

|                            |   |                                       |
|----------------------------|---|---------------------------------------|
| Well Name: DUFF GAS COM    | Well Location: T30N / R12W / SEC 34 / SWNE / 36.7715 / -108.08112 | County or Parish/State: SAN JUAN / NM |
| Well Number: 1E            | Type of Well: CONVENTIONAL GAS WELL                               | Allottee or Tribe Name:               |
| Lease Number: NMSF077922   | Unit or CA Name:  | Unit or CA Number: NMNM102984         |
| US Well Number: 3004526141 | Well Status: Inactive   | Operator: HILCORP ENERGY COMPANY      |

Notice of Intent

Sundry ID: 2706634

|  |                                      |
|--|--------------------------------------|
| Type of Submission: Notice of Intent           | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 12/09/2022              | Time Sundry Submitted: 11:08         |
| Date proposed operation will begin: 01/09/2023 |                                      |

Procedure Description: Hilcorp Energy Company requests permission to P&A the subject well per the attached procedures, current and proposed wellbore schematics. A closed loop system will be used. A pre-disturbance site visit was not conducted as surface is Fee.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Duff\_Gas\_COM\_1E\_2023\_PA\_NOI\_20221209110530.pdf

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

Additional

30N12W34GKpc\_Duff\_Gas\_Com\_001E\_20221216114736.pdf

Authorized

2706634\_NOIA\_1E\_3004526141\_KR\_12162022\_20221216132704.pdf

General\_Requirement\_PxA\_20221216132643.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:** KANDIS ROLAND

**Signed on:** DEC 09, 2022 11:05 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 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:** 12/16/2022

**Signature:** Kenneth Rennick



**HILCORP ENERGY COMPANY**  
**Duff Gas Com 1E**  
**NOTICE OF INTENT TO PERMANENTLY ABANDON**

API #:

