

Well Name: PICWAY	Well Location: T30N / R13W / SEC 32 / NENE / 36.774938 / -108.22281	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: OTHER	Allottee or Tribe Name:
Lease Number: NMSF078214	Unit or CA Name: FRCL - N2	Unit or CA Number: NMNM121635
US Well Number: 3004534564	Well Status: Gas Well Shut In	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2653612

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 01/21/2022	Time Sundry Submitted: 06:00
Date proposed operation will begin: 02/04/2022	

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 held on 1/18/2022 with Bob Switzer/BLM. The Re-Vegetation Plan is attached. A closed loop system will be used.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- PA_reclamation___Picway_2__01_20_22_20220121055805.pdf
- Picway_2_PA_Procedure_for_NOI_20220121055805.pdf

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Conditions of Approval

Additional Reviews

General_Requirement_PxA_20220304164834.pdf
2653612_NOIA_2_3004534564_KR_03042022_20220304164819.pdf
30N13W32AKIs_Picway_2_20220304111306.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: JAN 21, 2022 05:59 AM
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: 03/04/2022
Signature: Kenneth Rennick	



P&A Procedure

General Information			
Well Name	Picway #2	Date:	1/20/22
API:	30-045-34564	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 235'

Production Casing: 5-1/2" J-55 15.5# at 1,367'

Production Tubing: 2-3/8" J-55 4.7# at 1,240'

Rod String: 3/4" rods, shear tool, SBs, 2"x1.5"x10' RWAC insert pump

Current Perforations: 1,048'-1,089'; 1,163'-1,173'

Current PBTD: 1,322' (cement plug)

SICP = 20 psig

Notes: Historic notes of light scale on rods and tbg.

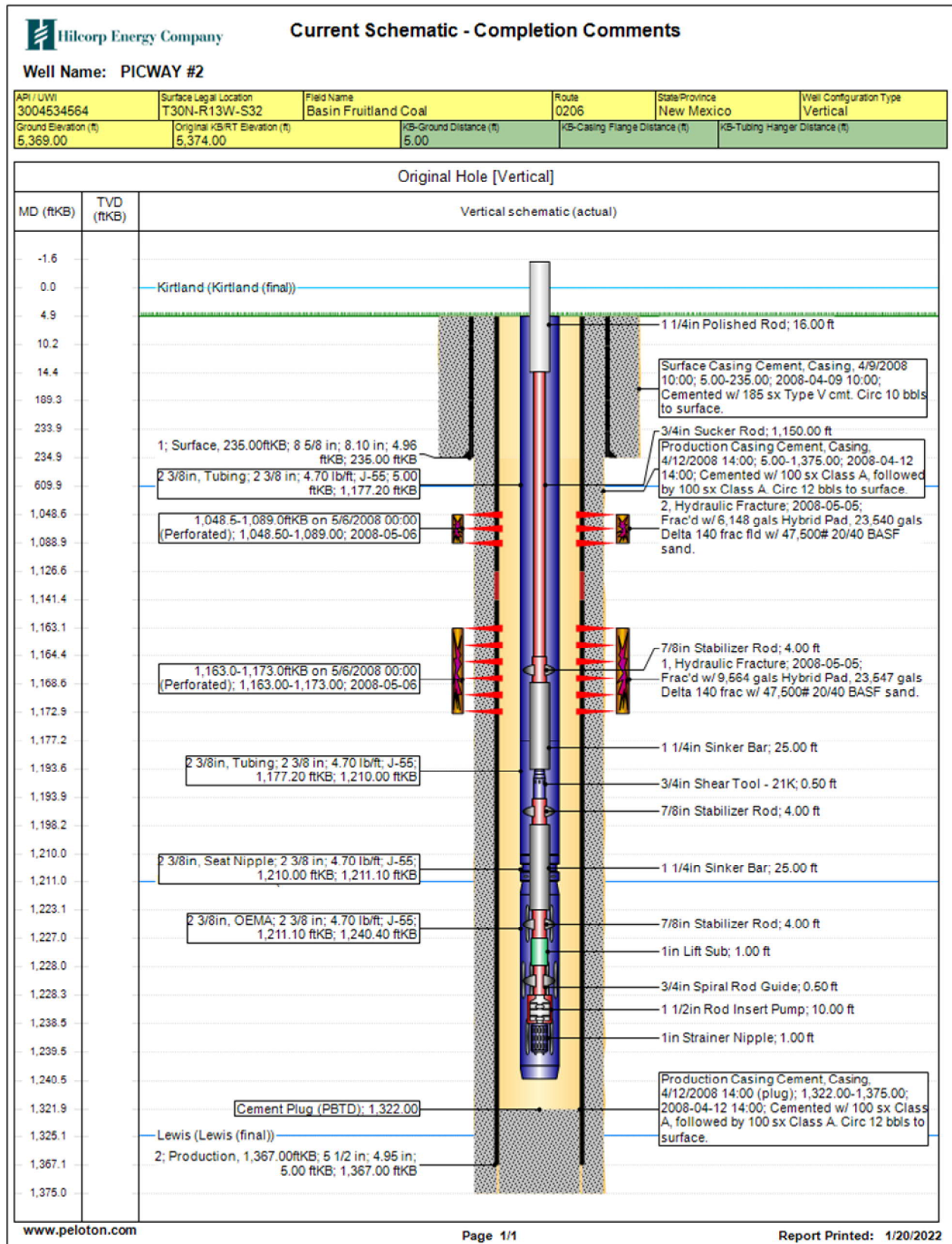
Hold PJSM prior to begin all operations. Properly document all operations via the JSA process. Ensure that all personnel onsite abide by HEC safety protocol, including PPE, housekeeping, and standard guidelines. Verify cathodic protection is off and wellhead instrumentation is properly disconnected from the wellhead. Comply with all NMOCD, BLM, 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 & BLM 24 hours prior to starting operations on location. This procedure is contingent upon P&A sundry approval by both the NMOCD and BLM.

