

<b>Well Name:</b> TEXAKOMA FEDERAL 7	<b>Well Location:</b> T30N / R12W / SEC 7 / NENW / 36.832291 / -108.141694	<b>County or Parish/State:</b> SAN JUAN / NM
<b>Well Number:</b> 2	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM047	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3004530527	<b>Well Status:</b> Producing Gas Well	<b>Operator:</b> HILCORP ENERGY COMPANY

**Notice of Intent**

**Sundry ID:** 2653348

**Type of Submission:** Notice of Intent

**Type of Action:** Plug and Abandonment

**Date Sundry Submitted:** 01/20/2022

**Time Sundry Submitted:** 05:50

**Date proposed operation will begin:** 02/03/2022

**Procedure Description:** Hilcorp Energy Company requests permission to P&A the subject well per the attached procedures, current and proposed wellbore schematics. The Pre-Disturbance Site Visit was held on 1/13/2022 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**

Texakoma\_Federal\_7\_2\_PA\_Procedure\_for\_NOI\_20220120054935.pdf

Texakoma\_Federal\_7\_2\_Reclamation\_Plan\_20220120054934.pdf

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### Conditions of Approval

#### Additional Reviews

- 2653348\_NOIA\_7\_2\_3004530527\_KR\_03032022\_20220303180306.pdf
- General\_Requirement\_PxA\_20220303180252.pdf
- 30N12W07CKIs\_Texakoma\_Federal\_7\_2\_20220303150712.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:** KANDIS ROLAND

**Signed on:** JAN 20, 2022 05:50 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

**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:** 03/03/2022

**Signature:** Kenneth Rennick

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

AFMSS 2 Sundry ID 2653348

Attachment to notice of Intention to Abandon

Well: Taxakoma Federal 7 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) Pump a volume of cement below the CICR at 1693' to completely isolate the Fruitland Coal from the Pictured Cliffs. This will satisfy the requirement of adding a plug to cover the Pictured Cliffs formation at 2059' recommended in the BLM Geology Report.
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 3/3/2022

**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)

**BLM FLUID MINERALS  
P&A Geologic Report**

**Date Completed:** 3/3/2022

Well No. Texakoma Federal 7 #2 (API# 30-045-30527)	Location	894	FNL	&	1583	FWL
Lease No. NMNM-047	Sec. 07	T30N			R12W	
Operator Hilcorp Energy Company	County	San Juan		State	New Mexico	
Total Depth 2245'	PBTD 2164'	Formation Fruitland (producing), Lewis (TD)				
Elevation (GL) 5920'		Elevation (KB) 5925'				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					
Nacimiento Fm			Surface	460	Surface/freshwater sands
Ojo Alamo Ss			460	586	Freshwater aquifer
Kirtland Shale			586	1466	
Fruitland Fm			1466	2059	Coal/Gas/Possible water
Pictured Cliffs Ss			2059	2162	Gas
Lewis Shale			2162	PBTD	
Chacra					
Cliff House Ss					
Menefee Fm					
Point Lookout Ss					
Mancos Shale					
Gallup					
Greenhorn					
Graneros Shale					
Dakota Ss					

Remarks:  
P & A

Reference Well:  
1) **Formation Tops**  
Same

- Add a plug to cover the Pictured Cliffs formation top at 2059'.

- The plugs proposed in the P&A procedure, with recommended changes, will adequately protect any freshwater sands in this well bore.
- Fruitland perms 1743' – 1956' and 2036' – 2052'.

**Prepared by:** Chris Wenman



## P&A Procedure

General Information			
<b>Well Name</b>	Texakoma Federal 7 2	<b>Date:</b>	1/19/2022
<b>API:</b>	30-045-30527	<b>AFE #</b>	
<b>Field:</b>	San Juan	<b>County</b>	San Juan
<b>Status:</b>	Well is ACOI		
<b>Subject:</b>	Permanently P&A wellbore		
<b>By:</b>	M. Wissing		

### Well Data

Surface Casing: 8-5/8" 24# J-55 at 177'

Production Casing: 5-1/2" J-55 15.5# at 2,218'

Production Tubing: 2-3/8" J-55 4.7# at 2,100'

Rod String: 3/4" slick and guided rods w/ insert rod pump (2" x 1.25" x 12' RHAC)

Current Perforations: 1,743'-1,956'; 2,036'-2,052'

Current PBTD: 2,164' (cement plug)

