

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

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| Well Name: GALLEGOS FEDERAL 26-12-7 | Well Location: T26N / R12W / SEC 7 / NENW / 36.507391 / -108.155052 | County or Parish/State: SAN JUAN / NM |
| Well Number: 1T | Type of Well: OTHER | Allottee or Tribe Name: |
| Lease Number: NMSF080238A | Unit or CA Name: GALLEGOS FEDERAL | Unit or CA Number: NMNM93965 |
| US Well Number: 3004531652 | Well Status: Gas Well Shut In | Operator: HILCORP ENERGY COMPANY |

Notice of Intent

Sundry ID: 2675950

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 06/09/2022

Time Sundry Submitted: 12:27

Date proposed operation will begin: 07/01/2022

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 4/12/2022 with Emmanuel Adeloye/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

Gallegos_Federal_26_12_7_1T_NOI_P_A_20220609122642.pdf

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Well Status: Gas Well Shut In

Operator: HILCORP ENERGY COMPANY

Conditions of Approval

Specialist Review

2675950_NOIA_1T_3004531652_KR_06092022_20220609162614.pdf

General_Requirement_PxA_20220609162555.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: AMANDA WALKER

Signed on: JUN 09, 2022 12:26 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: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 06/09/2022

Signature: Kenneth Rennick



P&A Procedure

| General Information | | | |
|---------------------|-----------------------------|---------------|----------|
| Well Name | Gallegos Federal 26 12 7 1T | Date: | 6/9/2022 |
| API: | 30-045-31652 | AFE # | |
| Field: | San Juan South | County | San Juan |
| Status: | ACOI | | |
| Subject: | Permanently P&A wellbore | | |
| By: | Michael Wissing | | |

Well Data

Surface Casing: 7" 20# J-55 at 149'

Production Casing: 4-1/2" 15.5# J-55 at 1,356'

Production Tubing: 2-3/8" 4.7# J-55 at 1,203'(2/23/05)

Rod String: 3/4" rods + insert pump

Current PBTD: 1,314' (cement plug)

KB: 5'

SI BH: 2018, 2020, 2021 had BH tests at 0 psi

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, Navajo Nation, 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. TA work will be completed by a rig. The P&A work will be completed rigless.

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 & BLM.

P&A Rig Procedure

Part I:

1. MIRU P&A rig and equipment. Record pressures on all strings.
 - a. *Record daily pressures on all casing strings.*
 - b. *Document all onsite agency agents and all approved changes to approved P&A NOI.*
2. Unseat rod pump from seat nipple and POOH with rod string/pump. NU BOP & test. TOOH with 2-3/8" production tbg.
3. RIH with 4-1/2" casing scraper or gauge ring to +/- 1,105'.
4. MU 4-1/2" CIBP and RIH. Set CIBP at 1,100'.
5. Load wellbore with water and circulate wellbore clean. Pressure test the casing to 500 psi to verify wellbore integrity and plug is set.
6. ND BOP and RD P&A rig.

Part II:

