Page 1 of 14

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Well Name: SAN JUAN 27-5 UNIT Well Location: T27N / R5W / SEC 34 /

NWSW / 36.52847 / -107.35143

County or Parish/State: RIO

ARRIBA / NM

Well Number: 170

Type of Well: CONVENTIONAL GAS

Allottee or Tribe Name:

Unit or CA Name: SAN JUAN 27-5 Lease Number: NMSF079394

UNIT--DK

Unit or CA Number:

NMNM78409A

US Well Number: 3003920662

Well Status: Producing Gas Well

Operator: HILCORP ENERGY

COMPANY

Notice of Intent

Sundry ID: 2750236

Type of Submission: Notice of Intent Type of Action: Recompletion Date Sundry Submitted: 09/08/2023 Time Sundry Submitted: 09:13

Date proposed operation will begin: 09/08/2023

Procedure Description: Hilcorp Energy would like to revise the recomplete NOI that was approved on 6/27/2023. The revision would be for the Mesaverde perf range. It is proposed to perforate the Mesaverde from 4,188' - 5,630' (originally 4,188'-5,480'.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

SJ_27_5_Unit_170_MCMV_RC_NOI_20230908091048.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 Mesaverde perforation to at least 150 feet above the top Mesaverde perforation, then Hilcorp shall conduct operations to remediate it prior to completing or producing from the formation.

Dean R Mollure

09/08/2023

County or Parish/State: RIO Well Name: SAN JUAN 27-5 UNIT Well Location: T27N / R5W / SEC 34 / ARRIBA / NM

NWSW / 36.52847 / -107.35143

Well Number: 170 Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

Lease Number: NMSF079394 Unit or CA Name: SAN JUAN 27-5

UNIT--DK

Unit or CA Number:

NMNM78409A

US Well Number: 3003920662 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

Signed on: SEP 08, 2023 09:11 AM Operator Electronic Signature: CHERYLENE WESTON

Name: HILCORP ENERGY COMPANY Title: Operations/Regulatory Tech - Sr Street Address: 1111 TRAVIS STREET

City: HOUSTON State: TX

Phone: (713) 289-2615

Email address: CWESTON@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 Date: 09/08/2023 **Disposition:** Approved

Signature: Kenneth Rennick



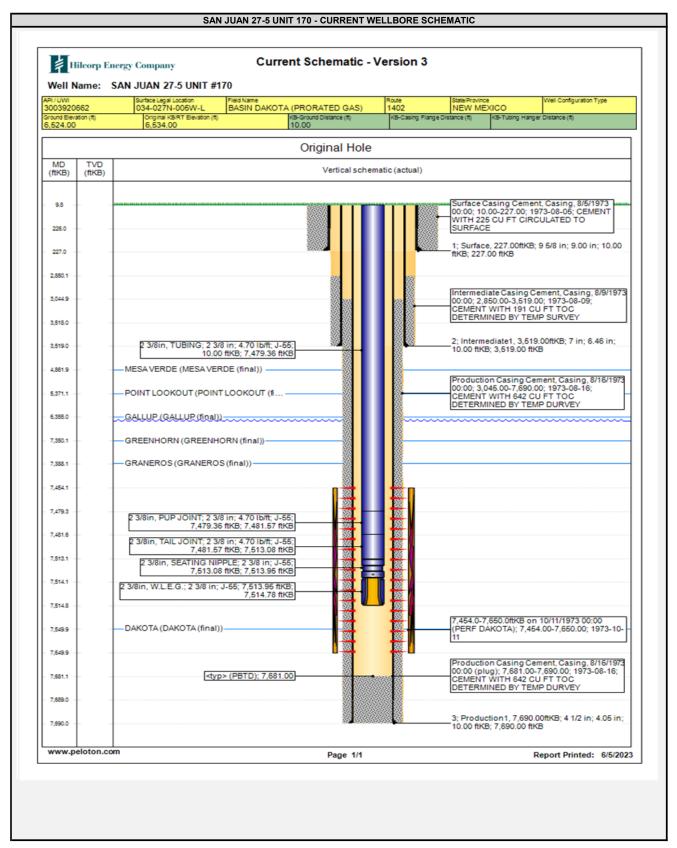
HILCORP ENERGY COMPANY SAN JUAN 27-5 UNIT 170 MANCOS & MESA VERDE RECOMPLETION SUNDRY

