

|                            |   |                                       |
|----------------------------|---|---------------------------------------|
| Well Name: BALLARD         | Well Location: T26N / R9W / SEC 14 / SWSW / 36.483551 / -107.763626 | County or Parish/State: SAN JUAN / NM |
| Well Number: 4             | Type of Well: CONVENTIONAL GAS WELL                                 | Allottee or Tribe Name:               |
| Lease Number: NMNM03154    | Unit or CA Name:  | Unit or CA Number:                    |
| US Well Number: 3004505822 | Well Status: Gas Well Shut In                                       | Operator: HILCORP ENERGY COMPANY      |

Notice of Intent

Sundry ID: 2654238

|  |                                      |
|--|--------------------------------------|
| Type of Submission: Notice of Intent           | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 01/26/2022              | Time Sundry Submitted: 12:19         |
| Date proposed operation will begin: 02/09/2022 |                                      |

**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 1/21/2022 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

- Plug\_and\_Abandonment\_Procedure\_\_\_Ballard\_4\_20220126121831.pdf
- Ballard\_4\_Reclamation\_Plan\_20220126121831.pdf

Received by OCD: 3/18/2022 5:47:28 AM

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|                            |   |                                       |
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Conditions of Approval

Additional Reviews

26N09W14MKpc\_Ballard\_4\_20220317122337.pdf

Authorized Officer

2654238\_NOIA\_4\_3004505822\_KR\_03172022\_20220317130844.pdf

General\_Requirement\_PxA\_20220317130830.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 26, 2022 12:18 PM

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: 03/17/2022

Signature: Kenneth Rennick

**Plug and Abandonment - NOI****Ballard 4****API # - 3004505822****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 H<sub>2</sub>S present prior to beginning operations. If any H<sub>2</sub>S 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.

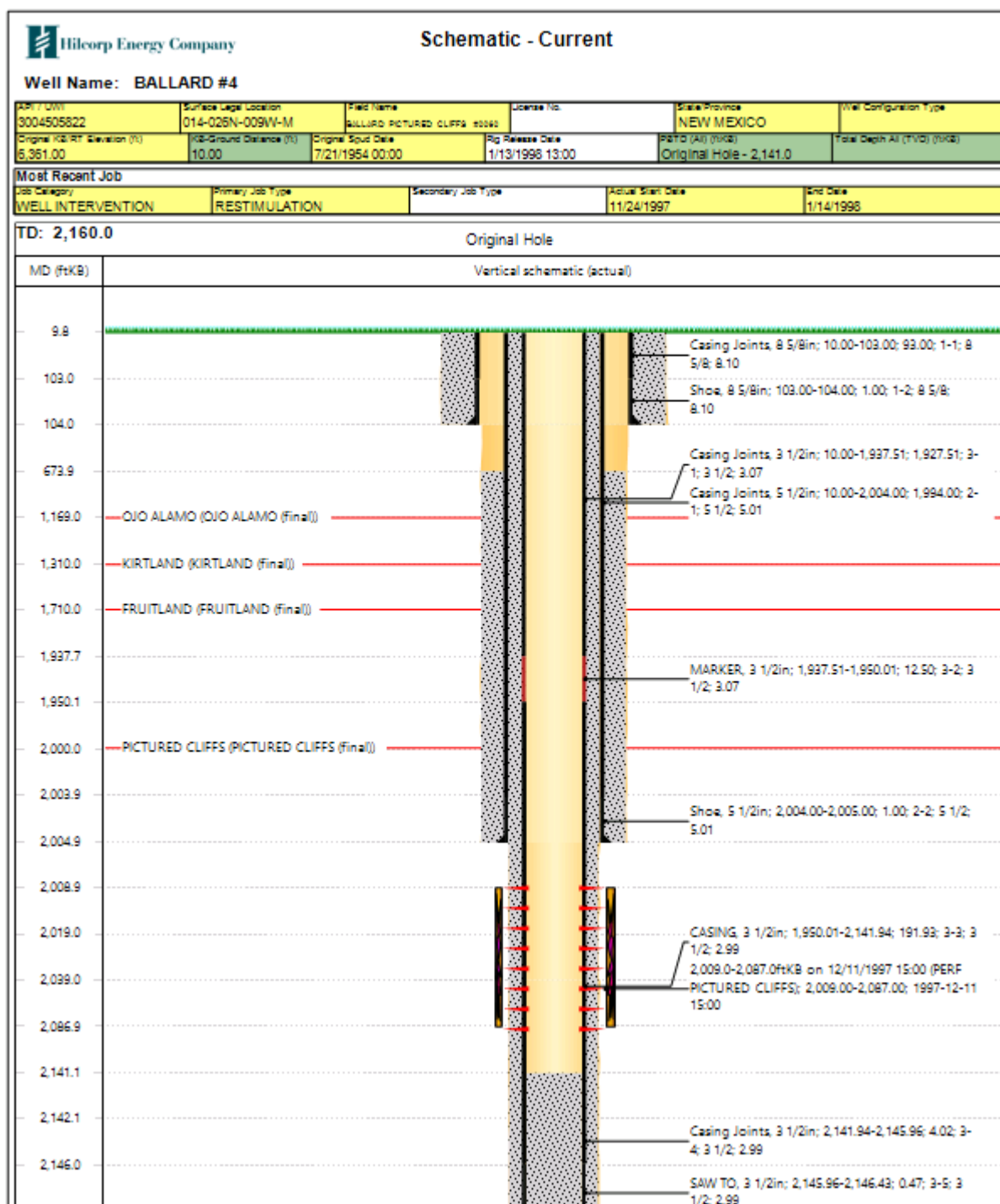
**Remember to notify NMOCD 24 hours prior to starting operations on location.**

