Well Number: 8M	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM06738	Unit or CA Name: GRENIER	Unit or CA Number: NMNM75980, NMNM76037
US Well Number: 3004524489	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2713555

-

Type of Submission: Notice of Intent

Date Sundry Submitted: 02/01/2023

Date proposed operation will begin: 02/01/2023

Type of Action: Recompletion Time Sundry Submitted: 09:30

Procedure Description: Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal and downhole commingle with the existing Mesaverde. Please see the attached 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 1/26/2023 with Roger Herrera/BLM. The reclamation plan is attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Grenier_A_8M_RC_NOI_20230201092959.pdf

k	eceived by OCD: 2/2/2023 1:36:33 PM Well Name: GRENIER A	Well Location: T30N / R10W / SEC 35 / SWSW / 36.76433 / -107.85902	County or Parish/State: SAN JUAN / NM
	Well Number: 8M	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
	Lease Number: NMNM06738	Unit or CA Name: GRENIER	Unit or CA Number: NMNM75980, NMNM76037
	US Well Number: 3004524489	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

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: AMANDA WALKER

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Technician

Street Address: 1111 TRAVIS ST.

City: HOUSTON

State: TX

State:

Phone: (346) 237-2177

Email address: mwalker@hilcorp.com

Field

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

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK BLM POC Phone: 5055647742 Disposition: Approved Signature: Kenneth Rennick Signed on: FEB 01, 2023 09:30 AM

BLM POC Title: Petroleum Engineer BLM POC Email Address: krennick@blm.gov

Zip:

Disposition Date: 02/01/2023

•



HILCORP ENERGY COMPANY GRENIER A 8M FRUITLAND COAL RECOMPLETE SUNDRY API 3004524489

OB PROCEDURES

	JOB PROCEDURES
1.	MIRU workover rig and associated equipment; NU and test BOP.
2.	TOOH with tubing.
3.	Set a plug within 50' of the top Mesaverde perforation (4,282') for zonal isolation.
4.	Load hole with fluid. RU WL and run CBL to verify TOC. Review results with operations engineer and regulatory agencies.
5.	Perform MIT on casing with NMOCD witness (notify NMOCD 24+ hours before test) and submit results to regulatory group.
6.	If frac'ing down casing: pressure test casing to frac pressure.
7.	RU WL. Perforate the Fruitland Coal. Top perforation @ 2106', bottom perforation @ 2568'.
8.	If frac'ing down frac string: RIH w/ frac string and packer. Set packer within 50' of top perforation.
9.	ND BOP, NU frac stack. Pressure test frac stack to frac pressure. Pressure test frac string (if applicable) to frac pressure. RDMO.
10.	RU stimulation crew. Frac the Fruitland Coal in one or more stages. Set plugs in between stages, if necessary.
11.	Flowback the well.
12.	MIRU workover rig and associated equipment; NU and test BOP.
13.	If frac was performed down frac string: POOH w/ frac string and packer.
14.	TIH with mill and clean out to isolation plug.
15.	Pending C107A approval, mill out isolation plug. Cleanout to PBTD. TOOH with cleanout assembly.
16.	TIH and land production tubing. Return well to production.



