

Submit 1 Copy To Appropriate District

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-11502
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator HILCORP ENERGY COMPANY		6. State Oil & Gas Lease No. FEE
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name SAN JUAN 32-7 UNIT
4. Well Location Unit Letter <u>L</u> : <u>790</u> feet from the <u>North</u> line and <u>300</u> feet from the <u>West</u> line Section <u>09</u> Township <u>32N</u> Range <u>7W</u> NMPM <u>San Juan</u> County		8. Well Number 37
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6336		9. OGRID Number 372171
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Hilcorp Energy Company requests permission to P&A the subject well after an unsuccessful packer repair. The P&A procedure, current and proposed wellbore schematics are attached. A closed loop system will be used.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Priscilla Shorty TITLE Operations/Regulatory Technician – Sr. DATE 9/17/2024

Type or print name Priscilla Shorty E-mail address: pshorty@hilcorp.com PHONE: (505) 324-5188

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 37
P&A NOI

API #: 3004511502

JOB PROCEDURES

1. Contact NMOCD and BLM (where applicable) 24 hours prior to MIRU.
2. Hold pre-job safety meeting. Verify cathodic is off. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.
3. MIRU service rig and associated equipment; NU and test BOP.
4. Set a 5-1/2" CICR at +/- 7,050' to isolate the **Dakota Formation**. Sting into CICR, establish injection.
5. **PLUG #1: 96sx of Class G Cement (15.8 PPG, 1.15 yield); DK Perfs @ 7,776' | DK Top @ 7,754' | Prod. Casing Shoe @ 7,740' | Liner Top @ 7,629':**
 Pump 68sx of cement beneath the 5-1/2" CICR inside the 5-1/2" casing. (est. **TOC @ +/- 7,050'** & est. **BOC @ +/- 7,629'**). Continue pumping 10sx of cement inside the 4" liner (est. **TOC @ +/- 7,629'** & est. **BOC @ 7,804'**). Sting out of CICR, pump 18 sack balanced cement plug on top of the CICR. (est. **TOC @ +/- 6,900'** & est. **BOC @ +/- 7,050'**). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for excess. ***NOTE* - If unable to establish injection on below CICR, forego pumping cement below CICR & only pump 150' of Class G cement above CICR.**
6. RU Wireline. Run CBL. Record Top of Cement. All subsequent plugs below are subject to change pending CBL results.
7. PU & TIH w/ work string to +/- 6,745'.
8. **PLUG #2: 18sx of Class G Cement (15.8 PPG, 1.15 yield); GAL Top @ 6,695':**
 Pump an 18 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 6,595'** & est. **BOC @ +/- 6,745'**). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for excess.
9. Set a 5-1/2" CICR at +/- 5,468' to isolate the **MV Perfs**.
10. **PLUG #3: 80sx of Class G Cement (15.8 PPG, 1.15 yield); MCS Top @ 5,628' | MV Perfs @ 5,518' | MV Top @ 5,100':**
 Pump 25sx of cement beneath the 5-1/2" CICR (est. **TOC @ +/- 5,468'** & est. **BOC @ +/- 5,678'**). Pump 55 sack balanced cement plug on top of the CICR. (est. **TOC @ +/- 5,000'** & est. **BOC @ +/- 5,468'**). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for excess.
***Note* Amount of cement to be pumped below the CICR will be equivalent volume to 50' below the MCS perforations.**
11. Load the hole & pressure test plug & casing to **560 psi**.
12. POOH w/ work string to +/- 4,530'.
13. **PLUG #4: 18sx of Class G Cement (15.8 PPG, 1.15 yield); CHC Top @ 4,480':**
 Pump an 18 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 4,380'** & est. **BOC @ +/- 4,530'**). *Note cement plug lengths & volumes account for excess.
14. POOH w/ work string to +/- 3,555'.
15. **PLUG #5: 18sx of Class G Cement (15.8 PPG, 1.15 yield); Int. Casing Shoe @ 3,505':**
 Pump an 18 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 3,405'** & est. **BOC @ +/- 3,555'**). *Note cement plug lengths & volumes account for excess.
16. POOH w/ work string to +/- 3,158'.
17. **PLUG #6: 18sx of Class G Cement (15.8 PPG, 1.15 yield); PC Top @ 3,108':**
 Pump an 18 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 3,008'** & est. **BOC @ +/- 3,158'**). *Note cement plug lengths & volumes account for excess.
18. TOOH w/ work string. TIH & perforate squeeze holes @ +/- 2,610'. RIH w/ 5-1/2" CICR and set CICR @ +/- 2,560'. TIH w/ work string & sting into CICR. Establish injection.
19. **PLUG #7: 236sx of Class G Cement (15.8 PPG, 1.15 yield); FRD Top @ 2,560' | KRD Top @ 2,301' | OJO Top @ 2,144':**
 Pump 116sx of cement in the 7-5/8" casing X 9-7/8" open hole annulus (est. **TOC @ +/- 1,991'** & est. **BOC @ +/- 2,610'**). Continue pumping 54sx of cement in the 5-1/2" casing X 7-5/8" casing annulus (est. **TOC @ +/- 1,991'** & est. **BOC @ +/- 2,610'**). Pump an additional 6sx of cement beneath the 5-1/2" CICR (est. **TOC @ +/- 2,560'** & est. **BOC @ +/- 2,610'**). Sting out of retainer, pump a 60 sack balanced cement plug on top of the CICR. (est. **TOC @ +/- 2,044'** & est. **BOC @ +/- 2,560'**). WOC for 4 hrs, tag TOC w/ work string. *Note cement plug lengths and volumes account for excess.
20. TOOH w/ work string. TIH & perforate squeeze holes @ +/- 1,361'. RIH w/ 5-1/2" CICR and set CICR @ +/- 1,311'. TIH w/ work string & sting into CICR. Establish injection.
21. **PLUG #8: 74sx of Class G Cement (15.8 PPG, 1.15 yield); NAC Top @ 1,311':**
 Pump 38sx of cement in the 7-5/8" casing X 9-7/8" open hole annulus (est. **TOC @ +/- 1,161'** & est. **BOC @ +/- 1,361'**). Continue pumping 18sx of cement in the 5-1/2" casing X 7-5/8" casing annulus (est. **TOC @ +/- 1,161'** & est. **BOC @ +/- 1,361'**). Pump an additional 6sx of cement beneath the 5-1/2" CICR (est. **TOC @ +/- 1,311'** & est. **BOC @ +/- 1,361'**). Sting out of retainer, pump a 12 sack balanced cement plug on top of the CICR. (est. **TOC @ +/- 1,211'** & est. **BOC @ +/- 1,311'**). WOC for 4 hrs, tag TOC w/ work string. *Note cement plug lengths and volumes account for excess.
22. TOOH w/ work string. TIH and perforate squeeze holes @ +/- 376'. TIH with tubing/work string. Establish circulation.
23. **PLUG #9: 158sx of Class G Cement (15.8 PPG, 1.15 yield); Surf. Casing Shoe @ 326':**
 Pump 10sx of cement in the 7-5/8" casing X 9-7/8" open hole annulus (est. **TOC @ +/- 326'** & est. **BOC @ +/- 376'**). Continue pumping 71sx of cement in the 7-5/8" casing X 10-3/4" casing annulus (est. **TOC @ +/- 0'** & est. **BOC @ +/- 326'**). Continue pumping 33sx of cement in the 5-1/2" casing X 7-5/8" casing annulus (est. **TOC @ +/- 0'** & est. **BOC @ +/- 376'**). Pump a 44 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 0'** & est. **BOC @ +/- 376'**). WOC for 4 hrs, tag TOC w/ work string. *Note cement plug lengths and volumes account for excess.
24. ND BOP, cut off casing below casing flange. Top off cement in surface casing annulus, if needed. Install a P&A marker with cement to comply with regulations. Rig down, move off location, cut off anchors, and restore location.



HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 37
P&A NOI

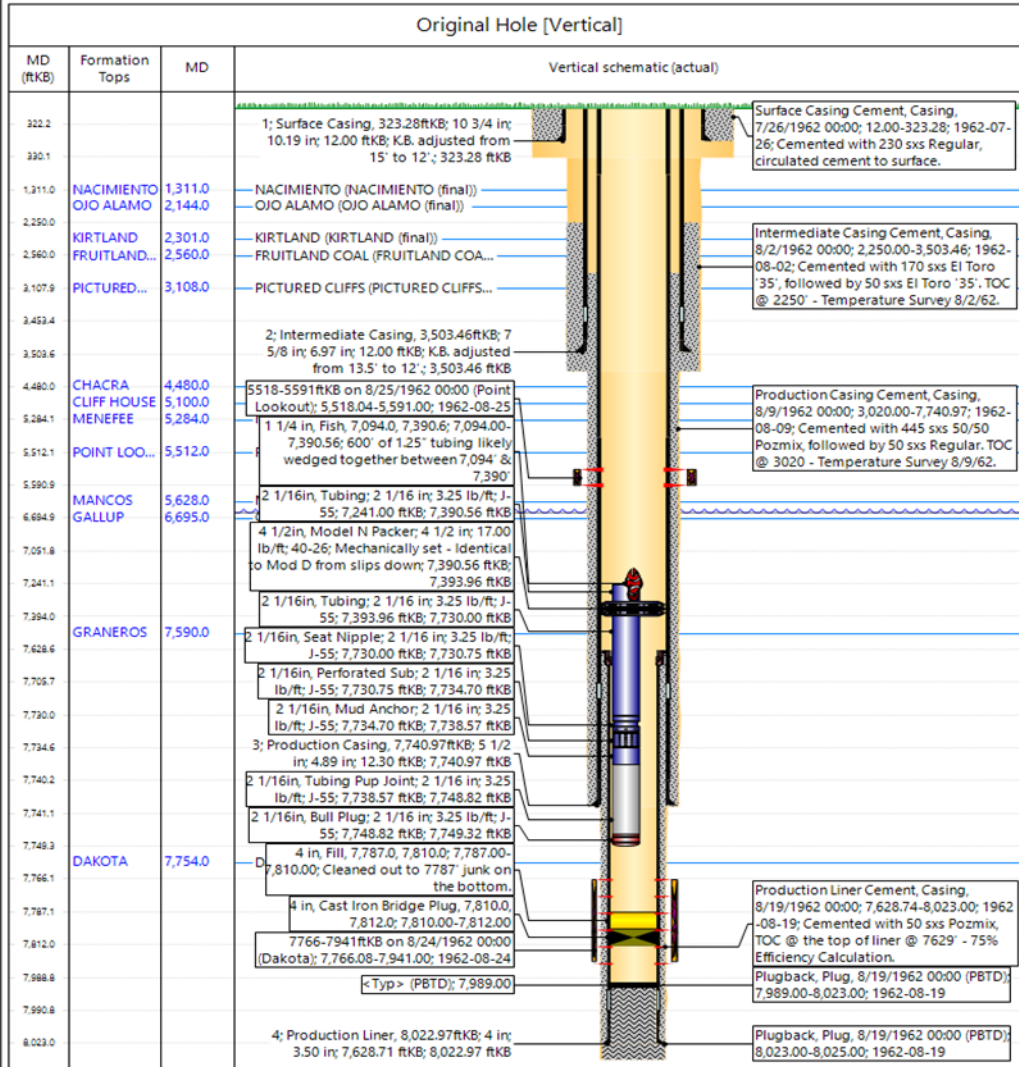
SAN JUAN 32-7 UNIT 37 - CURRENT WELLBORE SCHEMATIC



