<i>Received by Opp 3</i> , 39, 2022, 5:18:58 A Office <u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210 <u>District III</u> – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410 District IV – (505) 476-3460	M State of New Mexic Energy, Minerals and Natural I OIL CONSERVATION DI 1220 South St. Francis Santa Fe, NM 87503	Resources VISION Dr.	Form C-103 Revised July 18, 2013 WELL API NO. 30-045- 23679 5. Indicate Type of Lease STATE FEE S 5. State Oil & Gas Lease No.		
1220 S. St. Francis Dr., Santa Fe, NM 87505	ES AND REPORTS ON WELLS LS TO DRILL OR TO DEEPEN OR PLUG B	ACK TO A	7. Lease Name or Unit Agreement Name FEE		
PROPOSALS.)	as Well 🛛 Other		 8. Well Number 9. OGRID Number 372171 		
3. Address of Operator 382 Road 3100, Aztec, NM 87410			10. Pool name or Wildcat Aztec Pictured Cliffs / Blanco Mesaverde		
Section 03	feet from the <u>South</u> line and <u>1000</u> Fownship <u>30N</u> Range 11W 11. Elevation (Show whether DR, RK	NI	<u>East</u> line MPM San Juan County		
12. Check Ap	5797 GR propriate Box to Indicate Natur	re of Notice, R	eport or Other Data		
	PLUG AND ABANDON RE CHANGE PLANS CC	SUBSI EMEDIAL WORK DMMENCE DRILL ASING/CEMENT			

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of

Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal and downhole trimmingle with the existing Pictured Cliffs/Mesaverde. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas

 \Box

Spud Date:		Rig Release Date:			
I hereby certify that the	ne information above is true a	nd complete to the best of	my knowledge and b	belief.	
SIGNATURE	Albuther	TITLE Opera	ations/Regulatory Tec	<u>chnician – Sr.</u> DATE	E <u>3/29/2022</u>
Type or print name	Amanda Walker	E-mail address: <u>mwa</u>	lker@hilcorp.com	PHONE:(346) 2	37-2177
For State Use Only					
		TITLE		DATE	
Conditions of Approv	ar (ir any):				

DOWNHOLE COMMINGLE

CLOSED-LOOP SYSTEM

OTHER:

proposed completion or recompletion.

management plan. A closed loop system will be used.

□ ⊠ Recomplete



Prepared by:	Andrew Malone		
Preparation Date:	March 28, 2022		

	WELL INFORMATION								
Well Name:	FEE 3	State: NM							
API #:	3004523679	County:	SAN JUAN						
Area:	03	Location:	1640' FNL & 1000' FWL - Unit I - Section 03 - T 030N - R 011W						
Route:	0304	Latitude:	36.838241 N						
Spud Date:	5/23/1983	Longitude:	-107.972248 W						

PROJECT DESCRIPTION

Isolate the Mesaverde and Pictured Cliffs, perforate and stimulate the Fruitland Coal.

CONTACTS									
Title	Name	Office Phone #	Cell Phone #						
Engineer	Andrew Malone	346-237-2370	832-335-8451						
Area Foreman	Jeremy Brooks		947-3867						
Lead	Wayne Peace		320-2532						
Artificial Lift Tech	Jake Stockton		330-6450						
Operator	Raymond Baldonado		215-1302						



JOB PROCEDURES 1. MIRU service rig and associated equipment; NU and test BOP per HEC, State, and Federal guidelines. 2. TOOH with 1-1/4" tubing (short string) (Pictured Cliffs). 3. TOOH with 2-3/8" tubing (long string) (Mesaverde). 4. TIH with work string and burnover shoe. Burn over packer. 5. Set a bridge plug above Mesaverde perforations for zonal isolation (set between 4,222' and 4,272'). Load hole with fluid. 6. Set a bridge plug above Pictured Cliffs perforations for zonal isolation (set between 2,230' and 2,280'). Load hole with fluid. 7. RU E-line. Run cement bond log to verify presence of cement across Fruitland Coal interval. 8. Rig up pressure test truck. Perform a Mechanical Integrity Test on wellbore. Chart record the MIT test (notify NMOCD +24hr before the actual test). 9. If frac'ing down casing: Pressure test to anticipated frac pressure, but do not exceed 80% of casing burst pressure. 10. RU E-line crew. Perforate the Fruitland Coal. Top perforation depth = 1,636'; Bottom perforation depth = 2,268'. 11. If frac'ing down a frac string: Run in hole with frac string and packer, and land packer above top Fruitland Coal perforation. ND BOP, NU frac stack. Pressure test frac stack to frac pressure. Pressure test frac string to anticipated frac pressure. RDMO service rig. 12. RU stimulation crew. Frac the Fruitland Coal in one or more stages. Set bridge plugs between stages as needed. 13. 14. Flowback well through flowback separator and sand trap until pressures diminish. 15. MIRU service rig. ND frac stack, NU BOP and test. 16. If frac was performed down a frac string: POOH w/ frac string and packer. 17. TIH with mill and clean out to Pictured Cliffs isolation plug at 2,230' to 2,280'. 18. Once water and sand rates are acceptable, collect a gas sample from the Fruitland Coal. 19. Pending C107A approval, mill out isolation plugs above Pictured Cliffs and Mesaverde. Clean out to PBTD at 4,948. TOOH with cleanout assembly. 20. TIH and land production tubing. Run and set artificial lift components as needed. Put well on production from Fruitland Coal, Pictured Cliffs, and Mesaverde (trimmingled).