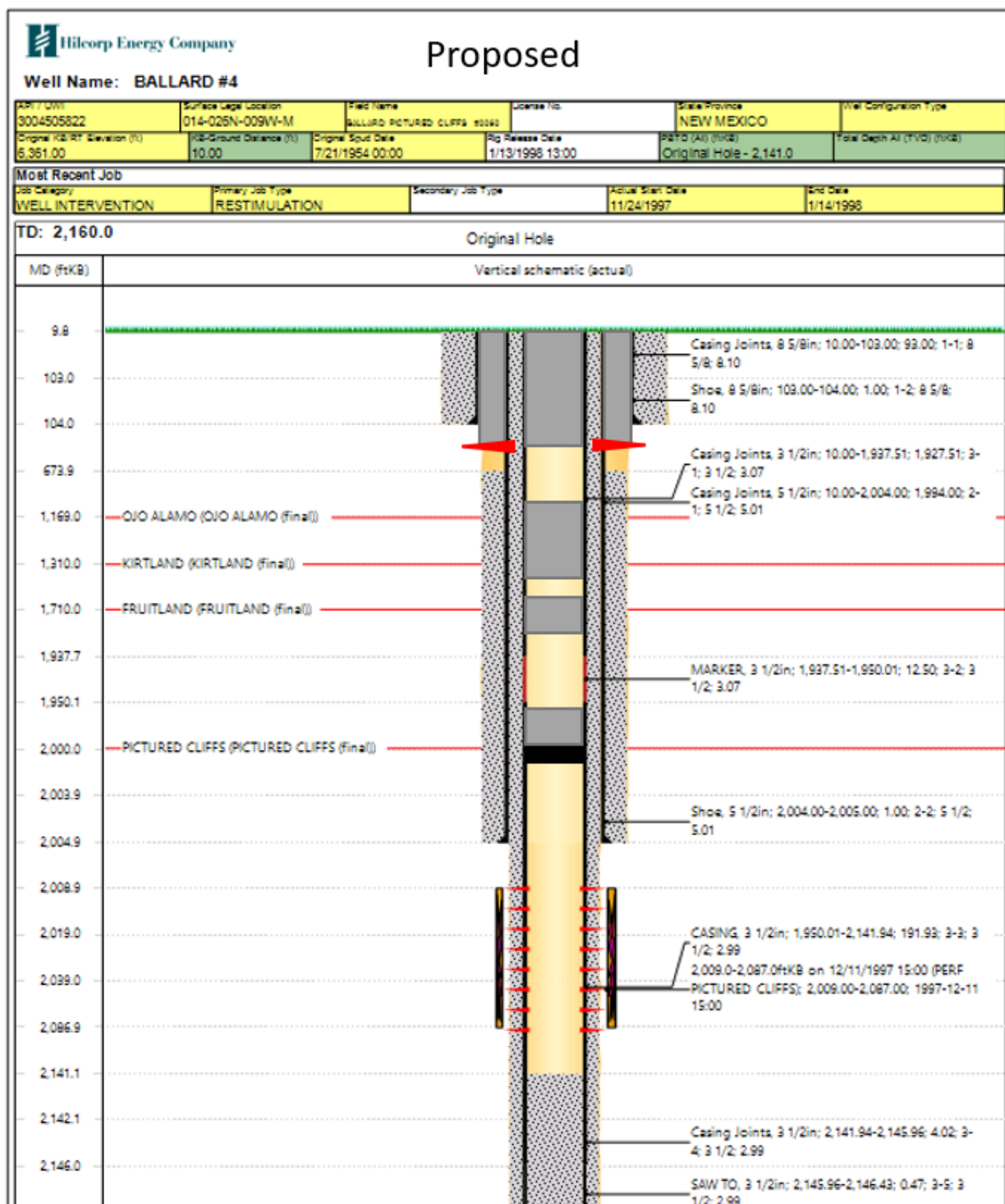
**NOTE: This procedure is contingent upon P&A sundry approval by NMOCD.** All cement volumes use 100% excess outside pipe and 50' excess inside (unless otherwise stated). All cement will be Class G, mixed at 15.8 ppg w/ a 1.15 cf/sx yield. The stabilizing wellbore fluid will be an 8.3 ppg fluid, sufficient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

