

| | | |
|----------------------------|---------------------------------------------|---------------------------------------|
| Well Name: MCADAMS A | Well Location: T27N / R9W / SEC 20 / NWNW / | County or Parish/State: SAN JUAN / NM |
| Well Number: 1S | Type of Well: OTHER | Allottee or Tribe Name: |
| Lease Number: NMSF078421 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3004534357 | Well Status: Gas Well Shut In | Operator: HILCORP ENERGY COMPANY |

Notice of Intent

Sundry ID: 2669538

| | |
|------------------------------------------------|--------------------------------------|
| Type of Submission: Notice of Intent | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 05/02/2022 | Time Sundry Submitted: 01:15 |
| Date proposed operation will begin: 05/16/2022 | |

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 04/07/2022 with Roger Herrera/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

- McAdams_A_1S_P_A_Procedure_for_NOI_20220502131413.pdf
- MCADAMS_A_1S_Reclamation_Plan_20220502131412.pdf

Received by OCD: 5/24/2022 6:04:36 AM

Page 2 of 12

| | | |
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Conditions of Approval

Additional

General_Requirement_PxA_20220523094443.pdf
2669538_NOIA_1S_3004534357_KR_05232022_20220523094411.pdf
27N09W20DKpc_McAdams_A_1S_20220519101523.pdf

Operator

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

Operator Electronic Signature: KANDIS ROLAND

Signed on: MAY 02, 2022 01:14 PM

Name: HILCORP ENERGY COMPANY

Title: Operation Regulatory Tech

Street Address: 382 Road 3100

City: FarmingtonState: NM

Phone: (505) 599-3400

Email address: kroland@hilcorp.com

Field

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: 05/23/2022

Signature: Kenneth Rennick



P&A Procedure

| General Information | | | |
|---------------------|--------------------------|---------------|----------|
| Well Name | McAdams A 1S | Date: | 4/28/22 |
| API: | 30-045-34357 | AFE # | |
| Field: | San Juan | County | San Juan |
| Status: | Well is ACOI | | |
| Subject: | Permanently P&A wellbore | | |
| By: | M. Wissing | | |

Well Data

Surface Casing: 7" 23# J-55 at 135'

Production Casing: 4-1/2" J-55 10.5# at 2,470'

Production Tubing: 2-3/8" J-55 4.7# at 2,225'

Current Perforations: 2,146-2,234'

Current PBTD: 2,428' (cement plug)

KB: 11'

SICP = 46 psig/ BH: 0 psi (no historic BH pressures)

Run 607

Notes: last remedial rig work was 3/2009, no scale, coal fines in bumper spring, 1' fill tagged

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

P&A Rig Procedure

1. MIRU P&A rig and equipment.
 - a. *Record daily pressures on all strings.*
 - b. *Document all agency onsite witnesses and any approved procedure changes with all agencies.*
2. NU 5k BOP & test. TOOH with production tbg while scanning. LD any bad jts.
3. RIH with tbg to 2,282'. Fill wellbore with fluid and attempt circulation.
4. **Plug #1 (PC formation top at 2,282):** RU cementers, attempt to establish circulation, and pump a 150' balanced cmt plug inside the 4-1/2" csg from 2,182' – 2,332', using 2.5 bbls (12 sx) of 15.8+ ppg Class G cmt.
5. WOC. Tag TOC- needs to be above bottom FRC perf of 2,234'.
 - a. *Discuss with Monica with NMOCD if problems come up.*
6. RIH with 4.5" casing scraper to +/- 2,100'.
 - a. MU 4.5" CICR and RIH with 2-3/8" work string. Set CICR at 2,096' **(Top Fruitland Coal perf at 2,146')**.
7. Sting out, roll the hole with water and circulate wellbore clean. Pressure test the casing to 500 psi to verify wellbore integrity and plug set.
8. **Plug #2 (Fruitland Coal top perf at 2,146' & FRC formation top at 1,936')**: RU cementers and pump a 260' balanced cmt plug inside the 4-1/2" csg from 1,836' – 2,096', using 4.3 bbls (21 sx) of 15.8+ ppg Class G cmt.
9. TOOH with tbg to 1,525'.
10. **Plug #3 (Ojo formation top at 1,296' & Kirtland top at 1,475')**: RU cementers and pump a 329' balanced cmt plug inside the 4-1/2" csg from 1,196' – 1,525', using 5.3 bbls (26 sx) of 15.8+ ppg Class G cmt.
11. TOOH with tbg to 185'.
12. **Plug #4 (Surface casing at 135')**: RU cementers and pump a 224' balanced cmt plug from Surface – 234' inside the 5-1/2" using 5.5 bbls (27 sx) of 15.8 ppg Class G cmt.
13. Verify all pressures on all strings are at 0 psi.
14. ND BOP. Tag cmt and top off wellbore with cmt as needed. Cutoff wellhead at surface and weld on labeled P&A marker.
15. RDMO P&A rig.

