<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

Phone: (5/5) 393-6161 Fax: (5/5) 393-0/20

District II

Still S. First St., Artesia, NM 88210

Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220. S. St. Fengis Dr. Sonto E. NM 97505

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

#### **State of New Mexico**

Form C-101 Revised July 18, 2013

# **Energy Minerals and Natural Resources**

**Oil Conservation Division** 1220 South St. Francis Dr.

**Santa Fe, NM 87505** 

☐AMENDED REPORT

			1. Operator Name Hilcorp Energy 382 Road Aztec, NM					<ul> <li>OGRID Number 372171</li> <li>API Number 30-039-26966</li> </ul>	er 
					Property Name Juan 28-7 Unit		ь	6. We	ll No. 29F
31	0432				ace Location			12	.91
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	2	027N	007W	1	770	North	545	East	Rio Arriba
	ı	1		8 Proposed	Bottom Hole L	ocation	1		1
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
				9. Pool	Information				
				Pool N Blanco Me					Pool Code 72319
				Additional '	Well Informati	on			
Reco	rk Type nplete		12. Well Type Commingle		13. Cable/Rotary		14. Lease Type State		nd Level Elevation 6132' GR
	ultiple ningle		17. Proposed Depth		<sup>18.</sup> Formation esaverde/Basin Dakot	a	19. Contractor	2	Spud Date
epth to Grou			Dista	ince from nearest fre	sh water well		Distance	o nearest surface v	vater
Туре	Hole	e Size	Casing Size	Casing Weig	ght/ft S	Setting Depth	Sacks of 0	Cement	Estimated TO
,									
			Casing	g/Cement Progr	ram: Additiona	al Comments	3		
			<sup>22.</sup> J	Proposed Blowo	out Prevention	Program			
	Type		,	Working Pressure		Test Pre	ssure	Ma	nufacturer
my knowle	dge and be	lief.	C	ue and complete to		OIL	CONSERVAT	TION DIVISI	ON
.15.14.9 (B	NMAC [	ave complied □, if applica 1e West	ble.	9 (A) NMAC 🗌 aı	Approv	red By:	can R 1	Nollure	
Printed name: Cherylene Weston					Title: F	Title: Petroleum Engineer			
Citle: Operations Regulatory Tech Sr.				Approv	Approved Date: 05/10/2024 Expiration Date: 05/10/20			5/10/2026	
mail Addre	ss: cweston	@hilcorp.cor	n						
			Phone: 713-2	00.04.5		ons of Approval			



# HILCORP ENERGY COMPANY SAN JUAN 28-7 UNIT 129F RECOMPLETION SUNDRY

Prepared by:	Matthew Esz
Preparation Date:	May 10, 2024

WELL INFORMATION									
Well Name:	SAN JUAN 28-7 UNIT 129F	State:	NM						
API#:	3003926966	County:							
Area:	10	Location:							
Route:	1009	Latitude:							
Spud Date:	July 4, 2002	Longitude:							

#### PROJECT DESCRIPTION

Perforate, fracture, and comingle the Mesa Verde with the existing Dakota zone.

CONTACTS								
Title	Name	Office Phone #	Cell Phone #					
Engineer	Matthew Esz		770-843-9226					
Area Foreman	Ryan Frost							
Lead								
Artificial Lift Tech								
Operator								



