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

Sundry Print Report

11/23/2021

Well Name: KUTZ FEDERAL

Well Location: T28N / R10W / SEC 21 / SWNW / 36.65018 / -107.906744

County or Parish/State: SAN JUAN / NM

Well Number: 14Y

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF077383A

Unit or CA Name: KUTZ FEDERAL

Unit or CA Number: NMNM73958

US Well Number: 3004532227

Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2633532

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 09/10/2021

Time Sundry Submitted: 08:26

Date proposed operation will begin: 09/30/2021

Procedure Description: Hilcorp Energy Company requests permission to P&A the subject well per the attached procedures, current and proposed wellbore schematics. The Pre-Disturbance Site Visit was held on 09/07/2021 with Bob Switzer/BLM. The Re-Vegetation Plan is attached. A closed loop system will be used.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Plug_and_Abandonment_Procedure___Kutz_Federal_14Y_20210910082605.pdf

Well Name: KUTZ FEDERAL

Well Location: T28N / R10W / SEC 21 / SWNW / 36.65018 / -107.906744

County or Parish/State: SAN JUAN / NM

Well Number: 14Y

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF077383A

Unit or CA Name: KUTZ FEDERAL

Unit or CA Number: NMNM73958

US Well Number: 3004532227

Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Conditions of Approval

Additional Reviews

General_Requirement_PxA_20211123110310.pdf

Kutz_Federal_14Y_Geo_Rpt_20211123102808.pdf

Authorized Officer

2633532_NOIA_14Y_30045232227_KR_11232021_20211123110552.pdf

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.

Operator Electronic Signature: AMANDA WALKER

Signed on: SEP 10, 2021 08:26 AM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Technician

Street Address: 1111 TRAVIS ST.

City: HOUSTON **State:** TX

Phone: (346) 237-2177

Email address: mwalker@hilcorp.com

Field Representative

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: Approved

Disposition Date: 11/23/2021

Signature: Kenneth Rennick

Plug and Abandonment - NOI

Kutz Federal 14Y

API # - 3004532227

Procedure:

Hold PJSM prior to beginning any and all operations. Properly document all operations via the JSA process. Ensure that all personnel onsite abide by HEC safety protocol, including PPE, housekeeping, and standard guidelines.

Verify cathodic protection is off and wellhead instrumentation is properly disconnected from the wellhead. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.

Verify there is no H2S present prior to beginning operations. If any H2S is present, take the necessary actions to ensure that the location is safe prior to beginning operations.

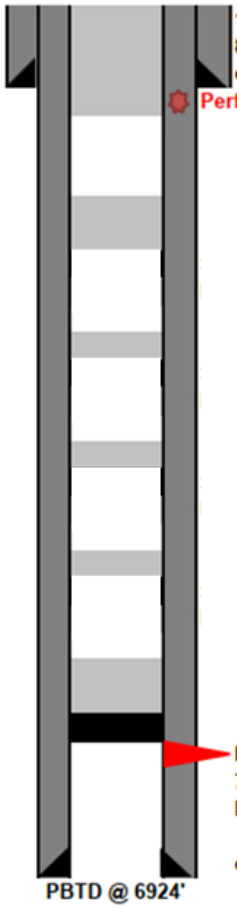
Observe and record pressures across all string daily, prior to beginning operations. **Remember to notify NMOCD 24 hours prior to starting operations on location.**

NOTE: **This procedure is contingent upon P&A sundry approval by NMOCD**. All cement volumes use 100% excess outside pipe and 50' excess inside (unless otherwise stated). All cement will be Class G, mixed at 15.8 ppg w/ a 1.15 cf/sx yield. The stabilizing wellbore fluid will be an 8.3 ppg fluid, sufficient to balance all exposed formation pressures.

1. This project will use a steel tank to handle waste fluids circulated from the well and cement wash up.
2. Test anchors if not using a base beam. Comply with all NMOCD, BLM, and HEC safety regulations. MIRU and conduct safety meeting for all personnel on location.
3. Record casing, tubing, and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP. Function test BOP. RU Floor and POOH with sucker rods and pump, laying down equipment.
5. POOH with production tubing and scan pipe to use for plugging, stand back good pipe.
6. **Plug #1, 6380' – 6330' (Dakota/Graneros perforations: 6397-6641')** RUWL and set CIBP at 6380', cap with 50' of class G cement. POOH with WL.
7. RIH on 2-3/8 tubing and verify top of cement on CIBP at 6330', circulate plug mud to 5500'.
8. **Plug #2, 5561-5461' (Gallup Top: 5511')** Mix & pump 49 sxs of Class G cement and spot a balanced plug to cover the Gallup top. PU and reverse circulate tubing clean.

