

State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Adrienne Sandoval, Division Director  
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 1/8/2020

Well information:

**30-045-22565 UTE INDIANS A #010**

**HILCORP ENERGY COMPANY**

Application Type:

P&A    Drilling/Casing Change    Location Change

Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

Other:

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.

In additions to the plugs approved by BLM, add the following:

- Add a Mancos plug 724'-558' (combining with the casing shoe plug). OCD Mancos pick @ 674'.
- Extend Plug #4 to 2525'-2350' to cover the Morrison top. OCD Morrison pick @ 2475'.
- Add a Chinle plug 4120'-4020'. OCD Chinle pick @ 4070'.
- Add a Hermosa plug 6620'-6520'. OCD Hermosa pick @ 6570'.

  
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NMOCD Approved by Signature

1/15/20  
Date

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. 142060462
2. Name of Operator HILCORP ENERGY COMPANY Contact: PRISCILLA SHORTY E-Mail: pshorty@hilcorp.com		6. If Indian, Allottee or Tribe Name UTE MOUNTAIN UTE
3a. Address 1111 TRAVIS STREET HOUSTON, TX 77002	3b. Phone No. (include area code) Ph: 505-324-5188	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 36 T32N R14W NWSE 1760FSL 1820FEL		8. Well Name and No. UTE INDIANS A 10
		9. API Well No. 30-045-22565-00-S1
		10. Field and Pool or Exploratory Area UTE DOME
		11. County or Parish, State SAN JUAN COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Hilcorp Energy Company requests permission to plug and abandon the subject well. Please see the attached procedure, current and proposed schematics. A closed loop system will be used.

\*\*This is a RUSH project\*\*

**NMOCD**  
**JAN 10 2020**  
**DISTRICT III**

14. I hereby certify that the foregoing is true and correct.	
<b>Electronic Submission #498378 verified by the BLM Well Information System For HILCORP ENERGY COMPANY, sent to the Durango Committed to AFMSS for processing by BARBARA TELECKY on 01/08/2020 (20BDT0075SE)</b>	
Name (Printed/Typed) PRISCILLA SHORTY	Title OPERATIONS REGULATORY TECH SR
Signature (Electronic Submission)	Date 01/08/2020

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>JOHN PECOR</u>	Title <u>MINERALS STAFF CHIEF</u>	Date <u>01/09/2020</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>Durango</u>

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.

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HILCORP ENERGY COMPANY  
UTE INDIANS A 10  
NOTICE OF INTENT TO PERMANENTLY ABANDON

API #: 3004522565

JOB PROCEDURES

1. MIRU service rig and associated equipment
2. Load well, ND tree, NU BOPs and test
3. PU rental workstring and RIH.
4. **Install plugs per the attached plugging procedure**
5. ND BOPs, NU dry hole tree. RDMO.



HILCORP ENERGY COMPANY  
UTE INDIANS A 10  
NOTICE OF INTENT TO PERMANENTLY ABANDON

PLUGGING PROCEDURE



Hilcorp Energy Company  
Plug & Abandon Procedure  
January 8, 2020

<b>Well:</b>	Ute Indians A #10	<b>API:</b>	30-045-22565
<b>Location:</b>	1760' FSL & 1820' FEL	<b>Field:</b>	Ute Dome Paradox
<b>Sec, T, R:</b>	Sec 16, 32N R14W	<b>Elevation:</b>	GL: 6198'
<b>Cnty/State:</b>	San Juan, New Mexico		
<b>Lat/Long:</b>	36.9420509, -108.2560654	<b>By:</b>	Aztec Well Servicing

Objective:

Permanently plug & abandon the well from 8046' to surface containing 7 cement plugs.

Note:

**All cement volumes use 100% excess outside casing and 50' excess inside pipe.**  
Stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.  
All cement will be ASTM Class G neat yield or equivalent. If casing pressure tests tagging plugs will not be required.