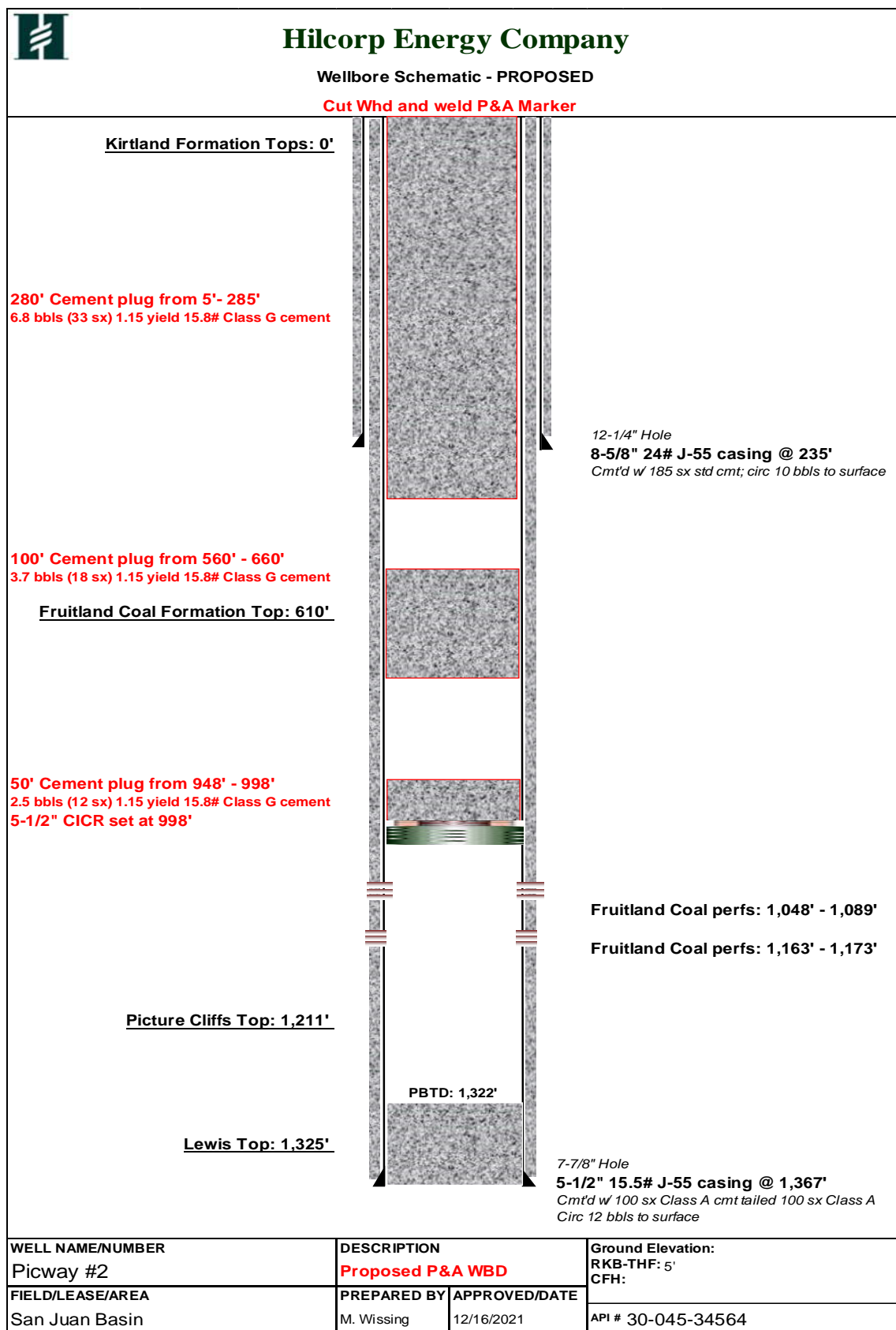
P&A Rig Procedure

1. MIRU P&A rig and equipment. Record pressures on all strings.
2. Unseat rod pump and POOH with rod string & rod pump. NU BOP & test. TOOH with production tbg.
3. RIH with 5.5" casing scraper to +/- 1,015'.
4. MU 5.5" CICR and RIH with 2-3/8" work string. Set CICR at 998'.
 - a. **Top FRC perf at 1,048'**
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 perf at 1,048')**: RU cementers and pump a 50' balanced cmt plug inside the 5-1/2" csg from 948'-998', using 2.5 bbls (12 sx) of 15.8+ ppg Class G cmt.
7. TOOH with tbg to 660'.
8. **Plug #2 (Fruitland Coal Formation top at 610')** RU cementers and pump a 100' balanced cmt plug from 560' – 660' inside the 5-1/2" using 3.7 bbls (18 sx) of 15.8 ppg Class G cmt.
9. TOOH with tbg to 285'.
10. **Plug #3 (Surface)**: RU cementers and pump a 280' balanced cmt plug from Surface' – 285' 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



PROPOSED WELLBORE SCHEMATIC



Hilcorp Energy
P&A Final Reclamation Plan
Picway #2
API: 30-045- 34564
A – Sec.32-T030N-R013W
Lat: 36.774934, Long: -108.222171
Footage: 800' FNL & 850' FEL
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 January 18, 2022.

2. LOCATION RECLAMATION PROCEDURE

- 2.1) Reclamation work will begin in the spring of 2022.
2.2) Remove all production equipment, anchors, and flowlines.
2.3) Enterprise Products will be responsible for pipeline removal.
2.4) All trash and debris will be removed within 50' buffer outside of the location disturbance during reclamation.
2.5) All nonnative aggregate will be scraped up and spread on access road.
2.6) Push fill over access road into cut slope and re-contour into shallow swales to create rolling terrain that matches natural topography drainage features to limit erosion.
2.7) Rip compacted soil and walk down disturbed portion of well pad.

3. ACCESS ROAD RECLAMATION PROCEDURE:

- 3.1) The lease access road will not be closed and reclaimed; it is access private land and residence.

4. SEEDING PROCEDURE

- 4.1) A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the location.
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.