HILCORP ENERGY COMPANY GRENIER A 8M FRUITLAND COAL RECOMPLETE SUNDRY

API/UWI 3004524489	Surface Legal Location 035-030N-010W-M	Field Name BSN DK(PRO GAS)	#0068	Route 0306	State/Provinc NEW ME	xico	Well Configuration Type Vertical
Sround Elevation (ft) 6,089.00	Original KB/RT Elevation (f) 6,099.00		und Distance (ft))	KB-Casing Flan			anger Distance (ft)
		Origin		ticall			
		Ongin	al Hole [Ver	ucaij			
(ftKB) (ftKB)			Vertical sche	matic (actual)			
9.8	-				Surface 0 00:00; 10	asing Cem .00-238.00;	ent, Casing, 9/26/1980 1980-09-26; CEMENT \
227.0					窗 ~135 SXS	CLASS 'B' V	N/ 1/4# GEL-FLAKE/SX INT CIRCULATED 5
228.0					BBLS TO	SURFACE	(B; 10 3/4 in; 10.19 in;
237.9			90909	0009	10.00 ftK	3; 228.00 ftł	KB
1,158.1	OJO ALAMO (OJO ALAN				10/4/1980	00:00:1.40	(Cement, Casing, 00.00-2,690.00; 1980-10
1,269.0	KIRTLAND (KIRTLAND (imai))			04; TOC	1400' RAN	BY TEMP SURVEY ON 2ND STAGE W/ 335 SX
2.105.0		D (final))			CLASS 'E	50/50 PO2	Z W/ 6% GEL SXS CLASS 'B' W/ 2%
2,106.0	PICTURED CLIFFS (PIC				CACL2TO	DC 1400' R/	AN BY TEMP SURVEY
2,590.0	STORED GENTS (FIG				SXS CLA	SS 'B' 50/50	ENT 2ND STAGE W/ 33 POZ W/ 6% GEL
2,692.9					FOLLOW CACL2TO	ED BY 70 S	SXS CLASS 'B' W/ 2% AN BY TEMP SURVEY
3,799.9	2 3/8in, Tubing; 2 3/8 in;	4.70 lb/ft; J-55; 10.00 ftKB; 7,090.70 ftKB	2000		ON 10/4/	1980. CEME	ENT 2ND STAGE W/ 33 POZ W/ 6% GEL
4,117.1	CLIFFHOUSE (CLIFFHO						SXS CLASS 'B' W/ 2%
4,282.2						iate Casino	Cement, Casing,
4,421.9	4,422.0ftKB, 10/8/1980,	5-1/2" PROD LINER TOP @ 4422'			10/4/1980	00:00:3.8	00.00-4,565.00; 1980-10 BY CBL ON 1/17/1981.
4,430.1				88 88	CEMENT	1ST STAG	E W/ 62 SXS CLASS 'B' EL FOLLOWED BY 50
4,480.0					SXS CLA	SS 'B' NEAT	F. DV TOOL 2690'
4,481.0					4,282.0-4	,629.0ftKB	on 1/27/1981 00:00 ISE MASSIVE); 4,282.00
4,564.0				SS 88	4,629.00;	1981-01-27	7
4,565.0				NO 1000	2; Interm in; 10.00	ediate1, 4,5 ftKB; 4,565.	65.00ftKB; 7 5/8 in; 6.97 .00 ftKB
4,628.9					Cement 9	Squeeze, So 4 900 001 1	queeze, 10/9/1980 00:00 980-10-09: SQUEEZE
4,730.0			M 🖄 📗			OP W/ 100	SXS CLASS 'B' NEAT
4,882.9	POINT LOOKOUT (POIN	II LOOKOUI (†			4,730.0-4	,947.0ftKB	on 1/27/1981 00:00
4,899.9					4.947.00:	1981-01-27	0KOUT); 4,730.00- 7
6,168.0	GALLUP (GALLUP (final)	n			Producti	on Casing (Cement, Casing, 10/8/19 2.00; 1980-10-08; TOC
6,818.9					\ 4900' RA	N BY CBL 1	/17/1981. CEMENT W/
6,888.1					6% GEL	& 0.6% HAL	W/ 1/4# GEL-FLAKE/SX .AD-9. CIRCULATED 5
6,934.1	DAKOTA (DAKOTA (final				BBLS CM	II OUT	
6,940.9					6,941.0-7	,166.0ftKB	on 1/27/1981 00:00
7,090.6	2 3/8in, Seating Nipple; 2	3/8 in; 7,090.70 ftKB; 7,091.80 ftKB			(PERF - 1 01-27	DAKOTA); 6	5,941.00-7,166.00; 1981-
7,091.9	2 3/8in, Tubing; 2 3	/8 in; 4.70 lb/ft; J-55; 0 ftKB; 7,123.10 ftKB		I N	<u> </u>		
7,123.0	2 3/8in, Expendable Che	ck: 2 3/8 in: 7.123.10		┛╋╢┈			
7,124.0		ftKB; 7,123.90 ftKB					
7,127.6	-				Production (p)	on Casing (Cement, Casing, 10/8/19 95-7,192.00; 1980-10-08
7,128.6	-				TOC 490	O'RAN BY	CBL 1/17/1981. CEMEN OZ W/ 1/4# GEL-
7,166.0					/ FLAKE/S	X, 6% GEL	& 0.6% HALAD-9.
7,169.0	_				CIRCULA 3: Produc	TED 5 BBL stion 1, 7 17	S CMT OUT 0.00ftKB; 5 1/2 in; 4.95 i
7,169.9	l	p> (PBTD); 7,170.00	1.00		4,422.00	ftKB; 7,170.	00 ftKB
7,191.9			191201291291291291291				
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HILCORP ENERGY COMPANY GRENIER A 8M FRUITLAND COAL RECOMPLETE SUNDRY