P&A WBD - Current Schematic

Well Name: SAN JUAN 32-7 UNIT #37

API / UWI 3004511502	Surface Legal Location 009-032N-007W-L	Field Name MV/DK DUAL	Route 0504	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,336.00	Original KBRT Elevation (ft) 6,350.00	Tubing Hanger Elevation (ft)	RKB to GL (ft) 14.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)



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Report Printed: 9/17/2024



HILCORP ENERGY COMPANY
SAN JUAN 32-7 UNIT 37
P&A NOI

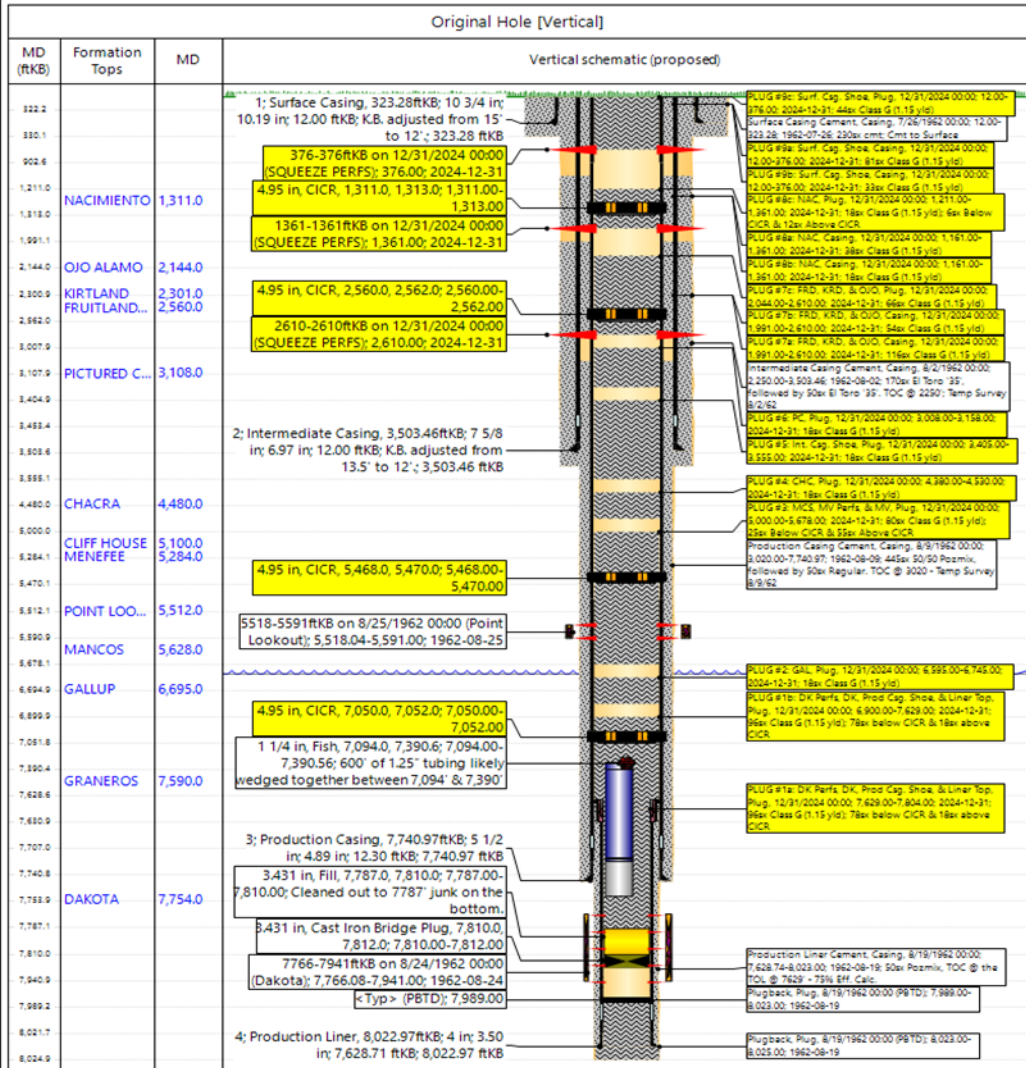
SAN JUAN 32-7 UNIT 37 - PROPOSED WELLBORE SCHEMATIC



P&A WBD - Proposed Schematic

Well Name: **SAN JUAN 32-7 UNIT #37**

API / UWI 3004511502	Surface Legal Location 009-032N-007W-L	Field Name MV/DK DUAL	Route 0504	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,336.00	Original KB/RT Elevation (ft) 8,350.00	Tubing Hanger Elevation (ft)	KB to GL (ft) 14.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)



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Report Printed: 9/17/2024

Priscilla Shorty

From: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Sent: Tuesday, September 17, 2024 1:32 PM
To: John LaMond
Cc: Farmington Regulatory Techs; Clay Padgett; Lee Murphy; Rustin Mikeska; Matt Gustamantes - (C); Ted Ramos - (C); Christian Zuvich
Subject: RE: [EXTERNAL] Request to P&A SAN JUAN 32-7 UNIT 37 (API # 3004511502)

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

John/Christian

After review of attempts to save the well we find that Hilcorp has went as far as they can. Thank you for the information on all that was attempted on the well.

Approval is given to set cement retainer at 7050 and then proceed with the attempt to inject. For a fish we require capacity plus 100% - there is a cibp at 7810 – go for that depth for capacity.

If injection is not achieved continue with the 150 feet at the retainer.

While working on the above, please submit notice of intent through OCD permitting and we can verify formation tops and the rest of your procedure

Thank you

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Office Phone: 505-334-6178 ext. 123
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: John LaMond <jlamond@hilcorp.com>
Sent: Tuesday, September 17, 2024 12:41 PM
To: Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Cc: Farmington Regulatory Techs <FarmingtonRegulatoryTechs@hilcorp.com>; Clay Padgett <cpadgett@hilcorp.com>; John LaMond <jlamond@hilcorp.com>; Lee Murphy <lmurphy@hilcorp.com>; Rustin Mikeska <rmikeska@hilcorp.com>; Matt Gustamantes - (C) <Matt.Gustamantes@hilcorp.com>; Ted Ramos - (C) <Ted.Ramos@hilcorp.com>; Christian Zuvich <Christian.Zuvich@hilcorp.com>
Subject: [EXTERNAL] Request to P&A SAN JUAN 32-7 UNIT 37 (API # 3004511502)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning Monica,

Thank you for your time on the phone this morning.

