

| | | |
|----------------------------|--|---------------------------------------|
| Well Name: NV NAVAJO 35 | Well Location: T29N / R14W / SEC 35 / SWSW / | County or Parish/State: SAN JUAN / NM |
| Well Number: 3 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: SHIPROCK |
| Lease Number: 14206032172 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3004531192 | Well Status: Gas Well Shut In | Operator: HILCORP ENERGY COMPANY |

Notice of Intent

Sundry ID: 2683478

| | |
|--|--------------------------------------|
| Type of Submission: Notice of Intent | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 07/22/2022 | Time Sundry Submitted: 09:59 |
| Date proposed operation will begin: 09/01/2022 | |

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 2/23/2022 Bertha Spencer/BIA, Steve Prince/Navajo Nation and 4/27/2022 with Emmanuel Adeloeye/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

NV_Navajo_35_3_P_A_NOI_Packet_20220722095742.pdf

| | | |
|----------------------------|--|---------------------------------------|
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Conditions of Approval

Additional

29N14W35MKpc_NV_Navajo_35_3_20220808115220.pdf

Authorized

General_Requirement_PxA_20220808115950.pdf
2683478_NOIA_35_3_3004531192_KR_08082022_20220808115917.pdf

Operator

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

| | |
|--|----------------------------------|
| Operator Electronic Signature: AMANDA WALKER | Signed on: JUL 22, 2022 09:58 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 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: 08/08/2022 |
| Signature: Kenneth Rennick | |



HILCORP ENERGY COMPANY
NV NAVAJO 35 #003
NOTICE OF INTENT TO PERMANENTLY ABANDON

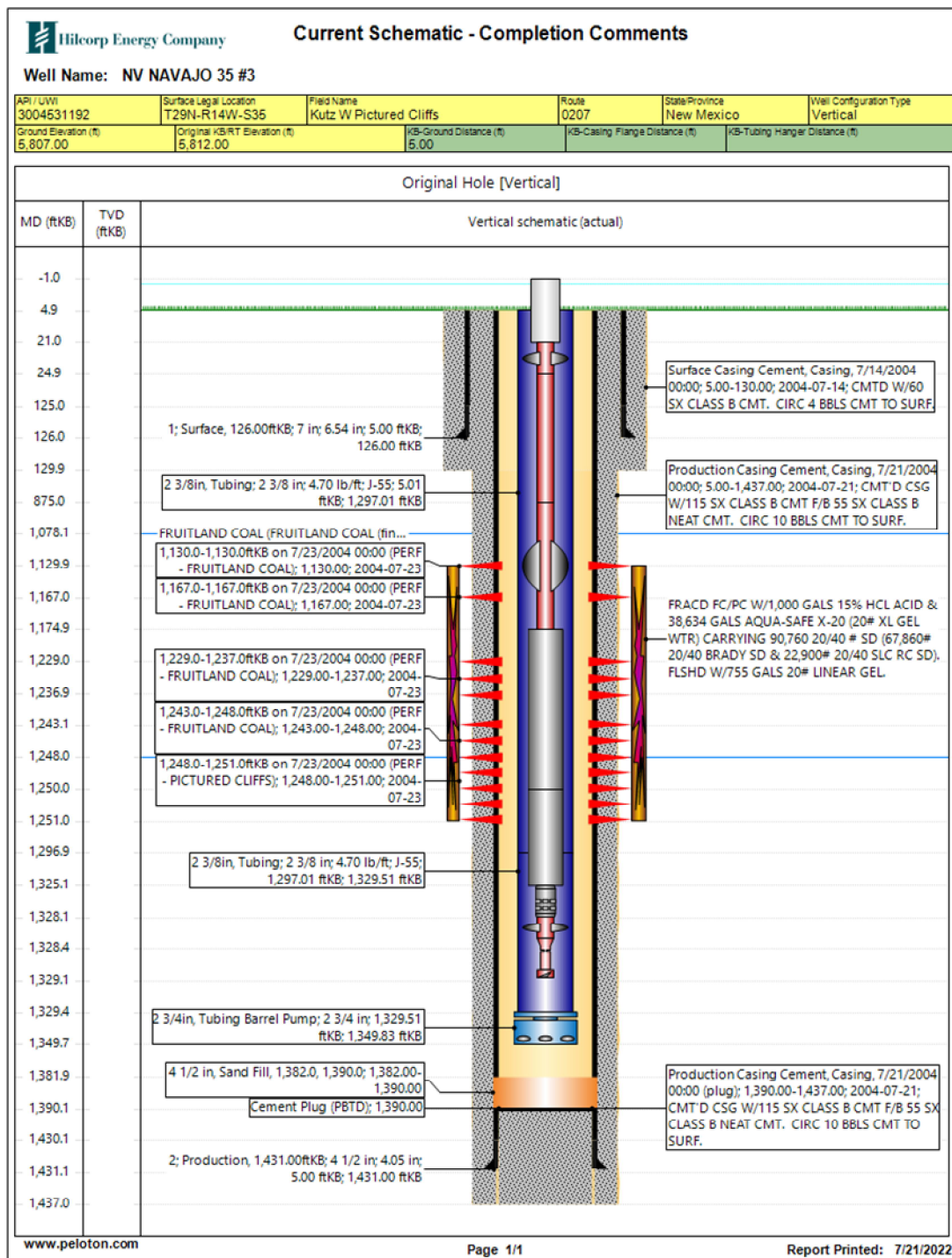
| | |
|--------|------------|
| API #: | 3004531192 |
|--------|------------|