Hilcorp Ener		Scher	natic - Curre	nt		
3004523679	Surface Legal Location Fi	ed Name Ilanco Mesaverde	Ucense No.		New Mexico	Well Configuration Type Vertical
Driginal KB/RT Elevation (ft) 5,810.00	KB-Ground Distance (ft) Original S		Rig Release Date 5/30/1983 00:00	PBT	D (AII) (fKB) ginal Hole - 4,948.0	Total Depth All (TVD) (ftKB)
lost Recent Job						
ob Category Well Maintenance	Primary Job Type Pkr Leakage Tst	Secondary Job	туре	Actual Start Date 12/21/2012	End 12/	Date 21/2012
FD: 5,010.0		Origin	al Hole [Vertical]			
MD (ftKB)		1	/ertical schematic	(actual)		
0.0						
13.1					-Casing Joints, 13 3/8ir	r; 13.00-73.00; 60.00; 1-1;
73.2					13 3/8; 12.52	
250.0					9 5/8; 8.92	13.00-254.00; 241.00; 2-1;
253.9						
	(Ojo (final))				1 1/4in, Tubing; 13.00- - 1/4; 0.82	2,305.00; 2,292.00; 2-1; 1
	and (Kirtland (final))				Casing Joints, 7in; 13.0	00-2,459.00; 2,446.00; 3-1; 7;
	and (Kirtland (iinai))				6.37 1.400.0-1.400.0ftKB on	<dttm> (Squeeze Holes);</dttm>
1,399.9					1,400.00	
	land Coal (Fruitland Coal (final))—				2 255.0-2 255.0ftKB on	<dttm> (Squeeze Holes);</dttm>
2,254.9					2,255.00	
	red Cliffs (Pictured Cliffs (final))—					
2,279.9		M			2 3/8in, Tubing; 13.00- 3/8; 2.00	4,562.00; 4,549.00; 1-1; 2
2,305.1					2,280.0-2,368.0ftKB on (Perforations): 2,280.0	7/1/1983 00:00 0-2,368.00; 1983-07-01
2,368.1		<u>N</u> _				
2,391.1					2,391.0-2,391.0πKB on 2,391.00	<dttm> (Squeeze Holes);</dttm>
2,419.9						
2,423.9			/i —	-		
2,459.0				3 A	-DV Tool, 7in; 2,459.00	2461.00:2.00:3.2:7
2,461.0						
- 3,745.1 Mesa	averde (Mesaverde (final))		-		Casing Joints, 7in; 2,46 = 3; 7; 6.37	51.00-4,987.00; 2,526.00; 3-
4,230.0					4,230.0-4,230.0ftKB on 4,230.00	<dttm> (Squeeze Holes);</dttm>
4,272.0		—				<dttm> (Squeeze Holes);</dttm>
4,460.0					4,460.00	
4,562.0					4,272.0-4,778.0ftKB on (Perforations); 4,272.0	7/1/1983 00:00 0-4,778.00; 1983-07-01
4,774.9			2 2		4 775 0 4 776 08VF	different /Carrows Malert
4,775.9		<u>N</u> -	200	88	_4,775.0-4,776.0ftKB on _4,775.00-4,776.00	<dttm> (Squeeze Holes);</dttm>
4,777.9		<u>N</u> -				
4,948.2						
4,986.9						
5,009.8						
www.peloton.com			Page 1/1			Report Printed: 3/24/2022



