

| | | |
|-------------------------------|--|---|
| Well Name: SAN JUAN 28-7 UNIT | Well Location: T27N / R7W / SEC 7 / NWNW / 36.592789 / -107.620697 | County or Parish/State: RIO ARRIBA / NM |
| Well Number: 38 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMSF078835A | Unit or CA Name: SAN JUAN 28-7 UNIT--PC | Unit or CA Number: NMNM78413B |
| US Well Number: 3003907144 | Operator: HILCORP ENERGY COMPANY | |

Subsequent Report

Sundry ID: 2787353

Type of Submission: Subsequent Report Type of Action: Plug and Abandonment

Date Sundry Submitted: 04/29/2024 Time Sundry Submitted: 10:11

Date Operation Actually Began: 04/23/2024

Actual Procedure: Hilcorp Energy Company plugged and abandoned the subject well on 4/26/2024 per the attached report.

SR Attachments

- Actual Procedure
- Hilcorp_San_Juan_28_7_Unit_38_cbl_pdf_20240429101128.pdf
 - SJ_28_7_UNIT_38_SR_20240429100948.pdf

| | | |
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| Well Name: SAN JUAN 28-7 UNIT | Well Location: T27N / R7W / SEC 7 / NWNW / 36.592789 / -107.620697 | County or Parish/State: RIO ARRIBA / NM |
| Well Number: 38 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
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| US Well Number: 3003907144 | Operator: HILCORP ENERGY COMPANY | |

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: TAMMY JONES

Signed on: APR 29, 2024 10:11 AM

Name: HILCORP ENERGY COMPANY

Title: Regulatory Compliance Specialist

Street Address: 382 ROAD 3100

City: AZTECState: NM

Phone: (505) 324-5185

Email address: TAJONES@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: Accepted

Disposition Date: 04/29/2024

Signature: Kenneth Rennick

SAN JUAN 28-7 UNIT 38

30.039.07144

PLUG & ABANDON

4/23/2024 – MIRU. CHECK PSI ON WELL SITP 18#, SICP 20#, BH 0#, BDW 5 MINS. ND WH, NU BOP, PRESSURE TEST & FUNCTION TEST BOP'S & RU RIG FLOOR. LD 160 JTS OF 1" PROD TBG. MU 5.5" CICR. PU TBG TO 3261'. SET CICR @ 3261'. LW. PT TO 560 PSI & FAILED. GOT ORDERS FROM OFFICE TO TOO H & RUN CBL. TOO H. RU WIRELINE, RUN CBL FROM 3266' TO SURFACE. POOH R/D WIRELINE. SDFN.

4/24/2024 – CHECK PSI ON WELL SITP 0#, SICP 0#, BH 0#, BDW 0 MINS. **WAITING ON APPROVALS FROM BLM & NMOC D TO START P&A OPERATIONS. (GOT ALL APPROVALS NEEDED TO PROCEED)** MU SETTING TOOL. TIH 52 STDS OF 2.375" TBG TO 3261'. LW W/17BBLs. STING INTO CICR. INJECTION RATE UNDER CICR 1.5 BBLs/MIN @ 20 PSI. WAIT ON BLM REP. TO BE ON LOCATION BEFORE PUMPING CEMENT. **PUMP CEMENT PLUG #1 (PC, FRD TOPS)** 45 SXS 9.1 BBLs, 1.15, 15.8#, 5 GAL/SX. TOC @ 2984', BOC @ 3261'. LD 10 JTS. R/O 15 BBLs 33 SX ON TOP OF CICR & 12 SX UNDER CICR. TOO H 47 STDS OF 2.375" TBG. LD SETTING TOOL. WOC. TIH & TAG PLUG #1 @ 3113'. LW W/8 BBLs & PUMP 10 BBLs. PT TO 560 PSI & FAILED. LOST 500 PSI IN 15 SEC. **GOT APPROVAL FROM BLM & NMOC D TO PUMP (FRD, KR D, & OJO TOPS) IN ONE PLUG W/PERFING SQUEEZES HOLES @ 2430'.** TOO H 49 STDS OF 2.375" TBG. RU WIRELINE, RIH & PERF SQUEEZES HOLES @ 2430'. POOH & RD WIRELINE. LW W/2 BBLs & PUMP 13 BBLs. INJECTION RATE @ 1.2 BBLs/MIN, 900 PSI. TIH 38 STDS OF 2.375" TBG TO 2389'. SISW, DEBRIEF CREW, SDFN. **(BLM REP. WANDA WEATHERFORD ON OCATION)**

