State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division

New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 5/6/2020
Well information:

30-045-25892 ROURKE #001E

HILCORP ENERGY COMPANY
Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Location Change

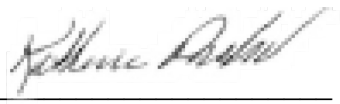
☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

☐ Other: Click or tap here to enter text.

Conditions of Approval:

X Notify NMOCD 24 Hours prior to commencing activities.
☒ In addition to the BLM approved plugs, include the following:

- Add a Dakota plug: 6030'-5975'. OCD Graneros pick @ 6025'.
- Add a Gallup plug 5260'-5160'. OCD Gallup pick @ 5210'.
- Add another Fruitland plug 1160'-1060'. OCD Fruitland pick @ 1110'.



7/7/2020

NMOCD Approved by Signature Date

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMSF078212

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
ROURKE 1E

2. Name of Operator
HILCORP ENERGY COMPANY
Contact: AMANDA WALKER
E-Mail: mwalker@hilcorp.com

9. API Well No.
30-045-25892-00-C2

3a. Address
1111 TRAVIS STREET
HOUSTON, TX 77002

3b. Phone No. (include area code)
Ph: 505-324-5122

10. Field and Pool or Exploratory Area
BASIN DAKOTA
FLORA VISTA

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 4 T30N R13W NWNW 1000FNL 1000FWL
36.846440 N Lat, 108.215210 W Lon

11. County or Parish, State
SAN JUAN COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Hilcorp Energy Company requests permission to P&A the subject well per the attached procedure, current and proposed wellbore schematic. The Pre-Disturbance Site Visit was held on 4/21/2020 with Bob Switzer/BLM. The re-vegetation plan is attached. A closed loop system will be used.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #514321 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by HEATHER PERRY on 05/08/2020 (20HCP0004SE)

Name *(Printed/Typed)* AMANDA WALKER — Title OPERATIONS/REGULATORY TECH SR.

Signature (Electronic Submission) — Date 05/06/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS — Title ENGINEER — Date 06/29/2020

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Farmington

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

AV

Hilcorp Energy Company
ROURKE 1E
P&A - Notice of Intent
API # 3004525892

PROCEDURE

1. Hold a pre-job safety meeting prior to beginning all operations or during a change in operational scope or initiation of SIMOPs. Properly document all operations via the JSA process. Insure that all personnel onsight abide by HEC safety protocol, including PPE, housekeeping, and procedures. Verify cathodic protection is off and wellhead instrumentation is properly disconnected from wellhead. Comply with all NMOCD, BLM, and HEC safety and environmental regulations. Verify there is no H2S present prior to beginning operations. If H2S is present, take the necessary actions to insure that the operation is safe prior to beginning operations. Observe and record pressures across all strings daily, prior to beginning operations. **Notify NMOCD and BLM 24 hours in advance of beginning operations**

NOTE: **this procedure is contingent upon P&A sundry approval by both the BLM and the NMOCD.** All cement volumes use 100% excess outside pipe and 50' excess inside (unless stated otherwise). All cement will be Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield. 8.3 ppg fluid will be used to balance the well during this operation.

1. This project will use an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.

2. Test anchors if not using basebeam. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.

3. **Plug #1 (Dakota/Gallup interval, 5158' – 5058'):** Round trip 5.5" mill or bit to 6360' or as deep as possible. RIH and set at 5.5" CR @ 6360'. Load casing with water and circulate well clean. Pressure test tubing and casing. If casing does not test then spot or tag subsequent plugs asa appropriate. 18 sxs Class G cement above CR to isolate the Dakota/Gallup interval. TOH.

4. **Plug #2 (Mancos top, 4350 ' -4250')** Perforate squeeze holes at 4350'. Establish injection rate. RIH and set 5.5" CR at 4280'. Sting into CR and establish injection rate. Mix and pump 49 sxs Class G cement; squeeze 31 sxs outside 5.5" casing and leave 18 sxs inside casing to isolate Mancos interval. PUH.

5. **Plug #3 (Mesaverde and Chacra tops, 3154' – 2288'):** Mix and pump 72 sxs Class G cement and spot a balanced plug inside casing to cover the Mesaverde and Chacra tops. PUH.

6. **Plug #4 (Pictured Cliffs top, 1576' – 1476'):** Mix and pump 18 sxs Class G cement and spot a balanced plug inside casing to cover the PC top. TOH.

