Sundry Print Report

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

Well Name: SAN JUAN 28-7 UNIT Well Location: T28N / R7W / SEC 14 / County or Parish/State: RIO

SWNW / 36.66446 / -107.54775

ARRIBA / NM

Well Number: 233M Type of Well: CONVENTIONAL GAS

WELL

Allottee or Tribe Name:

**Unit or CA Number:** 

Lease Number: NMSF079289A Unit or CA Name: SAN JUAN 28-7

UNIT--DK, SAN JUAN 28-7 UNIT--MV

NMNM78413A, NMNM78413C

US Well Number: 3003921328 Well Status: Producing Gas Well Operator: HILCORP ENERGY

**COMPANY** 

# **Notice of Intent**

**Sundry ID: 2648266** 

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 12/10/2021 Time Sundry Submitted: 12:37

Date proposed operation will begin: 04/01/2022

**Procedure Description:** Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal/Pictured Cliffs formation and downhole commingle with the existing Mesaverde/Dakota formation. Please see the attached procedure, wellbore diagram, plat and natural gas management plan. A closed loop system will be used. A pre-reclamation site visit is not required since this is a FEE surface well.

# **Surface Disturbance**

Is any additional surface disturbance proposed?: No

# **NOI Attachments**

# **Procedure Description**

San\_Juan\_28\_7\_Unit\_233M\_NOI\_20211210123712.pdf

NGMPForm\_20211210123612.pdf

SJ\_28\_7\_Unit\_233M\_FC\_C\_102\_20211210123555.pdf

 $SJ\_28\_7\_Unit\_233M\_PC\_C\_102\_20211210123555.pdf$ 

eceived by OCD: 12/15/2021 1:24:34 PM Well Name: SAN JUAN 28-7 UNIT

Well Location: T28N / R7W / SEC 14 /

Type of Well: CONVENTIONAL GAS

County or Parish/State: RIO

SWNW / 36.66446 / -107.54775

ARRIBA / NM

Well Number: 233M

WELL

Unit or CA Number:

Allottee or Tribe Name:

Lease Number: NMSF079289A

Unit or CA Name: SAN JUAN 28-7

Well Status: Producing Gas Well

NMNM78413A, NMNM78413C

**US Well Number:** 3003921328

UNIT--DK, SAN JUAN 28-7 UNIT--MV

Operator: HILCORP ENERGY

COMPANY

# **Operator Certification**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: AMANDA WALKER Signed on: DEC 10, 2021 12:37 PM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Technician

Street Address: 1111 TRAVIS ST.

City: HOUSTON State: TX

Phone: (346) 237-2177

Email address: mwalker@hilcorp.com

# Field Representative

**Representative Name:** 

**Street Address:** 

City: State: Zip:

Phone:

**Email address:** 

# **BLM Point of Contact**

BLM POC Name: KENNETH G RENNICK BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742 BLM POC Email Address: krennick@blm.gov