9. Circulate plug mud to 3500’
10. **Plug #3, 3610’ – 3510’ (MV top at 3557)** Mix & pump 49 sxs of Class G cement and spot a balanced plug to cover MV top.
11. Circulate plug mud to 1500’
12. **Plug #4, 1660’ - 1560’ (Pictured Cliffs Top: 1969’ Fruitland Top:1608’)** Mix & pump 49 sxs of Class G cement and spot a balanced plug to cover PC/FRC top.
13. Circulate plug mud to 800’
14. **Plug #5, 880’ - 780’ (Kirtland Top: 1027’ Ojo Alamo Top:829’)** Mix & pump 49 sxs of Class G cement and spot a balanced plug to cover Kirtland/Ojo top.
15. POOH and lay down remaining pipe to leave 600’. RUWL and perforate 5-1/2” casing at 640’ (50’ below surface shoe). RIH to 600’.
16. **Plug #6, 640’ - Surface (Surface Shoe: 590’)** Mix and pump 200 sx class G cement and attempt to establish communication to bradenhead. If able, circulate to bradenhead and fill 5-1/2” casing to surface with cement. If no inj rate, circulate cement to surface on 5-1/2” casing and POOH with pipe.
17. ND BOP and cut off wellhead below surface casing flange per regulation. Top off w/cement if needed. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location.

Kutz Federal 14Y
API: 30-045-32227
Dakota
Proposed P&A WBD



12-1/4" hole
8-5/8" 24# set @ 604'
circulated 40 bbls cmt to surface

Perforate @ 640'

Plug 6: 640' - surf
200 sx class G,
attempt to circulate
to Bradenhead

5-1/2" inside 8-5/8"
0.1926 ft3/ft

Ojo Alamo Top: 829'
Kirtland Top: 1027'

Plug 5: 880'-780'
49 sx of class G,
balanced plug

Fruitland Top: 1608'
Pictured Cliffs Top: 1969'

Plug 4: 1660'-1560'
49 sx of class G,
balanced plug

Mesaverde Top: 3557'

Plug 3: 3610'-3510'
49 sx of class G,
balanced plug

Gallup Top: 5511'

Plug 2: 5561'-5461'
49 sx of class G,
balanced plug

Dakota Top: 6380'

Plug 1: 6380'-6330'
CIBP capped with 50'
of cement

5-1/2" inside 7.875" hole
0.1733 ft3/ft

Dakota Perforations: 6397' - 6692'
7-7/8" hole
Production Casing:
5-1/2" 15# set @ 6971'
circulated cmt to surface

PBTD @ 6924'

Hilcorp Energy Company

Schematic - Current

Well Name: KUTZ FEDERAL #14Y

API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3004532227	T28N-R10W-S21	Basin Dakota		New Mexico	Directional

