

| | | |
|----------------------------|--|---------------------------------------|
| Well Name: WF FEDERAL 27 | Well Location: T30N / R14W / SEC 27 / NENW / 36.789571 / -108.298896 | County or Parish/State: SAN JUAN / NM |
| Well Number: 2 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMNM97841 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3004530689 | Well Status: Producing Gas Well | Operator: HILCORP ENERGY COMPANY |

Notice of Intent

Sundry ID: 2653689

| | |
|--|--------------------------------------|
| Type of Submission: Notice of Intent | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 01/21/2022 | Time Sundry Submitted: 11:20 |
| Date proposed operation will begin: 02/04/2022 | |

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 1/10/2022 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

- PA_reclamation__WF_Federal_27_2_01_12_2022__Optimized_20220121111944.pdf
- WF_Federal_27_2_P_A_Procedure_20220121111023.pdf

| | | |
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Conditions of Approval

Additional Reviews

General_Requirement_PxA_20220209092207.pdf
2653689_NOIA_2_3004530689_KR_02092022_20220209092143.pdf
30N14W27CKpc_WF_Federal_27_2_20220208160001.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: KANDIS ROLAND
Signed on: JAN 21, 2022 11:20 AM
Name: HILCORP ENERGY COMPANY
Title: Operation Regulatory Tech
Street Address: 382 Road 3100
City: Farmington **State:** NM
Phone: (505) 599-3400
Email address: kroland@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: 02/09/2022
Signature: Kenneth Rennick



P&A Procedure

| General Information | | | |
|---------------------|--------------------------|---------------|----------|
| Well Name | WF Federal 27 #2 | Date: | 1-21-22 |
| API: | 30-045-30689 | AFE # | |
| Field: | San Juan North | County | San Juan |
| Status: | Well is ACOI | | |
| Subject: | Permanently P&A wellbore | | |
| By: | J. Picou | | |

Well Data

Surface Casing: 7" 20# K-55 at 131'

Production Casing: 4-1/2" 10.5#; J-55 at 1,255'

Production Tubing: 2-3/8" 4.7#; J-55 at 1,165'

Rod String: 3/4" Sucker Rods

Current Perforations: 1,093' - 1,103'

Current PBTD: 1,219' (cement plug)

KB: 5'

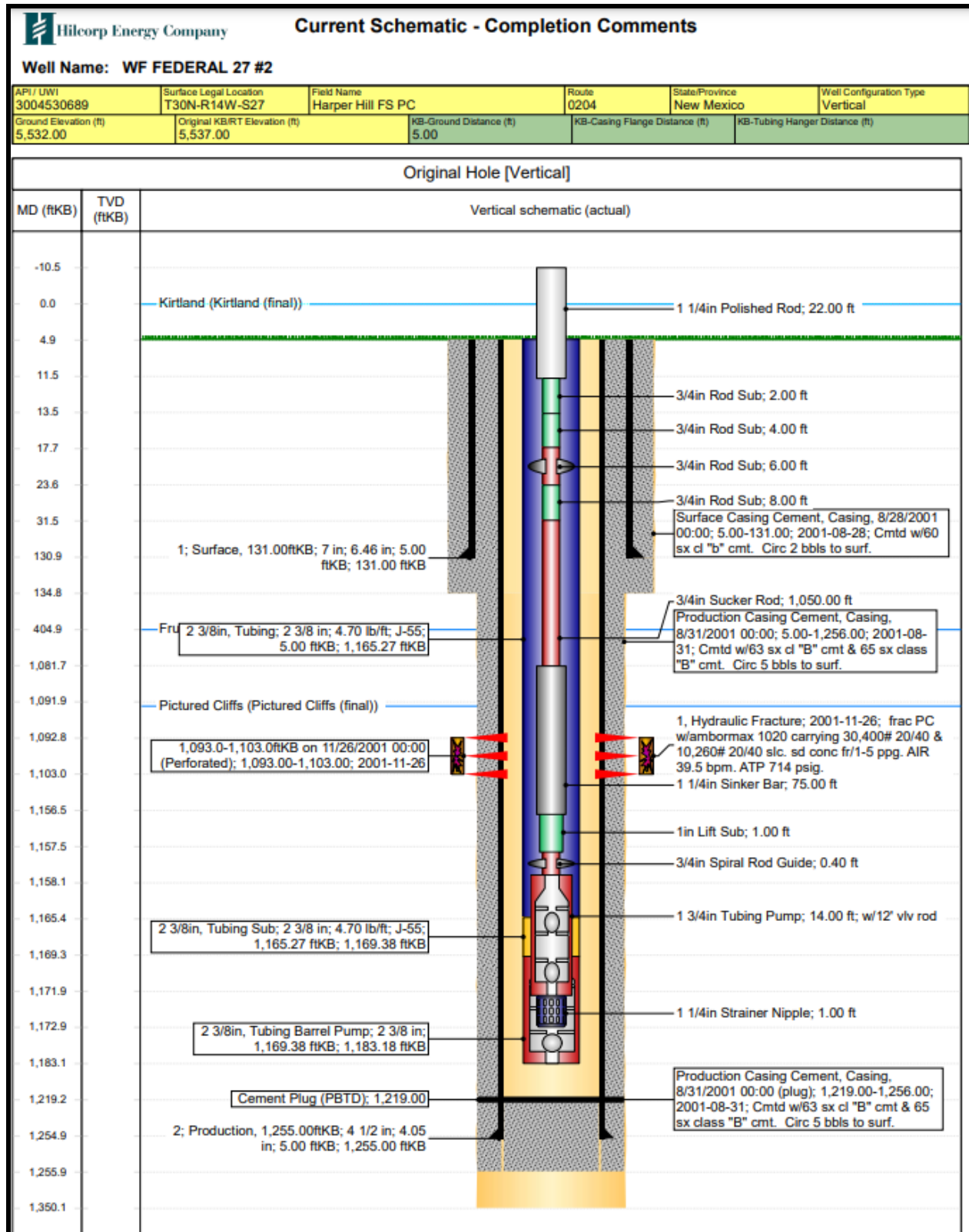
Hold PJSM prior to begin all operations. Properly document all operations via the JSA process. Ensure that all personnel onsite abide by HEC safety protocol, including PPE, housekeeping, and standard guidelines. Verify cathodic protection is off and wellhead instrumentation is properly disconnected from the wellhead. Comply with all NMOCD 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 strings daily, prior to beginning operations.