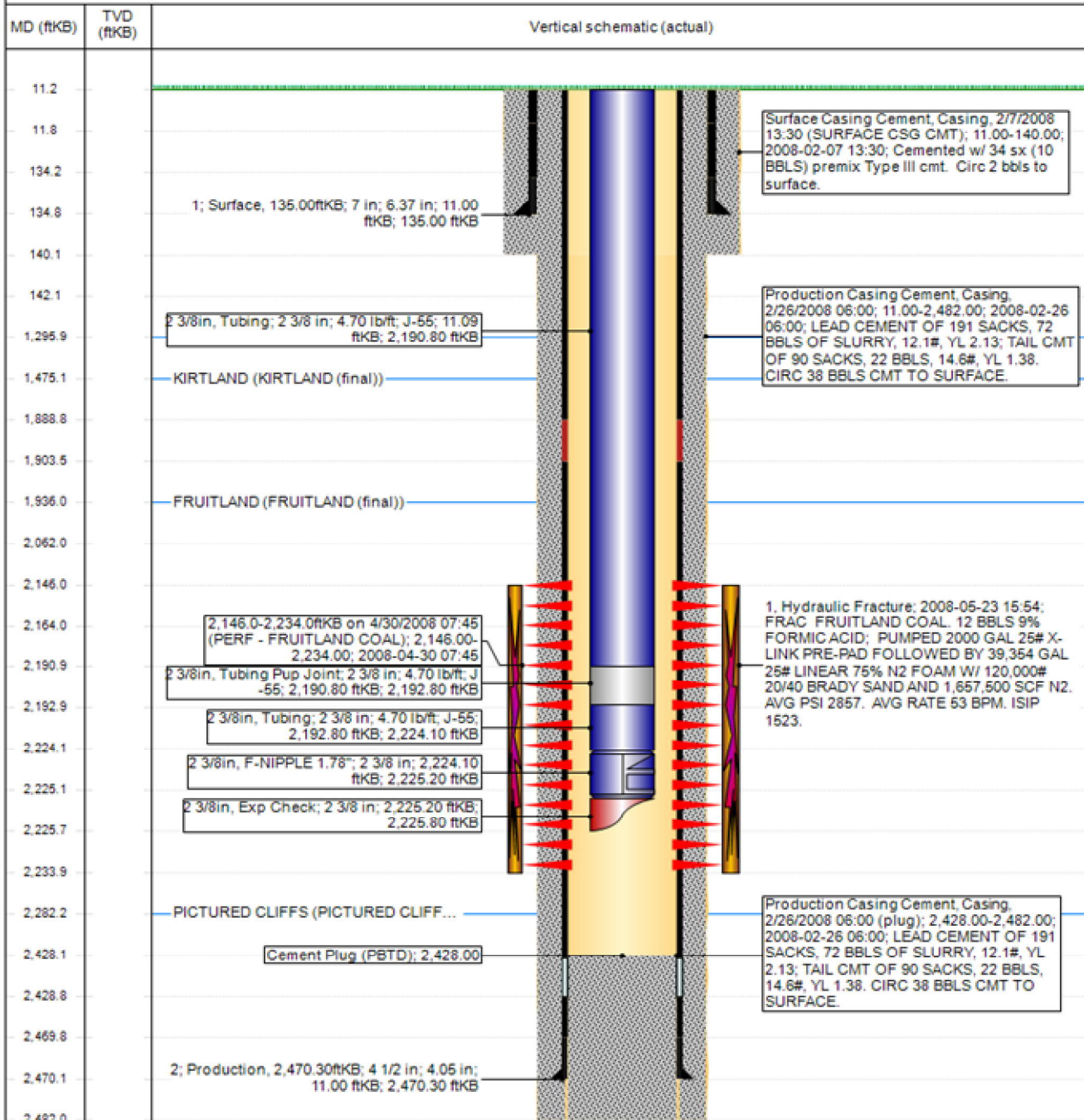


Current Schematic - Completion Comments

Well Name: MCADAMS A #1S

| | | | | | |
|-----------------------------------|-------------------------------------------|------------------------------------|--------------------------------|--------------------------------|-------------------------------------|
| API / UWI 3004534357 | Surface Legal Location 020-027N-009W-D | Field Name BASIN FRUITLAND COAL | Route 0607 | State/Province NEW MEXICO | Well Configuration Type VERTICAL |
| Ground Elevation (ft) 6,394.00 | Original KB/RT Elevation (ft) 6,405.00 | KB-Ground Distance (ft) 11.00 | KB-Casing Flange Distance (ft) | KB-Tubing Hanger Distance (ft) | |

