

RECEIVED

SEP 21 2013

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

Farmington Field Office
Bureau of Land Management

5. Lease Serial No.

NMSF079037

6. If Indian, Allottee or Tribe Name

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.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.

HALE 3

2. Name of Operator

Hilcorp Energy Company

9. API Well No.

30-045-10069

3a. Address

382 Road 3100, Aztec, NM 87410

3b. Phone No. (include area code)

505-599-3400

10. Field and Pool or Exploratory Area

Blanco Mesaverde

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface Unit K (NE/SW) 1750' FSL & 1650' FWL, Sec. 34, T31N, R08W

11. Country or Parish, State

San Juan, New Mexico

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

Fracture Treat

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 recomplate 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 recomplate 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 requests permission to P&A the subject well per the attached procedure, current and proposed wellbore schematics. A Close Loop system will be utilized.

NMOCD

OCT 25 2018

Notify NMOCD 24 hrs prior to beginning operations

DISTRICT III
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Priscilla Shorty

Title Operations/Regulatory Technician - Sr.

Signature

Date 9/18/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title RE

Date 10/23/18

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 FFO

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.

(Instruction on page 2)

NMOCD Ay

u

PLUG AND ABANDONMENT PROCEDURE

April 18, 2018

Hale #3

Blanco Mesaverde

K, Section 34, T31N, R8W, San Juan County, New Mexico

API 30-045-10069 Lat: 36° 51' 6.768" N/Lat: 107° 39' 54.756" W

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. This project will use an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. 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. Rods: Yes , No , Unknown .
Tubing: Yes , No , Unknown , Size _____, Length _____.
Packer: Yes , No , Unknown , Type _____.

Note: Need approximately 4920' of tubing workstring.

4. **Plug #1 (Mesaverde interval and 5.5" casing shoe, 4920' – 4689')**: R/T 3.5" gauge ring or mill to 4920' and tag existing BP at 4920'. PU tubing workstring and RIH. Pressure test tubing to 800#. Circulate hole clean. Attempt to pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as necessary. Mix and pump 12 sxs Class G cement and spot a balanced plug inside casing to isolate the Mesaverde interval and 5.5" casing shoe. PUH.
5. **Plug #2 (Chacra top, 3874' - 3774')**: Mix and pump 7 sxs Class G cement and spot a balanced plug inside casing to cover the Chacra top. TOH.
6. **Plug #3 (Pictured Cliffs, top, 3160' – 3060')**: Perforate 3 deep penetrating squeeze holes at 3160'. Attempt to establish circulation in 3.5" x 5.5" casing annulus and 5.5" x 8.75" OH annulus. **NOTE:** sand was pumped down annulus (tower report doesn't specify specific annulus and sundry indicates 3.5" x 5.5") prior to cement squeeze in 1983; may not be able to establish injection. If able to establish injection rate then RIH and set 3.5" wireline CR at 3110'. Mix and pump approximately 60 sxs cement; squeeze 44 sxs into 5.5" x 8.75" OH annulus, 9 sxs in 3.5" x 5.5" annulus and leave 7 sxs inside 3.5" casing to isolate the Pictured Cliffs top. TOH. IF unable to establish injection rate then spot an inside plug to isolate interval. TOH.
7. **Plug #4 (Fruitland top, 2861' – 2761')**: Perforate 3 deep penetrating squeeze holes at 2861'. Attempt to establish circulation in 3.5" x 5.5" casing annulus and 5.5" x 8.75" OH annulus. **NOTE:** sand was pumped down annulus (tower report doesn't specify specific annulus and sundry indicates 3.5" x 5.5") prior to cement squeeze in 1983; may not be able to establish injection. If