4/25/2024 – CHECK PSI ON WELL SITP 0#, SICP 0#, BH 0#, BDW 0 MINS. TIH 11 STDS OF 2.375" TBG TO 3113'. LW W/10 BBLs & PUMP 12 BBLs. INJECTION RATE THROUGH PERFS @ 2430' @ 2 BBLs/MIN & 500 PSI. **PUMP CEMENT PLUG #2 (FRD, FRD, & OJO TOPS)** 147 SXS, 30 BBLs, 1.15, 15.8#, 5 GAL/SX. TOC @ 1863', BOC @ 3113'. DISP. 44 SXS W/9 BBLs OF FW THROUGH PERFS @ 2430'. LEAVING 103 SXS INSIDE 5.5" CASING FROM 3113 TO 2230'. LD 41 JTS. R/O 10 BBLs. TOO H 29 STDS. WOC. TIH & TAG PLUG #2 @ 2107'. LD 29 JTS OF 2.375" TBG. TOO H 19 STDS. RU WIRELINE, RIH & PERF SQUEEZES HOLES @ 1260'. POOH & RD WIRELINE. LW W/2 BBLs & PUMP 5 BBLs. INJECTION RATE @ 1.4 BBLs/MIN, 500 PSI. MU 5.5" CICR. TIH 19 STDS OF 2.375" TBG & 1 JT TO 1210'. SET CICR @ 1210'. INJEC. RATE UNDER CICR. 1.3 BBLs/MIN & 400 PSI. **PUMP CEMENT PLUG #3 (NAC TOP)** 62 SXS, 12.6 BBLs, 1.15, 15.8#, 5 GAL/SX. TOC @ 1110', BOC @ 1260'. 12 SXS ON TOP OF CICR & 6 SXS UNDER CICR. 44 SXS IN 5.5" & 8-5/8" OPEN HOLE. LD 4 JTS OF 2.375" TBG. TOO H 17 STDS & LD SETTING TOOL. WOC. TIH & TAG PLUG #3 @ 1098'. TOO H 16 STDS. RU WIRELINE, RIH & PERF SQUEEZES HOLES @ 183'. POOH & RD WIRELINE. INJECTION RATE TO SURFACE OUT BH @ 1.4 BBLs/MIN, 110 PSI. PUMPED 18 BBLs TOTAL. SISW, DEBRIEF CREW. SDFN. **(BLM REP. WANDA WEATHERFORD ON OCATION)**

4/26/2024 – CHECK PSI ON WELL SITP 0#, SICP 0#, BH 0#, BDW 0 MINS. TIH 16 STDS OF 2.375" TBG. LD 32 JTS. (NOTIFIED NMOC D MONICA KUEHLING AND BLM OF RIG MOVE YESTERDAY FROM SAN JUAN 28-7 UNIT 38 TO SAN JUAN 28-7 UNIT 15) RD RIG FLOOR, ND BOP & NU WH. CEMENT CREW STAYED ON LOCATION WHILE RIG MOVED OFF. **PUMP CEMENT PLUG #4 (SURFACE)** 114 SXS, 23.3 BBLs, 1.15, 15.8#, 5 GAL/SX. TOC @ 0', BOC @ 183'. RIG DOWN RIG AND EQUIPMENT. **(RIG RELEASED @ 10:30 4/26/24)** WOC TIME STARTED @ 10:30 AM. CUT OFF WH, (TOC IN 5.5" PROD 43' & 9-5/8" SURFACE 7') WELD ON P&A MARKER. FILL CASING AND CELLAR WITH 25 SXS OF CEMENT. RIG DOWN & MOVE.

(BLM REP. WANDA WEATHERFORD ON LOCATION)

Tammy Jones

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Sent: Thursday, April 25, 2024 9:14 AM
To: Rennick, Kenneth G; John LaMond; Tammy Jones
Cc: Kade, Matthew H; Farmington Regulatory Techs; Clay Padgett; Lee Murphy; Rustin Mikeska; Decker, Mark A; Brice Clyde - (C); Weatherford, Wanda D
Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

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NMOCD approves below dependent on tagging of previous plug

Thank you

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: Rennick, Kenneth G <krennick@blm.gov>
Sent: Thursday, April 25, 2024 8:16 AM
To: John LaMond <jlamond@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Tammy Jones <tajones@hilcorp.com>
Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wwweatherford@blm.gov>
Subject: Re: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

The BLM finds the procedure appropriate.

