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|-----------------------------------|---|--|
| Well Name: WF FEDERAL 25 | Well Location: T30N / R14W / SEC 25 / SESE / 36.779918 / -108.256794 | County or Parish/State: SAN JUAN / NM |
| Well Number: 2 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMNM0207001 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3004530713 | Well Status: Inactive | Operator: HILCORP ENERGY COMPANY |

Notice of Intent

Sundry ID: 2653643

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 01/21/2022

Time Sundry Submitted: 09:14

Date proposed operation will begin: 02/01/2022

Procedure Description: Hilcorp Energy Company requests permission to P&A the subject well per the attached procedure, current and proposed wellbore schematics. The Pre-Disturbance Site Visit was held on 1/6/2022 with Bob Switzer/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

WF_Federal_25_2_P_A_NOI_20220121091340.pdf

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Well Number: 2

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Unit or CA Name:

Unit or CA Number:

US Well Number: 3004530713

Well Status: Inactive

Operator: HILCORP ENERGY COMPANY

Conditions of Approval

Additional Reviews

General_Requirement_PxA_20220209083907.pdf

2653643_NOIA_2_3004530713_KR_02092022_20220209083854.pdf

30N14W25PKpc_WF_Federal_25_2_20220208133036.pdf

Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: AMANDA WALKER

Signed on: JAN 21, 2022 09:14 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

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: 02/09/2022

Signature: Kenneth Rennick



P&A Procedure

| General Information | | | |
|---------------------|--------------------------|---------------|----------|
| Well Name | WF Federal 25 #2 | Date: | 1-21-22 |
| API: | 30-045-30713 | AFE # | |
| Field: | San Juan North | County | San Juan |
| Status: | Well is ACOI | | |
| Subject: | Permanently P&A wellbore | | |
| By: | J. Picou | | |

Well Data

Surface Casing: 7" 17# J-55 at 126'

Production Casing: 4-1/2" 10.5#; J-55 at 1,330'

Production Tubing: 2-3/8" 4.7#; J-55 at 1,061'

Rod String: 3/4" Sucker Rods

Current Perforations: 1,017' – 1,024'

Current PBTD: 1,285' (cement plug)

KB: 5'