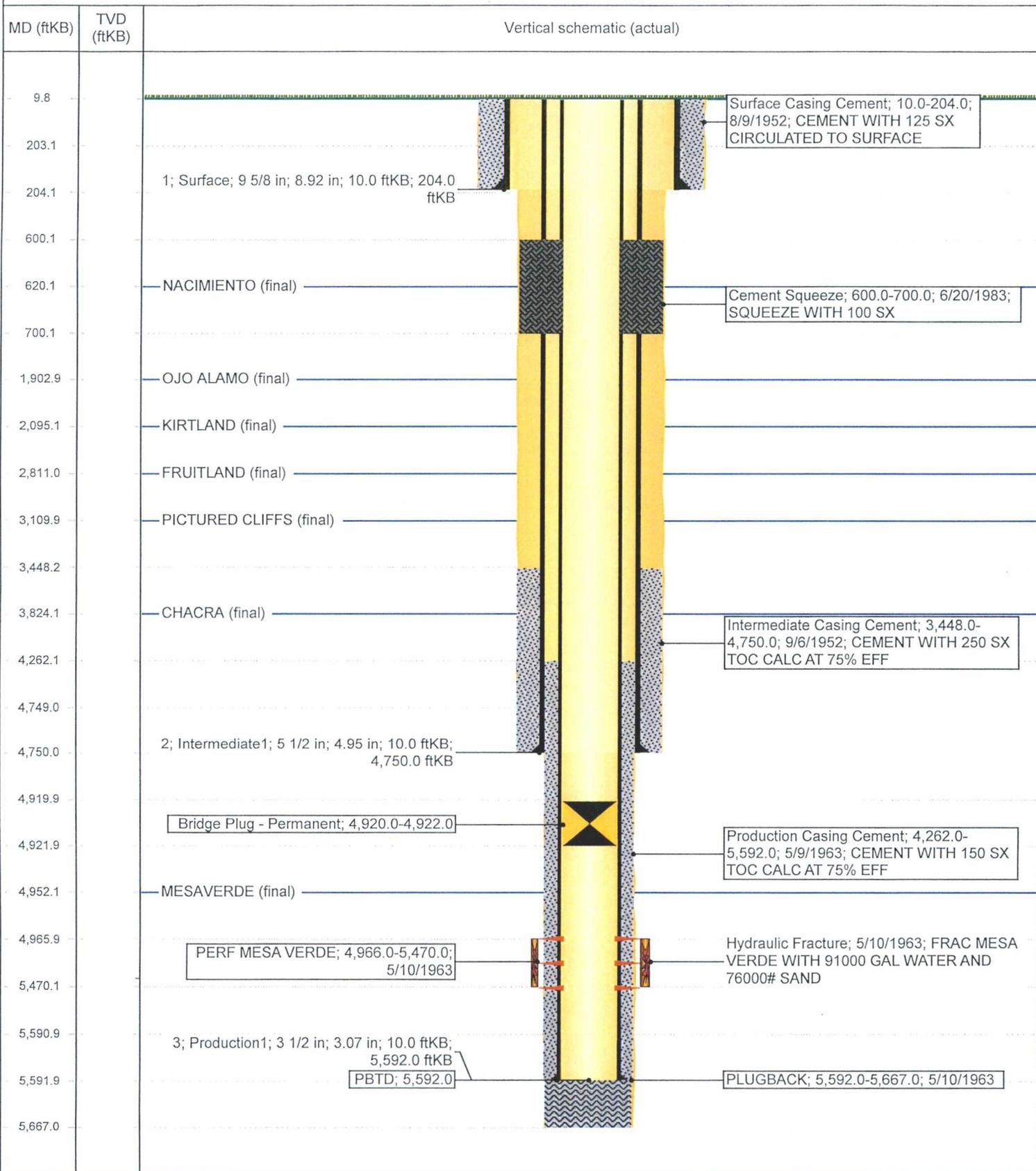
able to establish injection rate then RIH and set 3.5" wireline CR at 2811'. Mix and pump approximately 60 sxs cement; squeeze 44 sxs into 5.5" x 8.75" OH annulus, 9 sxs in 3.5" x 5.5" annulus and leave 7 sxs inside 3.5" casing to isolate the Fruitland top. TOH.
IF unable to establish injection rate then spot an inside plug to isolate interval. TOH.