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management
Farmington Field Office
6251 College Blvd
Farmington, NM 87402

Email: krennick@blm.gov

Mobile & Text: 505.497.0019

From: John LaMond <jlamond@hilcorp.com>**Sent:** Thursday, April 25, 2024 8:08 AM**To:** Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Tammy Jones <tajones@hilcorp.com>**Cc:** Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>; John LaMond <jlamond@hilcorp.com>**Subject:** RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

Good morning Monica and Kenny,

Upon receiving the approved NOI (attached), Hilcorp needs to adjust the Nacimiento plug design (PLUG #3) based on the BLM's Nacimiento Formation Top pick of 1,210'. In anticipation of pumping this plug, below shows Hilcorp's updated plug design for the Nacimiento:

- PLUG #3: 62sx of Class G Cement (15.8 PPG, 1.15 yield); NAC Top @ 1,210':
 - TIH & perforate squeeze holes @ +/- 1,260'. RIH w/ 5-1/2" CICR and set CICR @ +/- 1,210'. TIH w/ work string & sting into CICR. Establish injection.
 - Pump 44sx of cement in the 5-1/2" casing X 8-3/4" open hole annulus (est. TOC @ +/- 1,060' & est. BOC @ +/- 1,260'). Pump an additional 6sx of cement beneath the 5-1/2" CICR (est. TOC @ +/- 1,210' & est. BOC @ +/- 1,260'). Sting out of retainer, pump a 12 sack balanced cement plug on top of the CICR. (est. TOC @ +/- 1,110' & est. BOC @ +/- 1,210'). WOC for 4 hrs, tag TOC w/ work string. *Note cement plug lengths and volumes account for excess.

Please let me know if you have any questions about this plan moving forward.

Thanks,

John LaMond

Operations Engineer – Technical Services

Hilcorp Energy Company

1111 Travis

Houston, TX 77002

346-237-2210 (Office)

832-754-9692 (Cell)

jlamond@hilcorp.com

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>**Sent:** Thursday, April 25, 2024 7:49 AM**To:** Rennick, Kenneth G <krennick@blm.gov>; John LaMond <jlamond@hilcorp.com>; Tammy Jones <tajones@hilcorp.com>**Cc:** Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>; John LaMond <jlamond@hilcorp.com>**Subject:** RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

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Thank you

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
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Email - monica.kuehling@emnrd.nm.gov

From: Rennick, Kenneth G <krennick@blm.gov>
Sent: Wednesday, April 24, 2024 6:01 PM
To: John LaMond <jlamond@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Tammy Jones <tajones@hilcorp.com>
Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>; John LaMond <jlamond@hilcorp.com>
Subject: Re: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

To confirm the BLM finds the procedure appropriate.

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From: John LaMond <jlamond@hilcorp.com>
Sent: Wednesday, April 24, 2024 5:31:37 PM
To: Rennick, Kenneth G <krennick@blm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Tammy Jones <tajones@hilcorp.com>
Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>; John LaMond <jlamond@hilcorp.com>
Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

Good afternoon Monica & Kenny,

Per our conversation, after pumping PLUG #1 and waiting on cement, Hilcorp RIH and tagged PLUG #1 @ 3,113'.

Moving forward, Hilcorp received verbal approval from the NMOCD and the BLM to extend the previously approved PLUG #2 down to 3,113'. PLUG #2 is now as follows:

- PLUG #2: 141sx of Class G Cement (15.8 PPG, 1.15 yield); FRD Top @ 3,084' | KRD Top @ 2,575' | OJO Top @ 2,380':
 - TOO H w/ work string. TIH and perforate squeeze holes @ +/- 2,430'. Establish injection.
 - TIH with work string to +/- 3,113'.
 - Pump a 141 sack balanced cement plug inside the 5-1/2" casing. Displace 44sx cement with 9.0 bbls water through squeeze holes @ 2,430' into the 5-1/2" casing X 8-3/4" open hole annulus (est. TOC @ +/- 2,230' & est. BOC @ +/- 2,430'). This will leave a 97 sack balanced cement plug inside the 5-1/2" casing (est. TOC @ +/- 2,280' & est. BOC @ +/- 3,113'). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for excess.