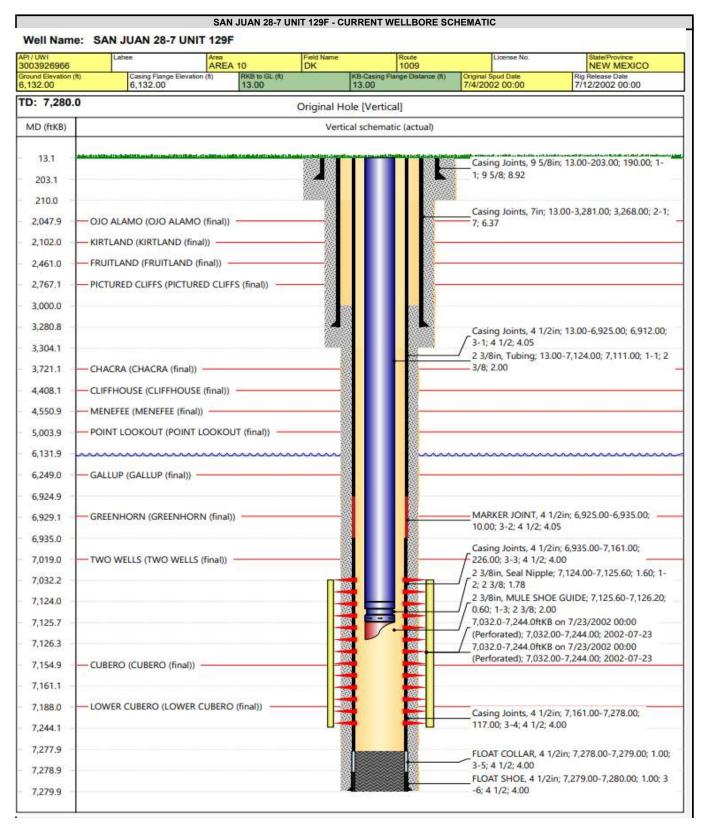
# HILCORP ENERGY COMPANY SAN JUAN 28-7 UNIT 129F RECOMPLETION SUNDRY

# JOB PROCEDURES

- 1. MIRU service rig and associated equipment; test BOP.
- 2. TOOH with 2-3/8" tubing set at 7,126'.
- 3. Set a 4-1/2" plug at +/- 7,007' to isolate the **Dakota**.
- 4. Will not run CBL, sufficent cement based on CBL from 7/19/2002.
- 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 Mesa Verde formation from 4408' 5504'.
- 8. Nipple down frac stack, nipple up BOP and test.
- 9. TIH with a mill and drill out top isolation plug and  ${\color{red}{\textbf{Mesa}}}\ {\color{red}{\textbf{Verde}}}$  frac plug.
- 10. Clean out to **Dakota** isolation plug.
- 11. Drill out **Dakota** isolation plug and cleanout to PBTD at **7,278**'. TOOH.
- 12. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde** flow rate.

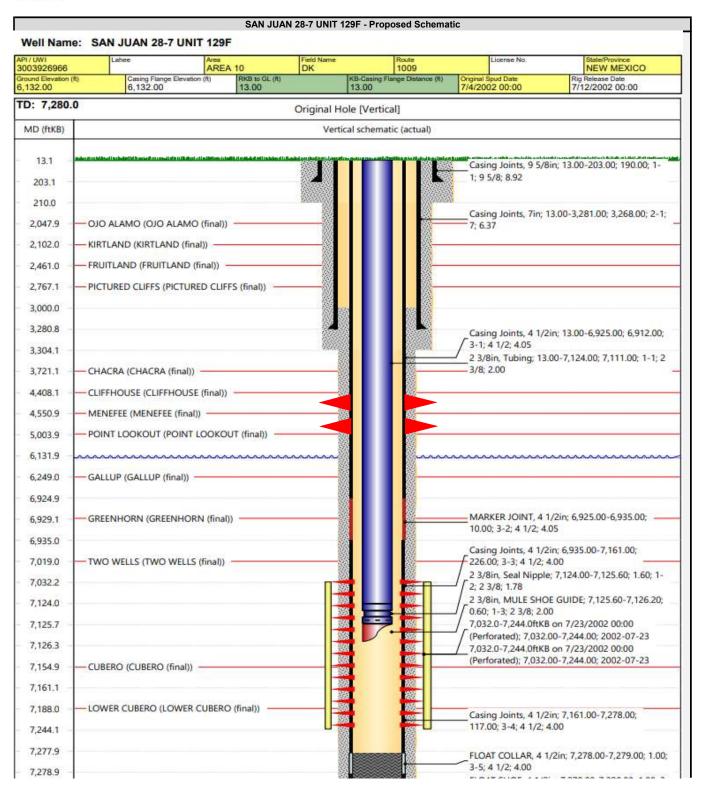


#### HILCORP ENERGY COMPANY SAN JUAN 28-7 UNIT 129F RECOMPLETION SUNDRY





#### HILCORP ENERGY COMPANY SAN JUAN 28-7 UNIT 129F RECOMPLETION SUNDRY



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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

Form C-102 August 1, 2011

Permit 364228

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-26966	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318432	5. Property Name SAN JUAN 28 7 UNIT	6. Well No. 129F
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6132

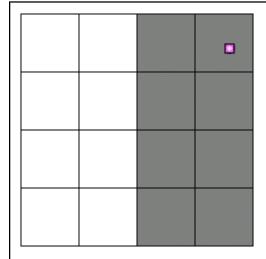
#### 10. Surface Location

	UL - Lot	Section	Township	Range	Lot ldn	Feet From	N/S Line	Feet From	E/W Line	County	
- 1	Α	2	27N	07W	1	770	N	545	l E		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 / 319	Acres 9.12 E/2		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



#### **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

тіне: Operations/Regulatory Tech-Sr.