JOB PROCEDURES

- 1. MIRU service rig and associated equipment; test BOP.
- 2. TOOH with 2-3/8" tubing set at 7,514'.
- 3. Set a 4-1/2" plug at +/- 7,404' to isolate the Dakota.
- 4. RU Wireline. Run CBL. Record Top of Cement.
- 5. Load the hole and pressure test the casing.
- 6. N/D BOP, N/U frac stack and pressure test frac stack.
- 7. Perforate and frac the Basin Mancos formation (Top Perforation @ 6,300'; Bottom Perforation @ 6,975').
- 8. Isolate frac stages with a plug.
- 9. Perforate and frac the Mesa Verde formation (Top Perforation @ 4,188'; Bottom Perforation @ 5,630').
- 8 Isolate frac stages with a plug.
- 9. Nipple down frac stack, nipple up BOP and test.
- 10. TIH with a mill and drill out top isolation plug and Mesa Verde/Basin Mancos frac plugs.
- 11. Clean out to **Dakota** isolation plug.
- 12. Drill out Dakota isolation plug and cleanout to PBTD of 7,681'. TOOH.
- 13. TIH and land production tubing. Get a commingled Dakota/Basin Mancos/Mesa Verde flow rate.

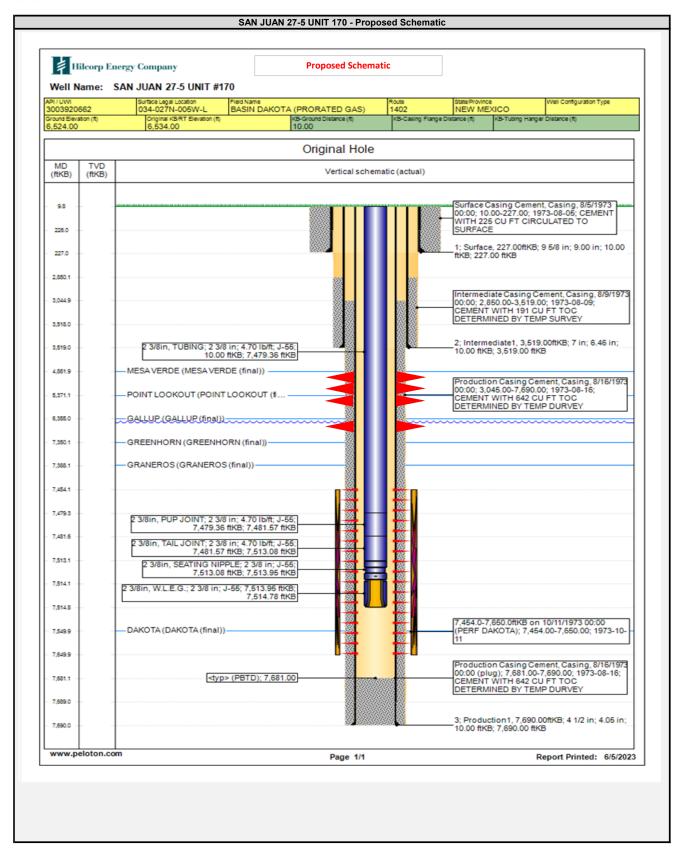


HILCORP ENERGY COMPANY SAN JUAN 27-5 UNIT 170 MANCOS & MESA VERDE RECOMPLETION SUNDRY





HILCORP ENERGY COMPANY SAN JUAN 27-5 UNIT 170 MANCOS & MESA VERDE RECOMPLETION SUNDRY



District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 **District II**

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 **District III**

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 **District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102 August 1, 2011

Permit 343728

WELL LOCATION AND ACREAGE DEDICATION PLAT

		I
1. API Number	2. Pool Code	3. Pool Name
30-039-20662	97232	BASIN MANCOS
4. Property Code	5. Property Name	6. Well No.
318920	SAN JUAN 27 5 UNIT	170
7. OGRID No.	8. Operator Name	9. Elevation
372171	HILCORP ENERGY COMPANY	6524

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	34	27N	05W		1840	S	825	W	RIO
									ARRIBA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot ldn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated A 320			13. Joint or Infill		14. Consolidatio	n 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