SICP = 90 psig

**Notes:** Historic notes of light scale & HIT from corrosion/rod wear. No fill issues.

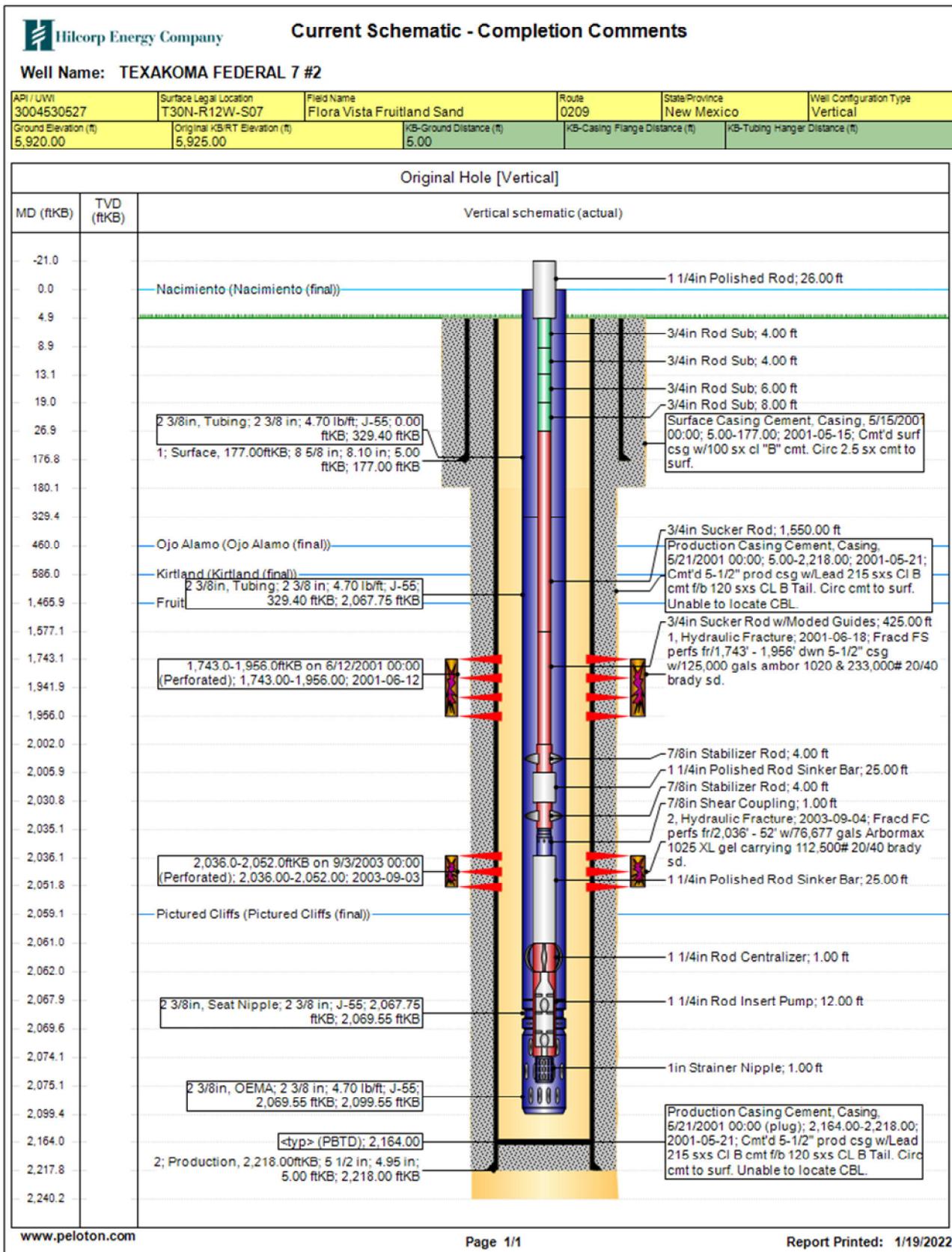
Hold PJSM prior to begin all operations. Properly document all operations via the JSA process. Ensure that all personnel onsite abide by HEC safety protocol, including PPE, housekeeping, and standard guidelines. Verify cathodic protection is off and wellhead instrumentation is properly disconnected from the wellhead. Comply with all NMOCD, BLM, 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 BLM & NMOCD.

