

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

Well Name: CHACON FEDERAL	Well Location: T24N / R3W / SEC 33 / SWNW /	County or Parish/State: RIO ARRIBA / NM
Well Number: 2	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM86429	Unit or CA Name:	Unit or CA Number:
US Well Number: 3003921580	Well Status: Oil Well Shut In	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2657210

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 02/15/2022

Time Sundry Submitted: 01:28

Date proposed operation will begin: 03/01/2022

Procedure Description: Hilcorp Energy Company requests permission to P&A the subject well per the attached procedures, current and proposed wellbore schematics. A closed loop system will be used. A pre-disturbance site visit was not conducted as surface is Fee.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Chacon_Federal_2_PA_Procedure_for_NOI_20220215132253.pdf

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Well Status: Oil Well Shut In

Operator: HILCORP ENERGY COMPANY

Conditions of Approval

Additional

- 2657210_NOIA_2_3003921580_KR_05092022_20220509073950.pdf
- General_Requirement_PxA_20220509073936.pdf
- 24N03W33EKd_Chacón_Federal_2_20220506162244.pdf

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: KANDIS ROLAND

Signed on: FEB 15, 2022 01:28 PM

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 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: 05/09/2022

Signature: Kenneth Rennick



P&A Procedure

General Information			
Well Name	Chacon Federal #2	Date:	2/15/2022
API:	30-039-21580	AFE #	
Field:	San Juan	County	San Juan
Status:	Well is ACOI		
Subject:	Permanently P&A wellbore		
By:	M. Wissing		

Well Data

Surface Casing: 8-5/8" 24# K-55 at 317'
 Production Casing: 5-1/2" J-55 17# & 15.5# at 7,530'
 Production Tubing: 2-3/8" J-55 4.7# at 7,273' (WLM)
 Current Perforations: 7,146' – 7,273' (Dakota)
 Current PBTD: 7,420' (Cement plug)
 CBL: 7/2/1978
 SICP = 139 psig; SIBP: 0 psi

Notes: Tubing tally from 5/1990 remedial is 145' different from WL EOT locator in 1997.

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.