Prior to Rig:

1. Notify state agencies 24 hours prior to starting work.
2. Note: verify all cement volumes based on actual slurry to be pumped.
3. See attached COA's from BLM & NMOCD.

Procedure:

1. TIH open ended to 7520'.
2. Load hole and pressure test casing to 500 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. WOC to be determined on pressure test.
3. **Plug 1: 7520' – 7368' (Perfs: 8008'-7567', Paradox Top:7522', Liner Top:7418')** Mix 18 sacks Class G cement and spot a balanced plug on top of existing permanent bridge plug to cover the Perfs, Paradox top and Liner top. PU and reverse circulate tubing clean.
4. LD tubing to 5134'
5. **Plug 2: 5134' – 5034' (Cutler Top: 5084')** Mix 18 sacks Class G cement and spot a balanced plug to cover the Cutler top. PU and reverse circulate tubing clean.
6. LD tubing to 3666'.
7. **Plug 3: 3666' – 3566' (Entrada Top: 3616')** Mix 18 sacks Class G cement and spot a balanced plug to cover the Entrada top. PU and reverse circulate tubing clean.
8. LD tubing to 2450'.
9. **Plug 4: 2450' – 2350' (Dakota Top: 2400')** Mix 18 sacks Class G cement and spot a balanced plug to cover the Dakota top. PU and reverse circulate tubing clean.
10. LD tubing to 1750'.
11. **Plug 5: 1750' - 1650' (Gallup Top: 1700')** Mix 18 sacks Class G cement and spot a balanced plug to cover the Gallup top. PU and reverse circulate tubing clean.
12. LD tubing to 658'.



HILCORP ENERGY COMPANY  
UTE INDIANS A 10  
NOTICE OF INTENT TO PERMANENTLY ABANDON

PLUGGING PROCEDURE CONT'D

**THE AZTEC WELL FAMILY**

Family owned, founded in 1961 with Aztec Well Servicing Co.



Hilcorp Energy Company  
**Plug & Abandon Procedure**  
January 8, 2020

<b>Well:</b>	Ute Indians A #10	<b>API:</b>	30-045-22565
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<b>Lat/Long:</b>	36.9420509, -108.2560654		

13. **Plug 5: 658' - 558' (Shoe @ 608')** Mix 18 sacks Class G cement and spot a balanced plug to cover the shoe. PU and reverse circulate tubing clean.
14. LD tubing to 100'.
15. **Plug 6: 100' - surface** Mix 20 sacks Class G cement and spot a plug to cover surface, circulate good cement to surface.
16. LD rest of tubing.
17. ND BOP and cut off wellhead below surface casing flange per regulation. Top off w/cement if needed. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.