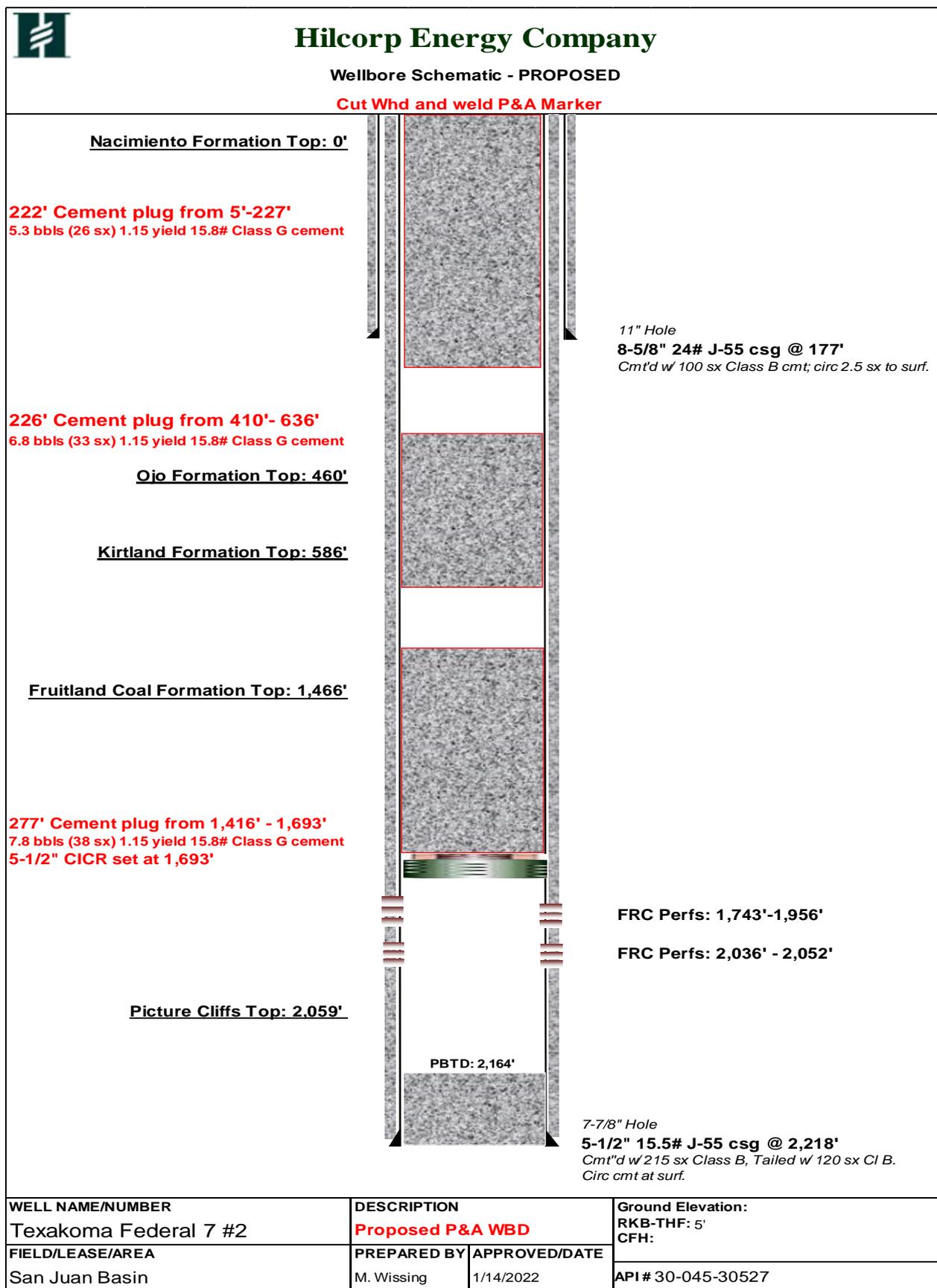
## P&A Rig Procedure

1. MIRU P&A rig and equipment. Record pressures on all strings.
2. Unseat rod pump and POOH with rod string & rod pump. NU BOP & test. TOOH with production tbg.
3. RIH with 5.5" casing scraper to +/- 1,710'.
4. MU 5.5" CICR and RIH with 2-3/8" work string. Set CICR at 1,693'.
  - a. **Top FRC perf at 1,743'.**
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 (FRC Perfs at 1,743' & Fruitland top at 1,466')**: RU cementers and pump a 277' balanced cmt plug inside the 5-1/2" csg from 1,416' – 1,396', using 7.8 bbls (38 sx) of 15.8+ ppg Class G cmt.
7. TOOH with tbg to 636'.
8. **Plug #2 (Ojo Top at 460', Kirtland top at 586')**: RU cementers and pump a 226' balanced cmt plug inside the 5-1/2" csg from 410' – 636', using 6.8 bbls (33 sx) of 15.8+ ppg Class G cmt.
9. TOOH with tbg to 227'.
10. **Plug #3 (Surface & Surface Csg Shoe at 177')**: RU cementers and pump a 222' cmt plug from Surface – 227' inside the 5-1/2" csg using 5.3 bbls (26 sx) of 15.8 ppg Class G cmt.
11. WOC 4 hrs. Verify all pressures on all strings.
12. ND BOP. Tag cmt and top off wellbore as needed. Cutoff wellhead at surface and weld P&A marker.
13. RDMO P&A rig.

## CURRENT WELLBORE SCHEMATIC



## PROPOSED WELLBORE SCHEMATIC



Hilcorp Energy  
P&A Final Reclamation Plan  
**Texakoma Federal 7 2**  
API: 30-045-30527  
T30N-R12 W-Sec. 07-Unit C  
LAT: 36.832266 LONG: -108.14095 NAD 27  
Footage: 894' FNL & 1583' FWL  
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 13, 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. Location will be pushed up from the North edge to the South roadway and tapered back to the west to existing grade of location
5. Diversion ditch on East side of location to be cleaned out
6. Rip compacted soil and walk down disturbed portion of well pad.
7. Remove all gravel from berms, pads, and bury in toe of cut or spread on access road
8. HEC to remove Meter run and abandon pipeline in place. Line to be capped at tie in point

**3. ACCESS ROAD RECLAMATION PROCEDURE**

1. Access road to be closed with location.

**4. SEEDING PROCEDURE**

1. A Pinion/Juniper 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. Canadian thistle was found on location. Location will be treated for noxious weeds

**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 87043

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 87043
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

**CONDITIONS**

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	3/8/2022
kpickford	Adhere to BLM approved COAs and plugs. See GEO report.	3/8/2022