Please let me know if you have any questions about this plan moving forward.

Thanks,

John LaMond

Operations Engineer – Technical Services
Hilcorp Energy Company
1111 Travis
Houston, TX 77002
346-237-2210 (Office)
832-754-9692 (Cell)
jlamond@hilcorp.com

From: Rennick, Kenneth G <krennick@blm.gov>

Sent: Wednesday, April 24, 2024 4:37 PM

To: John LaMond <jlamond@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Tammy Jones <tajones@hilcorp.com>

Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>

Subject: Re: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

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The geology report came in after they started work.

The BLM geologist did select a higher Fruitland top than Hilcorp, but the BLM is satisfied with the 2984 top since covers all the identified pay zones for the PC/ Fruitland.

But if NM OCD want to cover the higher formation top pick, the BLM will concur.

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management
Farmington Field Office
6251 College Blvd
Farmington, NM 87402

Email: krennick@blm.gov
Mobile & Text: 505.497.0019

From: John LaMond <jlamond@hilcorp.com>

Sent: Wednesday, April 24, 2024 3:30 PM

To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Tammy Jones <tajones@hilcorp.com>; Rennick, Kenneth G <krennick@blm.gov>

Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>
Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

The attached procedure shows the updated OJO formation top on the schematic.

Thanks,

John LaMond

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From: John LaMond <jlamond@hilcorp.com>

Sent: Wednesday, April 24, 2024 4:23 PM

To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Tammy Jones <tajones@hilcorp.com>; Rennick, Kenneth G <krennick@blm.gov>

Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>; John LaMond <jlamond@hilcorp.com>

Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

We pumped the plug above and below the CICR @ 3,261'. No problems pumping the plug below the CICR. Estimated TOC above the CICR @ 2,984'. We have another hour before we can tag.

Thanks,

John LaMond

Operations Engineer – Technical Services
Hilcorp Energy Company
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jlamond@hilcorp.com

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>

Sent: Wednesday, April 24, 2024 4:17 PM

To: John LaMond <jlamond@hilcorp.com>; Tammy Jones <tajones@hilcorp.com>; Rennick, Kenneth G <krennick@blm.gov>

Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>

Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

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Where are you at on this plugging – PC and Fruitland – have you tagged

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: John LaMond <jlamond@hilcorp.com>

Sent: Wednesday, April 24, 2024 2:07 PM

To: Tammy Jones <tajones@hilcorp.com>; Rennick, Kenneth G <krennick@blm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>

Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>; John LaMond <jlamond@hilcorp.com>

Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

Kenny and Monica,

I have updated the P&A procedure to account for the BLM's COA outlining their updated OJO formation top pick. Please see the revision for PLUG #2:

7. TOOH w/ work string. TIH and perforate squeeze holes @ +/- 2,430'. TIH with work string establish circulation.
8. TIH with work string to +/- 2,625'. Establish circulation.
9. **PLUG #2: 85sx of Class G Cement (15.8 PPG, 1.15 yield); KRD Top @ 2,575' | OJO Top @ 2,380':**
Pump an 85 sack balanced cement plug inside the 5-1/2" casing. Displace 44sx cement with 9.0 bbls water through squeeze holes @ 2,430' into X 8-3/4" open hole annulus (est. **TOC @ +/- 2,230'** & est. **BOC @ +/- 2,430'**). This will leave a 41 sack balanced cement plug inside the 5-1/2" ca +/- 2,280' & est. **BOC @ +/- 2,625'**). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for exce

Please let me know if you have any questions.

Thanks,

John LaMond

Operations Engineer – Technical Services
Hilcorp Energy Company
1111 Travis
Houston, TX 77002
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832-754-9692 (Cell)
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From: Tammy Jones <tajones@hilcorp.com>

Sent: Wednesday, April 24, 2024 3:04 PM

To: Rennick, Kenneth G <krennick@blm.gov>; John LaMond <lamond@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>

Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>

Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

Hi Monica,

The BLM Approved P&A NOI has been submitted to NMOCD Epermitting Action ID: **337279**.