7. **Plug #5 (Fruitland top, 950' – 850'):** Perforate squeeze holes at 950'. Establish injection rate. RIH and set 5.5" CR at 900'. Sting into CR and establish injection rate. Mix and pump 49 sxs Class G cement; squeeze 31 sxs outside 5.5" casing and leave 18 sxs inside casing to isolate Fruitland interval. TOH.

8. **Plug #6 (Kirtland top, 607' – 507'):** Perforate squeeze holes at 607'. Establish injection rate. RIH and set 5.5" CR at 557'. Sting into CR and establish injection rate. Mix and pump 49 sxs Class G cement; squeeze 31 sxs outside 5.5" casing and leave 18 sxs inside casing to isolate Kirtland interval. TOH.

9. **Plug #7 (Ojo Alamo and 8-5/8" casing shoe, 442' – 0'):** Perforate squeeze holes at 442'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 110 sxs Class G cement and pump down the 5.5" casing to circulate good cement out bradenhead. Shut in well and WOC.

10. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Cut off anchors and clean up location. Restore location per BLM stipulations.

Hilcorp Energy Company
3004525892
P&A - Notice of Intent
API #: 3004525892

WBD - CURRENT

Hilcorp Energy Company

Schematic - Current

Well Name: ROURKE #1E

API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3004525892	D-4-30N-13W	BASIN		NEW MEXICO	Vertical

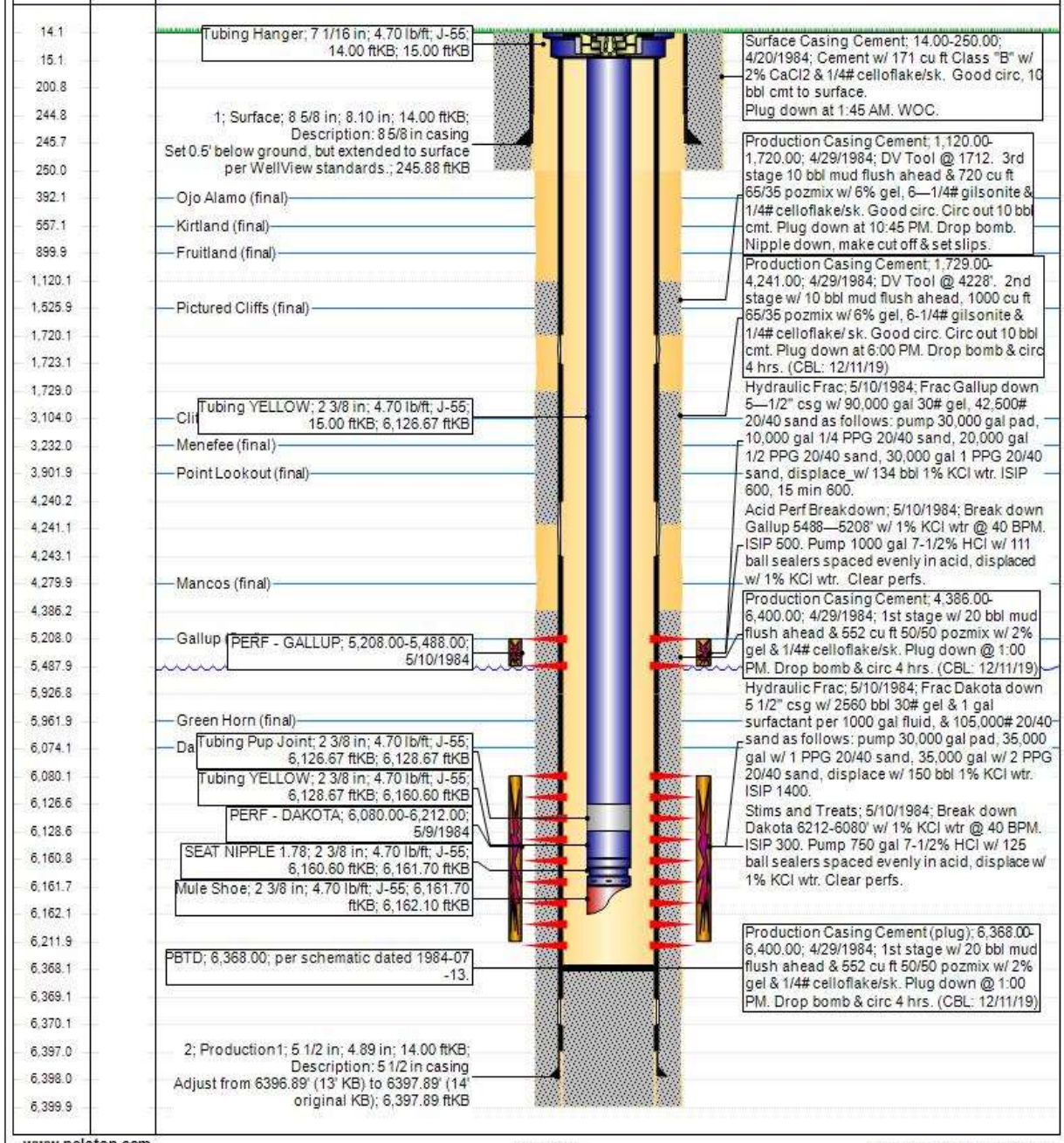
Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	Original Spud Date	Rig Release Date	PBTD (All) (ftKB)	Total Depth All (TVD) (ftKB)
5,565.00	14.00	4/19/1984 16:45		Original Hole - 6,368.0	

