State of New Mexico
Energy, Minerals and Natural Resources Department

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: 8/30/2019
Well information:

30-039-07890 SAN JUAN 30 6 UNIT #067
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:

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Extend Plug #2: 2,920-2,307. OCD Fruitland top: 2,870'.

NMOCD Approved by Signature

9/25/19
Date

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

12

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.
NMNM012573

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
8910005380

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

8. Well Name and No.
SAN JUAN 30-6 UNIT 67

2. Name of Operator
HILCORP ENERGY COMPANY
Contact: TAMMY JONES
E-Mail: tajones@hilcorp.com

9. API Well No.
30-039-07890-00-S1

3a. Address
1111 TRAVIS STREET
HOUSTON, TX 77002

3b. Phone No. (include area code)
Ph: 505.324.5185

10. Field and Pool or Exploratory Area
BLANCO MESAVERDE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 12 T30N R7W SENE 1600FNL 0890FEL
36.829865 N Lat, 107.515549 W Lon

11. County or Parish, State
RIO ARRIBA 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 to plug & abandon the Mesaverde formation and temporarily abandon the wellbore for future potential in the subject well. If the wellbore MIT does not pass, then Hilcorp Energy Company requests approval to plug and abandon the wellbore. A closed loop system will be used. Attached is the current wellbore schematic, proposed TA schematic, proposed P&A schematic, procedures & reclamation plan - (Preonsite inspection conducted on 5/20/19 w/Bob Switzer, BLM and Bryan Hall, HEC).

NMOCD

SEP 12 2019

DISTRICT III

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #481374 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by ALBERTA WETHINGTON on 09/03/2019 (19AMW0591SE)

Name *(Printed/Typed)* TAMMY JONES — Title REGUALATORY SPECIALIST

Signature (Electronic Submission) — Date 08/30/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS — Title ENGINEER — Date 09/11/201

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 ****

Hilcorp

HILCORP ENERGY COMPANY
SAN JUAN 30-6 UNIT 67
TA or P&A NOI

JOB PROCEDURES

1. Hold pre-job safety meeting. Verify cathodic is off. Comply with all NMOCD, BLM, and HEC safety and environmental regulations.

2. Check casing, tubing, and bradenhead pressures and record them in WellView. If there is pressure on the BH, contact Operations Engineer.

3. MIRU service rig and associated equipment; NU and test BOP.

4. PU tubing/work string, TIH w/ 5.5" CICR, and set CIBP @ +/- 3,190'.

5. **Plug #1: MESAVERDE PERFORATIONS AND PICTURED CLIFFS FORMATION TOP (3,180' - 5,652', 560 Sacks of Class G Cement Total):**
   Pump a +/- 2,462' cement squeeze plus 100% excess (558 sacks of Class G cement with an estimated TOC @ +/- 3,190' and an estimated BOC @ +/- 5,652'). Sting out of retainer, pump +/- 10' balanced cement plug (2 sacks of Class G cement with an estimated TOC @ +/- 3,180' and an estimated BOC @ +/- 3,190').

6. Perform Mechanical Integrity Test (MIT) by pressure testing the 5.5" casing above the CICR set @ 3,190' and cement top @ 3,180' to 560 psig for 30 minutes on a 2 hour chart with a 1,000 lb spring.

7. IF the MIT Passes, TOOH w/ tubing/work string, shut in well, and RDMO workover rig. **IF MIT fails, proceed to P&A procedure starting with Step #8.**

8. TOOH w/ tubing/work string. TIH and perforate squeeze holes @ +/- 2,860'. Establish rate into squeeze holes. RIH w/ 5.5" CICR and set CICR @ +/- 2,357'.

9. **Plug #2: FRUITLAND AND KIRTLAND FORMATION TOPS (2,307' - 2,860', 110 Sacks of Class G Cement Total):**
   Pump a cement squeeze leaving +/- 553' of cement within the 5.5" x 7-5/8" casing annulus (47 sacks of Class G cement with an estimated TOC @ +/- 2,307' and an estimated BOC @ +/- 2,860') and a +/- 503' cement plug beneath the 5.5" CICR (57 sacks of Class G cement with an estimated TOC @ +/- 2,357' and an estimated BOC @ +/- 2,860'). Sting out of retainer, pump +/- 50' balanced cement plug (6 sacks of Class G cement with an estimated TOC @ +/- 2,307' and an estimated BOC @ +/- 2,357').