CBL has been submitted to NMOCD Permit ID: **364462**

Thanks,

Tammy Jones | **HILCORP ENERGY COMPANY** | San Juan Regulatory | 505.324.5185 | tajones@hilcorp.com

From: Rennick, Kenneth G <krennick@blm.gov>

Sent: Wednesday, April 24, 2024 1:36 PM

To: Tammy Jones <tajones@hilcorp.com>; John LaMond <lamond@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>

Cc: Kade, Matthew H <mkade@blm.gov>; Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>; Weatherford, Wanda D <wweatherford@blm.gov>

Subject: Re: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

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The BLM has approved the NOI to abandoned submission. Note the BLM geologist determined that Ojo Alamo top is higher than operator's pick at 2380.

The BLM request that the Plug 2 TOC (the plug that covers the Kirtland - Ojo Alamo) be raised to 2280.

This has already been communicated to the BLM inspector on location.

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management

Farmington Field Office

6251 College Blvd

Farmington, NM 87402

Email: krennick@blm.gov

Mobile & Text: 505.497.0019

From: Tammy Jones <tajones@hilcorp.com>
Sent: Wednesday, April 24, 2024 11:43 AM
To: Rennick, Kenneth G <krennick@blm.gov>; John LaMond <jlamond@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>
Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

Hi Kenny,

The P&A NOI has been submitted to BLM AFMSS Sundry ID: 2786707.

Thanks,

Tammy Jones | **HILCORP ENERGY COMPANY** | San Juan Regulatory | 505.324.5185 | tajones@hilcorp.com

From: Rennick, Kenneth G <krennick@blm.gov>
Sent: Wednesday, April 24, 2024 9:44 AM
To: John LaMond <jlamond@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; Brice Clyde - (C) <Brice.Clyde@hilcorp.com>
Subject: Re: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

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To confirm the BLM finds the updated procedure appropriate.

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management
Farmington Field Office
6251 College Blvd
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Email: krennick@blm.gov
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From: John LaMond <jlamond@hilcorp.com>
Sent: Wednesday, April 24, 2024 9:35 AM
To: Rennick, Kenneth G <krennick@blm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kade, Matthew H <mkade@blm.gov>
Cc: Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>; John LaMond <jlamond@hilcorp.com>; Brice Clyde -

(C) <Brice.Clyde@hilcorp.com>

Subject: RE: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

Good morning Monica and Kenny,

After discussion, Hilcorp received verbal approval to adjust the KRD/OJO plug to a combined plug. Please see the updated procedure & schematic attached.

| | |
|--------|------------|
| API #: | 3003907144 |
|--------|------------|

JOB PROCEDURES

1. Contact NMOCD and BLM (where applicable) 24 hours prior to MIRU.
2. Hold pre-job safety meeting. Verify cathodic is off. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.
3. MIRU service rig and associated equipment; NU and test BOP.
4. *Note the following plugs are based on the **CBL run 4/23/2024**:
5. PU & TIH w/ work string and sting into 5-1/2" CICR @ **+/- 3,261'**.
6. **PLUG #1: 45sx of Class G Cement (15.8 PPG, 1.15 yield); PC Top @ 3,313' | FRD Top @ 3,084'**
Pump 12sx of cement beneath the 5-1/2" CICR inside both the 5-1/2" casing (est. **TOC @ +/- 3,261'** & est. **BOC @ +/- 3,311'**) and into the 4-3/4" open hole (e **TOC @ +/- 3,311'** & est. **BOC @ +/- 3,363'**). Sting out of the retainer, continue pumping a 33 sack balanced cement plug on top of the CICR. (est. **TOC @ +/- 2,984'** & est. **BOC @ +/- 3,261'**). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for excess.
7. TOOH w/ work string. TIH and perforate squeeze holes @ **+/- 2,470'**. TIH with work string establish circulation.
8. TIH with work string to **+/- 2,625'**. Establish circulation.
9. **PLUG #2: 63sx of Class G Cement (15.8 PPG, 1.15 yield); KRD Top @ 2,575' | OJO Top @ 2,470'**
Pump a 63 sack balanced cement plug inside the 5-1/2" casing. Displace 33sx cement with 6.8 bbls water through squeeze holes @ 2,470' into the 5-1/2" casing 8-3/4" open hole annulus (est. **TOC @ +/- 2,320'** & est. **BOC @ +/- 2,470'**). This will leave a 30 sack balanced cement plug inside the 5-1/2" casing (est. **TOC 2,370'** & est. **BOC @ +/- 2,625'**). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for excess.
10. TIH & perforate squeeze holes @ **+/- 1,348'**. RIH w/ **5-1/2"** CICR and set CICR @ **+/- 1,298'**. TIH w/ work string & sting into CICR. Establish injection.
11. **PLUG #3: 62sx of Class G Cement (15.8 PPG, 1.15 yield); NAC Top @ 1,298'**
Pump 44sx of cement in the 5-1/2" casing X 8-3/4" open hole annulus (est. **TOC @ +/- 1,148'** & est. **BOC @ +/- 1,348'**). Pump an additional 6sx of cement be the 5-1/2" CICR (est. **TOC @ +/- 1,298'** & est. **BOC @ +/- 1,348'**). Sting out of retainer, pump a 12 sack balanced cement plug on top of the CICR. (est. **TOC @ 1,198'** & est. **BOC @ +/- 1,298'**). WOC for 4 hrs, tag TOC w/ work string. *Note cement plug lengths and volumes account for excess.
12. TOOH w/ work string. TIH & perforate squeeze holes @ **+/- 183'**. Establish circulation.
13. **PLUG #4: 70sx of Class G Cement (15.8 PPG, 1.15 yield); Surf. Casing Shoe @ 133'**
Pump 11sx of cement in the 5-1/2" casing X 8-3/4" open hole annulus (est. **TOC @ +/- 133'** & est. **BOC @ +/- 183'**). Continue pumping 37sx of cement in the 5 casing X 9-5/8" casing annulus (est. **TOC @ +/- 0'** & est. **BOC @ +/- 133'**). Pump a 22 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 0'** est. **BOC @ +/- 183'**). WOC for 4 hrs, tag TOC w/ work string.
14. ND BOP, cut off casing below casing flange. Top off cement in surface casing annulus, if needed. Install a P&A marker with cement to comply with regulations. down, move off location, cut off anchors, and restore location.