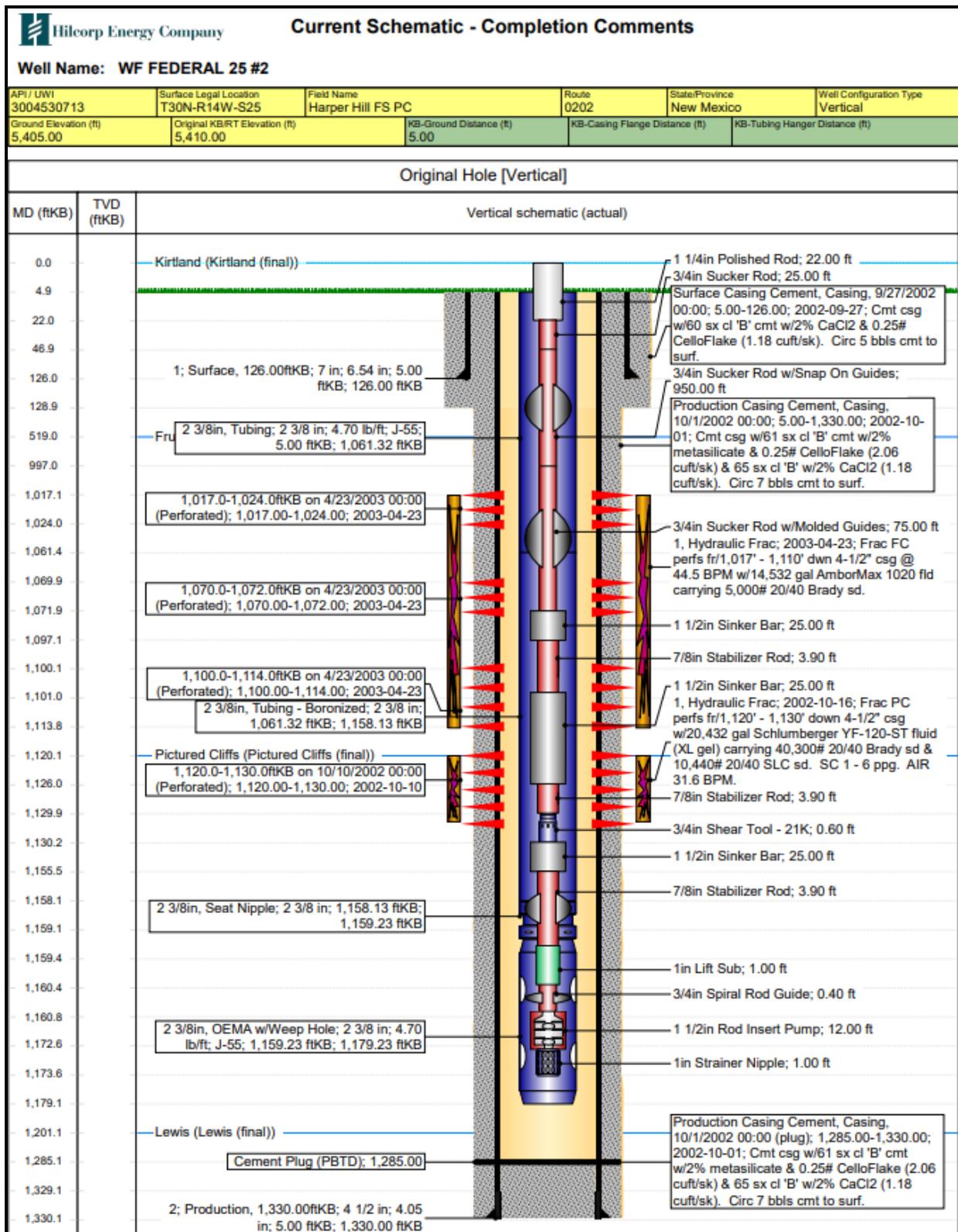
Hold PJSM prior to begin all operations. Properly document all operations via the JSA process. Ensure that all personnel onsite abide by HEC safety protocol, including PPE, housekeeping, and standard guidelines. Verify cathodic protection is off and wellhead instrumentation is properly disconnected from the wellhead. Comply with all NMOCD and HEC safety and environmental regulations. Verify there is no H2S present prior to beginning operations. If any H2S is present, take the necessary actions to ensure that the location is safe prior to beginning operations. Observe and record pressures across all strings daily, prior to beginning operations.

Remember to notify NMOCD and BLM 24 hours prior to starting operations on location. This procedure is contingent upon P&A sundry approval by the NMOCD and BLM.

Rig Procedure

1. MIRU P&A rig and equipment. Record pressures on all strings.
2. Unseat rods from ESP and POOH with rod string. NU BOP & test. Release ESP pump and TOOH with production tbg and pump.
3. RIH with 4.5" casing scraper to +/- 1,000'.
4. MU 4.5" CICR and RIH. Set CICR at 980'
5. Load wellbore with KCl water and circulate wellbore clean. Pressure test the casing to 500 psi to verify wellbore integrity and plug set.
6. **Plug #1 (Fruitland Coal top at 814')** : RU cementers and pump a 300' balanced cmt plug inside the 4-1/2" from 680' – 980', using 5.7 bbls (28 sx) of 15.8+ ppg Class G cmt.
7. TOOH with tbg to 200'.
8. **Plug #2 (Surface Casing Shoe at 126')**: RU cementers and pump a 200' balanced cmt plug from Surface – 200' inside the 4-1/2" using 4 bbls (19 sx) of 15.8 ppg Class G cmt.
9. WOC 4 hrs. Verify all pressures on all strings are at 0 psi.
10. ND BOP. Tag cmt and top off wellbore as needed. Cutoff wellhead at surface and weld P&A marker.
11. RDMO P&A rig.