10. TOOH w/ tubing/work string. TIH and perforate squeeze holes @ +/- 2,284'. Establish rate into squeeze holes. RIH w/ 4.5" CICR and set CICR @ +/- 2,234'.

11. **Plug #3: OJO ALAMO FORMATION TOP (2,184' - 2,284', 37 Sacks of Class G Cement Total):**
    Pump a cement squeeze leaving +/- 100' of cement within the 7-5/8" x 9-5/8" casing - open hole annulus (16 sacks of Class G cement with an estimated TOC @ +/- 2,184' and an estimated BOC @ +/- 2,284'), pump a cement squeeze leaving +/- 100' of cement within the 5.5" x 7-5/8" casing annulus (9 sacks of Class G cement with an estimated TOC @ +/- 2,184' and an estimated BOC @ +/- 2,284') and a +/- 50' cement plug beneath the 5.5" CICR (6 sacks of Class G cement with an estimated TOC @ +/- 2,234' and an estimated BOC @ +/- 2,284'). Sting out of retainer, pump +/- 50' balanced cement plug (6 sacks of Class G cement with an estimated TOC @ +/- 2,184' and an estimated BOC @ +/- 2,234').

12. TOOH w/ tubing/work string. TIH and perforate squeeze holes @ +/- 1,056'. Establish rate into squeeze holes. RIH w/ 4.5" CICR and set CICR @ +/- 1,006'.

13. **Plug #4: NACIMIENTO FORMATION TOP (956' - 1,056', 37 Sacks of Class G Cement Total):**
    Pump a cement squeeze leaving +/- 100' of cement within the 7-5/8" x 9-5/8" casing - open hole annulus (16 sacks of Class G cement with an estimated TOC @ +/- 956' and an estimated BOC @ +/- 1,056'), pump a cement squeeze leaving +/- 100' of cement within the 5.5" x 7" casing annulus (9 sacks of Class G cement with an estimated TOC @ +/- 956' and an estimated BOC @ +/- 1,056') and a +/- 50' cement plug beneath the 5.5" CICR (6 sacks of Class G cement with an estimated TOC @ +/- 1,006' and an estimated BOC @ +/- 1,056'). Sting out of retainer, pump +/- 50' balanced cement plug (6 sacks of Class G cement with an estimated TOC @ +/- 956' and an estimated BOC @ +/- 1,006').

14. TOOH w/ tubing/work string. TIH and perforate squeeze holes @ +/- 220'. Establish rate into squeeze holes.

15. **Plug #5: SURFACE PLUG (0' - 220', 53 Sacks of Class G Cement Total):**
    Pump a cement squeeze leaving +/- 220' of cement within the 9-5/8" x 10-3/4" casing annulus (11 sacks of Class G cement with an estimated TOC @ +/- 0' and an estimated BOC @ +/- 220'), pump a cement squeeze leaving +/- 220' of cement within the 5.5" x 7" casing annulus (18 sacks of Class G cement with an estimated TOC @ +/- 0' and estimated BOC @ +/- 220'), and a +/- 220' cement plug in the 5.5" casing from surface (24 sacks of Class G cement with an estimated TOC @ +/- 0' and an estimated BOC @ +/- 220').

16. TIH and tag cement top within 7-5/8" x 10-3/4" casing annulus. If no cement: cement from surface to fill annular volume.