**Disposition:** Approved **Disposition Date:** 12/10/2021

Signature: Kenneth Rennick

Page 2 of 2

#### San Juan 28-7 Unit #233M

E - 14 - 28N - 07W 1460 FNL 1000 FWL

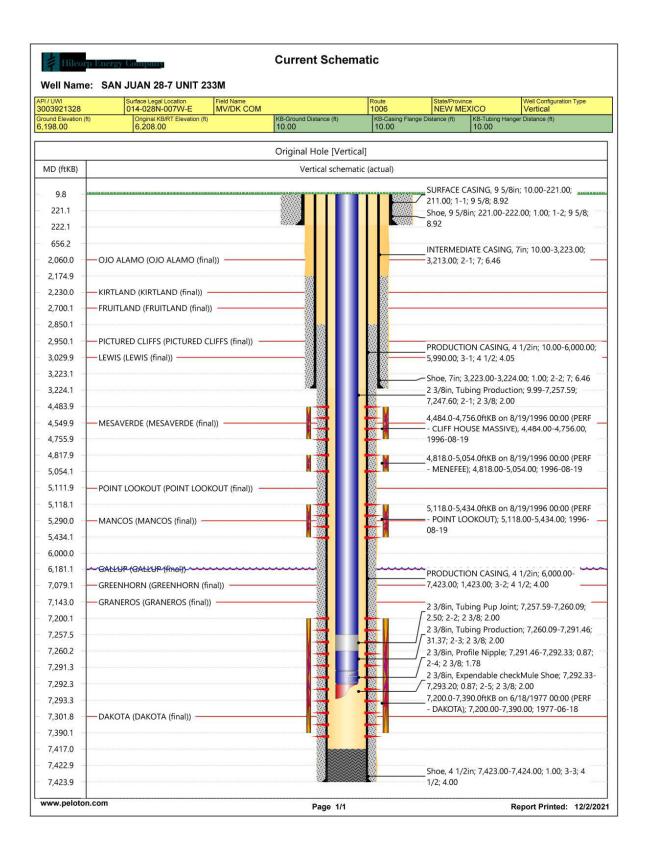
API#: 3003921328

# Fruitland Coal & Pictured Cliffs Recompletion Procedure

12/2/2021

## **Procedure:**

- 1. MIRU service rig and associated equipment.
- 2. Test BOP's
- 3. TOOH w/ 2-3/8" tubing currently set with EOT at 7,293'.
- 4. Set a CIBP to isolate the Mesaverde, Point Lookout, Mancos and Dakota @ +/- 4,434'.
- 5. Load the hole.
- 6. Pressure test casing to maximum fracture pressure.
- 7. ND BOP's. NU frac stack and test same to maximum fracture pressure.
- 8. RDMO service rig.
- 9. MIRU frac spread.
- 10. Perforate and frac the Fruitland Coal from 2,400' to 2,923' and the Pictured Cliffs from 2,923'-3,100'. RDMO frac spread.
- 11. MIRU service rig.
- 12. Test BOP's.
- 13. PU mill and RIH to clean out to isolation plug.
- 14. When water and sand rates are acceptable, flow test the Fruitland Coal and Pictured Cliffs.
- 15. Drill out isolation plug and TOOH.
- 16. TIH and land production tubing. Obtain a commingled flow rate.
- 17. ND BOP's, NU production tree.
- 18. RDMO service rig & turn well over to production.



I. Operator: Hilcorp Energy Company

# State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

# NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

# Section 1 – Plan Description Effective May 25, 2021

**OGRID:** 372171 **Date:** 12/9/2021

II. Type: 🖂 Original i	→ Amendment	due to 🗀 19.13.2	7.9.D(0)(a) NMAC	лы 19.13.27.9.D(	(0)(0) INMAC L	Other.			
If Other, please describe	e:								
III. Well(s): Provide the be recompleted from a s					wells proposed to	be drilled or proposed to			
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D			
SJ 28-7 Unit 233M	3003921328	E, 14-28N-7W	1460' FNL & 1000' FWL	0	300	5			
IV. Central Delivery P V. Anticipated Schedu proposed to be recomple	le: Provide the	following informa				5.27.9(D)(1) NMAC] s proposed to be drilled or			
Well Name	API	Spud Date	TD Reached Date	Completion Commencement					
SJ 28-7 Unit 233M	3003921328	<u>N/A</u>	N/A	N/A	2022	2022			
VI. Separation Equipment:   Attach a complete description of how Operator will size separation equipment to optimize gas capture.  VII. Operational Practices:   Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.									
VIII. Best Management during active and planner		-	ete description of	Operator's best m	nanagement prac	tices to minimize venting			

# Section 3 - Certifications Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

🖂 Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. 

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- **(b)** power generation for grid;
- compression on lease; (c)
- (d) liquids removal on lease;
- reinjection for underground storage; (e)
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- fuel cell production; and (h)
- other alternative beneficial uses approved by the division. (i)

# **Section 4 - Notices**

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Albakler
Printed Name: Amanda Walker
Title: Operations/Regulatory Tech Sr.
E-mail Address: mwalker@hilcorp.com
Date: 12/9/2021
Phone: 346-237-2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

#### VI. Separation Equipment:

Hilcorp Energy Company (HEC or Operator) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our recomplete project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomplete to optimize gas capture and send gas to sales or flare based on analytical composition. HEC operates facilities that are typically one-well facilities. Production separation equipment is upgraded prior to well being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the recomplete operations.