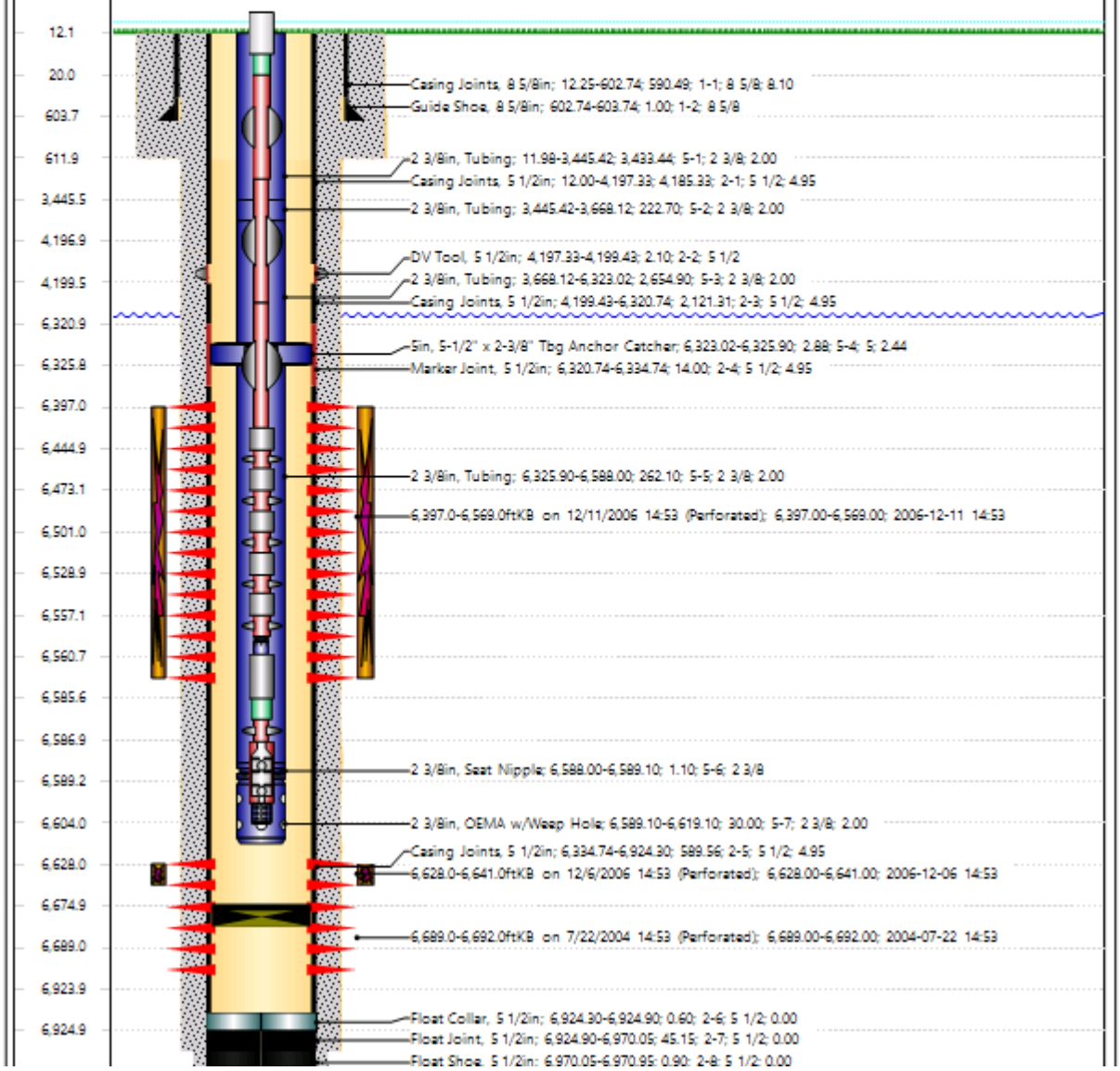
Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	Original Spud Date	Rig Release Date	PBTD (All) (ftKB)	Total Depth All (TVD) (ftKB)
5,934.00	12.00	6/1/2004 00:00	6/15/2004 00:00	Original Hole - 6,675.0	Original Hole - 6,902.9

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
Well Maintenance	ROD & PUMP REPAIR		7/1/2013	7/5/2013

TD: 6,970.0

Original Hole [Directional]



Hilcorp Energy
P&A Final Reclamation Plan
Kutz Federal 14Y
API: 30-045-32227
T28N-R010W-Sec. 21-Unit E
LAT: 36.650148 LONG: -107.906118 NAD 27
Footage: 1765' FNL & 945' FWL
San Juan County, NM

1. PRE- RECLAMATION SITE INSPECTION

   A pre-reclamation site inspection was completed with Bob Switzer from the BLM and Eufracio Trujillo, Hilcorp Energy SJ South Construction Foreman on September 7, 2021.

2. LOCATION RECLAMATION PROCEDURE

   1. Reclamation work will begin in summer/ fall time period.
   2. Removal of all equipment, anchors, compressor, and flowlines.
   3. Below Grade Tank will be sampled and tested. It will be closed after approval has been given.
   4. All trash and debris will be removed within a 50' buffer outside of the location disturbance during reclamation.
   5. Rip compacted soil and walk down entire well pad.
   6. Remove berms.
   7. Push in fill side on the North and Northeastern corners and push into cut side on Southwest and West locations to recontour close to natural surroundings.
   8. Blade location to stockpile gravel/soil mix and bury on Southwestern cut side.
   9. Remove all gravel from berms, pads, and meter run.
   10. Harvest needs to remove line from location to dogleg.