17. 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 30-6 UNIT 67
TA or P&A NOI

SAN JUAN 30-6 UNIT 67 - CURRENT WELLBORE SCHEMATIC

Hilcorp Energy Company

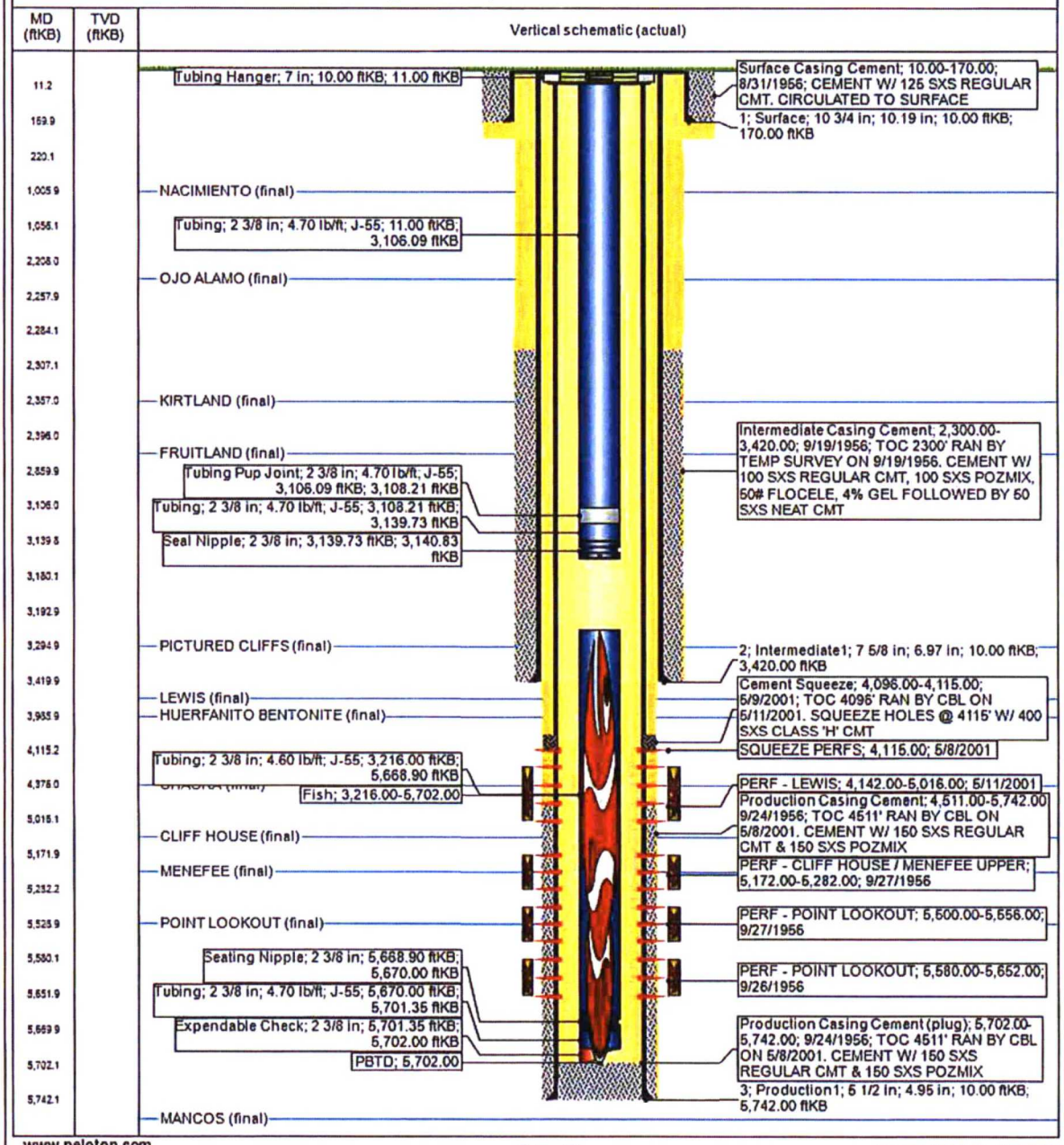
Current Schematic - Version 3

Well Name: SAN JUAN 30-6 UNIT #67

API / UWI	Surface Legal Location	Field Name	Route	State/Province	Well Configuration Type
3003907890	012-030N-007W-H	BLANCO MESAVERDE (PRORATED GAS	1103	NEW MEXICO	