**CBL 11/1997 shows TOC on 5.5" casing at 674', cement was circulated to surface on 3.5" liner.**

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. RUWL and RIH with 3.5" CIBP, set plug at 2000'. POOH RDWL.
5. **Plug #1, 2000' – 1970' (PC Top: 2000')**
6. PU 1.5" work string. RIH to CIBP and circulate 30' of cement on plug.
7. Circulate plug mud from 1970' to 1760'
8. **Plug #2, 1760' – 1660' (Fruitland Top: 1710')**
9. Circulate cement plug from 1760' to 1660' (0.91 bbl)
10. **Plug #3, 1360'-1119' (Kirtland Top: 1310' Ojo Alamo Top: 1169')**
11. Circulate plug mud from 1660' to 1310'
12. Circulate cement plug from 1360' to 1119' (2.2 bbl)

13. Circulate plug mud to 160'
14. POOH with work string
15. **Plug #3, 154' - Surface (Surface Shoe: 104')**
16. RUWL and perforate at 154', RDMO WL
17. Establish circulation through perforations to bradenhead with fresh water.
18. Circulate cement to surface and fill 3.5" ID (10 bbl volume to fill, 20 bbl minimum to be pumped)
19. 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.





Hilcorp Energy  
P&A Final Reclamation Plan  
**Ballard 4**  
API: 30-045-05822  
T26N-R9W-Sec. 14-Unit M  
LAT: 36.48355 LONG: -107.76363 NAD 27  
Footage: 990' FSL & 990' FWL  
San Juan County, NM

**1. PRE- RECLAMATION SITE INSPECTION**

A pre-reclamation site inspection was completed with Bob Switzer from the BLM, Mike Raney with Enterprise, and Eufracio Trujillo, Hilcorp Energy SJ South Construction Foreman on January 21, 2022.

**2. LOCATION RECLAMATION PROCEDURE**

1. Reclamation work will begin in Spring.
2. Removal of all equipment, anchors, and flowlines.
3. Remove line drip.
4. All trash and debris will be removed within a 50' buffer outside of the location disturbance during reclamation.
5. Location will not need to be recontoured.
6. Remove all gravel from berms, pads, and meter run.
7. Enterprise will barricade and blind riser from meter run.