Well Name:	GRENIER A #8M			12-14			Well Configuration Type
3004524489 Ground Elevation (ft)	035-030N-010W-M Original KB/RT Elevation (ft)	BSN DK(PRO GAS)	#0068 and Distance (ft)	0306 KB-Casing Flange	NEW MEX	(ICO KB-Tubing Hang	Vertical
6,089.00	6,099.00	10.00	and Directions (ii)	no-outing hange	Contraction (in)	no-roong nang	a one and (n)
		Origin	al Hole [Vei	rtical]			
MD TVD (ftKB) (ftKB)			Vertical sche	ematic (actual)			
9.8					Surface Ca	asing Cemer	nt, Casing, 9/26/1980
227.0					135 SXS C	LASS 'B' W/	980-09-26; CEMENT 1/4# GEL-FLAKE/SX
228.0		100000			& 3% CAC BBLS TO		T CIRCULATED 5
237.9	Fruit	land Coal			\ 1; Surface	228.00ftKB;	10 3/4 in; 10.19 in;
1,158.1	OJO ALAMO (OJO					228.00 ftKB	ement, Casing,
1,269.0	KIRTLAND (KIRTLAND (fir	nali)			10/4/1980	00:00: 1.400	.00-2.690.00: 1980-10
1,259.0	KINT DAND (KIRT LAND (TI	iai)/			04; TOC 1 10/4/1980	400' RAN BY CEMENT 21	TEMP SURVEY ON ND STAGE W/ 335 S
		(f 1))			CLASS 'B'	50/50 POZ \	N/ 6% GEL
2,106.0	FRUITLAND (FRUITLAND			2000	FOLLOWE	LU BY 70 SX C 1400' RAN	S CLASS 'B' W/ 2% BY TEMP SURVEY
2,568.9	PICTURED CLIFFS (PICT	URED CLIFF			JON 10/4/1	980. CEMEN	IT 2ND STAGE W/ 33
2,690.0					SXS CLAS	IS 'B' 50/50 F ED BY 70 SX	OZ W/ 6% GEL S CLASS 'B' W/ 2%
2,692.9	2 3/8in, Tubing; 2 3/8 in; 4.	70 lb/ft: .l. 55: 10 00			CACL2TO	C 1400' RAN	BY TEMP SURVEY
3,799.9	2 5/011, 1 ubing, 2 5/0111, 4.	ftKB; 7,090.70 ftKB		848	ON 10/4/1 SXS CLAS	980. CEMEN S 'B' 50/50 F	IT 2ND STAGE W/ 33 OZ W/ 6% GEL
4,117.1	CLIFFHOUSE (CLIFFHOU						S CLASS 'B' W/ 2%
4,282.2						ate Casing C	ement, Casing,
4,421.9	4,422.0ftKB, 10/8/1980, 5	-1/2" PROD LINER			10/4/1980	00:00: 3,800	.00-4.565.00; 1980-10
4,430.1		TOP @ 4422'			LO4; TOC 3	800' RAN BY 1ST STAGE	CBL ON 1/17/1981. W/ 62 SXS CLASS 'B
4,480.0					h 50/50 POZ	W/ 6% GEL	FOLLOWED BY 50
4,481.0				SSH SS	XS CLAS	S 'B' NEAT, I	DV TOOL 2690' 1/27/1981 00:00
4,481.0				NAL 100	4(PERF - C	LIFF HOUSE	E MASSIVE); 4,282.00
					4,629.00; 1	1981-01-27	5.00ftKB; 7 5/8 in; 6.97
4,565.0					in; 10.00 ft	KB; 4,565.00) ftKB
4,628.9					Cement S	queeze, Squ	eeze, 10/9/1980 00:00 0-10-09; SQUEEZE
4,730.0				1	LINER TO	P W/ 100 S	KS CLASS 'B' NEAT
4,882.9	POINT LOOKOUT (POINT	LOOKOUT (fi					1/27/1981 00:00
4,899.9					4(PERF - P	OINT LOOK	OUT); 4,730.00-
4,945.9					4,947.00; 1	1981-01-27	ment, Casing, 10/8/19
6,168.0	GALLUP (GALLUP (final))				→ 00:00; 4,90	0.00-7,192.0	00; 1980-10-08; TOC
6,818.9	GREENHORN (GREENHO				\ 4900' RAN	BY CBL 1/1	7/1981. CEMENT W/ / 1/4# GEL-FLAKE/S/
6,888.1	GRANEROS (GRANEROS				6% GEL &	0.6% HALA	D-9. CIRCULATED 5
6,934.1	DAKOTA (DAKOTA (final))				BBLS CMT	OUT	
6.940.9					6 044 0 7	166.08//8	1/07/1081 00:00
7.090.6	2 3/8in, Seating Nipple; 2 3	/8 in; 7,090.70 ftKB;			(PERF - D	AKOTA); 6,9	1/27/1981 00:00 41.00-7,166.00; 1981
		7,091.80 ftKB			01-27		
7,091.9	7,091.80	ftKB; 7,123.10 ftKB					
7,123.0	2 3/8in, Expendable Chec	k; 2 3/8 in; 7,123.10 ftKB; 7,123.90 ftKB		┍ 🕇 🕇			
7,124.0		1150, 7, 120,00 IIID					
7,127.6			1	18	Productio 00:00 (plu	n Casing Ce	ment, Casing, 10/8/1 7,192.00; 1980-10-08
7,128.6					TOC 4900	' RAN BY CE	3L 1/17/1981. CEMEN
7,166.0					FLAKE/SX	5 50/50 PO2 6% GEL &	Z W/ 1/4# GEL- 0.6% HALAD-9.
7,169.0					-/ CIRCULAT	ED 5 BBLS	CMT OUT
7,169.9	<typ< td=""><td>> (PBTD); 7,170.00</td><td></td><td>anno an</td><td>3; Product 4,422.00 #</td><td>ion1, 7,170. KB: 7,170.00</td><td>00ftKB; 5 1/2 in; 4.95) ftKB</td></typ<>	> (PBTD); 7,170.00		anno an	3; Product 4,422.00 #	ion1, 7,170. KB: 7,170.00	00ftKB; 5 1/2 in; 4.95) ftKB
7,191.9					., .22.00 h		
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Received by OCD: 2/2/2023 1:36:33 PM