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
6,346.00	6,356.00	10.00		

Original Hole, 5/20/2019 1:25:49 PM



Hilcorp

HILCORP ENERGY COMPANY
SAN JUAN 30-6 UNIT 67
TA or P&A NOI

SAN JUAN 30-6 UNIT 67 - PROPOSED TA WELLBORE SCHEMATIC

Hilcorp Energy Company

Well Name: SAN JUAN 30-6 UNIT #67

API / UWI	Surface Legal Location	Field Name	Route	State/Province	Well Configuration Type
3003907890	012-030N-007W-H	BLANCO MESAVERDE (PRORATED GAS	1103	NEW MEXICO	

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
6,346.00	6,356.00	10.00		

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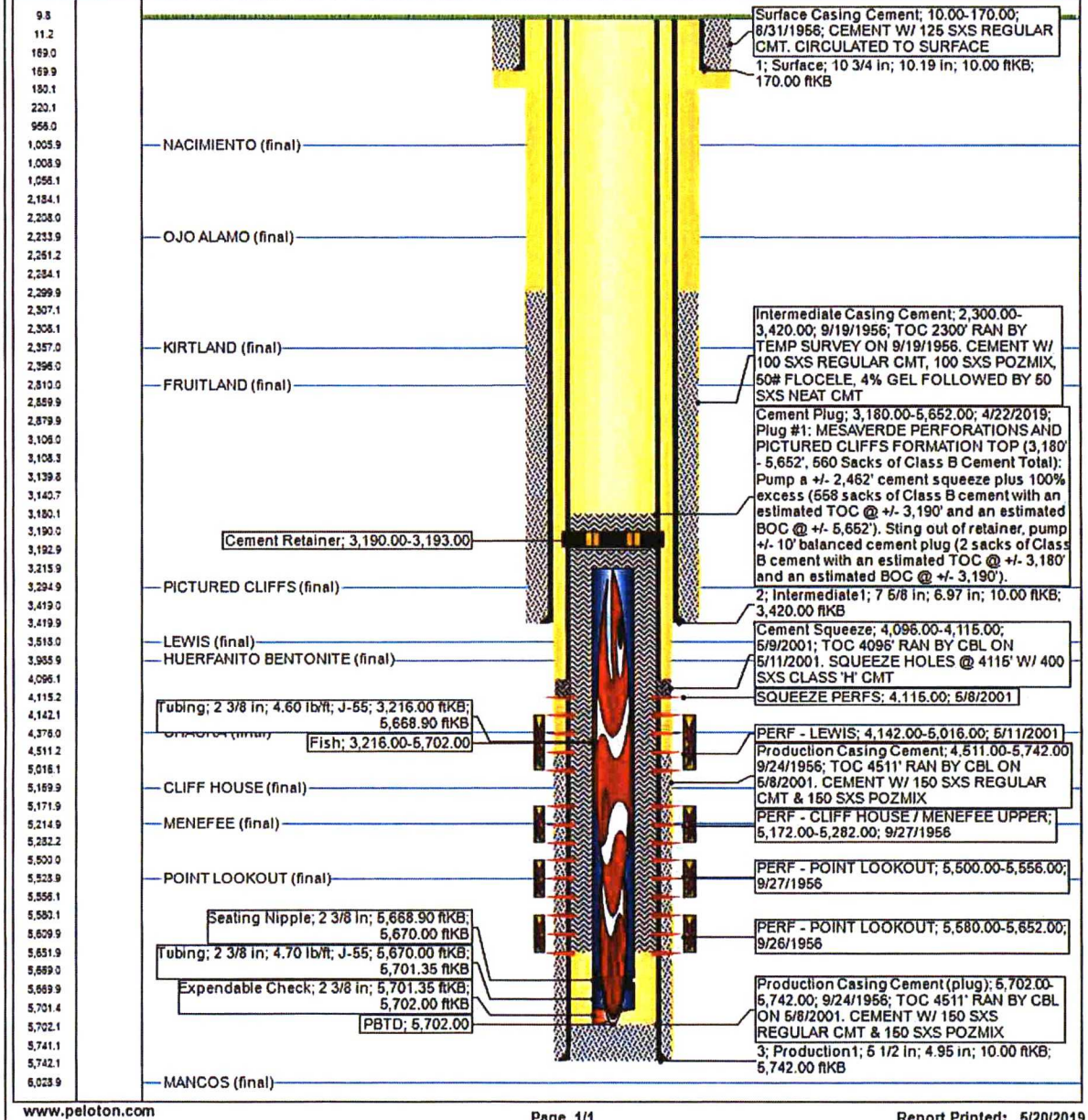