Virginal XB/RT Elevation (ft) 5,610.00 Kds-Ground Distance (ft) 13.00 Criginal Spud Date 5/23/1963 00:00 Rug Resale Date 5/30/1963 00:00 PBTD (All) (ftx/ds) Orliginal Hole - 4,948.0 Most Recent Job 00 Category Well Maintenance Primary Job Type Pkr Leakage Tst Sacondary Job Type 12/21/2012 Actual Start Date 12/21/2012 End Date 12/21/2012	API/UWI	e: FEE #3 Surface Legal Location	n Field Name		License No.		State/Province	Well Configuration Type
April Recent Job Markey at Type T2Z1/2012 Markey at T2Z1/2012 M	3004523679 Original KBIRT Elev	ration (ft) KB-Ground Distance	e(ft) Original Spud Date	RI	g Release Date	F	New Mexico ISTD (All) (RKB)	Vertical Total Depth All (TVD) (fKB)
Viet Mail Mainterance Its2/12012 Its2/12012 Dr: 5010.0 Original Hole (Vertical) MD (ft/8) Vertical schematic (actual) 0.0 13.1 73.2 Casing Joints, 13.3/Bir; 13.00-73.00; 60.00; 1-1;= 73.2 Casing Joints, 13.3/Bir; 13.00-254.00; 241.00; 2-1; 73.2 Casing Joints, 13.3/Bir; 13.00-254.00; 241.00; 2-1; 73.2 Casing Joints, 13.3/Bir; 13.00-254.00; 242.00; 2-1; 73.2 Casing Joints, 13.3/Bir; 13.00-254.00; 2446.00; 3-1; 73.3 Casing Joints, 7in; 13.00-2459.00; 2446.00; 3-1; 74.00.0 Casing Joints, 7in; 13.00-2459.00; 2446.00; 3-1; 74.00.10 Casing Joints, 7in; 13.00-2459.00; 4449.00; 1-1; 74.00.10 Casing Joints, 7in; 13.00-2459.00; 4449.00; 1-1; 74.00.10 Casing Joints, 7in; 13.00-2459.00; 4449.00; 1-1; 74.00 Casing Joints, 7in; 24.00, 4987.00; 2526.00; 3-2; 7 74.00 Casing Joints, 7in; 24.00, 4987.00; 2526.00; 3-2; 7	Most Recent	Job						
Digital Vertical schematic (actual) 00 00 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.1 13.00-254.00; 241.00; 2-1; 1 14.1 13.10, 12.00 Off(8 on < dtm)	Job Category Well Maintena	Primary Job T ance Pkr Leaka	ype s ige Tst	econdary Job Type		Actual Start 0 12/21/20	Date Enc 12 12	d Date 2/21/2012
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District I Reconvertised Off D+08/43 (MB0/352-40, 18:58 AM 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 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name					
30-045-23679	71629	BASIN FRUITLAND COAL (GAS)					
4. Property Code	5. Property Name	6. Well No.					
319162	FEE	003					
7. OGRID No.	8. Operator Name	9. Elevation					
372171	HILCORP ENERGY COMPANY	5797					
10. Surface Location							

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
l	3	30N	11W		1640	S	1000	E	SAN JUAN

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 A 319			13. Joint or Infill	L	14. Consolidatio	n Code		15. Order No.	L

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: Wattle Title: Operations Regulatory Tech Sr. Date: 03/29/2022
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: James Leese
Date of Survey: 7/17/1979
Certificate Number: 1463

Submit Electronically

Via E-permitting

State of New Mexico Energy, Minerals and Natural Resources Department

> **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: 3/29/2022

II. Type: \square Original \square Amendment due to \square 19.15.27.9.D(6)(a) NMAC \square 19.15.27.9.D(6)(b) NMAC \square 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
Fee 8	30-045-23679	I-03-30N-11W	1640' FNL 1000' FWL	0	200	1

IV. Central Delivery Point Name: Chaco 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
Fee 8	3004523679					2022

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:

 \square 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

 \Box 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. \Box 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. \Box 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: <u>mwalker@hilcorp.com</u>
Date: 3/29/2022
Phone: 346-237-2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Approved By: Title:
Title:
Title: Approval Date:
Title: Approval Date:
Title: Approval Date:

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
 - \circ $\;$ This gas capture plan isn't for a well being drilled.
- 3. Subsection (C) Venting and flaring during completion or recompletion
 - 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.

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

Operator:	OGRID:	
HILCORP ENERGY COMPANY	372171	
1111 Travis Street	Action Number:	
Houston, TX 77002	94156	
	Action Type:	
	[C-103] NOI Recompletion (C-103E)	

CONDITIONS

CONDITION OF THE OWNER OF		
Created By	Condition	Condition Date
kpickford	DHC required	3/30/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	3/30/2022

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Action 94156