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-045-24489	71629	BASIN FRUITLAND COAL (GAS)
4. Property Code	5. Property Name	6. Well No.
318536	GRENIER A	008M
7. OGRID No.	8. Operator Name	9. Elevation
372171	HILCORP ENERGY COMPANY	6089
	10. Surface Lo	ation
UL - Lot Section M 35	Township Range Lot Idn Feet From 30N 10W 13	m N/S Line Feet From E/W Line County SAN JUAN

11. Bottom Hole Location If Different From Surface UL - Lot Section Township E/W Line County Range Lot Idn Feet From N/S Line Feet From 12. Dedicated Acres 13. Joint or Infill 14. Consolidation Code 15. Order No. 317.18

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

knowledge and belief, mineral interest in the this well at this locatio	OPERATOR CERTIFICATION e information contained herein is true and complete to the best of my and that this organization either owns a working interest or unleased land including the proposed bottom hole location(s) or has a right to drill n pursuant to a contract with an owner of such a mineral or working
interest, or to a volunt by the division.	ary pooling agreement or a compulsory pooling order heretofore entered
E-Signed By:	ther
Title: Operations Rec	julatory Tech Sr.
Date: 1/19/2023	
	SURVEYOR CERTIFICATION e well location shown on this plat was plotted from field notes of actual or under my supervision, and that the same is true and correct to the best
Surveyed By:	Fred B Kerr Jr
Date of Survey:	3/29/1980
Certificate Number:	3950

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:** 1/27/2023

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

If Other, please describe:

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
Grenier A 8M	30-045-24489	M-35-30N-10W Lot: 13	1100 FSL 1030 FWL	0.25	150	1

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
Grenier A 8M	30-045-24489					<u>2023</u>

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 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

 \boxtimes Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. \Box Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system \Box will \Box will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator \Box does \Box does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

 \Box Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: \Box Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

<u>Section 3 - Certifications</u> <u>Effective May 25, 2021</u>

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

 \square 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

 \Box 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. \Box 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. \Box 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: Operation Regulatory Tech Sr.
E-mail Address: <u>mwalker@hilcorp.com</u>
Date: 1/27/2023
Phone: 346-237-2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Approved By: Title:
Title:
Title: Approval Date:
Title: Approval Date:
Title: Approval Date:

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 recomplete project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomplete 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 recomplete 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 recompletion
 - 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 **Grenier A #8M** API: 30-045-24489 M – Sec.35-T030N-R010W Lat: 36.76433, Long: -107.85902 Footage: 1100' FSL & 1030' FWL 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 Chad Perkins construction Foreman for Hilcorp Energy on January 26, 2023.
- 1.2) Location surface will be brush hogged or mulched and bladed as required within original disturbance to acquire additional working surface for well recompletion activities.

2. LOCATION INTERIM RECLAMATION PROCEDURE

- 2.1) Interim reclamation work will only be completed after well recompletion.
- 2.2) The interim reclamation work will be completed during spring or fall months.
- 2.3) Location tear drop will be re-defined as applicable for the interim reclamation.
- 2.4) All diversion ditches and silt traps will be cleaned and re-established as applicable for the interim reclamation.
- 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.
- 3.2) Lease access road will be maintained as applicable before, during, and after, recompletion activities.

4. SEEDING PROCDURE

- 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

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	182116
	Action Type:
	[C-103] NOI Recompletion (C-103E)

CONDITIONS

CONDITIONS	CONDITIONS		
Created By	Condition	Condition Date	
kpickford	DHC required	2/7/2023	
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	2/7/2023	

CONDITIONS

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Action 182116