Date: 1/20/2022
Scale: 1:1,128 mi
0 0 0.01 0.02 0.02 0.03
N

Wells

Gas Well

Hilcorp Boundaries

Asset Teams

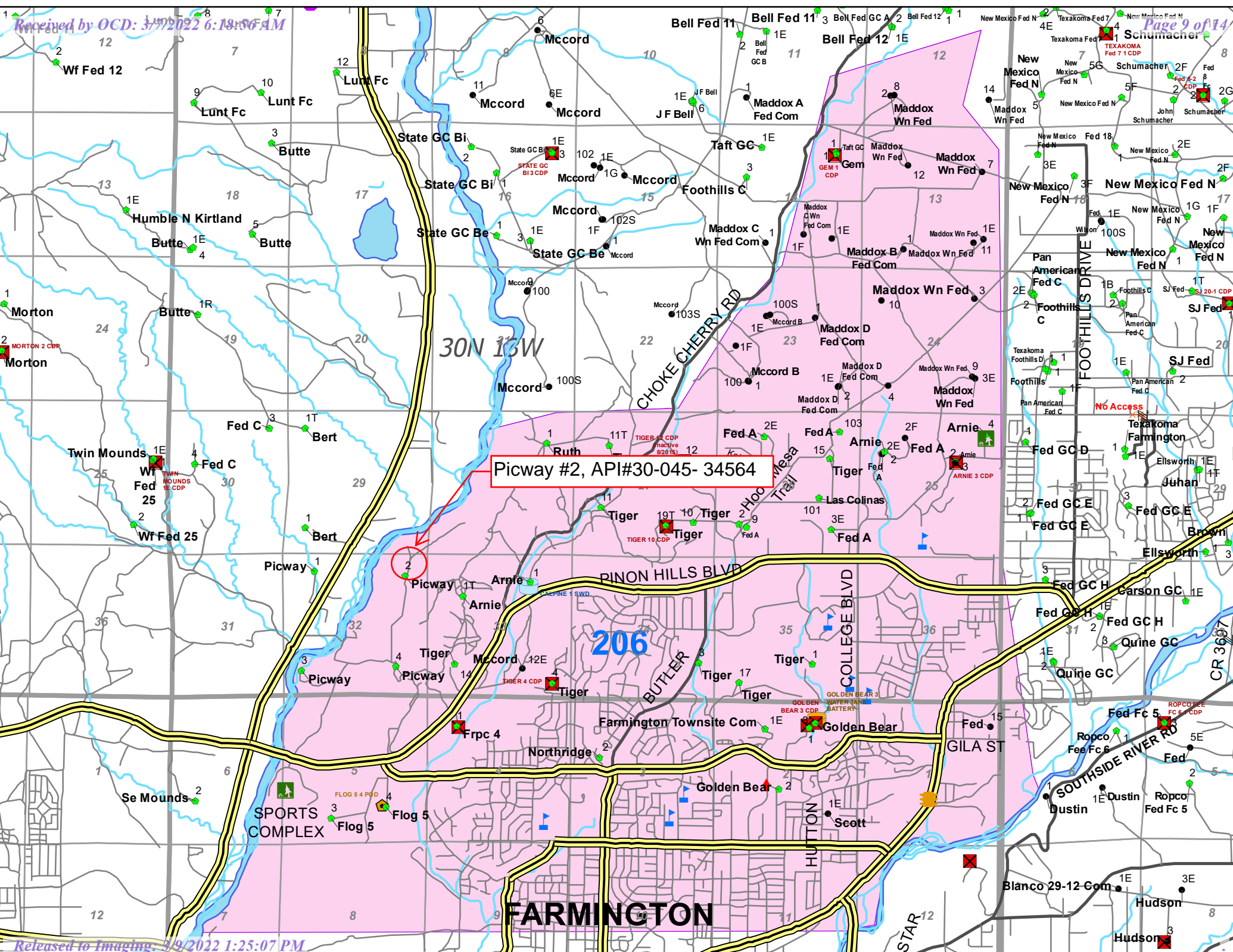
Supervisor Areas, outline

PICWAY 2

Fill will be pushed into cut, all nonnative aggregate will be buried at toe of the cut prior to pushing fill into the cut.

Nonnative aggregate will be scraped up and spread on access road.

Lease Access road will not be closed and re-claimed since it is access to private land and Residence.



**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 H₂S.

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.

(October 2012 Revision)

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

AFMSS 2 Sundry ID 2653612

Attachment to notice of Intention to Abandon

Well: Picway 2

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) Pump a volume of cement below the CICR at 998' to completely isolate the Fruitland Coal from the Pictured Cliffs. This will satisfy the requirement of adding a plug to cover the Pictured Cliffs formation at 1211' recommended in the BLM Geology Report.
 - b) Bring the top of the Fruitland plug up to 504' to cover BLM formation top pick (554').
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 3/4/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 3/4/2022

Well No. Picway #2 (API# 30-045-34564)	Location	800	FNL	&	815	FEL
