Received by VICD: 5/6/2023 6:27:22 AM U.S. Department of the Interior BUREAU OF LAND MANAGEMENT		Sundry Print Report
Well Name: RIDDLE A	Well Location: T30N / R9W / SEC 24 / NWNW / 36.80113 / -107.737483	County or Parish/State: SAN JUAN / NM
Well Number: 3B	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078201A	Unit or CA Name: RIDDLE	Unit or CA Number: NMNM73237
US Well Number: 3004529873	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2738910

-

Type of Submission: Notice of Intent

Date Sundry Submitted: 06/30/2023

Date proposed operation will begin: 09/01/2023

Type of Action: Recompletion Time Sundry Submitted: 08:48

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 6/21/2023 with Roger Herrera/BLM. The reclamation plan is attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Riddle_A_3B_RC_NOI_20230630084811.pdf

Notify NMOCD 24 Hours Prior to beginning operations

DHC required

The CBL proposed in the procedures shall be submitted to the Division. If the cement sheath around the casing is not adequate to protect the casing and isolate strata from the top Fruitland Coal perforation to at least 150 feet above the top Fruitland Coal perforation, then Hilcorp shall conduct operations to remediate it prior to completing or producing from the formation.

Dean R Mollure

08/17/2023

Page 1 of 2

Received by OCD: 7/6/2023 6:27:22 AM Well Name: RIDDLE A	Well Location: T30N / R9W / SEC 24 / NWNW / 36.80113 / -107.737483	County or Parish/State: SAN
Well Number: 3B	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078201A	Unit or CA Name: RIDDLE	Unit or CA Number: NMNM73237
US Well Number: 3004529873	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: MATTHEW H KADE BLM POC Phone: 5055647736 Disposition: Approved Signature: Matthew Kade BLM POC Title: Petroleum Engineer BLM POC Email Address: MKADE@BLM.GOV

Zip:

Signed on: JUN 30, 2023 08:48 AM

Disposition Date: 06/30/2023



HILCORP ENERGY COMPANY RIDDLE A 3B FRUITLAND COAL RECOMPLETION SUNDRY

Prepared by:	Scott Anderson		
Preparation Date:	June 23, 2023		

	WELL INFORMATION								
Well Name:	RIDDLE A 3B	State:	NM						
API #:	3004529873	County:	SAN JUAN						
Area:	4	Location:	1010' FNL & 915' FWL - Unit D - Section 24 - T 030N - R 009W						
Route:	0409	Latitude:	36.80103 N						
Spud Date:	8/8/1999	Longitude:	-107.73695 W						

PROJECT DESCRIPTION

Isolate the Mesaverde, perforate and stimulate the UPE Fruitland Coal in 1-2 stages via frac string. Commingle the Fruitland Coal production with the existing Mesa Verde production. Strip facilities if necessary; repair production eqmt as needed

CONTACTS									
Title	Name	Office Phone #	Cell Phone #						
Engineer	Scott Anderson		248-761-3965						
Area Foreman	Colter Faverino		326-9758						
Lead	Ramon Florez		599-3479						
Artificial Lift Tech	Jesse McDowell		386-8062						
Operator	Nicholas Weyrauch		427-0119						