As discussed, Hilcorp moved onto the SAN JUAN 32-7 UNIT 37 (API # 3004511502) on 8/29/2024 to remediate a packer failure. Upon moving onto the well, Hilcorp found that the 1.25" tubing (small string) was parted @ 1,023'. Since then Hilcorp has made substantial efforts to recover the fish over the course of the past three weeks, and have now made minimal progress over the past few days.

As it currently sits, there is ~600' of 1.25" tubing in the hole likely wedged together between 7,094' & 7,390' (5.5" packer set depth). Additionally there is 120' of 2-1/16" tubing (long string) sticking up above the packer as well, with the TOF @ 7,270'. We have consistently tagged @ 7,094' over the past few days, and have not been able to recover fish beyond that depth.

Per your request, below outlines the work Hilcorp has performed to date on this workover:

- 8/29 – Rigged up on well, found short string (1-1/4) parted, recovered 33 joints (~1,023')
- 9/3 – Could not make progress on long string, plans made to run e-line
- 9/4 – Ran free point and chemically cut 2-1/16 string at 5,002'
- 9/5 – Laid down 117 joints of 2-1/16 post cutting operations. Ran impression block, and then latched onto 1-1/4 string with overshot. Laid down 29 joints of fish
- 9/6 – Tagged impression block on 1-1/4 fish at 4,520', latched onto fish with overshot, worked stuck pipe with no movement
- 9/9 – Run in hole with free point on 1-1/4 string, cut at 6,111'
- 9/10 – Pull out cut 1-1/4 string and lay down 47 joints. Run in hole with overshot to top of 2-1/16 string at 5,002', work fish, no movement. Run in hole with e-line and cut at 7,270'
- 9/11 – Pull 2-1/16 and lay down 67 joints. Run in hole with overshot for 1-1/4 string, latch fish, and lay down 38 joints with bottom hole assembly
- 9/12 – Run in hole with 2-1/16 overshot, tagged fill ~590 feet above packer. Could not get lower than 6,806'
- 9/13 – Run slickline with bailor and ran through tag. Run in hole with overshot, engage clean out package, and clean out to 7,094', could not latch onto fish
- 9/16 – Run in hole with overshot and kept tagging at 7,094'. Pulled overshot out of hole, recovered 2' piece of 1-1/4" string

Moving forward, Hilcorp requests to P&A this well as follows:

JOB PROCEDURES

1. Contact NMOCD and BLM (where applicable) 24 hours prior to MIRU.
2. Hold pre-job safety meeting. Verify cathodic is off. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.
3. MIRU service rig and associated equipment; NU and test BOP.
4. Set a **5-1/2" CICR** at **+/- 7,050'** to isolate the **Dakota Formation**. Sting into CICR, establish injection.
5. **PLUG #1: 96sx of Class G Cement (15.8 PPG, 1.15 yield); DK Perfs @ 7,776' | DK Top @ 7,754' | Prod. Casing Shoe @ 7,740'**
Pump 68sx of cement beneath the 5-1/2" CICR inside the 5-1/2" casing. (est. **TOC @ +/- 7,050'** & est. **BOC @ +/- 7,629'**). Continue the 4" liner (est. **TOC @ +/- 7,629'** & est. **BOC @ 7,804'**). Sting out of CICR, pump 18 sack balanced cement plug on top of the CICR (**BOC @ +/- 7,050'**). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for excess injection on below CICR, forego pumping cement below CICR & only pump 150' of Class G cement above CICR.
6. RU Wireline. Run CBL. Record Top of Cement. All subsequent plugs below are subject to change pending CBL results.
7. PU & TIH w/ work string to **+/- 6,745'**.
8. **PLUG #2: 18sx of Class G Cement (15.8 PPG, 1.15 yield); GAL Top @ 6,695':**
Pump an 18 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 6,595'** & est. **BOC @ +/- 6,745'**). Wait on Cement string. *Note cement plug lengths & volumes account for excess.
9. Set a **5-1/2" CICR** at **+/- 5,468'** to isolate the **MV Perfs**.
10. **PLUG #3: 80sx of Class G Cement (15.8 PPG, 1.15 yield); MCS Top @ 5,628' | MV Perfs @ 5,518' | MV Top @ 5,100':**
Pump 25sx of cement beneath the 5-1/2" CICR (est. **TOC @ +/- 5,468'** & est. **BOC @ +/- 5,678'**). Pump 55 sack balanced cement (**TOC @ +/- 5,000'** & est. **BOC @ +/- 5,468'**). Wait on Cement for 4 hours, tag TOC w/ work string. *Note cement plug lengths & volumes account for excess. *Note Amount of cement to be pumped below the CICR will be equivalent volume to 50' below the MCS perforations.
11. Load the hole & pressure test plug & casing to **560 psi**.
12. POOH w/ work string to **+/- 4,530'**.
13. **PLUG #4: 18sx of Class G Cement (15.8 PPG, 1.15 yield); CHC Top @ 4,480':**
Pump an 18 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 4,380'** & est. **BOC @ +/- 4,530'**). *Note cement plug lengths & volumes account for excess.
14. POOH w/ work string to **+/- 3,555'**.
15. **PLUG #5: 18sx of Class G Cement (15.8 PPG, 1.15 yield); Int. Casing Shoe @ 3,505':**
Pump an 18 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 3,405'** & est. **BOC @ +/- 3,555'**). *Note cement plug lengths & volumes account for excess.
16. POOH w/ work string to **+/- 3,158'**.
17. **PLUG #6: 18sx of Class G Cement (15.8 PPG, 1.15 yield); PC Top @ 3,108':**
Pump an 18 sack balanced cement plug inside the 5-1/2" casing (est. **TOC @ +/- 3,008'** & est. **BOC @ +/- 3,158'**). *Note cement plug lengths & volumes account for excess.
18. TOOH w/ work string. TIH & perforate squeeze holes @ **+/- 2,610'**. RIH w/ **5-1/2" CICR** and set CICR @ **+/- 2,560'**. TIH w/ work string.
19. **PLUG #7: 236sx of Class G Cement (15.8 PPG, 1.15 yield); FRD Top @ 2,560' | KRD Top @ 2,301' | OJO Top @ 2,144':**
Pump 116sx of cement in the 7-5/8" casing X 9-7/8" open hole annulus (est. **TOC @ +/- 1,991'** & est. **BOC @ +/- 2,610'**). Continue 1/2" casing X 7-5/8" casing annulus (est. **TOC @ +/- 1,991'** & est. **BOC @ +/- 2,610'**). Pump an additional 6sx of cement beneath the 2,560' & est. **BOC @ +/- 2,610'**). Sting out of retainer, pump a 60 sack balanced cement plug on top of the CICR. (est. **TOC @ +/- 2,560'** & est. **BOC @ +/- 2,610'**). Wait on Cement for 4 hrs, tag TOC w/ work string. *Note cement plug lengths and volumes account for excess.
20. TOOH w/ work string. TIH & perforate squeeze holes @ **+/- 1,361'**. RIH w/ **5-1/2" CICR** and set CICR @ **+/- 1,311'**. TIH w/ work string.