Remember to notify NMOCD and BLM 24 hours prior to starting operations on location. This procedure is contingent upon P&A sundry approval by the NMOCD and BLM.

Rig Procedure

1. MIRU P&A rig and equipment. Record pressures on all strings.
2. Unseat rods from ESP and POOH with rod string. NU BOP & test. Release ESP pump and TOOH with production tbg and pump.
3. RIH with 4.5" casing scraper to +/- 1,070'.
4. MU 4.5" CICR and RIH. Set CICR at 1,050'
5. Load wellbore with KCl water and circulate wellbore clean. Pressure test the casing to 500 psi to verify wellbore integrity and plug set.
6. **Plug #1 (Pictured Cliffs top at 1,093')** : RU cementers and pump a 200' balanced cmt plug inside the 4-1/2" from 850' – 1,050', using 4 bbls (19 sx) of 15.8+ ppg Class G cmt.
7. TOOH with tbg to 200'.
8. **Plug #2 (Surface Casing Shoe at 131')**: RU cementers and pump a 200' balanced cmt plug from Surface – 200' inside the 4-1/2" using 4 bbls (19 sx) of 15.8 ppg Class G cmt.
9. WOC 4 hrs. Verify all pressures on all strings are at 0 psi.
10. ND BOP. Tag cmt and top off wellbore as needed. Cutoff wellhead at surface and weld P&A marker.
11. RDMO P&A rig.

CURRENT WELLBORE SCHEMATIC



PROPOSED P&A WELLBORE SCHEMATIC



Hilcorp Energy
P&A Final Reclamation Plan
WF Federal 27 #2
API: 30-045-30689
C – Sec.27-T030N-R014W
Lat: 36.789611, Long: -108.298304
Footage: 1021' FNL & 1940' FWL
San Juan County, NM

1. PRE-RECLAMATION SITE INSPECTION

- 1.1) A pre-reclamation site inspection was completed by Bob Switzer with the BLM and Chad Perkins construction Foreman for Hilcorp Energy on January 10, 2022.

2. LOCATION RECLAMATION PROCEDURE

- 2.1) Reclamation work will begin in the spring of 2022.
2.2) Remove all production equipment, anchors, and flowlines.
2.3) The produced water pipeline piping approximately ~3 tenths of a mile from the well pad to the mainline will be abandoned in place and capped ~4' below grade on both ends. The mainline pipeline will be blind flanged or capped off from the abandoned pipeline.
2.4) The gas pipeline piping approximately ~3 tenths of a mile from the well pad to the mainline will be abandoned in place and capped below grade on both ends. The mainline pipeline will be blind flanged or capped off from the abandoned pipeline.
2.5) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.
2.6) All nonnative aggregate will be scraped up and buried at the toe of the cut prior to pushing the fill into cut.
2.7) Push fill into cut slope and re-contour into shallow swales to create rolling terrain that matches natural topography drainage features to limit erosion.
2.8) Rip compacted soil and walk down disturbed portion of well pad.