Please let me know if you have any concerns.

Thanks,

John LaMond

Operations Engineer – Technical Services

Hilcorp Energy Company

1111 Travis

Houston, TX 77002

346-237-2210 (Office)

832-754-9692 (Cell)

jlamond@hilcorp.com

From: Rennick, Kenneth G <krennick@blm.gov>

Sent: Wednesday, April 24, 2024 9:48 AM

To: John LaMond <jlamond@hilcorp.com>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kade, Matthew H <mkade@blm.gov>

Cc: Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Decker, Mark A <mdecker@blm.gov>

Subject: Re: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

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The BLM finds the plugging procedure and formation tops appropriate. Please submit the procedure in AFMSS as soon as possible.

Kenny Rennick

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management
Farmington Field Office
6251 College Blvd
Farmington, NM 87402

Email: krennick@blm.gov

Mobile & Text: 505.497.0019

From: John LaMond <jlamond@hilcorp.com>

Sent: Wednesday, April 24, 2024 7:47 AM

To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Kade, Matthew H <mkade@blm.gov>

Cc: Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; James Osborn <josborn@hilcorp.com>; Ben Hampton <bhampton@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; John LaMond <jlamond@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>

Subject: [EXTERNAL] CBL Submission & P&A Request for Hilcorp's SAN JUAN 28-7 UNIT 38 (API # 3003907144)

This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.

Good morning Monica and Kenny,

Hilcorp moved onto the **SAN JUAN 28-7 UNIT 38 (API # 3003907144)** yesterday to begin TA operations. I have attached the approved NOI for reference.

Attached is the CBL that was run yesterday (4/23/2024). The CBL shows TOC @ ~2,486'. Additionally, a pressure test was performed to 560 psi which failed.

Based on the results of the CBL and the failed pressure test, Hilcorp requests to move forward with plugging and abandonment of the SAN JUAN 28-7 UNIT 38.

I have attached an updated P&A procedure as well as an updated proposed P&A wellbore schematic.

Do we have approval from the NMOCD & BLM to move forward with the P&A operations?