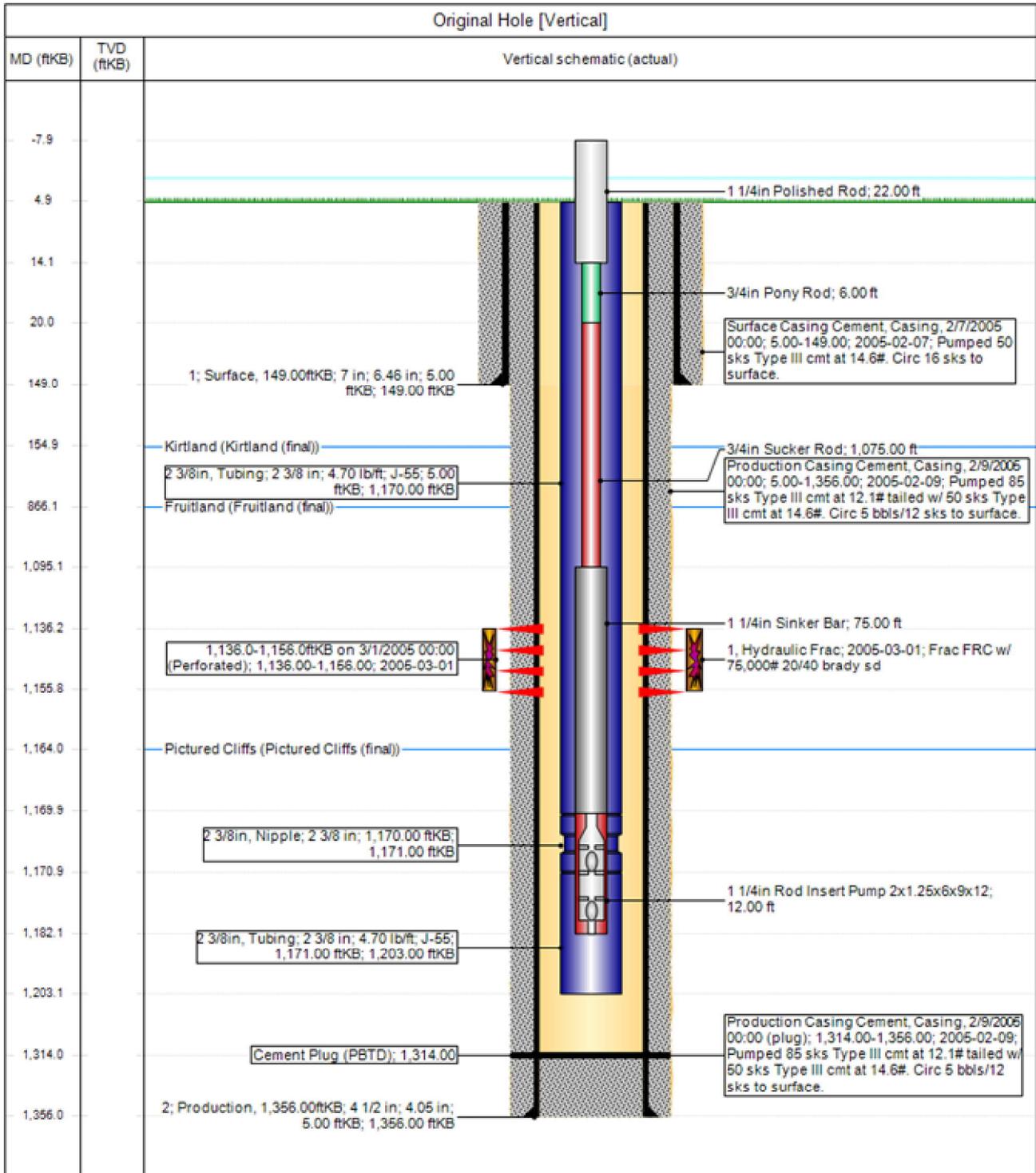
1. MIRU cement pump truck & poly pipe spool.
 - a. *Record daily pressures on all casing strings.*
 - b. *Document all onsite agency agents and all approved changes to approved P&A NOI.*
2. ND whd, NU circulation pump equipment and poly pipe spooling unit, RIH with 2" poly tbg to +/-1,100'.
3. **Plug #1 (Surface, Kirtland top at 155', FRC top at 866', FRC top perf 1,136')**: RU cementers and establish circulation back to surface with water. Pump a 1,100' cmt plug inside the 4-1/2" csg & 2" poly pipe from Surface – 1,100' using 17.6 bbls (72 sx) of Type III, 14.6 ppg, 1.37 yield cement.
4. Verify all pressures on all strings are at 0 psi.
5. Cut off the wellhead & poly pipe. Weld on labeled P&A marker. Top off all casing strings (if needed) and a portion of the well cellar with cement.
6. RDMO cement pump and equipment.



Current Schematic - Completion Comments

Well Name: GALLEGOS FEDERAL 26 12 7 #1T

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|-----------------------------------|--|------------------------------------|--------------------------------|--------------------------------|-------------------------------------|
| API / UWI 3004531652 | Surface Legal Location T26N-R12W-S07 | Field Name Basin Fruitland Coal | Route 0600 | State/Province New Mexico | Well Configuration Type Vertical |
| Ground Elevation (ft) 5,975.00 | Original KBRT Elevation (ft) 5,980.00 | KB-Ground Distance (ft) 5.00 | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft) | |