| JOB PROCEDURES | | |
|---|-------|---|
| <input checked="" type="checkbox"/> | NMOCD | Contact OCD and BLM (where applicable) 24 hrs prior to MIRU. Comply with all NMOCD, BLM (where applicable), and HEC |
| <input checked="" type="checkbox"/> | BLM | safety and environmental regulations. |
| <ol style="list-style-type: none"> 1. MIRU service rig and associated equipment, LOTO pumping unit and remove HH and bridle. 2. Release On/Off tool and TOO H w/ rods, lay down rods. 3. Load well, ND tree, NU BOPs and test. 4. TOO H w/ 2-3/8" 4.7# EUE J55 tbg and tubing pump set at 1,350'. 5. PU 4-1/2" csg mill or scraper and TIH to 1,095'. TOO H and LD mill/scraper. 6. MU 4-1/2" mechanical plug (CIBP or CICR) and RIH. Set at +/- 1,080' to isolate the Fruitland Coal & Pictured Cliffs perforations. 7. Pressure test the csg and mechanical plug to 600 psi. Monitor pressures for 30 minutes. 8. Plug #1, 930'- 1,080' (Fruitland Coal Perforations: 1,130' - 1,248' & Pictured Cliffs Perforations: 1,248' - 1,251') Mix and pump 12 SX of Class G cement and spot balanced plug to cover Mechanical Plug @ 1,080' & Fruitland Coal top @ 1,078'. PU and reverse circulate tubing clean. 9. Plug #2, Surface - 176' (Surface shoe: 126') Mix and pump 14 SX of Class G cement and spot a balanced plug to cover the casing shoe. Pump until good cement returns to surface. 10. LD tubing. ND BOP and cut off wellhead below surface casing flange as per NMOCD. Top off cement at surface as needed. Weld new P&A maker. | | |