***Please note that if we are unsuccessful at establishing injection below the CICR @ 7,050', Hilcorp requests to forego pumping cement below the CICR and proceed with pumping 150' cement plug above the CICR.**

This procedure as well as the updated wellbore schematic is attached with formation tops.

Please note that we will formally submit this well to the NMOCD website.

Please let me know if you have any questions.

Thanks,

John LaMond

Operations Engineer – Technical Services

Hilcorp Energy Company

1111 Travis

Houston, TX 77002

346-237-2210 (Office)

832-754-9692 (Cell)

jlamond@hilcorp.com

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State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
Standard Plugging Conditions



This document provides OCD's general plugging conditions of approval. It should be noted that the list below may not cover special plugging programs in unique and unusual cases, and OCD expressly reserves the right to impose additional requirements to the extent dictated by project conditions. The OCD also reserves the right to approve deviations from the below conditions if field conditions warrant a change. A C-103F NOI to P&A must be approved prior to plugging operations. Failure to comply with the conditions attached to a plugging approval may result in a violation of 19.15.5.11 NMAC, which may result in enforcement actions, including but not limited to penalties and a requirement that the well be re-plugged as necessary.

1. Notify OCD office at least 24 hours before beginning work and seek prior approval to implementing any changes to the C-103 NOI to PA.
 - North Contact, Monica Kuehling, 505-320-0243, monica.kuehling@emnrd.nm.gov
 - South Contact, Gilbert Cordero, 575-626-0830, gilbert.cordero@emnrd.nm.gov
2. A Cement Bond Log is required to ensure strata isolation of producing formations, protection of water and correlative rights. A CBL must be run or be on file that can be used to properly evaluate the cement behind the casing.

Note: Logs must be submitted to OCD via OCD permitting. A copy of the log may be emailed to OCD inspector for faster review times, but emailing does not relieve the operators obligation to submit through OCD permitting.

3. Once Plugging operations have commenced, the rig must not rig down until the well is fully plugged without OCD approval. If gap in plugging operations exceeds 30 days, the Operator must file a subsequent sundry of work performed and revised NOI for approval on work remaining. At no time shall the rig be removed from location if it will result in waste or contamination of fresh water.
4. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.
5. Fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
 - North, water or mud laden fluids
 - South, mud laden fluids
6. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to an OCD permitted disposal facility.
7. Class of cement shall be used in accordance with the below table for depth allowed.

Class	TVD Lower Limit (feet)
Class A/B	6,000
Class I/II	6,000
Class C or III	6,000
Class G and H	8,000
Class D	10,000

Class E	14,000
Class F	16,000

8. After cutting the well head any "top off cement jobs" must remain static for 30 minutes. Any gas bubbles or flow during this 30 minutes shall be reported to the OCD for approval of next steps.
9. Trucking companies being used to haul oilfield waste fluids (Commercial or Private) to a disposal facility shall have an approved OCD C-133 permit.
 - A copy of this permit shall be available in each truck used to haul waste products.
 - It is the responsibility of the Operator and Contractor to verify that this permit is in place prior to performing work.
 - Drivers shall be able to produce a copy upon request of an OCD Compliance Officer.
10. Filing a [C-103] Sub. Plugging (C-103P) will serve as notification that the well has been plugged.
11. A [C-103] Sub. Release After P&A (C-103Q) shall be filed no later than a year after plugging and a site inspection by OCD Compliance officer to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to meet OCD standards before bonding can be released.
12. Produced water or brine-based fluids **may not** be used during any part of plugging operations without **prior OCD approval**.
13. Cementing;
 - All cement plugs will be neat cement and a minimum of 100' in length. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
 - If cement does not exist between or behind the casing strings at recommended formation depths, the casing perforations will be shot at 50' below the formation top and the cement retainer shall be set no more than 50' from the perforations.
 - WOC (Wait on Cement) time will be:
 - 4 hours for accelerated (calcium chloride) cement.
 - 6 hours on regular cement.
 - Operator must tag all cement plugs unless it meets the below condition.
 - The operator has a passing pressure test for the casing annulus and the plug is only an inside plug.
 - If perforations are made operator must tag all plugs using the work string to tag unless given approval to tag with wireline by the correct contact from COA #1 of this document.
 - This includes plugs pumped underneath a cement retainer to ensure retainer seats properly after cement is pumped.
 - Cement can only be bull-headed with specific prior approval.
 - Squeeze pressures are not to exceed the exposed formations frac gradient or the burst pressure of the casing.
14. A cement plug is required to be set from 50' below to 50' above (straddling) formation tops, casing shoes, casing stubs, any attempted casing cut offs, anywhere the casing is perforated, DV tools.
 - Perforation/Formation top plug. (When there is less than 100ft between the top perforation to the formation top.) These plugs are required to be started no greater than

50ft from the top perforation. However, the plug should be set below the formation top or as close to the formation top as possible for the maximum isolation between the formations. The plug is required to be a 100ft cement plug plus excess.