**HILCORP ENERGY COMPANY**  
**UTE INDIANS A 10**  
**NOTICE OF INTENT TO PERMANENTLY ABANDON**

**WELLBORE DIAGRAM - CURRENT**



**Schematic - Current**

**Well Name: UTE INDIANS A #10**

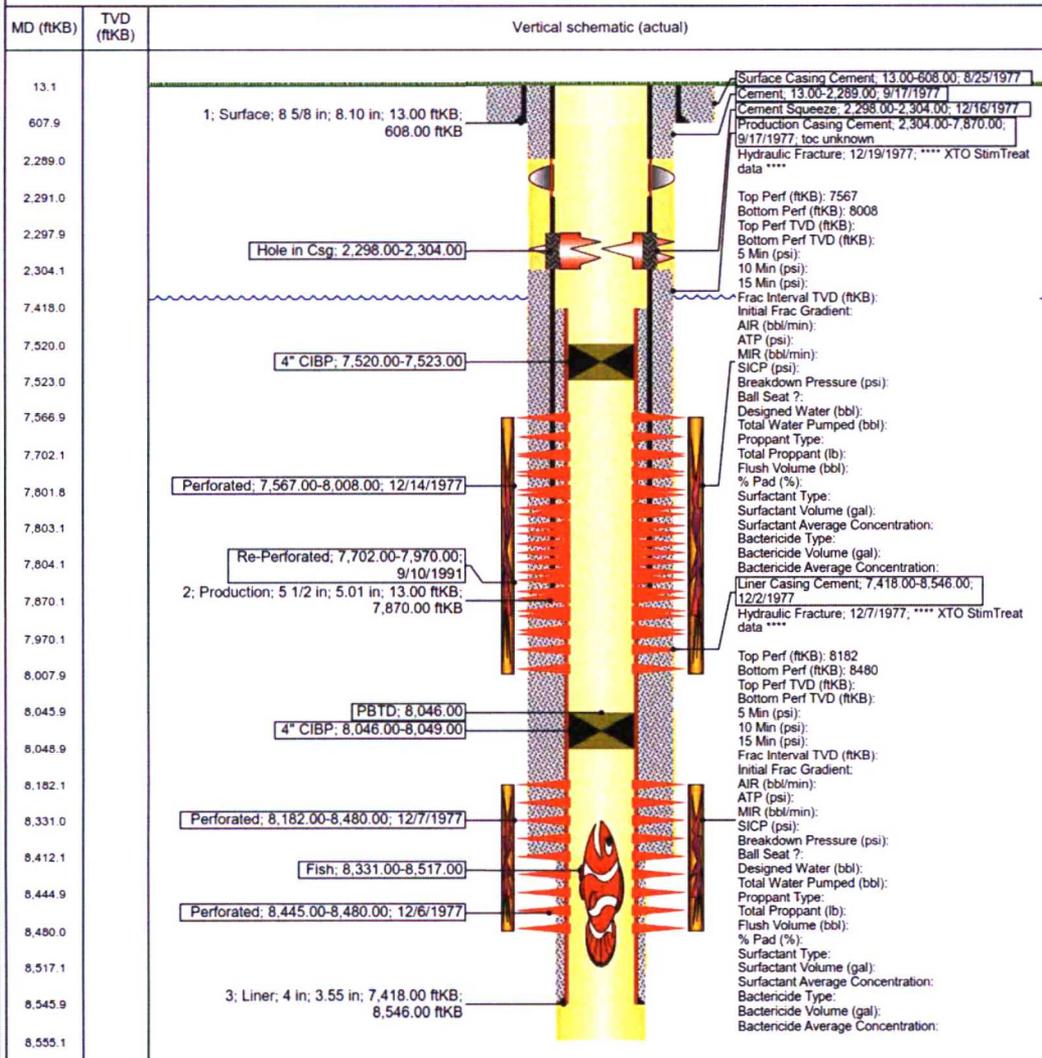
API / UWI 3004522565	Surface Legal Location T32N-R14W-S36	Field Name Ute Dome Paradox	License No.	State/Province New Mexico	Well Configuration Type Vertical
Original KB,RT Elevation (ft) 6,211.00	KB-Ground Distance (ft) 13.00	Original Spud Date 8/23/1977 00:00	Rig Release Date 9/17/1977 00:00	PBTD (ftKB) Original Hole - 8,046.0	Total Depth All (TVD) (ftKB)

**Most Recent Job**

Job Category Expense Workover	Primary Job Type TEMPORARY ABANDON	Secondary Job Type	Actual Start Date 1/2/2020	End Date
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**TD: 8,555.0**