#### VII. Operational Practices:

- 1. Subsection (A) Venting and Flaring of Natural Gas
  - HEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
- 2. Subsection (B) Venting and Flaring during drilling operations
  - This gas capture plan isn't for a well being drilled.
- 3. Subsection (C) Venting and flaring during completion or recompletion
  - Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
  - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
- 4. Subsection (D) Venting and flaring during production operations
  - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
  - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
  - HEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 1 4.
- 5. Subsection (E) Performance standards
  - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
  - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
  - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

- 6. Subsection (F) Measurement or estimation of vented and flared natural gas
  - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
  - When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

### VIII. Best Management Practices:

- 1. Operator has adequate storage and takeaway capacity for wells it chooses to recomplete as the flowlines at the sites are already in place and tied into a gathering system.
- 2. Operator will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
- 3. Operator combusts natural gas that would otherwise be vented or flared, when technically feasible.
- 4. Operator will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.

RECEDINETING OUT DIO DES INVESTRA DE 124:34 PM

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

<u>District III</u>

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

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-21328	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 318432	5. Property Name San Juan 28 7 Unit	6. Well No. 233M
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6198

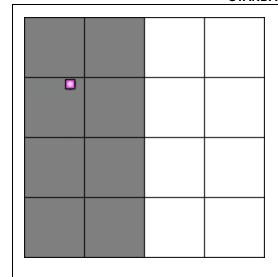
#### 10. Surface Location

UL - Lot	S	Section	Township		Range	Lot Idn	Feet From		N/S Line		Feet From	E/W Line		County	
	Ξ	14		28N	07V	V		1460		Ν	1000	)	W	1	RIO
														ARRIBA	

#### 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated A			13. Joint or Infill		14. Consolidation Code			15. Order No.	

#### NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



#### **OPERATOR CERTIFICATION**

Form C-102

April 10281123

Permit 304977

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Aboth

Title: Operations/Regulatory Tech Sr.

Date: 12/10/2021

#### **SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By:

David Kilven

Date of Survey:

8/5/1974

Certificate Number:

1760

Phone: (575) 393-6161 Fax: (575) 393-0720

District II

**District IV** 

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

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** 

Form C-102 Pugget 1.1201123

Permit 304977

# WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-21328	2. Pool Code 72439	3. Pool Name BLANCO P. C. SOUTH (PRORATED GAS)					
4. Property Code 318432	5. Property Name San Juan 28 7 Unit	6. Well No. 233M					
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6198					

#### 10. Surface Location

Ī	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	E	14	28N	07W		1460	N	1000	W	RIO
										ARRIBA

#### 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated A			13. Joint or Infill		14. Consolidatio	n Code		15. Order No.	

#### NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed mineral interest in the land including the proposed that this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  E-Signed By: Albuda  Title: Operations/Regulatory Tech Sr.  Date: 12/10/2021
SURVEYOR CERTIFICATION  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Surveyed By: David Kilven
Date of Survey: 8/5/1974
Certificate Number: 1760

RIGODINETITE TO COLD HODOS INVO 882401:24:34 PM

Phone: (575) 393-6161 Fax: (575) 393-0720

<u>District II</u>

**District IV** 

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

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**

April 12281123 Permit 304977

Form C-102

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-21328	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)				
4. Property Code 318432	5. Property Name San Juan 28 7 Unit	6. Well No. 233M				
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6198				

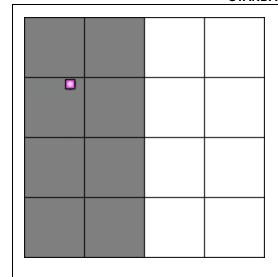
#### 10. Surface Location

Ī	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	Е	14	28N	07W		1460	N	1000	W	RIO
										ARRIBA

#### 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated	Acres 0.00	l	13. Joint or Infill	<u> </u>	14. Consolidation Code			15. Order No.	

#### NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



#### **OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Albeller

Title: Operations/Regulatory Tech Sr.

Date: 12/10/2021

# SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By:

David Kilven

Date of Survey:

8/5/1974

Certificate Number:

1760

Received to OCD to Day INVERSA 1:24:34 PM

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

<u>District III</u> 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

**Permit 304977** 

Form C-102

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-21328	2. Pool Code 72439	3. Pool Name BLANCO P. C. SOUTH (PRORATED GAS)
4. Property Code 318432	5. Property Name San Juan 28 7 Unit	6. Well No. 233M
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6198

#### 10. Surface Location

Ī	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	E	14	28N	07W		1460	N	1000	W	RIO
										ARRIBA

#### 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated A 160			13. Joint or Infill		14. Consolidatio	n Code		15. Order No.	

#### NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

#### **OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Abblu

Title: Operations/Regulatory Tech Sr.

Date: 12/10/2021

# SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: David Kilven
Date of Survey: 8/5/1974
Certificate Number: 1760

#### San Juan 28-7 Unit #233M

E - 14 - 28N - 07W 1460 FNL 1000 FWL

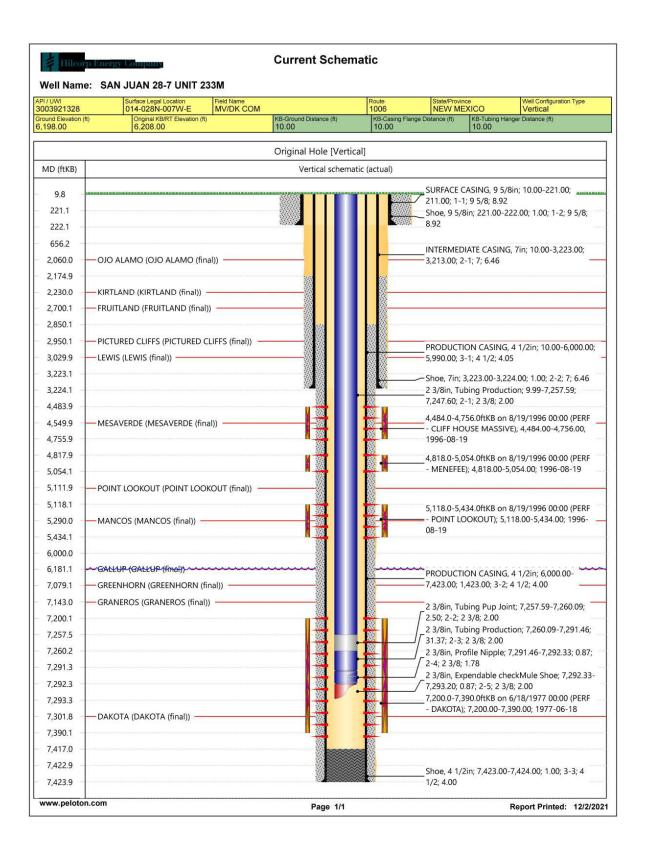
API#: 3003921328

# Fruitland Coal & Pictured Cliffs Recompletion Procedure

12/2/2021

## **Procedure:**

- 1. MIRU service rig and associated equipment.
- 2. Test BOP's
- 3. TOOH w/ 2-3/8" tubing currently set with EOT at 7,293'.
- 4. Set a CIBP to isolate the Mesaverde, Point Lookout, Mancos and Dakota @ +/- 4,434'.
- 5. Load the hole.
- 6. Pressure test casing to maximum fracture pressure.
- 7. ND BOP's. NU frac stack and test same to maximum fracture pressure.
- 8. RDMO service rig.
- 9. MIRU frac spread.
- 10. Perforate and frac the Fruitland Coal from 2,400' to 2,923' and the Pictured Cliffs from 2,923'-3,100'. RDMO frac spread.
- 11. MIRU service rig.
- 12. Test BOP's.
- 13. PU mill and RIH to clean out to isolation plug.
- 14. When water and sand rates are acceptable, flow test the Fruitland Coal and Pictured Cliffs.
- 15. Drill out isolation plug and TOOH.
- 16. TIH and land production tubing. Obtain a commingled flow rate.
- 17. ND BOP's, NU production tree.
- 18. RDMO service rig & turn well over to production.