3. ACCESS ROAD RECLAMATION PROCEDURE:


- 3.1) The lease access road will not be closed and reclaimed at this time; it is access to pipeline ride of way.

4. SEEDING PROCEDURE

- 4.1) A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the location and lease road.
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.


Date: 1/12/2022
Scale: 1:1,128 mi
0 0.01 0.02 0.02 0.03


Wells

 Gas Well

Pipelines

 Hilcorp Operated Pipeline

 Other

 Lateral


 Trunk

Hilcorp Boundaries

 Asset Teams

 Supervisor Areas, outline

Roads and Highways

 US Highways

 No Access

 Main Road

 Road

WF FEDERAL 27 2

SJN-238

WF FEDERAL
27 2

Fill will be pushed into cut, all nonnative aggregate
will be buried at toe of the cut prior to pushing fill
into the cut.

Hilcorp ArcGIS Web Map

Date: 1/12/2022
 Scale: 1:4,514 mi
 0 0.03 0.06 0.09 0.12

Wells

Gas Well

Pipelines

Hilcorp Operated Pipeline
 Other
 Lateral
 Trunk

Hilcorp Boundaries

Asset Teams
 Supervisor Areas, outline

Roads and Highways

US Highways
 No Access
 Main Road
 Road

Lease road will not be reclaimed,
 Pipeline ROW access

Water and Gas pipe-
 lines will be capped
 at well pad @ ~4'.

Water and Gas lines
 will be abandoned in
 place for approx.
 ~three tenths of a
 mile.

Water and Gas pipelines and
 mainlines will be capped @ ~4'.



**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 H₂S.

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.

(October 2012 Revision)

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

AFMSS 2 Sundry ID 2653689

Attachment to notice of Intention to Abandon

Well: WF Federal 27 2

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. The following modifications to your plugging program are to be made:
 - a) Plug 1 (Fruitland): Bring the top of the plug up to 800 feet to cover BLM pick for the Fruitland formation top.
3. Farmington Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.

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 2/9/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 2/8/2022

| | | | | | | |
|---|------------|---------------------------|-----|-------|------------|-----|
| Well No. WF Federal 27 #2 (API# 30-045-30689) | Location | 1021 | FNL | & | 1940 | FWL |
| Lease No. NMNM-97841 | Sec. 27 | T30N | | | R14W | |
| Operator Hilcorp Energy Company | County | San Juan | | State | New Mexico | |
| Total Depth 1350' | PBTD 1219' | Formation Pictured Cliffs | | | | |
| Elevation (GL) 5532' | | Elevation (KB) 5537' | | | | |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks |
|---------------------|----------|-------------|---------|------------|-------------------------------|
| San Jose Fm | | | | | |
| Nacimiento Fm | | | | | Surface/freshwater sands |
| Ojo Alamo Ss | | | | | Aquifer (possible freshwater) |
| Kirtland Shale | | | Surface | 846 | |
| Fruitland Fm | | | 846 | 1093 | Coal/Gas/Possible water |
| Pictured Cliffs Ss | | | 1093 | PBTD | Gas |
| Lewis Shale | | | | | |
| Chacra | | | | | Gas |
| Cliff House Ss | | | | | Water/Possible gas |
| Menefee Fm | | | | | Coal/Ss/Water/Possible O&G |
| Point Lookout Ss | | | | | Probable water/Possible O&G |
| Mancos Shale | | | | | |
| Gallup | | | | | O&G/Water |
| Greenhorn | | | | | |
| Graneros Shale | | | | | |
| Dakota Ss | | | | | O&G/Water |

Remarks:

P & A

- Bring the top of Plug #1 up to 800' to cover BLM pick for the Fruitland formation top.
- The plugs proposed in the P&A procedure, with recommended changes, will adequately protect any freshwater sands in this well bore.
- Pictured Cliffs perms 1093' – 1103'.
- Note: H₂S has not been reported in this well but has been reported in wells to the north and west at concentrations up to 1000 PPM.

Reference Well:

1) **Formation Tops**
Same

Prepared by: Chris Wenman

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 80228

CONDITIONS

| | |
|--|---|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 80228 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 2/14/2022 |
| kpickford | Adhere to BLM approved COAs and plugs. See GEO report. | 2/14/2022 |