

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Report

Well Name: ALLISON UNIT Well Location: T32N / R7W / SEC 14 / Count

NWSW / 36.9769 / -107.54274

County or Parish/State: SAN

JUAN / NM

Well Number: 31 Type of Well: CONVENTIONAL GAS

WELL

Allottee or Tribe Name:

Unit or CA Name: ALLISON UNIT--DK Unit or CA Number:

NMNM78372B

COMPANY

Notice of Intent

Lease Number: NMSF078459B

Sundry ID: 2797629

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 06/27/2024 Time Sundry Submitted: 12:40

Date proposed operation will begin: 08/01/2024

Procedure Description: Hilcorp Energy Company requests permission to recomplete the subject well in the Mesaverde and downhole commingle with the existing GP/DK. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. Hilcorp will contact the FFO Surface group within 90 days after the well has been recompleted, before any interim reclamation work, to conduct the onsite. A reclamation plan will be submitted after the onsite.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Allison_Unit_31___MV_Recomplete_NOI_20240627124010.pdf

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eceived by OCD: 7/2/2024 8:27:39 AM
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NWSW / 36.9769 / -107.54274

County or Parish/State: SAN 2 of

JUAN / NM

Well Number: 31

Type of Well: CONVENTIONAL GAS

Allottee or Tribe Name:

Lease Number: NMSF078459B

Unit or CA Name: ALLISON UNIT--DK

Unit or CA Number: NMNM78372B

US Well Number: 3004523296

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: AMANDA WALKER Signed on: JUN 27, 2024 12:40 PM

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: MATTHEW H KADE BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736 BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved Disposition Date: 06/27/2024