Hilcorp

HILCORP ENERGY COMPANY
SAN JUAN 30-6 UNIT 67
TA or P&A NOI

SAN JUAN 30-6 UNIT 67 - PROPOSED P&A WELLBORE SCHEMATIC

Hilcorp Energy Company

Well Name: SAN JUAN 30-6 UNIT #67

API / UWI	Surface Legal Location	Field Name	Route	State/Province	Well Configuration Type
3003907890	012-030N-007W-H	BLANCO MESAVERDE (PRORATED GAS	1103	NEW MEXICO	

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
6,346.00	6,356.00	10.00		

Original Hole, 5/20/2019 3:35:32 PM

MD (ftKB)	TVD (ftKB)	Vertical schematic (actual)
9.8		
11.2		
169.0		
169.9		
180.1		
220.1		
956.0		
1,005.9		NACIMIENTO (final)
1,008.9		Cement Retainer; 1,006.00-1,009.00
1,056.1		
2,184.1		
2,233.9		OJO ALAMO (final)
2,261.2		Cement Retainer; 2,234.00-2,261.00
2,284.1		
2,299.9		
2,307.1		
2,357.0		KIRTLAND (final)
2,396.0		Cement Retainer; 2,357.00-2,396.00
2,810.0		FRUITLAND (final)
2,859.9		
3,106.0		
3,108.3		
3,139.8		
3,142.7		
3,180.1		
3,190.0		Cement Retainer; 3,190.00-3,193.00
3,192.9		
3,215.9		
3,294.9		PICTURED CLIFFS (final)
3,419.0		
3,419.9		
3,518.0		LEWIS (final)
3,965.9		HUERFANITO BENTONITE (final)
4,096.1		
4,115.2		
4,142.1		Tubing; 2 3/8 in; 4.60 lb/ft; J-55; 3,216.00 ftKB; 5,668.90 ftKB
4,376.0		
4,511.2		Fish; 3,216.00-5,702.00
5,015.1		
5,169.9		CLIFF HOUSE (final)
5,171.9		
5,214.9		MENEFEE (final)
5,282.2		
5,500.0		
5,528.9		POINT LOOKOUT (final)
5,556.1		
5,580.1		
5,629.9		Sealing Nipple; 2 3/8 in; 5,668.90 ftKB; 5,670.00 ftKB
5,651.9		Tubing; 2 3/8 in; 4.70 lb/ft; J-55; 5,670.00 ftKB; 5,701.35 ftKB
5,669.0		
5,669.9		Expendable Check; 2 3/8 in; 5,701.35 ftKB; 5,702.00 ftKB
5,701.4		
5,702.1		PBTD; 5,702.00
5,741.1		
5,742.1		
6,028.9		MANCOS (final)