3004526141

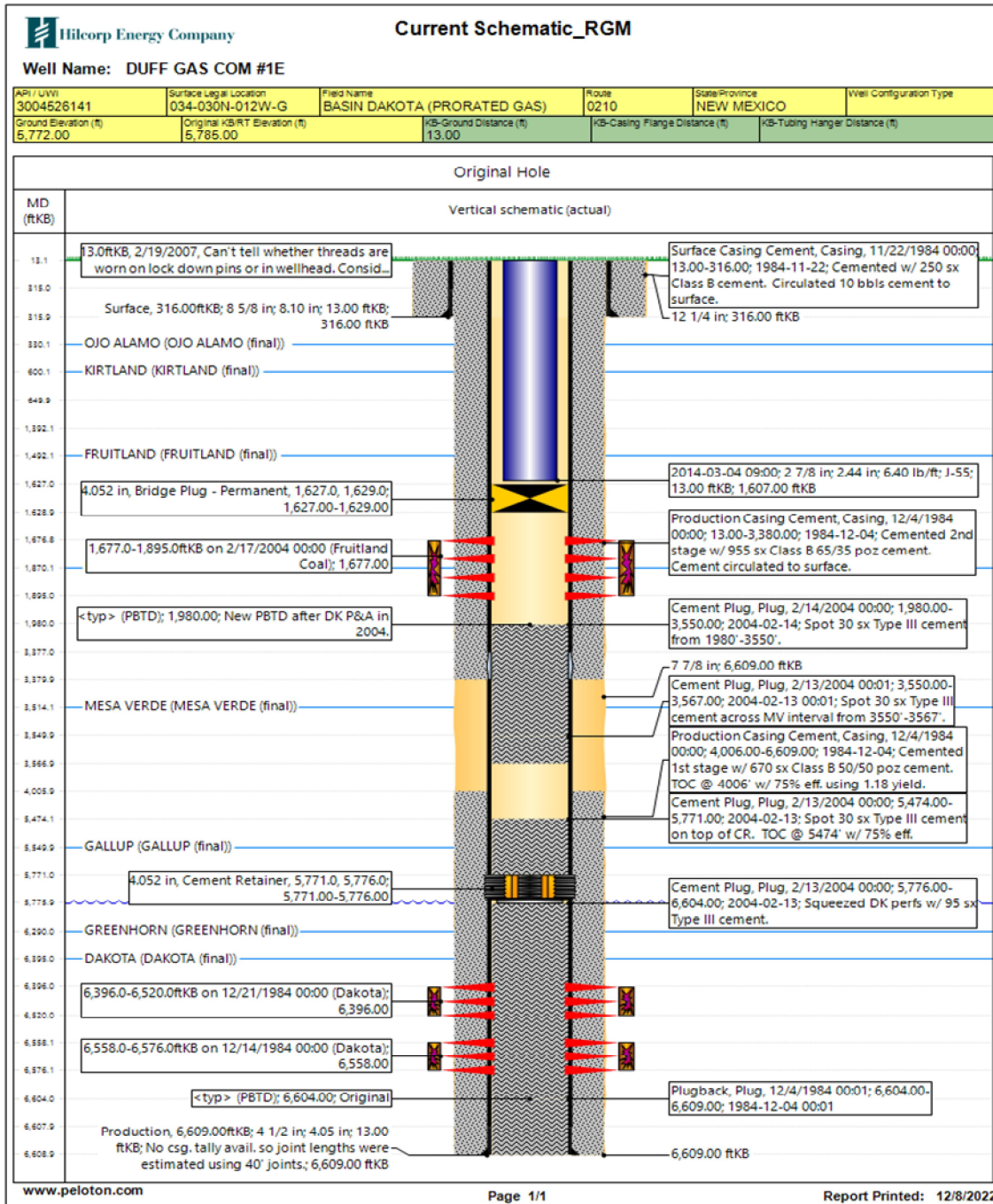
**JOB PROCEDURES**

- ☒ NMOCD **Contact OCD (where applicable) 24 hrs prior to MIRU. Comply with all NMOCD, BLM (where applicable), and HEC safety and environmental regulations.**
- ☒
1. MIRU service rig and associated equipment, record all pressures on wellbore.
  2. Load well, ND tree, NU BOPs and test.
  3. PUH 2-7/8" joint, take in & tag CIBP in place @ 1,627'.
  4. Load well with inhibited brine & circulate clean. Pressure test the csg to 560 psi. Monitor for 30 minutes.
  5. **Plug #1 | 1,392' - 1,627' (CIBP @ 1,627' | FRC Top Perf 1,677' | Fruitland Top 1,492')** Pump 16sx of Class III "Select" cement and spot an inside plug over CIBP & Fruitland Top.
  6. PUH w/ 2-7/8" work string to 650'.
  7. **Plug #2 | 550' - 650' (Kirtland Top 600')** Pump 11sx of Class III "Select" cement and spot an inside plug to cover Kirtland Top.
  8. PUH w/ 2-7/8" work string to 380'.
  9. **Plug #3 | Surface - 380' (Ojo Top 330', Surface Shoe 316')** Pump 24sx of Class III "Select" cement and spot an inside plug to cover Ojo top & surface shoe.
  10. LD tubing. ND BOP and cut off wellhead 5' below surface as per NMOCD. Top off cement at surface as needed. Weld new P&A maker.



**HILCORP ENERGY COMPANY**  
**Duff Gas Com 1E**  
**NOTICE OF INTENT TO PERMANENTLY ABANDON**

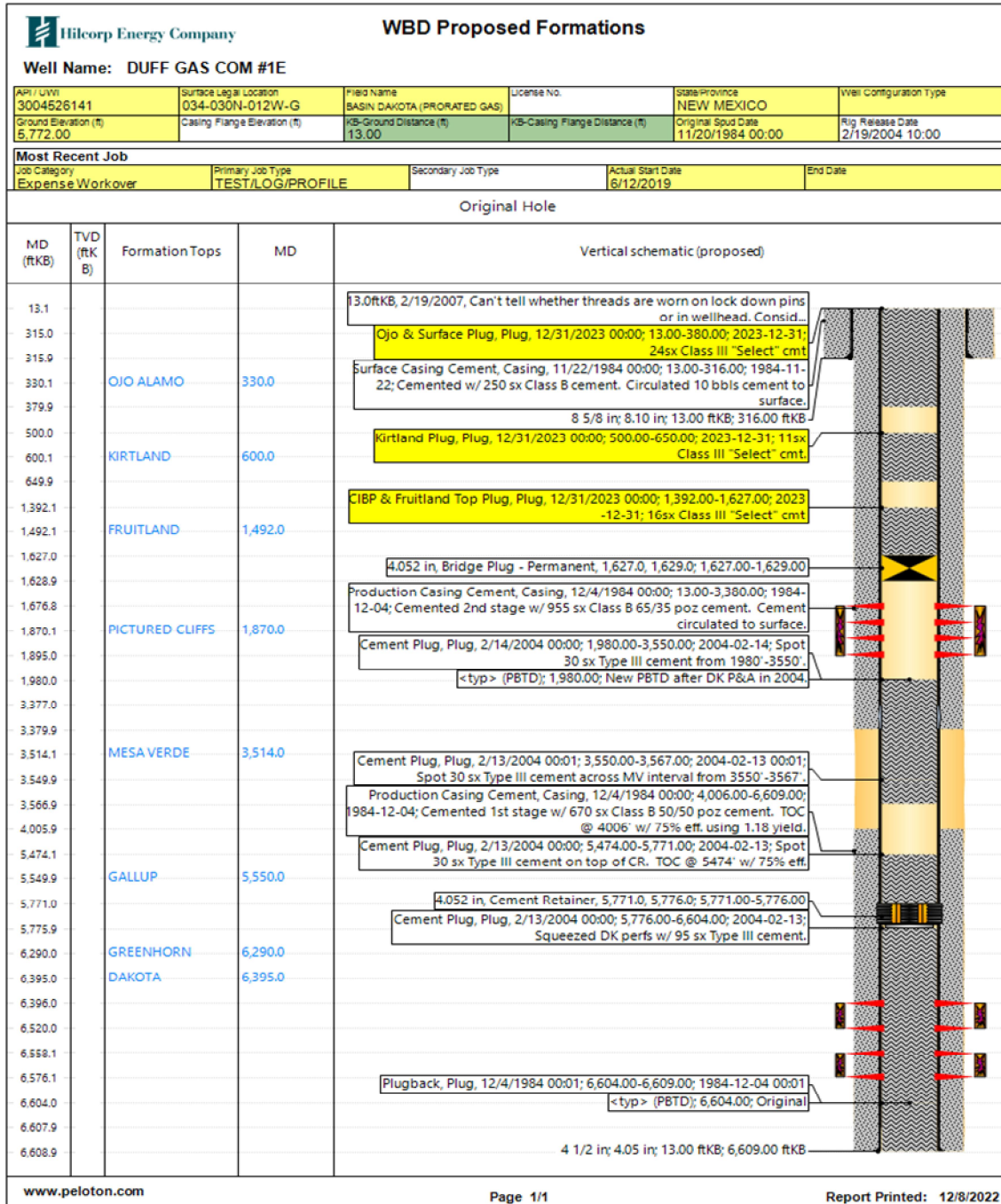
**Duff Gas Com 1E - CURRENT WELLBORE SCHEMATIC**