HILCORP ENERGY COMPANY
NV NAVAJO 35 #003
NOTICE OF INTENT TO PERMANENTLY ABANDON

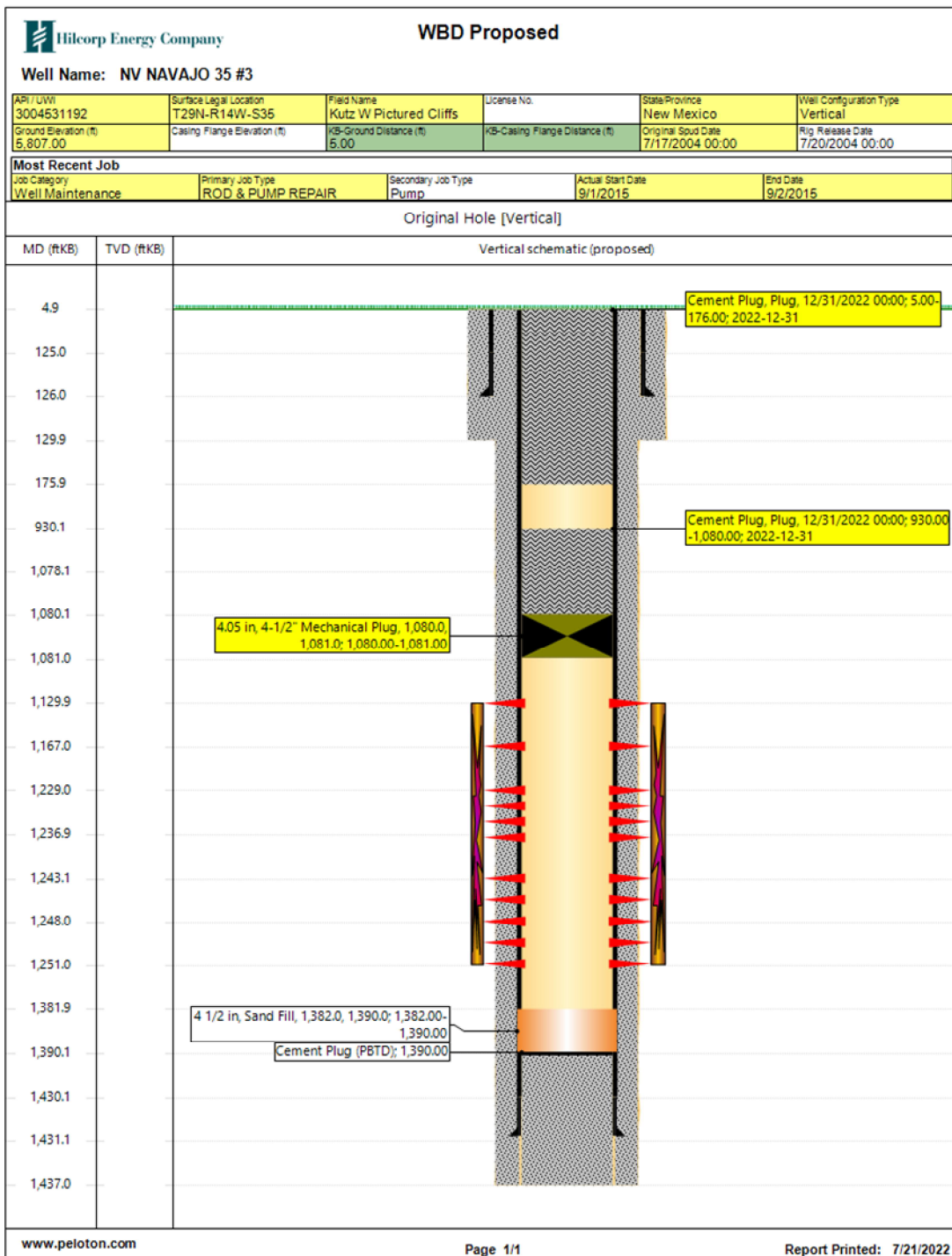
NV NAVAJO 35 #003 - CURRENT WELLBORE SCHEMATIC





HILCORP ENERGY COMPANY
NV NAVAJO 35 #003
NOTICE OF INTENT TO PERMANENTLY ABANDON

NV NAVAJO 35 #003 - PROPOSED P&A SCHEMATIC



Hilcorp Energy
P&A Final Reclamation Plan
NV Navajo 35 #3
API: 30-045-31192
M– Sec.35-T029N-R014W
Lat: 36.67724, Long: -108.283941
Footage: 1000' FSL & 1115' FWL
San Juan County, NM

1. PRE-RECLAMATION SITE INSPECTION

- 1.1) A pre-reclamation site inspection was completed by Bertha Spencer with BIA, Steve Prince with the Navajo Nation, and Chad Perkins construction Foreman for Hilcorp Energy on Wednesday February 23, 2022.
- 1.2) A pre-reclamation site inspection was completed by Emmanuel Adeyoye with the BLM and Chad Perkins construction Foreman for Hilcorp Energy on Wednesday April 27, 2022.