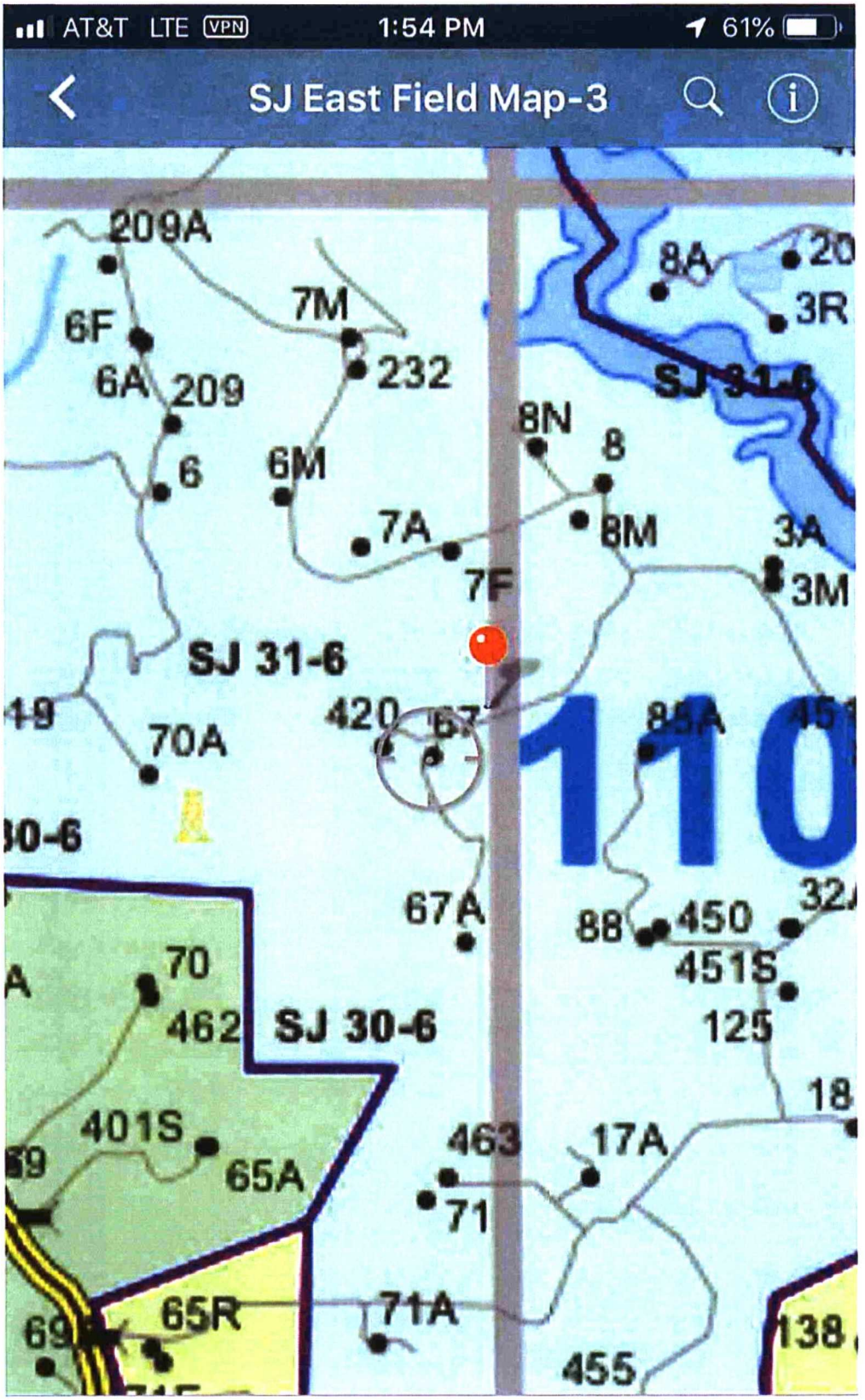
Hilcorp Energy

San Juan 30-6 Unit 67

36.8299187, -107.5157467

Final Reclamation Plan

1. Pick up and remove all trash, metal, cable, and any foreign debris within 200' of location.
2. Remove anchors, if present.
3. Will have to de-energize power from pole, and possibly re-install electric wires to provide power to the other wells.
4. Enterprise to remove pipeline and meter run back to dog leg.
5. Strip equipment off of facility, stockpile gravel from containment berm and compressor pad to place on road after road is rebuilt.
6. Push fill from east and south side of location to recreate natural terrain.
7. Reclaim NE access road (in yellow), and rebuild NW access road (in red) running through the location to give access to the SJ 30-6 Unit 67A.
8. Rip compacted soil and walk down entire well pad.
9. Re-seed all disturbed areas. Drill where applicable at 12lbs an acre, and broadcast seed and harrow, at 24lbs an acre, all other disturbed areas. Broadcast seed a double the rate of seed. Pinion/Juniper seed mix will be used.
10. Fence off closed access road with t-posts and 3 strands of woven wire fencing.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SJ East Field Map-3
209A
6F
6A
209
7M
232
6
