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

Sundry Print Report

01/10/2022

Well Name: BUTTE

Well Location: T30N / R13W / SEC 18 / NENE / 36.818301 / -108.239615

County or Parish/State: SAN JUAN / NM

Well Number: 3

Type of Well: OTHER

Allottee or Tribe Name:

Lease Number: NMNM09867A

Unit or CA Name:

Unit or CA Number:

US Well Number: 3004533890

Well Status: Gas Well Shut In

Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2649570

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 12/17/2021

Time Sundry Submitted: 05:01

Date proposed operation will begin: 01/10/2022

Procedure Description: Hilcorp Energy Company requests permission to P&A the subject well per the attached procedures, current and proposed wellbore schematics. The Pre-Disturbance Site Visit was not required due to the location being Private surface. A closed loop system will be used.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Butte_3_PA_Procedure_for_NOI_20211217170116.pdf

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Conditions of Approval

Additional Reviews

General_Requirement_PxA_20220110113224.pdf

2649570_NOIA_3_3004533890_KR_01102022_20220110113212.pdf

30N13W18AKpc_Butte_3_20220107123819.pdf

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: KANDIS ROLAND

Signed on: DEC 17, 2021 05:01 PM

Name: HILCORP ENERGY COMPANY

Title: Operation Regulatory Tech

Street Address: 382 Road 3100

City: Farmington **State:** NM

Phone: (505) 599-3400

Email address: kroland@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: 01/10/2022

Signature: Kenneth Rennick

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: Butte 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. The following modifications to your plugging program are to be made:
   a) Add a plug to cover the Pictured Cliffs formation top at 1425 feet.

3. Farmington Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.

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.

K. Rennick 1/10/2022

BLM FLUID MINERALS
P&A Geologic Report

Date Completed: 01/07/2022

Well No. Butte #3 (API# 30-045-33890)		Location	760 FNL	&	665 FEL	
Lease No. NMNM-09867A		Sec. 18	T30N		R13W	
Operator Hilcorp Energy Company		County	San Juan	State	New Mexico	
Total Depth 1686’	PBTD 1637	Formation	Lewis (TD), Fruitland (producing)			
Elevation (GL) 5612’		Elevation (KB)	5618’			

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/freshwater sands
Nacimiento Fm	Surface	30			Possible freshwater sands
Ojo Alamo Ss	30	140			Aquifer (possible freshwater)
Kirtland Shale	140			760	
Fruitland Fm			760	1425	Coal/Gas/Possible water
Pictured Cliffs Ss			1425	1584	Gas
Lewis Shale			1584	PBTD	
Chacra					Gas
Cliff House Ss					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					
Gallup					O&G/Water
Greenhorn					
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:
P & A

- BLM estimates/picks for the Lewis, Kirtland and Ojo Alamo formation tops vary from Operator’s submission.
- No CBL on file.
- Add a plug to cover the Pictured Cliffs top at 1425’.
- The plugs proposed in the P&A procedure, with recommended plug changes, will adequately protect any freshwater sands in this well bore.
- Fruitland perfs 1281’ – 1424’.

Reference Well:
1) **Formation Tops**
Same

Prepared by: *Chris Wenman*

Hilcorp Energy Company

P&A Procedure

General Information			
Well Name	Butte #3	**Date:**	8/16/2021
API:	30-045-33890	**AFE #**	
Field:	San Juan	**County**	San Juan
Status:	Well is ACOI		
Subject:	Permanently P&A wellbore		
By:	M. Wissing		

Well Data

Surface Casing: 8-5/8" 24# J-55 at 232'

Production Casing: 5-1/2" J-55 15.5 # at 1,684'

Production Tubing: 2-3/8" J-55 4.7# at 1,493'

Rod String: 7/8" guided rods with 1.5" ESP/slator at 1,485'

Current Perforations: 1,281' - 1,424'

Current PBTD: 1,637' (cement plug)

KB: 6'

SICP = 343 psig

Notes: Well history of scale on rods and tbg string.