- Perforation Plug when a formation top is not included. These plugs are required to be started within 50ft of the top perforation. The plug is required to be a 100ft cement plug plus excess.
- Cement caps on top of bridge plugs or cement retainers for perforation plugs, that are not straddling a formation top, may be set using a bailer with a minimum of 35' of cement in lieu of the 100' plug. The bridge plug or retainer must be set within 50ft of the perforations.
- Perforations are required below the surface casing shoe if cement does not exist behind the casing, a 30-minute minimum wait time will be required immediately after perforating 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. If gas is detected contact the OCD office for directions.

15. No more than 3000 feet is allowed between cement plugs in cased hole and no more than 2000 feet is allowed in open hole.

16. Formation Tops to be isolated with cement plugs, but not limited to are:

- Northwest See Figure A
- South (Artesia) See Figure B
- Potash See Figure C
 - In the R-111-P (Or as subsequently revised) Area a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, woe 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
- South (Hobbs) See Figure D1 and D2
- Areas not provided above will need to be reviewed with the OCD on a case by case basis.

17. Markers

- Dry hole marker requirements 19.15.25.10.
The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches in diameter set in cement and extending at least four feet above mean ground level. The marker must include the below information:
 1. Operator name
 2. Lease name and well number
 3. API number
 4. Unit letter
 5. Section, Township and Range
- AGRICULTURE (Below grade markers)
In Agricultural areas a request can be made for a below ground marker. For a below ground marker the operator must file their request on a C-103 notice of intent, and it must include the following;
 - A) Aerial photo showing the agricultural area
 - B) Request from the landowner for the below ground marker.

C) Subsequent plugging report for a well using a below ground marker must have an updated C-102 signed by a certified surveyor for SHL.

Note: A below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to OCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to OCD. OCD requires a current survey to verify the location of the below ground marker, however OCD will accept a GPS coordinate that were taken with a GPS that has an accuracy of within 15 feet.

18. If work has not commenced within 1 year of the approval of this procedure, the approval is automatically expired. After 1 year a new [C-103] NOI Plugging (C-103F) must be submitted and approved prior to work.

Figure A

North Formations to be isolated with cement plugs are:

- San Jose
- Nacimiento
- Ojo Alamo
- Kirtland
- Fruitland
- Picture Cliffs
- Chacra (if below the Chacra Line)
- Mesa Verde Group
- Mancos
- Gallup
- Basin Dakota (plugged at the top of the Graneros)
- Deeper formations will be reviewed on a case-by-case basis

Figure B

South (Artesia) Formations to be isolated with cement plugs are:

- Fusselman
- Montoya
- Devonian
- Morrow
- Strawn
- Atoka
- Permo-Penn
- Wolfcamp
- Bone Springs
- Delaware , in certain areas where the Delaware is subdivided into;
 - 1. Bell Canyon
 - 2. Cherry Canyon
 - 3. Brushy Canyon
- Any salt sections
- Abo
- Yeso
- Glorieta
- San Andres
- Greyburg
- Queen
- Yates

Figure C

Potash Area R-111-P

T 18S – R 30E

Sec 10 Unit P. Sec 11 Unit M,N. Sec 13 Unit L,M,N. Sec 14 Unit C -P. Sec 15 Unit A G,H,I,J,K,N,O,P. Sec 22 Unit All
except for M. Sec 23, Sec 24 Unit C,D,E,L, Sec 26 Unit A-G, Sec 27 Unit A,B,C

T 19S – R 29E

Sec 11 Unit P. Sec 12 Unit H-P. Sec 13. Sec 14 Unit A,B,F-P. Sec 15 Unit P. Sec 22 Unit A,B,C,F,G,H,I,J K,N,O,P. Sec 23.
Sec 24. Sec 25 Unit D. Sec 26 Unit A- F. Sec 27 Unit A,B,C,F,G,H.

T 19S – R 30E

Sec 2 Unit K,L,M,N. Sec 3 Unit I,L,M,N,O,P. Sec 4 Unit C,D,E,F,G,I-P. Sec 5 Unit A,B,C,E-P. Sec 6 Unit I,O,P. Sec 7 – Sec
10. Sec 11 Unit D, G—P. Sec 12 Unit A,B,E-P. Sec 13 Unit A-O. Sec 14-Sec 18. Sec 19 Unit A-L, P. Sec 20 – Sec 23. Sec
24 Unit C,D,E,F,L,M,N. Sec 25 Unit D. Sec 26 Unit A-G, I-P. Sec 27, Sec 28, Sec 29 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 32
Unit A,B,G,H,I,J,N,O,P. Sec 33. Sec 34. Sec 35. Sec 36 Unit D,E,F,I-P.

T 19S – R 31E

Sec 7 Unit C,D,E,F,L. Sec 18 Unit C,D,E,F,G,K,L. Sec 31 Unit M. Sec 34 Unit P. Sec 35 Unit M,N,O. Sec 36 Unit O,P.