8. **Plug #5 (Kirtland and Ojo Alamo tops, 2145' – 1853')**: Perforate 3 deep penetrating squeeze holes at 2145'. Attempt to establish circulation in 3.5" x 5.5" casing annulus and 5.5" x 8.75" OH annulus. **NOTE:** sand was pumped down annulus (tower report doesn't specify specific annulus and sundry indicates 3.5" x 5.5") prior to cement squeeze in 1983; may not be able to establish injection. If able to establish injection rate then RIH and set 3.5" wireline CR at 2095'. Mix and pump approximately 165 sxs cement; squeeze 129 sxs into 5.5" x 8.75" OH annulus, 21 sxs in 3.5" x 5.5" annulus and leave 15 sxs inside 3.5" casing to isolate the Kirtland and Ojo Alamo tops. TOH.
IF unable to establish injection rate then spot an inside plug to isolate interval. TOH.
9. **Plug #6 (Nacimiento top, 670' – 570')**: Perforate 3 deep penetrating squeeze holes at 670'. Attempt to establish circulation in 3.5" x 5.5" casing annulus and 5.5" x 8.75" OH annulus. **NOTE:** cement squeeze was done over this zone in 3.5" x 5.5" annulus in 1983. Sand was pumped down annulus (tower report doesn't specify specific annulus and sundry indicates 3.5" x 5.5") prior to cement squeeze in 1983; may not be able to establish injection. If able to establish injection rate in 5.5" x 8.75" annulus then RIH and set 3.5" wireline CR at 620'. Mix and pump approximately 51 sxs cement; squeeze 44 sxs into 5.5" x 8.75" OH annulus and leave 7 sxs inside 3.5" casing to isolate the Nacimiento top. TOH.
IF unable to establish injection rate then spot an inside plug to isolate interval. TOH and LD tubing. TOH.
10. **Plug #7 (9.625" Surface casing shoe and Surface, 254' - Surface)**: Perforate 4 deep penetrating squeeze holes at 254'. Establish circulation out 3.5" x 5.5" annulus and 5.5" by 8.75" annulus with water and circulate the BH annulus clean. Mix and pump approximately 100 sxs cement and pump down the 3.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
11. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and cut off anchors. Restore location per BLM stipulations

Well Name: HALE #3

API / UWI 3004510069	Surface Legal Location 034-031N-008W-K	Field Name BLANCO MESAVERDE (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,227.00	Original KB/RT Elevation (ft) 6,237.00	KB-Ground Distance (ft) 10.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole, 9/18/2018 9:35:08 AM