3. ACCESS ROAD RECLAMATION PROCEDURE

   1. The main lease access will be blocked at the main lease road with a berm.
   2. Reclaim road by ripping and broadcast seeding.
   3. Insert small water bars for erosion control down road to help with runoff.

4. SEEDING PROCEDURE

   1. A Pinion/Juniper seed mix mixed with some sage will be used for all reclaimed and disturbed areas of the well pad and lease road.
   2. Drill seed 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.
   3. Timing of the seeding will be when the ground is not frozen or saturated.

5. WEED MANAGEMENT

1. No action is required at this time for weed management, no noxious weeds were identified during this onsite.

GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON FIELD OFFICE

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densometer/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

4.6 **A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.**

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.

5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.

5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.

5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.

6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H_2S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon

Re: Permanent Abandonment
Well: Kutz Federal 14Y

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

3. The following modifications to your plugging program are to be made:

a. Plug 2: Top must be extended to 5411 feet to account for required excess.
b. Plug 3: Top must be extended to 3457 feet to account for required excess.
c. Plug 4: Needs to cover both the Pictured Cliffs and Fruitland tops. The top of this plug must be extended to 1450 feet to account for required excess, however, the bottom of the plug must be lowered to at least 2020 feet to cover the Pictured Cliffs top. Alternatively, both formation tops may be covered separately.
d. Plug 5: Needs to cover both the Kirtland and Ojo Alamo formation tops. The top of this plug must be extended to 729 feet to account for required excess, however, the bottom of the plug must be lowered to at least 1077 feet to cover the Kirtland top as well as the entirety of the Ojo Alamo.
e. Surface plug: Perforate a minimum 50 feet below the surface casing shoe at 604 feet. Perforating at 640 feet does not meet this requirement. Also confirm the location of surface casing shoe. The schematic has the set depth being 604 feet, the procedure has it as 590 feet.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.

K. Rennick 11/23/2021

BLM - FFO - Geologic Report

Date Completed 11/23/2021

Well No.	Kutz Federal	# 14Y	Surf. Loc.	1765	FNL	945	FWL
			Sec.	21	T28N		R10W
Lease No.	NMSF077383A						
Unit No.	NMNM73958						
Operator	Hilcorp Energy Co		County	San Juan		State	New Mexico
TVD	6970 PBTD	6924	Formation	Dakota SS			
Elevation	GL 5922		Elevation	Est. KB	5895		

Geologic Formations	Est. tops	Subsea Elev.	Remarks
Nacimiento Fm.	Surface	5881	Surface /fresh water sands
Ojo Alamo Ss	829	5066	Fresh water aquifer
Kirtland Fm.	1027	4868	
Fruitland Fm.	1550	4345	Coal/gas/possible water
Pictured Cliffs	1970	3925	Possible water
Lewis Shale (Main)	2050	3845	Source rock
Chacra (lower)	3255	2640	Possible gas/water
Cliff House Ss	3557	2338	Water
Menefee Fm.	3730	2165	Coal/water/possible gas
Point Lookout Fm.	4260	1635	Possible gas/water
Mancos Shale	4371	1524	Source rock
Gallup	5511	384	Oil & gas
Dakota Ss	6420	-525	Possible gas/water

Remarks:

Vertical wellbore, all formation depths are TVD from KB

-The Cliff House should be used as the top of the Mesa Verde for plugging purposes.

-Many of the plugs must be modified to cover the BLM formation depths:

Plug 1 is acceptable.

The Plug 2 top must be extended to 5411' to account for required excess.

The Plug 3 top must be extended to 3457' to account for required excess.

The description for Plug 4 includes both the Pictured Cliffs and Fruitland tops. The top of this plug must be extended to 1450' to account for required excess, however, the bottom of the plug must be lowered to at least 2020' to cover the Pictured Cliffs top. Alternatively, both formation tops may be covered separately.

The description for Plug 5 includes both the Kirtland and Ojo Alamo formation tops. The top of this plug must be extended to 729' to account for required excess, however, the bottom of the plug must be lowered to at least 1077' to cover the Kirtland top as well as the entirety of the Ojo Alamo.

Plug 6, the surface plug, is acceptable.

Reference Wells:

1) Fm Tops
Hilcorp Energy Co
Same

Prepared by: Walter Gage

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

Action 63278

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 63278
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	11/23/2021
kpickford	Adhere to BLM approved plugs and COAs (see GEO report)	11/23/2021