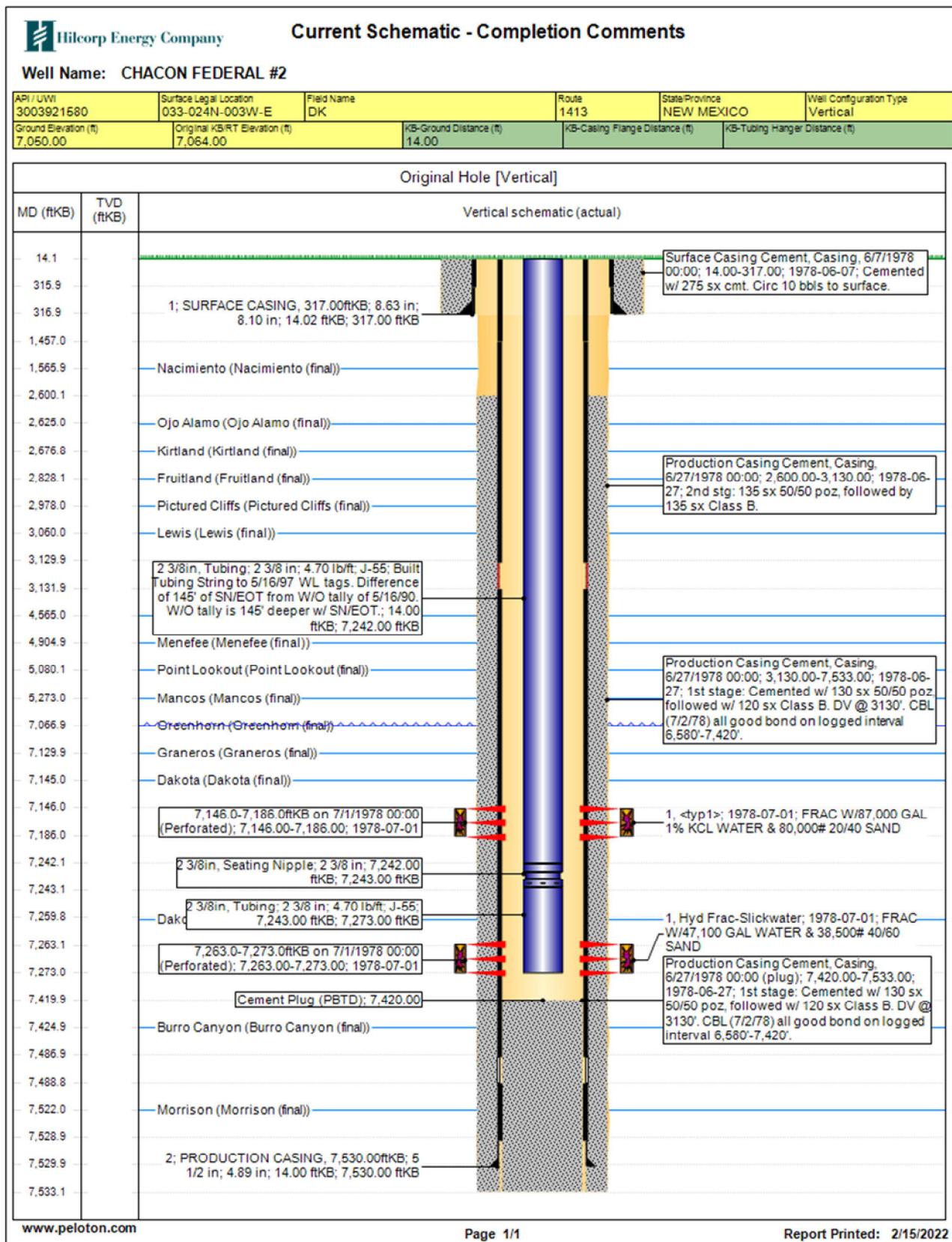
Remember to notify NMOCD & BLM 24 hours prior to starting operations on location. This procedure is contingent upon P&A sundry approval by both the NMOCD and BLM.