Hale #3

Proposed P&A

Blanco Mesaverde

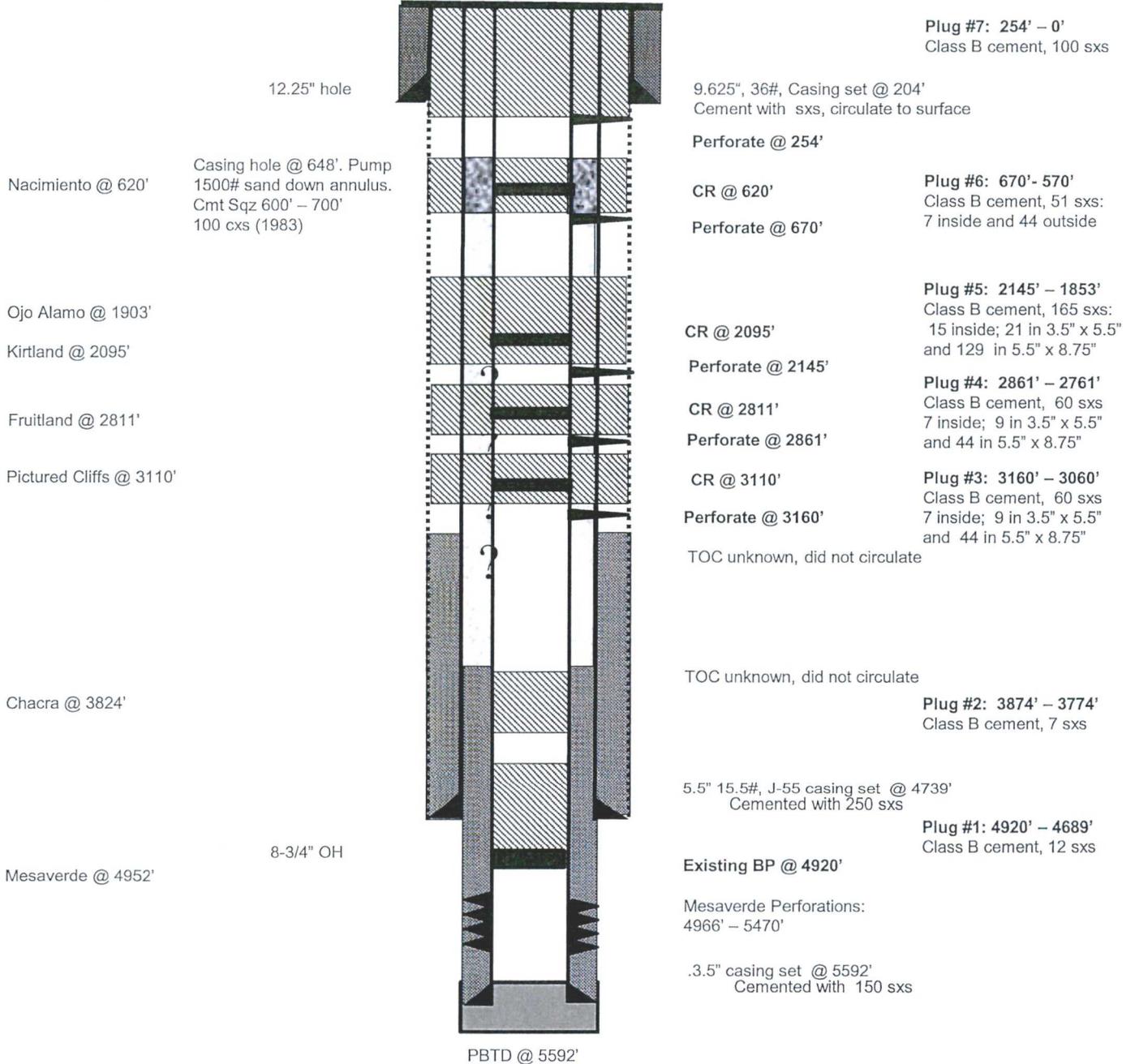
Today's Date: 4/18/18

Spud: 8/9/52

Elevation: 5592' GR

K, Section 34, T-31-N, R-8-W, San Juan County, NM

Lat: 36° 51'6.768" N / Lat: 107° 39'54.756" W, API #30-045-10069



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: Hale 3

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. The following modifications to your plugging program are to be made:
 - a) Set Plug #2 (3130 – 3030) ft. to cover the Pictured Cliffs top. BLM picks top of Pictured Cliffs at 3080 ft.
 - b) Set Plug #4 (2800 – 2700) ft. to cover the Fruitland top. BLM picks top of Fruitland at 2750 ft.
 - c) Set Plug #6 (637 – 537) ft. to cover the Nacimiento top. BLM picks top of Nacimiento at 587 ft.

Operator must run a CBL to verify cement top. Submit electronic copy of the log for verification to the following addresses: jwsavage@blm.gov Brandon.Powell@state.nm.us

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.