Vertical, Original Hole, 1/7/2020 4:56:03 PM





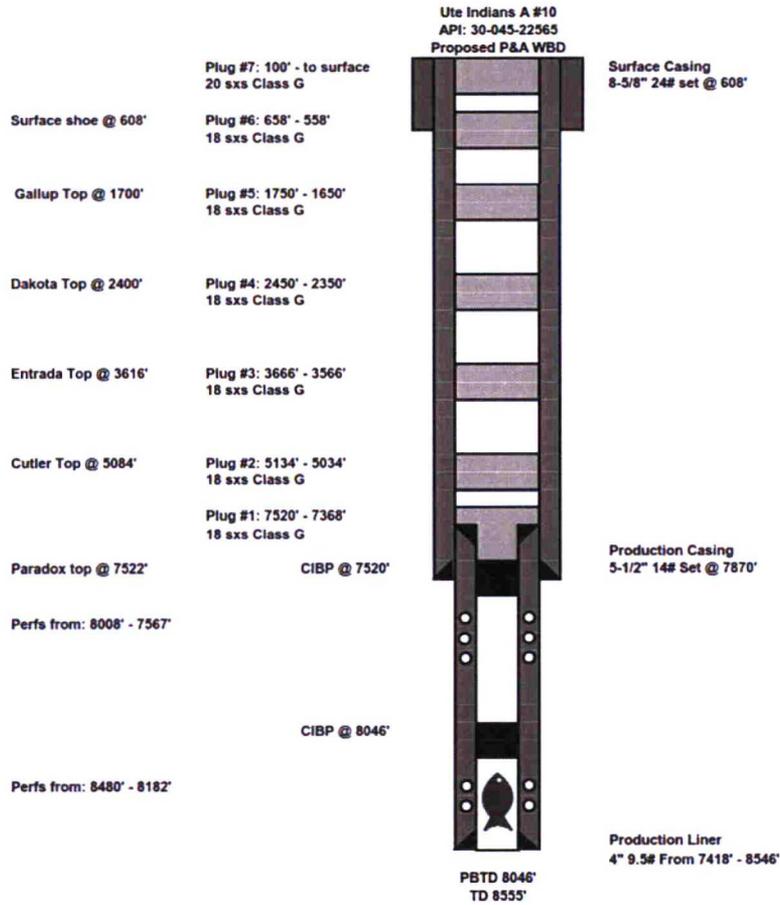
**HILCORP ENERGY COMPANY  
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**WELLBORE DIAGRAM - PROPOSED**



**Hilcorp Energy Company  
Plug & Abandon Procedure  
January 8, 2020**

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<b>Sec, T, R:</b>	Sec 16, 32N R14W	<b>Elevation:</b>	GL: 6198'
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Hilcorp Energy Company  
Ute Indian A-10  
API: 30-045-22565  
NWSE 36-T32N-R14W  
San Juan County  
New Mexico

**CONDITIONS OF APPROVAL FOR NOIA SUNDRY DATED 010620**

1. BLM to be notified 48 hrs prior to the start of plugging operations during normal business hours (8:00 am to 4:30 pm).
2. Fluid between plugs will be at least 8.3 lb/gal and **corrosion inhibited**.
3. **Plug #4 volume to be increased 2X (36 sx) to insure coverage of squeeze hole and DV tool at 2287'.**
4. **Plug #6: Perforate approximately 25'-50' below casing shoe at 608' and attempt to squeeze cement to surface. If circulation cannot be established place a balance plug from 50' below squeeze perforations to 558'. Plug #7 to be place as stated.**
5. **Operator may also opt to place a continuous balance plug from 50' below Plug #6 squeeze perforation to surface and eliminate Plug #7.**
6. Third party contractors are to be aware of these conditions of approval and adhere to them.
7. No changes are to be made to this approved Sundry without prior approval from the BLM.
8. A Subsequent Report Sundry Notice (Form 3160-5) must be submitted within 30 days after plugging operations are complete.

**Reclamation Procedures:**

This approval is for the completion of the downhole plugging portion of the well only. Surface reclamation must be completed, weed free vegetation established, and site accepted by the BIA prior to closure and bond release.

To help ensure reclamation expectations are understood between all parties, please contact Jennifer Jardine at (970)385-1242 to schedule a field meeting at the location to discuss reclamation procedures. This meeting should take place well in advance of any reclamation earthwork.