T 20S – R 29E

Sec 1 Unit H,I,P. Sec 13 Unit E,L,M,N. Sec 14 Unit B-P. Sec 15 Unit A,H,I,J,N,O,P. Sec 22 Unit A,B,C,F,G,H,I,J,O,P. Sec
23. Sec 24 Unit C,D,E,F,G,J-P. Sec 25 Unit A-O. Sec 26. Sec 27 Unit A,B,G,H,I,J,O,P. Sec 34 Unit A,B,G,H. Sec 35 Unit
A-H. Sec 36 Unit B-G.

T 20S – R 30E

Sec 1 – Sec 4. Sec 5 Unit A,B,C,E-P. Sec 6 Unit E,G-P. Sec 7 Unit A-H,I,J,O,P. Sec 8 – 17. Sec 18 Unit A,B,G,H,I,J,O,P.
Sec 19 Unit A,B,G,H,I,J,O,P. Sec 20 – 29. Sec 30 Unit A-L,N,O,P. Sec 31 Unit A,B,G,H,I,P. Sec 32 – Sec 36.

T 20S – R 31E

Sec 1 Unit A,B,C,E-P. Sec 2. Sec 3 Unit A,B,G,H,I,J,O,P. Sec 6 Unit D,E,F,J-P. Sec 7. Sec 8 Unit E-P. Sec 9 Unit E,F,J-P.
Sec 10 Unit A,B,G-P. Sec 11 – Sec 36.

T 21S – R 29E

Sec 1 – Sec 3. Sec 4 Unit L1 – L16,I,J,K,O,P. Sec 5 Unit L1. Sec 10 Unit A,B,H,P. Sec 11 – Sec 14. Sec 15 Unit A,H,I. Sec
23 Unit A,B. Sec 24 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 25 Unit A,O,P. Sec 35 Unit G,H,I,J,K,N,O,P. Sec 36 A,B,C,F – P.

T 21S – R 30E

Sec 1 – Sec 36

T 21S – R 31E

Sec 1 – Sec 36

T 22S – R 28E

Sec 36 Unit A,H,I,P.

T 22S – R 29E

Sec 1. Sec2. Sec 3 Unit I,J,N,O,P. Sec 9 Unit G – P. Sec 10 – Sec 16. Sec 19 Unit H,I,J. Sec 20 – Sec 28. Sec 29 Unit

A,B,C,D,G,H,I,J,O,P. Sec 30 Unit A. Section 31 Unit C – P. Sec 32 – Sec 36

T 22S – R 30E

Sec 1 – Sec 36

T 22S – R 31E

Sec 1 – Sec 11. Sec 12 Unit B,C,D,E,F,L. Sec 13 Unit E,F,K,L,M,N. Sec 14 – Sec 23. Sec 24 Unit C,D,E,F,K,L,M,N. Sec 25

Unit A,B,C,D. Sec 26 Unit A,BC,D,G,H. Sec 27 – Sec 34.

T 23S – R 28E

Sec 1 Unit A

T 23S – R 29E

Sec 1 – Sec 5. Sec 6 Unit A – I, N,O,P. Sec 7 Unit A,B,C,G,H,I,P. Sec 8 Unit A – L, N,O,P. Sec 9 – Sec 16. Sec 17 Unit

A,B,G,H,I,P. Sec 21 – Sec 23. Sec 24 Unit A – N. Sec 25 Unit D,E,L. Sec 26. Sec 27. Sec 28 Unit A – J, N,O,P. Sec 33

Unit A,B,C. Sec 34 Unit A,B,C,D,F,G,H. Sec 35. Sec 36 Unit B,C,D,E,F,G,K,L.

T 23S – R 30E

Sec 1 – Sec 18. Sec 19 Unit A – I,N,O,P. Sec 20, Sec 21. Sec 22 Unit A – N, P. Sec 23, Sec 24, Sec 25. Sec 26 Unit

A,B,F-P. Sec 27 Unit C,D,E,I,N,O,P. Sec 28 Unit A – H, K,L,M,N. Sec 29 Unit A – J, O,P. Sec 30 Unit A,B. Sec 32 A,B. Sec

33 Unit C,D,H,I,O,P. Sec 34, Sec 35, Sec 36.

T 23S – R 31E

Sec 2 Unit D,E,J,O. Sec 3 – Sec 7. Sec 8 Unit A – G, K – N. Sec 9 Unit A,B,C,D. Sec 10 Unit D,P. Sec 11 Unit G,H,I,J,M,N,O,P. Sec 12 Unit E,L,K,M,N. Sec 13 Unit C,D,E,F,G,J,K,L,M,N,O. Sec 14. Sec 15 Unit A,B,E – P.

Sec 16 Unit

I, K – P. Sec 17 Unit B,C,D,E, I – P. Sec 18 – Sec 23. Sec 24 Unit B – G, K,L,M,N. Sec 25 Unit B – G, J,K,L. Sec 26 – Sec

34. Sec 35 Unit C,D,E.

T 24S – R 29E

Sec 2 Unit A, B, C, D. Sec 3 Unit A

T 24S – R 30E

Sec 1 Unit A – H, J – N. Sec 2, Sec 3. Sec 4 Unit A,B,F – K, M,N,O,P. Sec 9 Unit A – L. Sec 10 Unit A – L, O,P. Sec 11.

Sec 12 Unit D,E,L. Sec 14 Unit B – G. Sec 15 Unit A,B,G,H.

T 24S – R 31E

Sec 3 Unit B – G, J – O. Sec 4. Sec 5 Unit A – L, P. Sec 6 Unit A – L. Sec 9 Unit A – J, O, P. Sec 10 Unit B – G, K – N. Sec

35 Unit E – P. Sec 36 Unit E, K, L, M, N.

T 25S – R 31E

Sec 1 Unit C, D, E, F. Sec 2 Unit A – H.