Signature: Matthew Kade

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HILCORP ENERGY COMPANY

Allison Unit 31 MESAVERDE RECOMPLETION SUNDRY

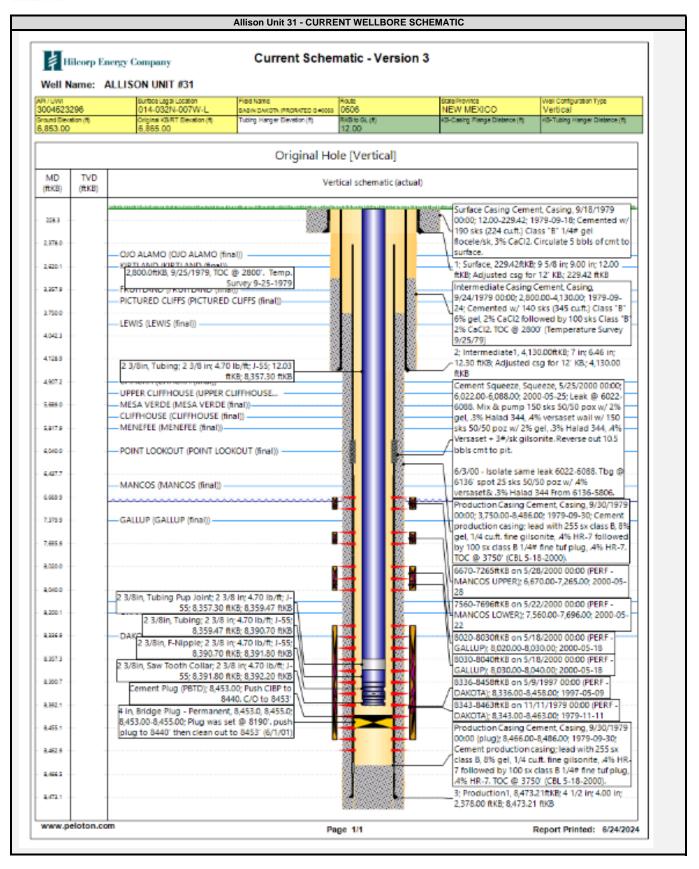
API: 3004523296

JOB PROCEDURES

- NMOCD Solution Contact OCD and BLM (where applicable) 24 hrs prior to MIRU or running MITs. Record and document all casing pressures daily, including BH, IC (if present) and PC. Comply with all NMOCD, BLM (where applicable), and HEC safety and environmental regulations.
 - 1. Hold pre-job safety meeting. MIRU service rig and associated equipment. NU and test BOP per HEC, State, and Federal guidelines.
 - 2. TOOH with 2-3/8" tubing.
 - 3. Set a 4-1/2" plug within 50' of the top perforation (+/-6670') for zonal isolation.
 - 4 Perform a witnessed MIT test on the csg with the appropriate regulatory agencies (Notify NMOCD 24 hours prior to test). CBL indicates TOC at 3,750'.
 - 5. If frac will be pumped down casing: ND BOP, NU frac stack and test frac stack and casing to frac pressure.
 - 6. RU WL. Perforate the Mesaverde. (Top perforation @ 5,447', Bottom perforation @ 6,530').
 - 7. If frac will be pumped down a frac string: RIH w/ frac string and packer. Set packer within 50' of top perforation. ND BOP, NU frac stack. Pressure test frac string and frac stack to frac pressure.
 - 8. RDMO service rig. RU stimulation crew. Frac the Mesaverde in one or more stages. Set plugs in between stages, if necessary.
- 9. MIRU service rig and associated equipment. ND frac stack, NU BOP and test.
- 10. If frac was performed down frac string: POOH w/ frac string and packer.
- 11. TIH with a bit and drill out top isolation plug and any stage plugs (if necessary). Clean out to the top of the isolation plug.
- 12. Pending commingle approval, drill out isolation plug. Cleanout to PBTD at 8,453'. TOOH w/ cleanout assembly.
- $13. \ \ Run \ and \ land \ production \ tubing. \ RDMO \ service \ rig \ and \ associated \ equipment. \ Return \ well \ to \ production.$

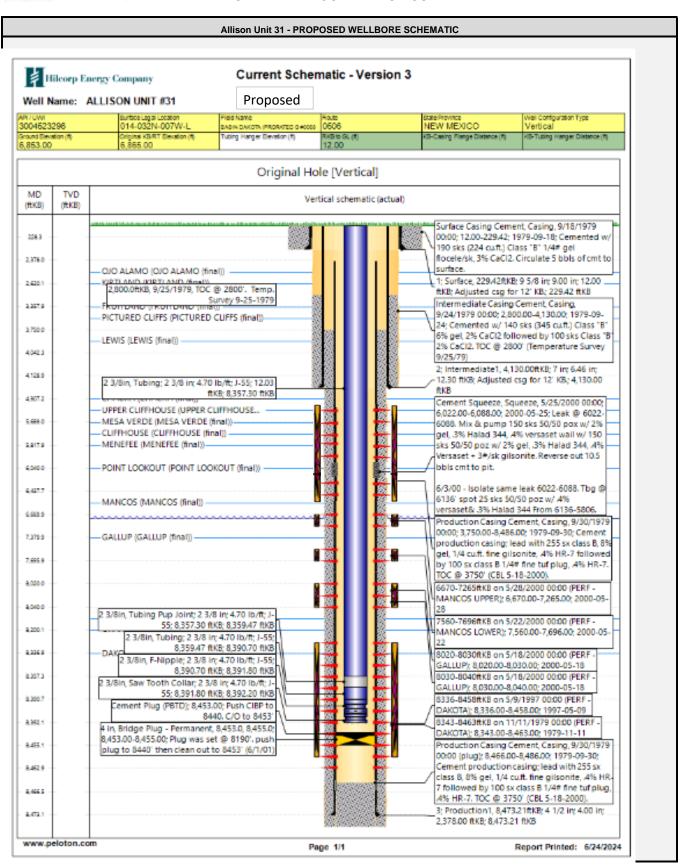


HILCORP ENERGY COMPANY Allison Unit 31 MESAVERDE RECOMPLETION SUNDRY





HILCORP ENERGY COMPANY Allison Unit 31 MESAVERDE RECOMPLETION SUNDRY



<u>District I</u> 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**

Form C-102 August 1, 2011

Permit 365933

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-23296	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318864	5. Property Name ALLISON UNIT	6. Well No. 031
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6853

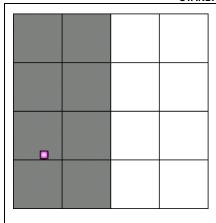
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
L	14	32N	07W		1465	S	810	W	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	Acres 0.00	L	13. Joint or Infill		14. Consolidation	n Code		15. Order No.	