P&A Rig Procedure

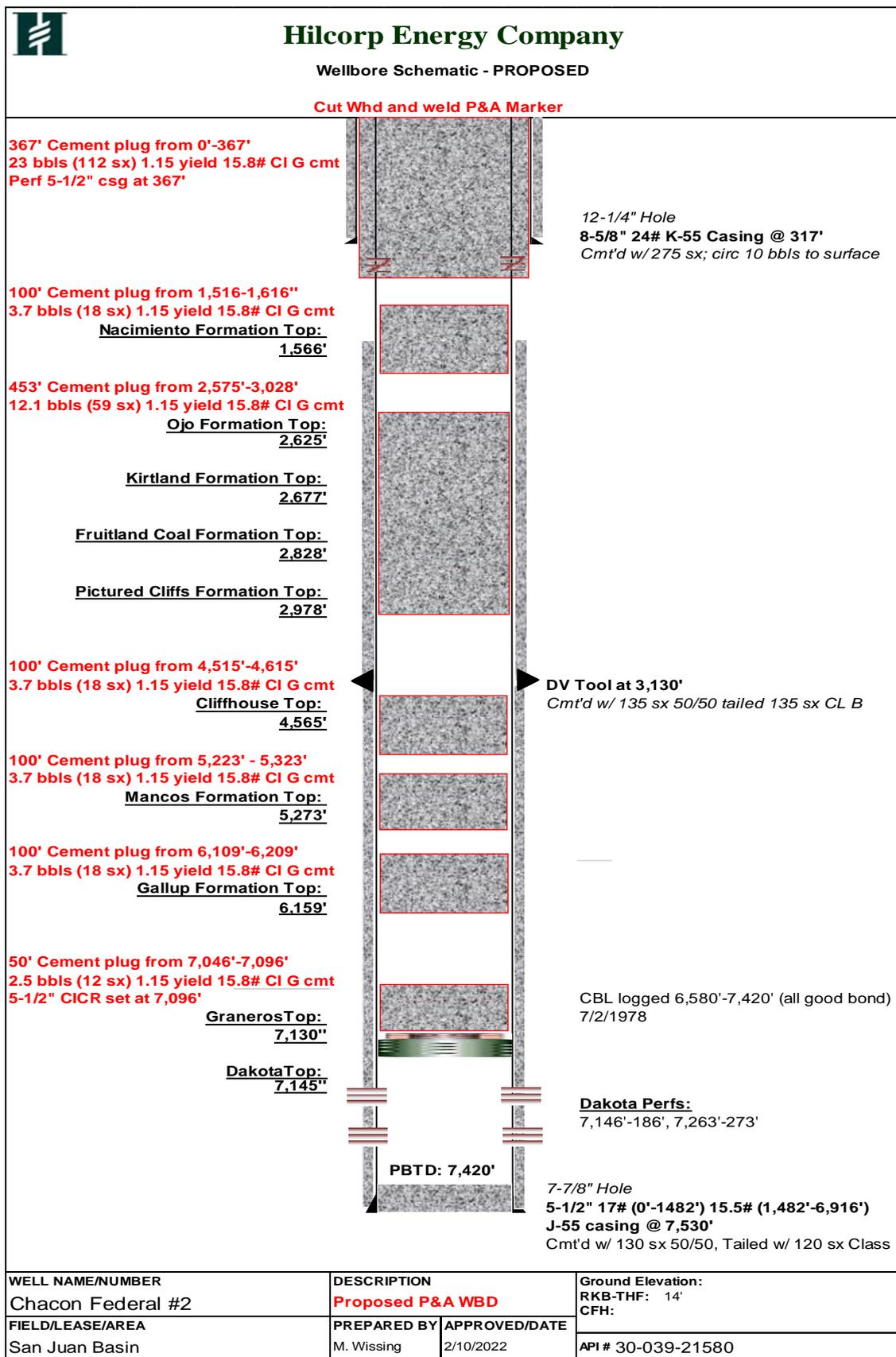
1. MIRU P&A rig and equipment. Record pressures on all strings.
2. NU BOP & test. Release tbg hgr & TOOH with production tbg.
3. RIH with 5.5" casing scraper to +/- 7,115'.
4. MU 5.5" CICR and RIH with 2-3/8" work string. Set CICR at 7,096'.
5. Load wellbore with KCl water and circulate wellbore clean. Pressure test the casing to 500 psi to verify wellbore integrity and plug set.
6. **Plug #1 (Top perf at 7,146', Dakota Formation top @ 7,145', Graneros Formation top @ 7,130')** RU cementers and pump a 50' balanced cmt plug inside the 5-1/2" csg from 7,046' - 7,096', using 2.5 bbls (12 sx) of 15.8+ ppg Class G cmt.
7. TOOH with tbg.
8. RU E-line and MU CBL tools. RIH and log well from 7,000'- surface. Submit CBL log to NMOCD and BLM to review all future cement plugs for wellbore. RD E-line.
9. RIH with work string.
10. **Plug #2 (Gallup Formation top @ 6,159')**: RU cementers and pump a 100' balanced cmt plug from 6,109'-6,209' inside the 5-1/2" using 3.7 bbls (18 sx) of 15.8 ppg Class G cmt.
11. TOOH with tbg to 5,323'.
12. **Plug #3 (Mancos Formation top @ 5,273')**: RU cementers and pump a 100' balanced cmt plug from 5,223' – 5,323' inside the 5-1/2" using 3.7 bbls (18 sx) of 15.8 ppg Class G cmt.
13. TOOH with tbg to 4,615'.
14. **Plug #4 (Cliffhouse Formation top @ 4,565')**: RU cementers and pump a 100' balanced cmt plug from 4,515' – 4,615' inside the 5-1/2" using 3.7 bbls (18 sx) of 15.8 ppg Class G cmt.
15. TOOH with tbg to 3,028'.
16. **Plug #5 (Pictured Cliffs Formation top @ 2,978', Fruitland Formation top @ 2,828', Kirtland Formation top @ 2,677'. Ojo Formation top @ 2,625')**: RU cementers and pump a 453' balanced cmt plug from 2,575' – 3,028' inside the 5-1/2" using 12.1 bbls (59 sx) of 15.8 ppg Class G cmt.
17. TOOH with tbg to 1,616'.

