

Well Name: SAN JUAN 30-5 UNIT	Well Location: T30N / R5W / SEC 35 / SWSW / 36.76468 / -107.33231	County or Parish/State: RIO ARRIBA / NM
Well Number: 86	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM012332	Unit or CA Name: SAN JUAN 30-5 UNIT--DK	Unit or CA Number: NMNM78419B
US Well Number: 3003923148	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2633571

Type of Submission: Notice of Intent

Date Sundry Submitted: 09/10/2021

Date proposed operation will begin: 10/09/2021

Type of Action: Recompletion

Time Sundry Submitted: 10:33

**Procedure Description:** Hilcorp Energy Company requests permission to recompleate the subject well in the Blanco Mesaverde and downhole commingle with the Basin Dakota. Please see the attached procedure, wellbore diagram, plat and natural gas management plan. A closed loop system will be used. Surface location is forest and does not require a reclamation plan.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- San\_Juan\_30\_5\_Unit\_86\_NGMP\_20210910103252.pdf
- SJ\_30\_5\_Unit\_86\_\_\_C102\_20210910103252.pdf
- WBD\_20210910103252.pdf
- SAN\_JUAN\_30\_5\_UNIT\_86\_\_\_Recompletion\_NOI\_20210910103252.pdf

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Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

<b>Operator Electronic Signature:</b> KANDIS ROLAND	<b>Signed on:</b> SEP 10, 2021 10:33 AM
<b>Name:</b> HILCORP ENERGY COMPANY	
<b>Title:</b> Operation Regulatory Tech	
<b>Street Address:</b> 382 Road 3100	
<b>City:</b> Farmington	<b>State:</b> NM
<b>Phone:</b> (505) 599-3400	
<b>Email address:</b> kroland@hilcorp.com	

Field Representative

<b>Representative Name:</b>		
<b>Street Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone:</b>		
<b>Email address:</b>		

BLM Point of Contact

<b>BLM POC Name:</b> KENNETH G RENNICK	<b>BLM POC Title:</b> Petroleum Engineer
<b>BLM POC Phone:</b> 5055647742	<b>BLM POC Email Address:</b> krennick@blm.gov
<b>Disposition:</b> Approved	<b>Disposition Date:</b> 09/16/2021
<b>Signature:</b> Kenneth Rennick	

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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 300373

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-039-23148	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318433	5. Property Name SAN JUAN 30 5 UNIT	6. Well No. 086
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6933

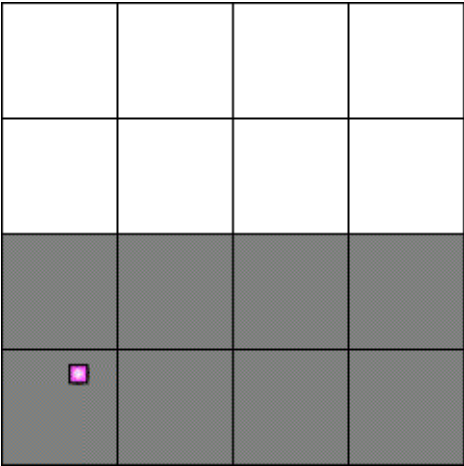
**10. Surface Location**

UL - Lot M	Section 35	Township 30N	Range 05W	Lot Idn	Feet From 1060	N/S Line S	Feet From 850	E/W Line W	County RIO ARRIBA
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**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 360.00 S/2	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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>E-Signed By: Kandis Roland Title: Regulatory Tech Date: 9/10/2021</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: Fred Kerr Date of Survey: 10/20/1982 Certificate Number: 3950</p>
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**HILCORP ENERGY COMPANY**  
**SAN JUAN 30-5 UNIT 86**  
**MESA VERDE RECOMPLETION SUNDRY**

**JOB PROCEDURES**

1. MIRU Service rig and associated equipment, test BOP. Check Bradenhead pressures daily and record throughout the recomplete project. Notify NMOCD and BLM if any anomalous pressures changes occur on the Bradenhead.
2. TOOH with **2 3/8"** tubing set at **8,182'**.
3. Set a **4-1/2"** plug at +/- **8,160'** or deeper to isolate the **Dakota**.
4. Fill hole with water and run CBL to evaluate cement top. Inform agencies of results, and if recomplete is deemed to be viable make plan for squeezing if additional cement coverage is needed above proposed production zones. If existing cement provides adequate isolation, continue with recomplete procedure.
5. Fill hole and perform MIT, providing 24 hr notice to BLM and NMOCD. Once completed, review and submit MIT test results to both agencies. If MIT fails, discuss and gain approval for plan of action to remediate wellbore. Test again to ensure integrity if remedial action was completed.
6. Optionally set a bridge plug below the intended recomplete interval and complete any needed squeeze work if zonal isolation is required.
7. N/D BOP, N/U frac stack and pressure test frac stack to maximum frac pressure.
8. Perforate and frac the **Mesa Verde** formation within depths **5,700' - 6,400'**
9. Optionally set a kill plug above recomplete interval for casing fracs.
10. ND the frac stack, NU the BOP and test.
11. MU and TIH with a mill. Tag and drill out the top isolation plug and Mesa Verde frac plugs if applicable
12. Clean out the wellbore to the top of the Dakota isolation plug.
13. Circulate air to clean up well. Once water and sand rates are acceptable, if commingle is desired drill out the Dakota isolation plug and cleanout to PBTD of **8,270'**. TOOH
14. TIH and land production tubing. Obtain a flowrate for initial production and for allocation purposes if Mesaverde and Dakota are commingled.