Lease No. NMSF-078214	Sec. 32	T30N			R13W	
Operator Hilcorp Energy Company	County	San Juan		State	New Mexico	
Total Depth 1375'	PBTD 1322'	Formation Fruitland (producing), Lewis (TD)				
Elevation (GL) 5369'		Elevation (KB) 5374'				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					
Nacimiento Fm					
Ojo Alamo Ss					
Kirtland Shale			Surface	554	Surface/freshwater sands
Fruitland Fm			554	1211	Coal/Gas/Possible water
Pictured Cliffs Ss			1211	1325	Gas
Lewis Shale			1325	PBTD	
Chacra					
Cliff House Ss					
Menefee Fm					
Point Lookout Ss					
Mancos Shale					
Gallup					
Greenhorn					
Graneros Shale					
Dakota Ss					

Remarks:

P & A

- BLM pick for the Fruitland formation top varies from Operator pick.

- Add a plug to cover the Pictured Cliffs formation top at 1211'.

- Bring the top of the Fruitland plug up to 504' to cover BLM formation top pick (554').

- The plugs proposed in the P&A procedure, with recommended changes, will adequately protect any freshwater sands in this well bore.
- Fruitland perms 1048' – 1173'.

Reference Well:

1) **Formation Tops**
Same

Prepared by: Chris Wenman

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 87402

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 87402
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	3/9/2022
kpickford	Adhere to BLM approved COAs and plugs. See GEO report.	3/9/2022