18. **Plug #6 (Nacimiento Formation top @ 1,566')**: RU cementers and pump a 100' balanced cmt plug from 1,516' – 1,616' inside the 5-1/2" using 3.7 bbls (18 sx) of 15.8 ppg Class G cmt.
 - a. *Plug #6 assumes good bond behind 5-1/2" csg. Will change to inside/outside plug based on CBL results & OCD/BLM approval.*
19. TOOH with tbg.
20. RU E-line and MU circulating charges. RIH and perf 5-1/2" csg at 367'. POOH. Establish circulation down 5.5" csg and up 8-5/8" x 5-1/2" annulus to surface.
21. **Plug #7 (Casing shoe @ 317' and Surface)**: RU cementers and pump a 367' inside/outside cmt plug from Surface – 367' inside the 5-1/2" csg and 8-5/8" x 5-1/2" annulus using 23 bbls (112 sx) of 15.8 ppg Class G cmt.
22. Verify all pressures on all strings are at 0 psi.
23. ND BOP. Tag cmt and top off wellbore as needed. Cutoff wellhead at surface, top off well with cement as needed, and weld on P&A marker.
24. RDMO P&A rig.

CURRENT WELLBORE SCHEMATIC



PROPOSED WELLBORE SCHEMATIC



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

AFMSS 2 Sundry ID 2657210

Attachment to notice of Intention to Abandon

Well:

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 to cover the Chacra formation top at 3810'.
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 5/9/2022

**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 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.

(October 2012 Revision)

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 05/06/2022

Well No. Chacon Federal #2 (API# 30-039-21580)	Location	1650	FNL	&	800	FWL
Lease No. NMNM-86429	Sec. 33	T24N			R03W	
Operator Hilcorp Energy Company	County	Rio Arriba		State	New Mexico	
Total Depth 7533'	PBTD 7420'	Formation Dakota				
Elevation (GL) 7050'		Elevation (KB) 7064'				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm			Surface	1566	Surface/freshwater sands
Nacimiento Fm			1566	2625	Possible freshwater sands
Ojo Alamo Ss			2625	2677	Aquifer (possible freshwater)
Kirtland Shale			2677	2828	
Fruitland Fm			2828	2978	Coal/Gas/Water
Pictured Cliffs Ss			2978	3060	Gas
Lewis Shale			3060	3810	
Chacra			3810	4565	Possible Gas
Cliff House Ss			4565	4615	Water/Possible gas
Menefee Fm			4615	5080	Coal/Ss/Water/Possible O&G
Point Lookout Ss			5080	5273	Probable water/Possible O&G
Mancos Shale			5273	6159	Probable O&G
Gallup			6159	7067	Probable O&G/Water
Greenhorn			7067	7130	
Graneros Shale			7130	7145	
Dakota Ss			7145	PBTD	O&G/Water
Morrison Formation					

Remarks:

P & A

- BLM pick for the Chacra formation top varies from Operator.
- Add a plug to cover the Chacra formation top at 3810'.
- The plugs proposed in the P&A procedure, with changes recommended above, will adequately protect any freshwater sands in this well bore.
- Dakota perfs 7146' – 7273'.

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 105173

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 105173
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	CBL required	5/12/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	5/12/2022
kpickford	Adhere to BLM approved COAs and plugs. See GEO report.	5/12/2022