2. LOCATION RECLAMATION PROCEDURE

- 2.1) Final reclamation work will be completed after the well is Plugged.
- 2.2) All production equipment, rig anchors, and flowlines will be removed.
- 2.3) The produced water pipeline piping runs approximately ~1 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 runs approximately ~1 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.
- 2.5) All nonnative aggregate will be scraped up and hauled off prior to re-contouring.
- 2.6) Push fill slope up and re-contour with shallow swales and or silt traps for major drainage to create a rolling terrain that matches natural topography drainage features to limit erosion.
- 2.7) Rip compacted soil and walk down disturbed portion of well pad.
- 2.8) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.

3. ACCESS ROAD RECLAMATION PROCEDURE:

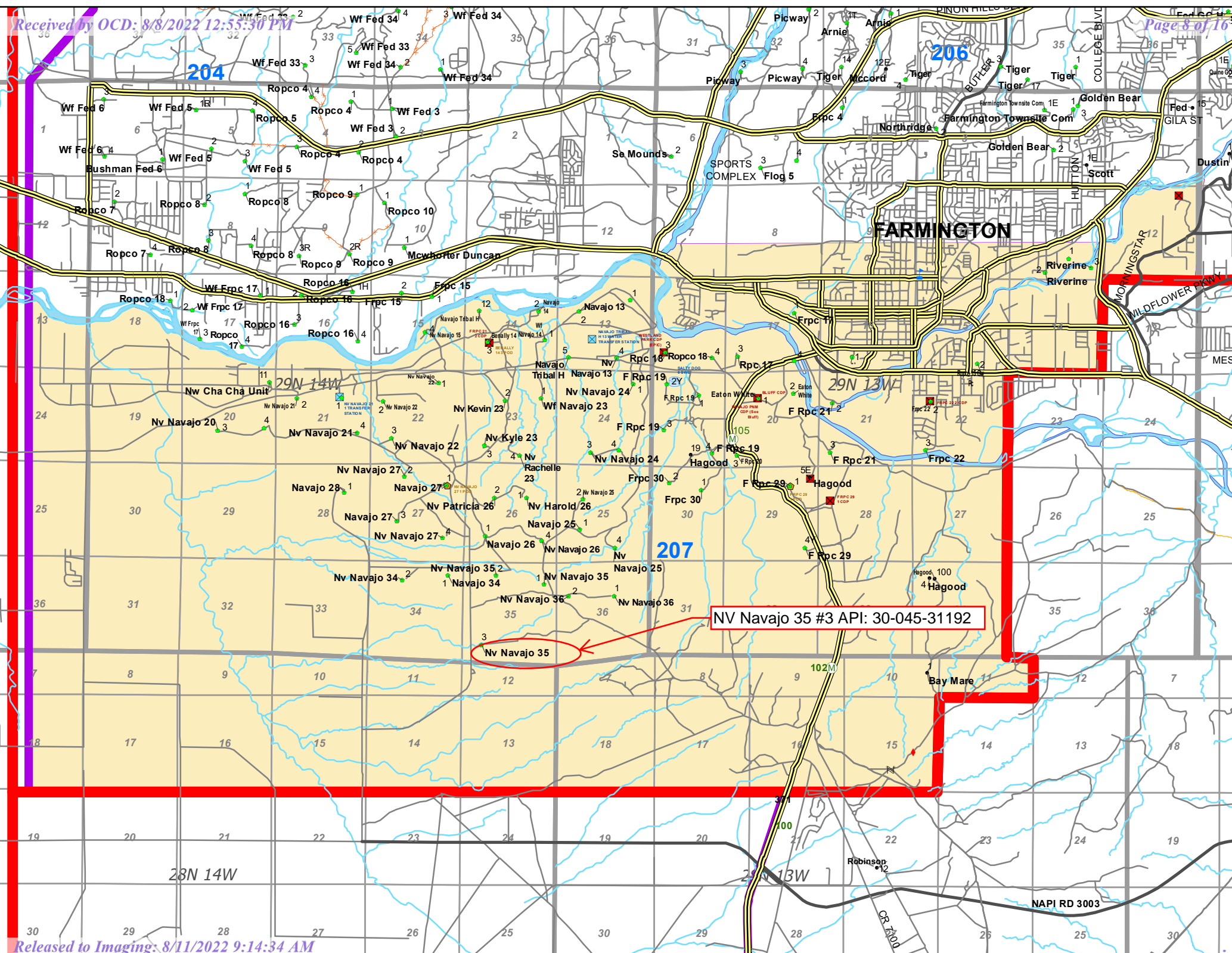
- 3.1) The main lease access road is approximately ~1 mile long.
- 3.2) One culverts along the lease access road will be removed prior to re-contouring.
- 3.3) Rip and re-contour lease road with shallow swales and or silt traps for major drainage to create a rolling terrain that matches natural topography drainage features to limit erosion.
- 3.4) A berm will be built at the entrance to the lease access road to prevent traffic on reclamation and signs will be posted (Keep Off Seeded Area).
- 3.5) All trash and debris will be removed within 50' buffer outside of the road disturbance during reclamation.