Figure D1 and D2

South (Hobbs) Formations to be isolated with cement plugs are:

The plugging requirements in the Hobbs Area are based on the well location within specific areas of the Area (See Figure D1). The Formations in the Hobbs Area to be isolated with cement plugs are (see Figure D2)

Figure D1 Map

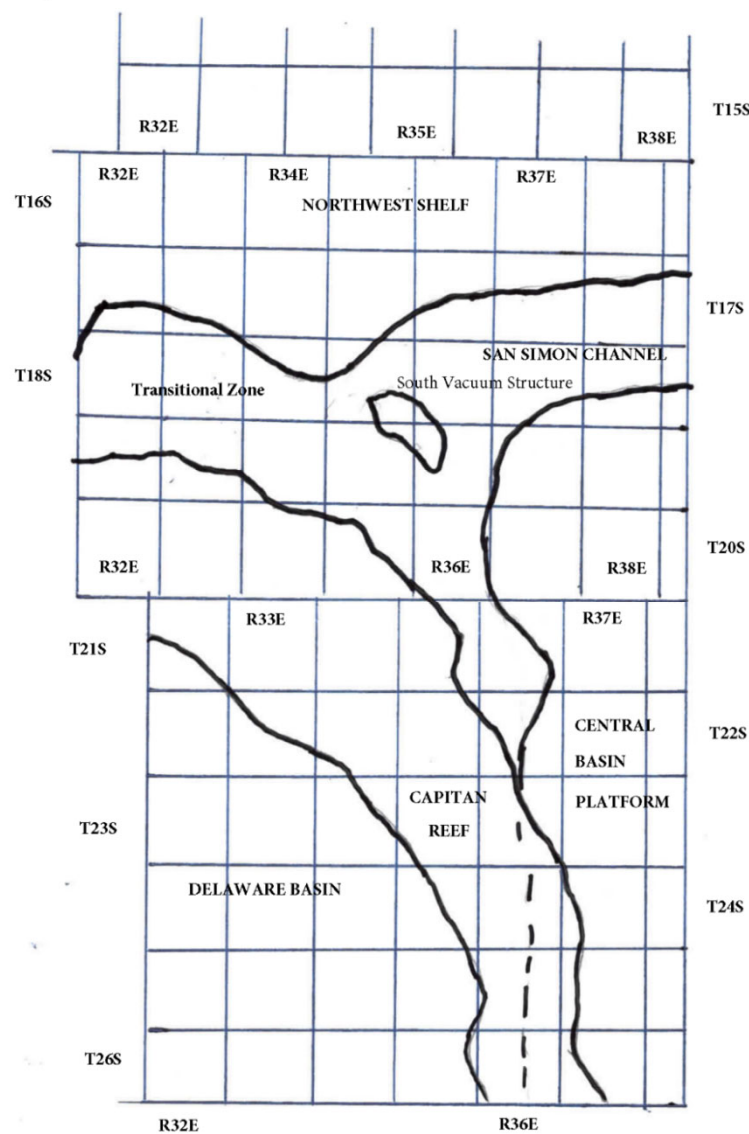


Figure D2 Formation Table

100' Plug to isolate upper and lower fresh water zones (typically 250' to 350')						
Northwest Shelf	Captan Reef Area	Transition Zone	San Simon Channel	South Vacuum Structure	Delaware Basin	Central Basin Platform
Granit Wash (Detrital basement material and fractured pre-Cambrian basement rock)	Siluro-Devonian	Morrow	Siluro-Devonian	Ellenburger	Siluro-Devonian	Granit Wash (Detrital basement material, fractured pre-Cambrian basement rock and fracture Mafic Volcanic intrusives).
Montoya	Mississippian	Atoka	Morrow	McKee	Morrow	Ellenburger
Fusselman	Morrow	Strawn	Wolfcamp	Siluro-Devonian	Atoka	Connell
Woodford	Atoka	Cisco	Abo Reef	Woodford	Strawn	Waddell
Siluro-Devonian	Strawn	Pennsylvanian	Bone Spring	Mississippian	Pennsylvanian	McKee
Chester	Pennsylvanian	Wolfcamp	Delaware	Barnett Shale	Lower Wolfcamp	Simpson Group
Austin	Wolfcamp	Bone Spring	San Andres	Morrow	Upper Wolfcamp	Montoya
Mississippian	Abo Reef, if present	Delaware	Queen	Atoka	Wolfcamp	Fusselman
Morrow	Abo, if present	San Andres	Yates	Strawn	Third Bone Spring Sand (Top of Wolfbone)	Silurian
Atoka	Queen, if present	Grayburg-San Andres	Base of Salt	Canyon	First Bone Spring Sand (Top of Lower Bone Spring)	Devonian
Lower Pennsylvanian	Bone Spring	Queen	Rustler	Pennsylvanian	Bone Spring	Strawn
Cisco-Canyon	Delaware	Seven Rivers		Blinbry	Brushy Canyon	Pennsylvanian
Pennsylvanian	Base Capitan Reef	Yates		Bone Spring	Delaware (Base of Salt)	Wolfcamp
Bough	Seven Rivers	Base of Salt		San Andres	Rustler	Abo
Wolfcamp	Yates	Rustler		Queen		Abo Reef
Abo	Top Capitan Reef			Base of Salt		Drinkard
Abo Reef, if present	Base of Salt			Rustler		Tubb
Yeso (Township 15 South to Township 17 South)	Rustler					Blinbry
Drinkard or Lower Yeso (Township 15 South to Township 17 South)						Paddock
Tubb (Township 15 South to Township 17 South)						Glorieta
Blinbry (Township 15 South to Township 17 South)						San Andres
Paddock (Township 15 South to Township 17 South)						Grayburg
Glorieta						Grayburg-San Andres
San Andres						Queen
Queen (Township 15 South to Township 17 South)						Seven Rivers
Seven Rivers (Township 15 South to Township 17 South)						Yates
Yates (Township 15 South to Township 17 South)						Base of Salt
Base of Salt						Rustler
Rustler						

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
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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 384360

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 384360
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	Go in open ended to 50 feet below Mancos top - Rig on location - Monitor casing strings daily report on subsequent - Submit all logs prior to subsequent	9/18/2024