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
Expense Workover	BRADENHEAD REPAIR		12/6/2019	12/13/2019

TD: 6,400.0

Vertical, Original Hole, 4/15/2020 2:54:26 PM



Hilcorp Energy Company
3004525892
P&A - Notice of Intent
API #: 3004525892

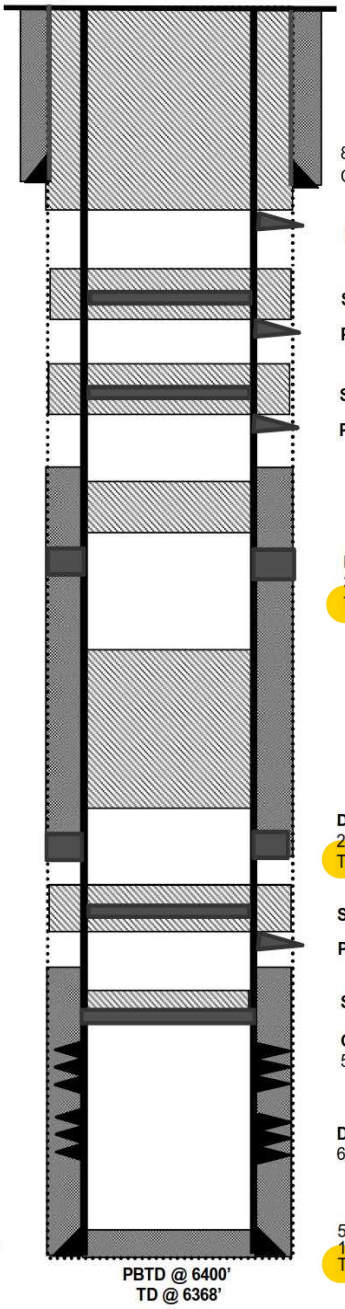
WBD - PROPOSED

Rourke #1E

Proposed P&A

Basin Dakota / Gallup
1000' FNL & 1000' FWL, Sec. 4, T30N, R13W
San Juan County, NM / API# 30-045-25892

Today's Date: **3/17/20**
Spud: 4/19/84
Completed: 5/24/84
Elevation: 5551' GI
5565' KB



12.25" hole

8.625", 24# Casing set @ 245'
Cement with 171 cf, circulated

Ojo Alamo @ 392'

Perforate @442'

Plug #7: 442' – 0'
Class G cement, 110 sxs

Kirtland @ 557'

Set CR @ 557'

Perforate @ 607'

Plug #6: 607' - 507'
Class G cement, 49 sxs:
18 in and 31 out

Fruitland @ 900'

Set CR @ 900'

Perforate @ 950'

Plug #5: 950' – 850'
Class G cement, 49 sxs:
18 in and 31 out

Pictured Cliffs @ 1526'

Plug #4: 1576' – 1476'
Class G cement, 18 sxs

DV Tool @ 1719'
3rd Stage Cmt w/ 720 cf
TOC @ 1120' (CBL)

Chacra @ 2338'

Plug #3: 3154' - 2288'
Class G cement, 72 sxs

Mesaverde @ 3104'

DV Tool @ 4239'
2nd Stage Cmt w/ 1000 cf
TOC @ 1729' (CBL)

Mancos @ 4280'

Set CR @ 4280'

Perforate @ 4350'

Plug #2: 4350' - 4250'
Class G cement, 49 sxs:
18 in and 31 out

Gallup @ 5208'

Set CR @ 5158'

Plug #1: 5158' - 5058'
Class G cement, 18 sxs

Gallup Perforations:
5208' – 5488'

Dakota @ 5962'

Dakota Perforations:
6080' – 6212'