CURRENT WELLBORE SCHEMATIC



Hilcorp Energy
P&A Final Reclamation Plan
Federal 25 2
API: 30-045-30713
T30N- R14W-Sec. 25-Unit P
LAT: 36.779907 LONG: -108.256072 NAD 27
Footage: 742' FSL & 1306' FEL
San Juan County, NM

1. PRE- RECLAMATION SITE INSPECTION

A pre-reclamation site inspection was completed with Bob Switzer from the BLM and Bobby Spearman, Hilcorp Energy SJ North Construction Foreman on January 6, 2022.

2. LOCATION RECLAMATION PROCEDURE

1. Reclamation work will begin in springtime.
2. Removal of all equipment, anchors, flowlines, cathodic, meter run.
3. All trash and debris will be removed within a 50' buffer outside of the location disturbance during reclamation.
4. Rip compacted soil and walk down disturbed portion of well pad.
5. Remove all gravel from berms, pads, and bury in toe of cut or spread on main access road
6. Hilcorp water and gas gathering lines will be stripped or abandon in place approx...1500'

3. ACCESS ROAD RECLAMATION PROCEDURE

1. No access road work to be completed.

4. SEEDING PROCEDURE

1. A Badlands seed mix mixed with some sage will be used for all reclaimed and disturbed areas of the well pad and lease road.
2. Drill seed 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.
3. Timing of the seeding will be when the ground is not frozen or saturated.

5. WEED MANAGEMENT

1. No Noxious weeds were found on location.

**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.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

AFMSS 2 Sundry ID 2653643

Attachment to notice of Intention to Abandon

Well: WF Federal 25 2

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) Add a plug, or pump cement below the retainer, to cover the Pictured Cliffs top at 1120 feet.
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 2/9/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 2/8/2022

| | | | | | | |
|---|------------|---|-----|-------|------------|-----|
| Well No. WF Federal 25 #2 (API# 30-045-30713) | Location | 742 | FSL | & | 1306 | FEL |
| Lease No. NMNM-0207001 | Sec. 25 | T30N | | | R14W | |
| Operator Hilcorp Energy Company | County | San Juan | | State | New Mexico | |
| Total Depth 1330' | PBTD 1285' | Formation Pictured Cliffs, Fruitland (commingled) | | | | |
| Elevation (GL) 5405' | | Elevation (KB) 5410' | | | | |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks |
|---------------------|----------|-------------|---------|------------|-------------------------------|
| San Jose Fm | | | | | |
| Nacimiento Fm | | | | | Surface/freshwater sands |
| Ojo Alamo Ss | | | | | Aquifer (possible freshwater) |
| Kirtland Shale | | | Surface | 814 | |
| Fruitland Fm | | | 814 | 1120 | Coal/Gas/Possible water |
| Pictured Cliffs Ss | | | 1120 | PBTD | Gas |
| Lewis Shale | | | | | |
| Chacra | | | | | Gas |
| Cliff House Ss | | | | | Water/Possible gas |
| Menefee Fm | | | | | Coal/Ss/Water/Possible O&G |
| Point Lookout Ss | | | | | Probable water/Possible O&G |
| Mancos Shale | | | | | |
| Gallup | | | | | O&G/Water |
| Greenhorn | | | | | |
| Graneros Shale | | | | | |
| Dakota Ss | | | | | O&G/Water |

Remarks:

P & A

- Add a plug, or pump cement below the retainer, to cover the Pictured Cliffs top at 1120'.
- The plugs proposed in the P&A procedure, with recommended changes, will adequately protect any freshwater sands in this well bore.
- Fruitland perms 1017' – 1114'. Pictured Cliffs perms 1120' – 1130'.
- Note: H₂S has not been reported in this well but has been reported in wells to the north and west at concentrations up to 1000 PPM.

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 80259

CONDITIONS

| | |
|--|---|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 80259 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 2/14/2022 |
| kpickford | Adhere to BLM approved COAs and plugs. See GEO report. | 2/14/2022 |