**HILCORP ENERGY COMPANY**  
**Duff Gas Com 1E**  
**NOTICE OF INTENT TO PERMANENTLY ABANDON**

**Duff Gas Com 1E - PROPOSED P&A SCHEMATIC**





# BLM FLUID MINERALS P&A Geologic Report

**Date Completed:** 12/16/2022

|   |            |  |     |       |            |     |
|---|------------|--|-----|-------|------------|-----|
| Well No. Duff Gas Com #001E (API# 30-045-26141) | Location   | 1770                                     | FNL | &     | 1480       | FEL |
| Lease No. NMSF077922                            | Sec. 34    | T30N                                     |     |       | R12W       |     |
| Operator Hilcorp Energy Company                 | County     | San Juan                                 |     | State | New Mexico |     |
| Total Depth 6609'                               | PBTD 1627' | Formation Fruitland Coal/Pictured Cliffs |     |       |            |     |
| Elevation (GL)                                  |            | Elevation (KB) 5857'                     |     |       |            |     |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks                       |
|---------------------|----------|-------------|---------|------------|-------------------------------|
| San Jose            |          |             |         |            |                               |
| Nacimiento          |          |             | Surface | 430        | Surface/freshwater sands      |
| Ojo Alamo Ss        |          |             | 430     | 600        | Aquifer (possible freshwater) |
| Kirtland Shale      |          |             | 600     | 1610       | Possible Gas                  |
| Fruitland           |          |             | 1610    | 1870       | Coal/Gas/Water                |
| Pictured Cliffs Ss  |          |             | 1870    | PBTD       | Gas                           |
| Lewis Shale         |          |             |         |            |                               |
| Chacra              |          |             |         |            |                               |
| Cliff House Ss      |          |             |         |            |                               |
| Menefee             |          |             |         |            |                               |
| Point Lookout Ss    |          |             |         |            |                               |
| Mancos Shale        |          |             |         |            |                               |
| Gallup              |          |             |         |            |                               |
| Greenhorn           |          |             |         |            |                               |
| Graneros Shale      |          |             |         |            |                               |
| Dakota Ss           |          |             |         |            |                               |
| Morrison            |          |             |         |            |                               |

Remarks:

P & A

Reference Well:

1) **Formation Tops**  
Same

- BLM picks for the Ojo Alamo and Fruitland formation tops vary from Operator.

- Bring the bottom of Plug #1 down to 480', or combine with Plug #2 (Kirtland) to cover BLM pick for the Ojo Alamo formation top.

- Fruitland/Pictured Cliffs perms 1677' – 1895'.

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 2706634

Attachment to notice of Intention to Abandon

Well: Duff Gas Com 1E

**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. Bring the bottom of Plug #1 down to 480', or combine with Plug #2 (Kirtland) to cover BLM pick for the Ojo Alamo 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 12/16/2022

**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.

(October 2012 Revision)

**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 171721

CONDITIONS

|  |   |
|--|---|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                    |
|  | Action Number:<br>171721                            |
|  | Action Type:<br>[C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition   | Condition Date |
|------------|---|----------------|
| kpickford  | Adhere to BLM approved COAs and plugs. See BLM COAs and GEO report. | 1/11/2023      |
| kpickford  | Notify NMOCD 24 Hours Prior to beginning operations                 | 1/11/2023      |