8		

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Cherylene Weston
Title: Cherylene Weston

Date: 06/27/2023

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: David Kilven
Date of Survey: 2/5/1973
Certificate Number: 1760

Form C-102

August 1, 2011

Permit 343728

District I

District IV

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State of New Mexico Energy, Minerals and Natural Resources

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-20662	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code	5. Property Name	6. Well No.
318920	SAN JUAN 27 5 UNIT	170
7. OGRID No.	8. Operator Name	9. Elevation
372171	HILCORP ENERGY COMPANY	6524

10. Surface Location

ſ	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	L	34	27N	05W		1840	S	825	W	RIO
										ARRIBA

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	n 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

-	8 8	
	30 0	X
	200	
100000		
	9 9	

OPERATOR CERTIFICATION

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E-Signed By: Cherylene Weston
Title: Cherylene Weston

Date: 06/27/2023

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: David Kilven
Date of Survey: 2/5/1973

Certificate Number: 1760

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 Ene			OGRID: _	372171		Date: 0	6/_	27/_2023		
II. Type: \boxtimes Original \square	Amendment du	ie to □ 19.15.2	27.9.D(6)(a) NM	AC □ 19.1	5.27.9.D	O (6)(b)	NMAC 🗆	Other	
If Other, please describe:										
III. Well(s): Provide the f be recompleted from a sin						or set of	wells p	roposed to	be dr	illed or proposed to
Well Name	API	ULSTR		Footag		Antici Oil B	-	Anticipa Gas MC		Anticipated Produced Water BBL/D
San Juan 27-5 Unit 170	3003920662	L-34-27N-5W	L-34-27N-5W		SL & 825'	1.3	3 425			0.5
IV. Central Delivery Poi V. Anticipated Schedule proposed to be recomplete	: Provide the fo	llowing inform	ation f	or each n	ew or recon	npleted v				
Well Name	API	Spud Date		Reached Date	Comple Commend Date	ement	-	ial Flow ck Date	Fir	st Production Date
San Juan 27-5 Unit 170	3003920662	N/A	N/A		N/A	-	N/A		No	t Yet Scheduled
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 <u>EFFECTIVE APRIL 1, 2022</u>

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.

☑ 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	Available Maximum Daily Capacity
			Start Date	of System Segment Tie-in

XI. Map. \square 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	y of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.	

XII. Lir	e Capacity.	. The natural	gas gathering	system [□ will □ wil	l not have	e capacity t	o gather	100%	of the a	nticipated	natural	gas
producti	on volume f	rom the well	prior to the da	te of firs	t production.								

XIII. Line Pressure. Operator \square does \square does not anticipate that its exis	ting well(s) connected to the	ne same segment,	or portion,	of the
natural gas gathering system(s) described above will continue to meet ant	cipated increases in line pro	ressure caused by	the new we	ell(s).

	Attach (Operator	's nlan to	manage	production	in recoonce	to the increa	sed line pressi	ure
ш	Attach	Oberator	S Dian to	manage	DIOGUCTION	THE RESIDENCE	to the increa	sed title bress	ше

XIV. Confidentiality: 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.

(i)

Section 3 - Certifications Effective May 25, 2021

	<u>Effective May 25, 2021</u>					
Operator certifies that, a	fter reasonable inquiry and based on the available information at the time of submittal:					
one hundred percent of	☑ 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, aking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or					
hundred percent of the a into account the current a	able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one nticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. box, Operator will select one of the following:					
Well Shut-In. ☐ Operate D of 19.15.27.9 NMAC;	or will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection or					
	an. □ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential es 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					

Section 4 - Notices

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

other alternative beneficial uses approved by the division.

- (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: Cherylene Weston
Printed Name: Cherylene Weston
Title: Operations/Regulatory Tech-Sr.
E-mail Address: cweston@hilcorp.com
Date: 06/27/2023
Phone: 713-289-2615
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
 - o 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.
 - o 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.
 - o 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.
 - o 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
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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 263332

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	263332
	Action Type:
	[C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Notify NMOCD 24 Hours Prior to beginning operations	9/8/2023
dmcclure	DHC required	9/8/2023
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 Mesaverde perforation to at least 150 feet above the top Mesaverde perforation, then Hilcorp shall conduct operations to remediate it prior to completing or producing from the formation.	9/8/2023