Hold PJSM prior to begin all operations. Properly document all operations via the JSA process. Ensure that all personnel onsite abide by HEC safety protocol, including PPE, housekeeping, and standard guidelines. Verify cathodic protection is off and wellhead instrumentation is properly disconnected from the wellhead. Comply with all NMOCD and HEC safety and environmental regulations. Verify there is no H2S present prior to beginning operations. If any H2S is present, take the necessary actions to ensure that the location is safe prior to beginning operations. Observe and record pressures across all strings daily, prior to beginning operations.

Remember to notify NMOCD and BLM 24 hours prior to starting operations on location. This procedure is contingent upon P&A sundry approval by the NMOCD and BLM.

Rig Procedure

1. MIRU P&A rig and equipment. Record pressures on all strings.
2. Unseat rods from ESP and POOH with rod string. NU BOP & test. Release ESP pump and TOOH with production tbg and pump.
3. RIH with 5.5" casing scraper to +/- 1,245'.
4. MU 5.5" CICR and RIH. Set CICR at 1,231'
    a. **Fruitland Coal top perf at 1,281'**
5. Load wellbore with KCl water and circulate wellbore clean. Pressure test the casing to 500 psi to verify wellbore integrity and plug set.
6. **Plug #1 (Fruitland Coal top perforation at 1,281'):** RU cementers and pump a 50' balanced cmt plug inside the 5-1/2" from 1,181' – 1,231', using 2.5 bbls (12 sx) of 15.8+ ppg Class G cmt.
7. TOOH with tbg to 810'.
8. **Plug #2 (Fruitland Coal formation top at 760'):** RU cementers and pump a 100' balanced cmt plug inside the 5-1/2" from 710' – 810', using 3.7 bbls (18 sx) of 15.8+ ppg Class G cmt.
9. TOOH with tbg to 282'.
10. **Plug #3 (Surface casing shoe at 232'):** RU cementers and pump a 276' balanced cmt plug from Surface – 282' inside the 5-1/2" using 6.8 bbls (33 sx) of 15.8 ppg Class G cmt.
11. WOC 4 hrs. Verify all pressures on all strings are at 0 psi.
12. ND BOP. Tag cmt and top off wellbore as needed. Cutoff wellhead at surface and weld P&A marker.
13. RDMO P&A rig.