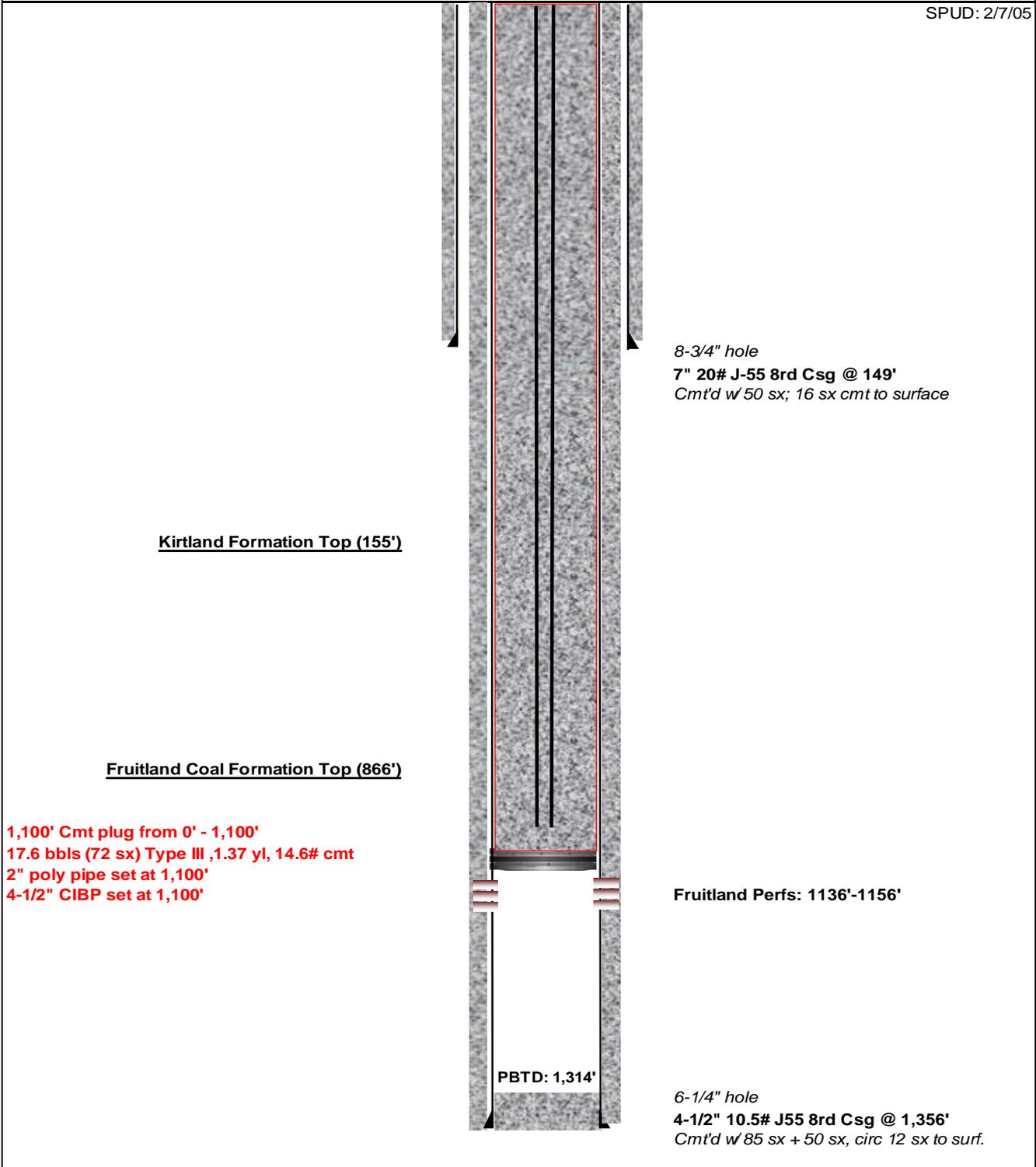


Hilcorp Energy Company

Wellbore Schematic - PROPOSED

Cut Whd and weld P&A Marker

SPUD: 2/7/05



| | | | |
|--|---------------------------|--|--|
| WELL NAME/NUMBER Gallegos Federal 26 12 7 1T | | DESCRIPTION Proposed P&A WBD | Ground Elevation: RKB-THF: 5' CFH: |
| FIELD/LEASE/AREA San Juan Basin- Area 6 | PREPARED BY M. Wissing | APPROVED/DATE 6/9/2022 | API # 30-045-31652 |

Hilcorp Energy
P&A Final Reclamation Plan
Gallegos Federal 26 12 7 1T
API: 30-045-31652
T26N-R12W-Sec.7-Unit C
LAT: 36.507386 LONG: -108.15446 NAD 27
Footage: 950' FNL & 1915' FWL
San Juan County, NM

1. PRE- RECLAMATION SITE INSPECTION

A pre-reclamation site inspection was completed with Bertha Spencer and Larsen Nez of the Navajo Nation, Emmanuel Adeloje from the BLM and Eufrazio Trujillo, Hilcorp Energy SJ South Construction Foreman on April 12, 2022.

2. LOCATION RECLAMATION PROCEDURE

1. Reclamation work will begin in summer.
2. Removal of all equipment, anchors, flowlines, cathodic, and pipelines.
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. Sample and close BGT when test results permit closure.
6. Remove all stained gravel and test if needed. Haul impacted soils to land farm.
7. Remove all gravel from berms, pads, and meter run and use on lease road where needed.
8. Hilcorp Energy meter run will be removed out of their ROW.
9. Hilcorp Energy will remove pipeline to CDP meter off of location and blind riser on opposite end.

3. ACCESS ROAD RECLAMATION PROCEDURE

1. The well access road will be ripped and seeded.
2. The access road will be bermed and fenced to keep public from using access road.

4. SEEDING PROCEDURE

1. A NAPI seed mix 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 identified during this onsite.

**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 2675950

Attachment to notice of Intention to Abandon

Well: Gallegos Federal 26-12-7- 1T

*Fill up wellbore with cement proposal. BLM Geology Report not applicable.

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. 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 06/09/2022

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 115917

CONDITIONS

| | |
|--|---|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 115917 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 6/13/2022 |
| kpickford | Adhere to BLM approved plugs and COAs. See GEO Report | 6/13/2022 |