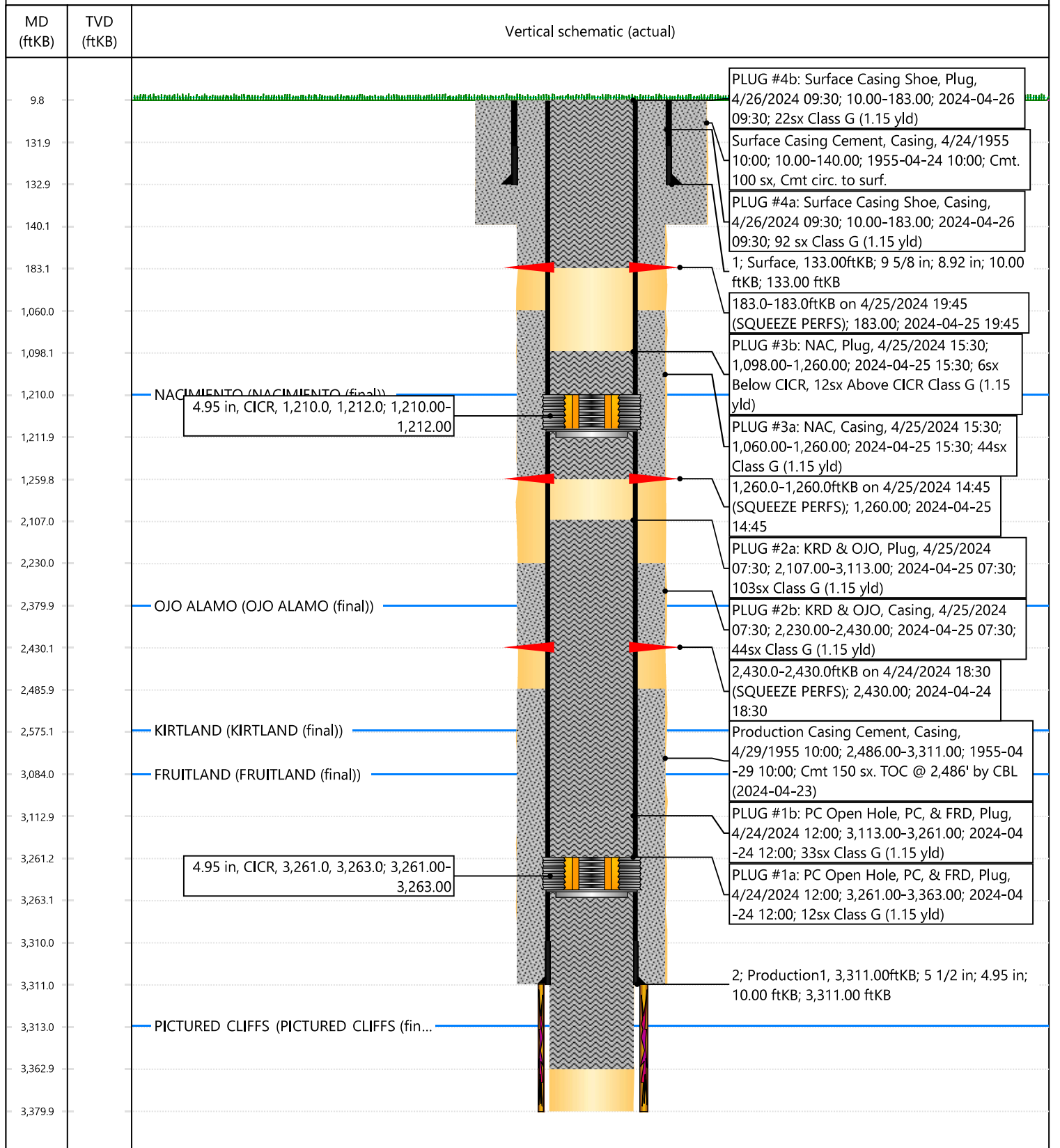


Current Schematic - Version 3

Well Name: SAN JUAN 28-7 UNIT #38

| | | | | | |
|-----------------------------------|---|--|-------------------------|---|---|
| API / UWI 3003907144 | Surface Legal Location 007-027N-007W-D | Field Name PC | Route 0901 | State/Province NEW MEXICO | Well Configuration Type Vertical |
| Ground Elevation (ft) 6,893.00 | Original KB/RT Elevation (ft) 6,903.00 | Tubing Hanger Elevation (ft) 6,893.00 | RKB to GL (ft) 10.00 | KB-Casing Flange Distance (ft) 10.00 | KB-Tubing Hanger Distance (ft) 10.00 |

Original Hole [Vertical]



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 338933

CONDITIONS

| | |
|--|--|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 338933 |
| | Action Type: [C-103] Sub. Plugging (C-103P) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|------------------------|----------------|
| mkuehling | well plugged 4/26/2024 | 5/15/2024 |