4. SEEDING PROCEDURE

- 4.1) A Pinon/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.




NV Navajo 35 #3

Legend

 36.67724, -108.283941

Push fill into cut slope and re-contour with shallow swales and or silt traps for major drainage to create a rolling terrain that matches natural topography drainage features to limit erosion.

 36.67724, -108.2839

All nonnative aggregate will be scraped up and hauled off prior to re-contouring the well pad.






Date: 6/10/2022
Scale: 1:9,028
0 0.03 0.07 0.13 0.2 0.26 mi

- Wells**
Hilcorp Wells Surface Location
Gas Well
- Pipelines**
Hilcorp Operated Pipeline
- Hilcorp Boundaries**
Asset Teams
Supervisor Areas, outline
- Roads and Highways**
SJB Roads
Road

NV Navajo 35 #3

Legend

 36.67724, -108.283941

A berm will be built at the entrance to the lease access road to prevent traffic on reclamation and signs will be posted (Keep Off Seeded Area).

Rip and re-contour approximately ~1 mile lease road with shallow swells, berms, and or silt traps as needed to match natural topography drainage features to limit erosion.

Pipeline Valve can will be removed before Lease Access reclamation.

 36.67724, -108.283941



**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 2683478

Attachment to notice of Intention to Abandon

Well: NV Navajo 35 3

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 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 08/08/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 08/08/2022

| | | | | | | | |
|--|------------|--|----------|-----|-------|------------|-----|
| Well No. NV Navajo 35 #3 (API# 30-045-31192) | | Location | 1000 | FSL | & | 1115 | FWL |
| Lease No. 14206032172 | | Sec. 35 | T29N | | | R14W | |
| Operator Hilcorp Energy Company | | County | San Juan | | State | New Mexico | |
| Total Depth 1437' | PBTD 1390' | Formation Pictured Cliffs/Fruitland Coal | | | | | |
| Elevation (GL) 5807' | | Elevation (KB) 5812' | | | | | |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks |
|---------------------|----------|-------------|---------|------------|---------------------------------------|
| San Jose Fm | | | | | |
| Nacimiento Fm | | | | | |
| Ojo Alamo Ss | | | | | |
| Kirtland Shale | | | Surface | 1078 | Surface/potential water/potential gas |
| Fruitland Fm | | | 1078 | 1248 | Coal/Gas/Water |
| Pictured Cliffs Ss | | | 1248 | PBTD | Gas |
| Lewis Shale | | | | | |
| Chacra | | | | | |
| Cliff House Ss | | | | | |
| Menefee Fm | | | | | |
| Point Lookout Ss | | | | | |
| Mancos Shale | | | | | |
| Gallup | | | | | |
| Greenhorn | | | | | |
| Graneros Shale | | | | | |
| Dakota Ss | | | | | |
| Morrison Formation | | | | | |

Remarks:

P & A

- The plugs proposed in the P&A procedure will adequately protect any freshwater sands in this well bore.
- Fruitland perms 1130' – 1248'.
- Pictured Cliffs perms 1248' – 1251'.

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 132162

CONDITIONS

| | |
|--|---|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 132162 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 8/11/2022 |
| kpickford | Adhere to BLM approved COAs and plugs. See GEO report. | 8/11/2022 |