**3. ACCESS ROAD RECLAMATION PROCEDURE**

1. The well access road will be blocked at the entrance with a berm.
2. Reclaim road by ripping and broadcast seeding.

**4. SEEDING PROCEDURE**

1. A Sagebrush seed mix will be used for all reclaimed and disturbed areas of the well pad and lease road.
2. Overseeding of location will take place where vegetation hasn't grown.
3. 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.
4. Timing of the seeding will be when the ground is not frozen or saturated.

**5. WEED MANAGEMENT**

1. No noxious weeds were identified during this onsite.

# BLM FLUID MINERALS P&A Geologic Report

**Date Completed:** 3/17/2022

|   |            |                           |     |       |            |     |
|---|------------|---------------------------|-----|-------|------------|-----|
| Well No. Ballard #4 (API# 30-045-05822) | Location   | 990                       | FSL | &     | 990        | FWL |
| Lease No. NMNM-03154                    | Sec. 14    | T26N                      |     |       | R09W       |     |
| Operator Hilcorp Energy Company         | County     | San Juan                  |     | State | New Mexico |     |
| Total Depth 2160'                       | PBTD 2138' | Formation Pictured Cliffs |     |       |            |     |
| Elevation (GL) 6351'                    |            | Elevation (KB) 6361'      |     |       |            |     |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks                       |
|---------------------|----------|-------------|---------|------------|-------------------------------|
| San Jose Fm         |          |             |         |            |                               |
| Nacimiento Fm       | Surface  | 1202        |         |            | Surface/freshwater sands      |
| Ojo Alamo Ss        | 1202     | 1310        |         |            | Aquifer (possible freshwater) |
| Kirtland Shale      | 1310     | 1755        |         |            |                               |
| Fruitland Fm        | 1755     | 2000        |         |            | Coal/Gas/Possible water       |
| Pictured Cliffs Ss  | 2000     | PBTD        |         |            | Gas                           |
| Lewis Shale         |          |             |         |            |                               |
| Chacra              |          |             |         |            |                               |
| Cliff House Ss      |          |             |         |            |                               |
| Menefee Fm          |          |             |         |            |                               |
| Point Lookout Ss    |          |             |         |            |                               |
| Mancos Shale        |          |             |         |            |                               |
| Gallup              |          |             |         |            |                               |
| Greenhorn           |          |             |         |            |                               |
| Graneros Shale      |          |             |         |            |                               |
| Dakota Ss           |          |             |         |            |                               |

Remarks:

P & A

- Tops for this well were estimated using logs from Reference Well #1.
- BLM estimates for the Fruitland and Ojo Alamo formation tops vary from Operator submission.
- Bring the bottom of Plug #2 (Fruitland) down to 1805' to cover BLM formation top estimate (1755').
- The plugs proposed in the P&A procedure, with recommended changes, will adequately protect any freshwater sands in this well bore.
- Pictured Cliffs perfs 2009' – 2087'.

Reference Well:

1) **Formation Tops**  
Hilcorp Energy Company  
Ballard #501  
1000' FSL, 1330' FWL  
Sec. 14, T26N, R09W  
KB 6363'

Prepared by: Chris Wenman



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

AFMSS 2 Sundry ID 2654238

Attachment to notice of Intention to Abandon

Well: Ballard 4

**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) Increase the volume of cement above Plug #1 (Pictured Cliffs) to 50' of cement on top of the CIBP.
  - b) Bring the bottom of Plug #2 (Fruitland) down to 1805' to cover BLM formation top estimate (1755'),
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 3/17/2022

**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<sub>2</sub>S.

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.

**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 91211

CONDITIONS

|  |   |
|--|---|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                    |
|  | Action Number:<br>91211                             |
|  | Action Type:<br>[C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition  | Condition Date |
|------------|--|----------------|
| kpickford  | Notify NMOCD 24 Hours Prior to beginning operations    | 3/21/2022      |
| kpickford  | Adhere to BLM approved COAs and plugs. See GEO report. | 3/21/2022      |