Date: 4/22/2024

# 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:

Jason C. Edwards

Date of Survey:

12/10/2001

Certificate Number:

15269

# 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 E	nergy Compan	у	OGRID:	372171	Date:	04 / 22	<u>/2024</u>	
II. Type: 🗵 Original [	☐ Amendment	due to □ 19.15.27	7.9.D(6)(a) NMAC	C □ 19.15.27.9.D(	(6)(b) NMAC 🗆 (	Other.		
If Other, please describe	2:							
<b>III. Well(s):</b> Provide the be recompleted from a s					wells proposed to	be drille	ed or proposed to	
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D		nticipated duced Water BBL/D	
SJ 28-7 Unit 129F	3003926966	A-02-27N-07W	770 FNL & 545 FEL	1.7 bbl/d	476 mcf/d	0.	5 bbl/d	
							. , , ,	
SJ 28-7 Unit 129F	3003926966						2024	
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.

🗵 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 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 🗆 v	vill □ will not have	capacity to gather	100% of the anticipated	natural gas
production volume from the well p	prior to the date of first pro	oduction.			

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

_								
$\Box$	A 44 1 4	$\sim$ 4	, 1 ,		1 4	•	4 41 '	sed line pressure
	A Hach I	Inergior	C MIAN TO	manage	nraduction	in rechange	TO THE INCRES	sea line nressiire

XIV. Confidentiality: $\Box$ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information	n 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 specif	ic information
for which confidentiality is asserted and the basis for such assertion.	

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

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

☑ 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

☐ 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.

Well Shut-In. ☐ 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.** □ 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;

If Operator checks this box, Operator will select one of the following:

- **(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:	Cherylene Weston						
Printed Name:	Printed Name: Cherylene Weston						
Title:	Title: Operations/Regulatory Tech-Sr.						
E-mail Address:	E-mail Address: cweston@hilcorp.com						
Date:	4/22/2024						
Phone:	713-289-2615						
	OIL CONSERVATION DIVISION						
	(Only applicable when submitted as a standalone form)						
Approved By:							
Title:	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
  - o 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
  - o 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
  - o 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.

From: Cheryl Weston

To: McClure, Dean, EMNRD; Rikala, Ward, EMNRD

Cc: Mandi Walker

**Subject:** FW: [EXTERNAL] Application ID: 336326; 30-039-26966 SAN JUAN 28 7 UNIT #129F

 Date:
 Friday, May 10, 2024 12:52:07 PM

 Attachments:
 San Juan 28-7 Unit 129F RC C-101 Rev.pdf

Importance: High

Dean,

Please see attached C-101 with revised MV perfs (4408' – 5504').

Thanks, Cheryl

From: Cheryl Weston <cweston@hilcorp.com>

**Sent:** Thursday, May 9, 2024 4:09 PM

**To:** Scott Matthews <scmatthews@hilcorp.com>; Marcus Hill <Marcus.Hill@hilcorp.com>; Matthew

Esz < Matthew. Esz@hilcorp.com>

Subject: FW: [EXTERNAL] Application ID: 336326; 30-039-26966 SAN JUAN 28 7 UNIT #129F

Importance: High

Please review the MV bottom perf and send a revised perf range.

Cheryl

From: McClure, Dean, EMNRD < Dean. McClure@emnrd.nm.gov>

**Sent:** Thursday, May 9, 2024 4:07 PM

To: Cheryl Weston <<u>cweston@hilcorp.com</u>>; Mandi Walker <<u>mwalker@hilcorp.com</u>>

**Cc:** Rikala, Ward, EMNRD < <u>Ward.Rikala@emnrd.nm.gov</u>>

Subject: [EXTERNAL] Application ID: 336326; 30-039-26966 SAN JUAN 28 7 UNIT #129F

**CAUTION:** External sender. DO NOT open links or attachments from UNKNOWN senders.

Cheryl,

I am reviewing the C-101 referenced in the subject line of this email.

Hilcorp is proposing a bottom perforation for the MV which seems to be below the base of the MV Pool. Please provide additional information regarding Hilcorp's pick for its bottom perforation with consideration to the MV pool extending to only 500' below the point lookout.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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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 336326

#### **CONDITIONS**

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	336326
	Action Type:
	[C-101] Drilling Non-Federal/Indian (APD)

#### CONDITIONS

Created By	Condition	Condition Date
dmcclure	Notify NMOCD 24 Hours Prior to beginning operations.	5/10/2024
dmcclure	DHC required	5/10/2024
dmcclure	All conducted logs shall be submitted to the Division as a [UF-WL] EP Well Log Submission (WellLog).	5/10/2024
dmcclure	The appropriate compliance officer supervisor shall be consulted and remedial action conducted as directed if the cement sheath around the casing is not adequate to protect the casing and isolate strata from: (a) the uppermost perforation in each added pool to at least 150 feet above that perforation; and (b) the lowermost perforation in each added pool to at least 100 feet below that perforation.	5/10/2024