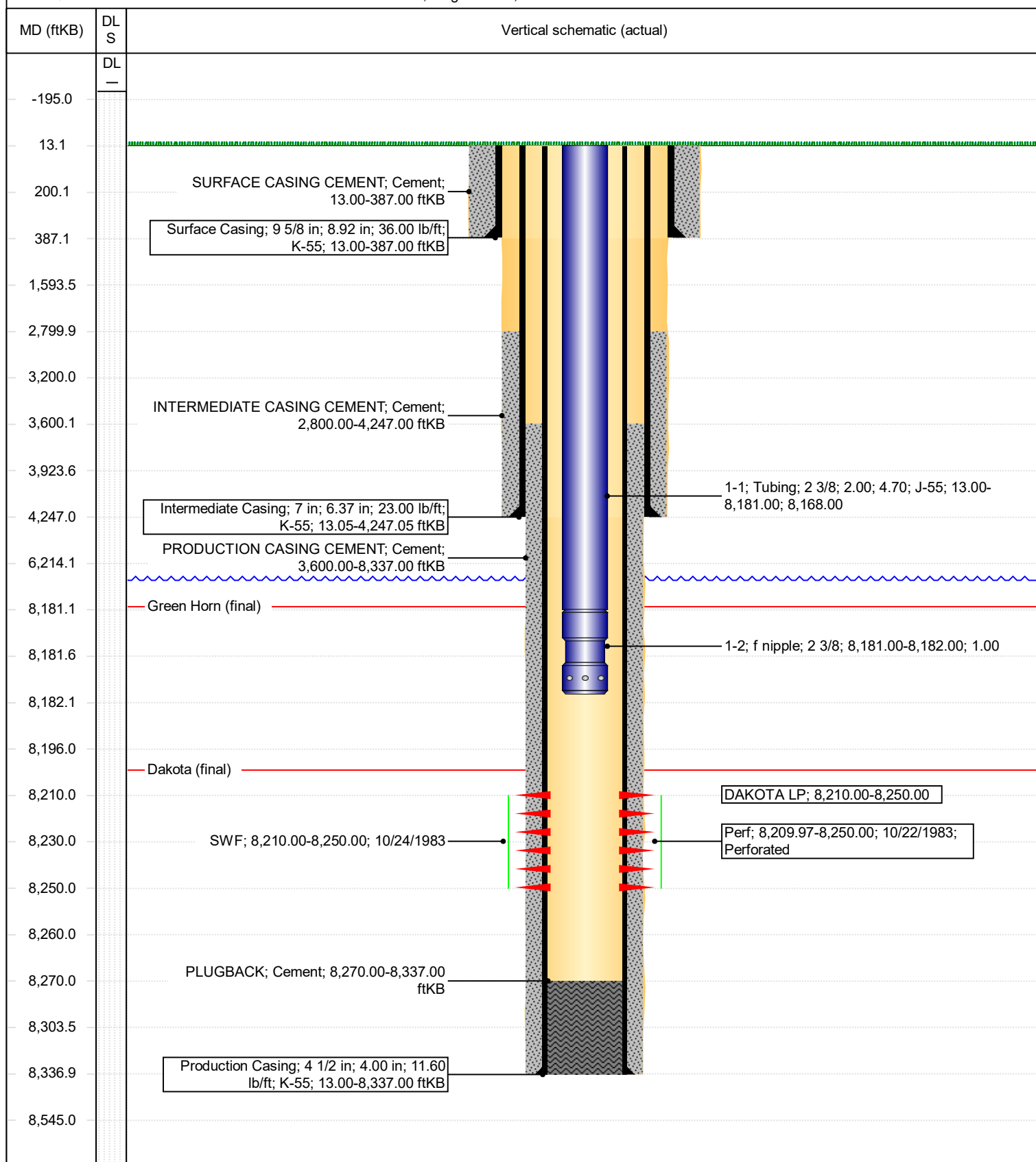
WBD

Well Name: SAN JUAN 30-5 UNIT #86

API / UWI 3003923148	Lahee	Area AREA 12	Field Name DK	Route 1204	License No.	State/Province NEW MEXICO
Ground Elevation (ft) 6,933.00	Casing Flange Elevation (ft)	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	Original Spud Date 3/10/1983 00:00	Rig Release Date 10/17/1983 00:00	

TD: 8,337.0

Vertical, Original Hole, 8/20/2021 11:45:06 AM



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:** 9/1/2021

**II. Type:** ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ 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
SJ 30-5 Unit 86	3003923148	M, 35, 30N, 05W	1060 FSL & 850 FWL	0.2	600	5

**IV. Central Delivery Point Name:** Ignacio 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
<u>SJ 30-5 Unit 86</u>	<u>3003923148</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>Oct 2021</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 3 - Certifications****Effective May 25, 2021**

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.

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

**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;
- (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: <a href="mailto:mwalker@hilcorp.com">mwalker@hilcorp.com</a>
Date: 9/1/2021
Phone: 346.237.2177
<b>OIL CONSERVATION DIVISION</b> <b>(Only applicable when submitted as a standalone form)</b>
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 recompleting project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recompleting 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 recompleting 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 recompleting
  - 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.

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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**

COMMENTS

Action 49599

**COMMENTS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 49599
	Action Type: [C-103] NOI Recompletion (C-103E)

**COMMENTS**

Created By	Comment	Comment Date
kpickford	DHC-5159	9/22/2021

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CONDITIONS  
  
Action 49599

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 49599
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	None	9/22/2021