HILCORP ENERGY COMPANY RIDDLE A 3B FRUITLAND COAL RECOMPLETION SUNDRY

	JOB PROCEDURES							
1	NMOCD Contact OCD 24 hrs prior to MIRU. Record and document all casing pressures daily, including BH, IC (if present) and							
~	BLM PC. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.							
1.	MIRU service rig and associated equipment; NU and test BOP per HEC, State, and Federal guidelines.							
2.	TOOH with 2-3/8" tubing							
3.	Set a 4-1/2" bridge plug at 3,258' to isolate the Mesa Verde formation.							
4.	Load wellbore with fluid. RU wireline and run a CBL from the BP at 3,258' to surface							
5.	RU pressure test truck. Perform a Mechanical Integrity Test on the wellbore above the plug at 3,258'. Chart record the MIT test (Notify BLM and NMOCD +24hr before actual test).							
6.	. RU E-line crew. Perforate the Fruitland Coal. (Top perforation @ 2,022', Bottom perforation @ 2,511'). NOTE: perforation interval subject to change based on the results of the CBL run above							
7.	RIH with frac string and packer, land packer ~50' above the top perf.							
8.	N/D BOP, N/U 10K frac stack and test frac stack to frac pressure. PT frac string to 8000-9000 psi, PT backside to 1500 psi							
9.	RU stimulation crew. Frac the Fruitland Coal in one or two stages.							
10.	MIRU service rig. Nipple down frac stack, nipple up BOP and test. Kill well with fluid, if necessary							
11.	POOH w/ frac string and packer.							
12.	Drill out the Base of Frac plug and Mesaverde Isolation plug. Clean out to PBTD at 5,152'							
13.	TIH and land 2-3/8" production tubing.							
14.	Flowback well thru flowback separator and sand trap. Get a commingled Fruitland Coal / Mesa Verde flow rate.							