#### **Proposed Schematic** Hilcorp Energy Company Well Name: SAN JUAN 28-7 UNIT 233M Well Configuration Type Vertical 3003921328 014-028N-007W-E MV/DK COM 1006 **NEW MEXICO** KB-Ground Distance (ft) 10.00 KB-Casing Flange Distance (ft) 10.00 Original KB/RT Elevation (ft) 6,208.00 Ground Elevation (ft) KB-Tubing Hanger Distance (ft) 6,198.00 10.00 Original Hole [Vertical] MD (ftKB) Vertical schematic (actual) SURFACE CASING, 9 5/8in; 10.00-221.00; 9.8 211.00; 1-1; 9 5/8; 8.92 221.1 Shoe, 9 5/8in; 221.00-222.00; 1.00; 1-2; 9 5/8; 892 222.1 656.2 INTERMEDIATE CASING, 7in; 10.00-3,223.00; 2,060.0 OJO ALAMO (OJO ALAMO (final)) 3,213.00; 2-1; 7; 6.46 2,174.9 2,230.0 KIRTLAND (KIRTLAND (final)) 2,700.1 FRUITLAND (FRUITLAND (final)) Perf 2,400'-2,923' 2,850.1 PICTURED CLIFFS (PICTURED CLIFFS (final)) Perf 2,923'-3,100' 2,950.1 PRODUCTION CASING, 4 1/2in; 10.00-6,000.00; 3,029.9 LEWIS (LEWIS (final)) 5,990.00; 3-1; 4 1/2; 4.05 3,223.1 Shoe, 7in; 3,223.00-3,224.00; 1.00; 2-2; 7; 6.46 3,224.1 2 3/8in, Tubing Production; 9.99-7,257.59; 7,247.60; 2-1; 2 3/8; 2.00 4,483.9 4,484.0-4,756.0ftKB on 8/19/1996 00:00 (PERF MESAVERDE (MESAVERDE (final)) 4,549.9 CLIFF HOUSE MASSIVE), 4,484.00-4,756.00; 4,755.9 1996-08-19 4,817.9 4,818.0-5,054.0ftKB on 8/19/1996 00:00 (PERF - MENEFEE); 4,818.00-5,054.00; 1996-08-19 5,054.1 5,111.9 POINT LOOKOUT (POINT LOOKOUT (final)) 5,118.1 5,118.0-5,434.0ftKB on 8/19/1996 00:00 (PERF - POINT LOOKOUT); 5,118.00-5,434.00; 1996-5,290.0 MANCOS (MANCOS (final)) 08-19 5,434.1 6,000.0 6.181.1 GALLUR (GALLUR (final))~ PRODUCTION CASING, 4 1/2in; 6,000.00-7,079.1 GREENHORN (GREENHORN (final)) 7,423.00; 1,423.00; 3-2; 4 1/2; 4.00 7,143.0 GRANEROS (GRANEROS (final)) 2 3/8in, Tubing Pup Joint; 7,257.59-7,260.09; 7,200.1 2.50; 2-2; 2 3/8; 2.00 2 3/8in, Tubing Production; 7,260.09-7,291.46; 7,257.5 31.37; 2-3; 2 3/8; 2.00 7,260.2 2 3/8in, Profile Nipple; 7,291.46-7,292.33; 0.87; 2-4; 2 3/8; 1.78 7,291.3 2 3/8in, Expendable checkMule Shoe; 7,292.33-7,292.3 7,293.20; 0.87; 2-5; 2 3/8; 2.00 7,200.0-7,390.0ftKB on 6/18/1977 00:00 (PERF 7,293.3 - DAKOTA); 7,200.00-7,390.00; 1977-06-18 7,301.8 DAKOTA (DAKOTA (final)) 7,390.1 7,417.0 7,422.9 Shoe, 4 1/2in; 7,423.00-7,424.00; 1.00; 3-3; 4 1/2; 4.00 7,423.9 www.peloton.com Page 1/1 Report Printed: 12/2/2021