7-7/8" hole

5.5", 15.5#/17# csg set @ 6397'
1st Stage Cmt w/ 552 cf,
TOC @ 4386' (CBL)

PBTD @ 6400'
TD @ 6368'

Hilcorp Energy
P&A Final Reclamation Plan
Rourke #1E
API: 30-045-25892
D – Sec.04-T030N-R013W
Lat: 36.846539, Long: -108.215132
Footage: 1000' FNL & 1000' FWL
San Juan County, NM

1. PRE-RECLAMATION SITE INSPECTION

1.1) A pre-reclamation site inspection was completed by Bob Switzer with the BLM and Chad Perkins construction Foreman for Hilcorp Energy on April 21, 2020.

2. LOCATION RECLAMATION PROCEDURE

2.1) Reclamation work will begin in the fall of 2020.
2.2) Remove all equipment and strip all piping.
2.3) All trash and debris will be removed within 50’ buffer outside of the location disturbance during reclamation.
2.4) All nonnative aggregate will be scraped up and buried at the toe of the cut prior to pushing fill into cut.
2.5) Rip compacted soil and walk down entire well pad.
2.6) Pull soil from fill slope and push to cut slope, re-contour into shallow swales or silt traps to create rolling terrain that matches natural drainage features to limit erosion.
2.7) Road through the center of location will be left intact during location re-contouring for livestock leases.
2.8) The cattle guard at the entrance of location will be left in place for livestock leases.

3. ACCESS ROAD RECLAMATION PROCEDURE:

3.1) The main lease access road is approximately ~three tenths of a mile long will be left as is. The lease road is utilized as access for livestock leases.
3.2) All trash and debris will be removed within 50’ buffer outside of the road disturbance during reclamation.

4. SEEDING PROCDURE

4.1) A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the location and lease road.
4.2) Drill seeding 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.
4.3) Timing of the seeding will take place when the ground is not frozen or saturated.

5. WEED MANAGEMENT

5.1) No action is required at this time for weed management, no noxious weeds were identified during the 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 H_2S.

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

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Rourke 1E

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 (505) 564-7750.

3. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing.

Ensure plugs 3 and 7 reflect corrections below provided by operator:

All plugs will use 1.15 CUFT/SX yield

Csg: 5.5" (4.89" ID)

Plug #3: balance plug in casing
3154-2288' = 113 CUFT = ~99 sx
Originally called for 72 sx.

Plug #7: inside outside plug
442-0' = 35 CUFT (inside) + 150 CUFT (behind pipe including excess) = ~165 sx
8.1" ID inside 8-5/8" 24# csg
Originally called for 110 sx.

4. BLM picks Mancos top at 4260' md. Ensure plug covers 4210-4310 and includes required excess.

BLM FLUID MINERALS
Geologic Report

Date Completed: 6/11/2020

Well No.	Rourke 1E		Location	1000′ FNL	&	1000′	FWL
Lease No.	NMSF078212		Sec. 4	T30N			R13W
Operator	Hilcorp		County	San Juan	State	New Mexico	
Total Depth	6400′	PBTD 6368′	Formation	Basin Dakota/Gallup			
Elevation (GL) 5551′			Elevation (est. KB) 5563′				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
Nacimiento Fm					
Ojo Alamo Ss					
Animas Fm, McDermott Mbr			Surface	557′	Surface, Probable groundwater and surface aquifer water supply wells
Kirtland Shale			557′	900′	
Fruitland Fm			900′	1526′	Coal/Gas/Possible water
Pictured Cliffs Ss			1526′	1622′	Gas
Lewis Shale			1622′	2550′	
Chacra (Upper)			2550′	3104′	Water/Possible gas
Cliff House Ss			3104′	3232′	Water/Possible gas
Menefee Fm			3232′	3902′	Coal/Ss/Water/Possible O&G
Point Lookout Ss			3902′	4260′	Probable water/Possible O&G
Mancos Shale			4260′	5245′	Gas
Gallup			5245′	5962′	O&G/Water
Greenhorn			5962′	6074′	
Dakota Ss			6074′		O&G/Water

Remarks:
P & A

Probable fresh water exists in the McDermott Member of the Animas Formation down to the top of the Kirtland Fm. Please ensure that the tops of the Pictured Cliffs and Fruitland formations as well as the entire McDermott interval, identified in this report, are isolated by proper placement of cement plugs. This will protect the freshwater sands in this well bore.

Reference Well:
1)Hilcorp Fm. Tops
Same

Prepared by: *Walter Gage*