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 Wusker
Title: Operations Regulatory Tech Sr.

Date: 5/21/2024

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: Fred B Kerr Jr 10/11/1978 Date of Survey: Certificate Number: 3950

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

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: Hild	0	GRID: _	372171	Date: <u>6/27/202</u> 4	<u>l</u>		
II. Type: ⊠ Original □ Amendment due to □ 19.15.27.9.D(6)(a) NMAC □ 19.15.27.9.D(6)(b) NMAC □ Other.							
If Other, please de	scribe:						
		information for each oad or connected to a			or set of wells pr	oposed to be dri	lled or proposed to
Well Name	API	ULSTR	Footage	es	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Allison Unit 31	30-045-23296	L-14-32N-07W	1465 FSL & 81	0 FWL	0.25	500	3
V. Anticipated Sc	hedule: Provide	the following inform single well pad or co Spud Date	ation for each nev	al deliver	npleted well or so	et of wells propo Initial Flow Back Date	-
Allison Unit 31	30045232	96					
	_						
VII. Operational Subsection A thro	Practices: ⊠ A ugh F of 19.15.27 gement Practices	s: ⊠ Attach a compl	cription of the ac	tions Ope	erator will take to	o comply with the	he requirements of

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

🗵 Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering	Available Maximum Daily Capacity
	-		Start Date	of System Segment Tie-in

XI. Map. \square Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural	gas gathering system	☐ will ☐ will not have	capacity to gather	100% of the an	ticipated natura	ıl gas
production volume from the well	prior to the date of first	production.				

XIII. Line Pressure. Operator \square does \square does not anticipate that its existing well(s) connected to the same segment, or portion	n, of the
natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new	well(s).

Attach (Operator'	e nlan t	o manage	production	in reconnec	to the in	creased line	nraccura
 Attach v	Oberator	s bian i	o manage	production	in response	to the in	creased iine	pressure

XIV. Confidentiality: \square Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information	tion provided in
Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the spe	cific information
for which confidentiality is asserted and the basis for such assertion.	

(i)

Section 3 - Certifications <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: 🖂 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 ☐ 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. ☐ 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.

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; power generation for grid; **(b)** (c) compression on lease; (d) liquids removal on lease; reinjection for underground storage; (e) **(f)** reinjection for temporary storage; (g) reinjection for enhanced oil recovery; fuel cell production; and (h)

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

other alternative beneficial uses approved by the division.

- (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: Alluster
Printed Name: Amanda Walker
Title: Operations Regulatory Tech Sr.
E-mail Address: mwalker@hilcorp.com
Date: 6/27/2024
Phone: 346-237-2177
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

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
 - o This gas capture plan isn't for a well being drilled.
- 3. Subsection (C) Venting and flaring during completion or recompletion
 - o 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.
 - o 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.
 - o 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.
 - o 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
 - o Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - o 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.

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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**

CONDITIONS

Action 360354

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	360354
	Action Type:
	[C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Notify NMOCD 24 Hours Prior to beginning operations.	7/5/2024
dmcclure	DHC required	7/5/2024
dmcclure	All conducted logs shall be submitted to the Division as a [UF-WL] EP Well Log Submission (WellLog).	7/5/2024
dmcclure	The appropriate compliance officer supervisor shall be consulted and remedial action conducted as directed if the cement sheath around the casing is not adequate to protect the casing and isolate strata from: (a) the uppermost perforation in each added pool to at least 150 feet above that perforation; and (b) the lowermost perforation in each added pool to at least 100 feet below that perforation.	7/5/2024