CURRENT WELLBORE SCHEMATIC

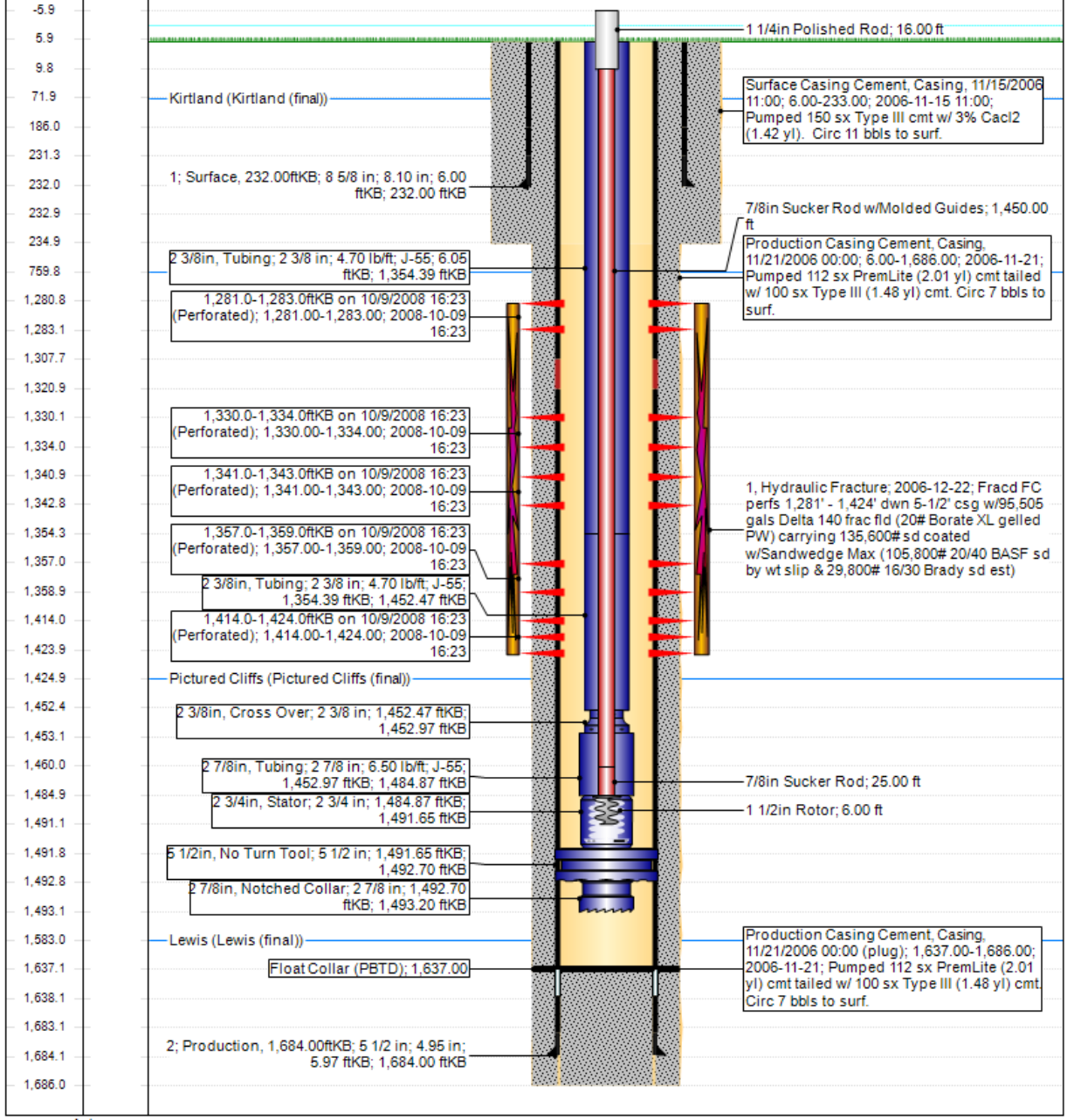
Hilcorp Energy Company

Current Schematic - Completion Comments

Well Name: BUTTE #3

API / UWI	Surface Legal Location	Field Name	Route	State/Province	Well Configuration Type
3004533890	T30N-R13W-S18	Basin Fruitland Coal	0202	New Mexico	Vertical

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
5,612.00	5,618.00	6.00		



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PROPOSED P&A WELLBORE SCHEMATIC

Hilcorp Energy Company

Wellbore Schematic - PROPOSED

Cut Whd and weld P&A Marker

276' Cement plug from 6'-282'
6.8 bbls (33 sx) 1.15 yield 15.8# Class G cement

Kirtland Formation Top (72')

12-1/4" Hole
8-5/8" 24# J-55 Csg @ 232'
Cmt'd w/ 150 sx (Circ 11 bbls to surf.)

100' Cement plug from 710' - 810'
3.7 bbls (18 sx) 1.15 yield 15.8# Class G cement

Fruitland Coal Formation Top (760')

50' Cement plug from 1,181'-1,231'
2.5 bbls (12 sx) 1.15 yield 15.8# Class G cement
5-1/2" CICR set at 1,231'

Fruitland Coal Perfs: 1,281'-1,424'

Pictured Cliffs Formation Top (1,425')

Lewis Formation Top (1,637')

PBTD : 1,637'

7-7/8" Hole
5-1/2" J-55 15.5# Csg @ 1,684'
Cmt'd w/ 112 sx tailed w/ 100 sx (Circ 7 bbls to surf.)

WELL NAME/NUMBER	DESCRIPTION		Ground Elevation:
Butte #3	Proposed P&A WBD		RKB-THF: 6'
			CFH:
FIELD/LEASE/AREA	PREPARED BY	APPROVED/DATE	
San Juan Basin	M. Wissing	8/13/2021	API # 30-045-33890

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
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 71251

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 71251
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	1/21/2022
kpickford	Adhere to BLM approved COAs and plugs. See GEO report.	1/21/2022