HILCORP ENERGY COMPANY RIDDLE A 3B FRUITLAND COAL RECOMPLETION SUNDRY

 	leorp Ei	nergy Company	Current S	chematic - Ve	rsion 3			
	ame:	RIDDLE A #3B						
0045298		Surface Legal Location 024-030N-009W-D	Field Name BLANCO MESAVERDE	E (PRORATED GAS		State/Province NEW MEX	KICO	Well Configuration Type Vertical
ound Eleva 797.00	ion (ft)	Original KB/RT Elevation (ft) 5,809.00	KB-Grou 12.00	ind Distance (ft)	KB-Casing Flange D	Distance (ft)	KB-Tubing Hang	er Distance (ft)
		• •						
			Origina	al Hole [Vertica	al]			
MD ftKB)	TVD (ftKB)			Vertical schemati	c (actual)			
12.1 -	12.1	7 1/16in, Tubing Hanger; 7	1/16 in; 12.14 ftKB;		1 978 ())))			
12.8 -	12.8		13.14 ftKB					29 00.00, 12.00-245.00, 1999-05-09, CMT WV 2% CACL, 0.25 FPS FLOCELE 1 TO SURFACE
13.1	13.1	2 3/8in, Tubing; 2 3/8 in; 4.1	ftKB; 45.14 ftKB			Annular flow after o Hours circulated be	towner job (YIN): N kween stages: 0.25 mening: 1000 meured from: CALCUL essure density: SCALE	
45.3	45.3	2 3/8in, Tubing Pup Joint; 2	3/8 in; 4.70 lb/ft; J-			Lices volume m	esured from: CALCULA	TION
55.1 -	55.1					Pressure init on all Returns: FULL	er job. 150	
231.3 -	- 231.3 -					Time comenting m		12.00 fb/cB; 222.15 fb/cB
232.3 -	232.3 245.1					11; CEMENT W/ 3 FLOCELE, 10 PP	GLISONTE (52 CU	11/1995 00:00, 12:00-2:00:00, 1995-05- 11/1995 00:00, 12:00-2:00:00, 1995-05- 11/1995 00:00, 12:00-00, 1995 11/1995 00:00, 12
245.1 -			(final))					OCELE, 10 PPS GILSONITE (127 SURFACE
1,252.0 - 1,449.1 -	- 1,251.9 - 1,449.0 -	-OJO ALAMO (OJO ALAMO KIRTLAND (KIRTLAND (fin					omera job (Y/N): N	
2,022.0	2,021.7	FRUITLAND (FRUITLAND				Hours chould be Pressure before ce Excess volume me	eaured from: CALCULA	TION
2,511.2	2.510.8	2 3/8in, Tubing; 2 3/8 in; 4.1				Nethod used for m Pressure influence	essure density: DENSO blong comment in this sta or job. 5	ON REM
2,588.6	2.588.3		tKB; 5,007.84 ftKB			Returns: FUU. Time comenting m	king started: 09.40	
2,663.1	2,662.7	2,663.0ftKB, 8/13/1999, 4-						
2,674.9	2,674.5		TOP @ 2663'		2			
2,722.1 -	2,721.8	LEWIS (LEWIS (final))						
2,754.3 -	2,753.9							
2,755.2 -	2,754.9							
2,797.2 -	2,796.9							
2,797.9	2,797.6				8 S			
2,798.9	2,798.5					-2, Intermediate1, 2	198.75NX8; 7 H; 6.25	H, 12.00 NKB; 2,795.75 NKB
2,809.1	2,808.7					D-02-02		ERF - LEWIS); 2,305.00-2,929.00; 2001
3,308.1	3,307.7	01140204 (01140204 (51))						4/1999 00.00, 2,652.00-5,170.00, 1999-05 L CEMENT W/ 300 SXS CLASS H ELE, 5 PPS GILSONITE, 0.4% HALAD-
3,517.1	3,516.7	-CHACRA (CHACRA (final))					2% CFR-3 (295 CUFT) ament job (Y/N): N	
3,929.1 4.034.1	- 3,928.7 - 4.033.7 -				100	Pressure before ca Excess volume me	mening: 200 mound from: CALCULA enure density: DENSO	TION
	4,159.0				1992	Refume: AIR ORU	long coment in the sta	pe RCM
4,159.4 - 4.169.6 -	4,159.0					Time cemening m	ong started 12.45	
4,211.9	4,211.5	-CLIFFHOUSE (CLIFFHOU	SE (final))					
4,328.1	4,327.6	MENEFEE (MENEFEE (final				4, CO4, O-4, EO5, O1/G	an 11/13/1999 00:00	PERF - CUFF HOUSE MASSIVE)
4,607.9	4,607.5				1999			
4,695.9	4,695.4	POINT LOOKOUT (POINT	LOOKOUT (fi	330 I	888			
4,960.0	4,959.5	2 3/8in, Pup Joint; 2 3/8	in; 4.70 lb/ft; J-55; tKB; 5,009.82 ftKB			4,696.0-5,076.0%K	a an 11/13/1999 00:00	(PERF - POINT LOOKOUT); 4,656.00-
5,007.9	5,007.4	2 3/8in, Tubing; 2 3/8			1222			
5,009.8	5,009.3		tKB; 5,041.40 ftKB	1989	1988	1222-05-14, TOC H 50/50 POZ W/	Comert, Cased, 515 2053 RAN CEL ON 10 2% GEL, 0.25 FPS FU	41999 00:00 (pugi: 5.152.00-5.170.00) 1191999, CEMENT W/ 300 SXS CLASS DCELE, 5 PPS GILSONITE, 0.4%
5,041.3 -	5,040.8	2 3/8in, Seating Nipple; 2 55; 5,041.40	tKB; 5,042.50 ftKB				HR-5, 0.2% CER-3 (29 sement job (Y/N): N tween stages: 2	e curt).
5,042.7	5,042.1	2 3/8in, Notched collar; 2 3/8	in; 4.70 lb/ft; J-55;		1888	Events with the tre	menting: 200	TION
5,043.0	5,042.5	5,042.50	tKB; 5,043.00 ftKB		888	Returns: AIR ORU	thing cement in this sta	C. RCM
5,076.1 -	5,075.6					2. Production1, 5,1 PRODUCTION UN		25 K, 2,653,20 frk8, RUN 4,5" 25 FULL JOINTS OF 4,5", 10,5
5,151.9	5,151.4	⊲typ>	(PBTD); 5,152.00			APT, 2-55, STAC, LANDING COLLAR	RANGE-3, MAVERICK MARKER JOINT, AN	IS FULL JOINTS OF A.S., 10.5 ERAND CASING WITH FLOAT SHOE, ID UNER HANGER, UNER
5,152.9	5,152.4			1		(1.45), 23-JOINT 4.5" 10.5 #11 (10	S OF 4.5" 10.5 MFT 0 00), 25 JOINTS OF 4	OUINER HANGER, UNER AT SHOE (DIF), LANDING COLLAR CASING (BELIT), MARGER JOINT OF STIDS HET CASING (148-175), TOTAL UNER LENGTH AT SHELD), IT OF DRILL PIPE TO SUFFACE; IN BOTTOM, PIDED UP AND LANDED MONTO FOLLAR TOR AT SHELD.
5,154.2	5,153.7					RAN SETTING TO TAGGED BOTTO	MANGER (11.61'); DOL (5.10'); AND 2655 M AT 5170; NO FILL 0	TOTAL UNER LENGTH AT 2491.50; NO OF DRILL PIPE TO SURFACE; IN BOTTOM; PICKED UP AND LANCED
5,154.9	- 5,154.3 -						OF AT 4152 UNER	NDING COLLAR TOP AT 5152) ANGER TOP AT 2553; OVERLAP IN
5,169.9	5,169.4			1997 SUSANASAN	695 8685		401GZ; 5,155.00 NKB	