**I. Operator:** Hilcorp Energy Company

# State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

# NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

# Section 1 – Plan Description Effective May 25, 2021

OGRID: 372171 Date: 12/9/2021

<b>II. Type:</b> ⊠ Original [	☐ Amendment	due to $\square$ 19.15.27	7.9.D(6)(a) NMAC	C □ 19.15.27.9.D(	(6)(b) NMAC □	Other.
If Other, please describe	e:					
III. Well(s): Provide the be recompleted from a s					vells proposed to	be drilled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
SJ 28-7 Unit 233M	3003921328	E, 14-28N-7W	1460' FNL & 1000' FWL	0	300	5
V. Anticipated Schedu proposed to be recomple Well Name	<b>le:</b> Provide the	following informa			rell or set of wells  Initial I	
SJ 28-7 Unit 233M	3003921328	N/A		N/A	2022	2022
VI. Separation Equipn	nent: 🗵 Attach	a complete descr	iption of how Ope	rator will size sep	aration equipmen	nt to optimize gas capture.
VII. Operational Prac Subsection A through F			cription of the acti	ons Operator will	I take to comply	with the requirements of
VIII. Best Management during active and planned			ete description of	Operator's best n	nanagement pract	tices to minimize venting

D of 19.15.27.9 NMAC; or

# Section 3 - Certifications Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

🖂 Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection

Venting and Flaring Plan. 

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- power generation on lease;
- **(b)** power generation for grid;
- compression on lease; (c)
- (d) liquids removal on lease;
- reinjection for underground storage; (e)
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- fuel cell production; and (h)
- other alternative beneficial uses approved by the division. (i)

# **Section 4 - Notices**

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Albakler
Printed Name: Amanda Walker
Title: Operations/Regulatory Tech Sr.
E-mail Address: mwalker@hilcorp.com
Date: 12/9/2021
Phone: 346-237-2177
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

#### VI. Separation Equipment:

Hilcorp Energy Company (HEC or Operator) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our recomplete project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomplete to optimize gas capture and send gas to sales or flare based on analytical composition. HEC operates facilities that are typically one-well facilities. Production separation equipment is upgraded prior to well being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the recomplete operations.

#### VII. Operational Practices:

- 1. Subsection (A) Venting and Flaring of Natural Gas
  - HEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
- 2. Subsection (B) Venting and Flaring during drilling operations
  - This gas capture plan isn't for a well being drilled.
- 3. Subsection (C) Venting and flaring during completion or recompletion
  - Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
  - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
- 4. Subsection (D) Venting and flaring during production operations
  - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
  - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
  - HEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 1-
- 5. Subsection (E) Performance standards
  - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
  - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
  - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

- 6. Subsection (F) Measurement or estimation of vented and flared natural gas
  - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
  - When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

### VIII. Best Management Practices:

- 1. Operator has adequate storage and takeaway capacity for wells it chooses to recomplete as the flowlines at the sites are already in place and tied into a gathering system.
- 2. Operator will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
- 3. Operator combusts natural gas that would otherwise be vented or flared, when technically feasible.
- 4. Operator will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

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** 

COMMENTS

Action 67240

#### **COMMENTS**

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	67240
	Action Type:
	[C-103] NOI Recompletion (C-103E)

#### COMMENTS

Created By	Comment	Comment Date
kpickford	KP GEO Review 12/15/2021	12/15/2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

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 67240

#### **CONDITIONS**

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	67240
	Action Type:
	[C-103] NOI Recompletion (C-103E)

#### CONDITIONS

Created By	Condition	Condition Date
kpickford	A downhole commingle for all pools involved is required prior to putting well into production.	12/15/2021