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7A
7F
SJ 31-6
70A
420
67
67A
70
462
SJ 30-6
401S
65A
65R
71
71A
463
17A
8N
8
8M
8A
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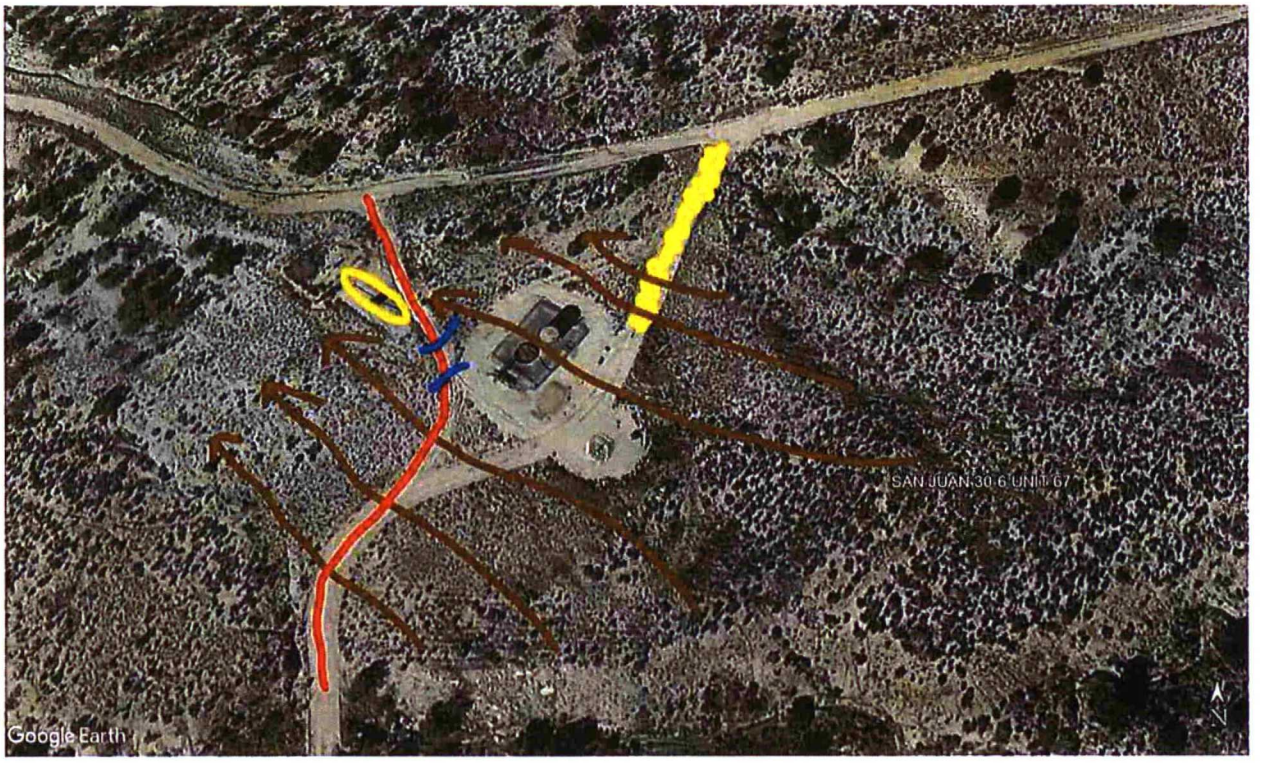
SAN JUAN 30 6 UNIT 67
Google Earth

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:
Re: MIT for Temporary Abondonment with contingent Permanent Abandonment
Well: San Juan 30-6 Unit 67
API: 30-039-07890

CONDITIONS OF APPROVAL

1. MIT 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 program are required:

3a. Plug #1: After stinging out of CR place 50' of cement with TOC at 3,140' MD.

3. If the MIT fails, identify casing leak location within 50' and contact Joe Killins at BLM to discuss path forward for possible repair and re-test. All plugging operations following MIT are dependent upon subsequent approval after review with BLM and NMOCD.

4. If a CBL is obtained, submit electronic copy of the CBL for verification to the following addresses: jkillins@blm.gov and Brandon.Powell@state.nm.us . Based on CBL results inside/outside plugs and volumes will be adjusted accordingly. Please review the Genereal Requirements document to ensure volumes meet required excess inside and outside casing.

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.