.



HILCORP ENERGY COMPANY RIDDLE A 3B FRUITLAND COAL RECOMPLETION SUNDRY

 	lilcor	p Energy Company	,	WBD Proposed Fo	ormations 1			
Well N	lame	RIDDLE A #3E						
API/UWI 3004529			N-009W-D	Field Name License BLANCOMESAVERDE (PRORATED GAS		StateProvince NEW MEXICO	Well Configu Vertical	
Ground Elev 5,797.00	ation (ft))	Casing Flan	ge Elevation (ft)	KB-Ground Distance (ft) KB-Cas 12.00	ng Flange Distance (ft)	Original Spud Date 8/8/1999 18:00	Rig Release 12/17/19	Date 99 00:00
Most Re Job Categor			ary Job Type	Secondary Job Type	Actual Start	Onto	End Date	
Expens	eWor	kover TU	BING REPAIR	Secondary Job Type	1/24/202	23	1/27/2023	
TD: 5,	170.0							
	_		_	Original Hole [V	ertical]			
MD (ftKB)	TVD (ftK B)	Formation Tops	MD		Vertical sche	ematic (proposed)		
12.1	121							
12.1 - 12.8 -	124							
231.3	2212							
232.3	- 2323 -							
245.1	2481			3 1/2in, Tubing; 3 1/2 in; 9.30 l	b/ft;			
1,252.0	1,2519 -	OJO ALAMO	1,252.0	P110; 12.00 ftKB; 1,972.00	ftKB			
1,449.1 -	1,6690	KIRTLAND	1,449.0					
1,972.1 -	- 1,9719 - - 1,9797 -			6.46in, Packer; 6.46 in; 9.30 l P110; 1,972.00 ftKB; 1,980.00		22		
2,022.0	2,0217	FRUITLAND	2.022.0	2,022.0-2,511.0ftKB on 6/2/2	.023		1, Hydraulic Frac; 2	023.06.03(1105)
2,511.2	2,5108	PICTURED CLIFFS	2,511.0	00:00 (PERF - FRUITLAND CC 2,022.00-2,511.00; 2023-0			FRC Frac	
2,588.6	2,5982							
2,663.1	2,5527 -			2,663.0ftKB, 8/13/1999, 4-1/2" PI LINER TOP @ 2		ur 🕅		
2,674.9	2,6765	LEMAS	27220					
2,722.1 -	2,7218	LEWIS	2,722.0					
2,755.2 -	2,7549							
2,797.2	2,7959							
2,797.9	2,7975							
2,798.9	2,7945							
2,809.1	2,0007			4.05 in, Bridge Plug - Tempo	an	00000		
3,257.9 - 3,259.8 -	a,2575 a,2595			3,258.0, 3,260.0; 3,258.00-3,26	0.00;			
3,308.1	2,2077			MV Isolation				
3,517.1	440	CHACRA	3,517.0					
3,929.1	2,9287					188 Z		
4,034.1 -	- 4,0327 -		-					
4,159.4 -	6,1590					88		
4,169.6 - 4,211.9 -	6,1692	CLIFFHOUSE	4,212.0			88 - A		
4,211.9	6,8276	MENEFEE	4,328.0		1922	88 - F		
4,607.9	4,6075							
4,695.9	4,6954	POINT LOOKOUT	4,696.0					
4,960.0	<				1 228	888 289		
5,076.1	5,0755				333			
5,151.9	8,1314 0.1114			<typ> (PBTD); 5,15</typ>	2.00			
5,152.9 - 5,154.2 -	- 2,1224 - - 2,1227 -							
5,154.9	1.944				1	L		
5,169.9	5,1594							

Received by OCD: 7/6/2023 6:27:22 AM

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
30-045-29873	71629	BASIN FRUITLAND COAL (GAS)
4. Property Code	5. Property Name	6. Well No.
318682	RIDDLE A	003B
7. OGRID No.	8. Operator Name	9. Elevation
372171	HILCORP ENERGY COMPANY	5797

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	24	30N	09W		1010	N	915	W	SAN JUAN

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

knowledge and belief, mineral interest in the this well at this locatio interest, or to a volunt by the division. E-Signed By:	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 ary pooling agreement or a compulsory pooling order heretofore entered
surveys made by me of my belief. Surveyed By:	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 Neale Edwards
Date of Survey: Certificate Number:	11/5/1998 6857

Hilcorp Energy Interim Reclamation Plan Riddle A 3B API: 30-045-29873 Unit D – Sec 24-T30N-R9W Lat:36.80103, Long: -107.73695 Footage: 1010' FNL & 915' FWL San Juan County, NM

- 1. PRE- INTERIM RECLAMATION SITE INSPECTION
 - 1.1) A pre-interim reclamation onsite inspection was conducted on June 21, 2023, with BLM Environmental Protection Specialist Roger Herrera and Bobby Spearman Construction Foreman for Hilcorp Energy.
 - 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. Adjacent P&A pad may be utilized as need to limit ground disturbance.
- 2. LOCATION INTERIM RECLAMATION PROCEDURE
 - 2.1) Interim reclamation work will be completed after well recompletion.
 - 2.2) Location tear drop will be re-defined as applicable during interim reclamation.
 - 2.3) All disturbed areas will be seeded, any disturbed areas that are compacted will be ripped before seeding.
 - 2.4) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.
- 3. ACCESS ROAD RECLAMATION PROCEDURE:
 - 3.1) Lease access road to be bladed and drainage re-established pre and post 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.

Received	by (OCD :	7/6/2023	6:27:22 AM
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Submit Electronically

Via E-permitting

State of New Mexico Energy, Minerals and Natural Resources Department

> **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:** 6/27/2023

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
Riddle A 3B	3004529873	D,24,30N,09W	1010' FNL & 915' FWL	0.25	150	1

IV. Central Delivery Point Name: Chaco Processing 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
Riddle A 3B	<u>300459873</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.

Section 3 - Certifications Effective May 25, 2021

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

 \boxtimes 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: Operations Regulatory Tech Sr.
E-mail Address: <u>mwalker@hilcorp.com</u>
Date: 6/27/2023
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 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.

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	236277
	Action Type:
	[C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Notify NMOCD 24 Hours Prior to beginning operations	8/17/2023
dmcclure	DHC required	8/17/2023
dmcclure	The CBL proposed in the procedures shall be submitted to the Division. If the cement sheath around the casing is not adequate to protect the casing and isolate strata from the top Fruitland Coal perforation to at least 150 feet above the top Fruitland Coal perforation, then Hilcorp shall conduct operations to remediate it prior to completing or producing from the formation.	8/17/2023

CONDITIONS

Action 236277