Original Hole [VERTICAL]



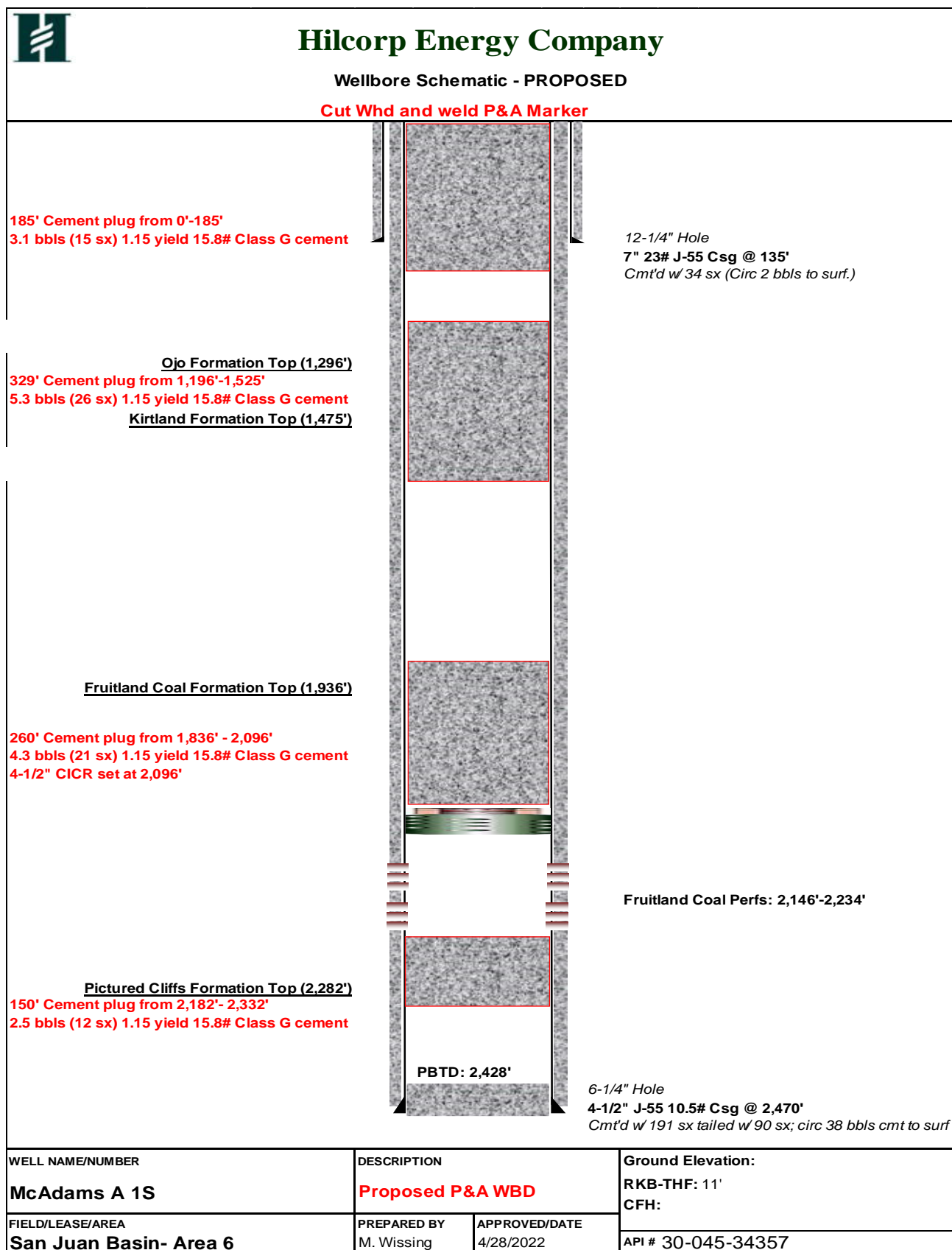
www.peloton.com

Page 1/1

Report Printed: 4/28/2022



PROPOSED P&A WELLBORE SCHEMATIC



Hilcorp Energy
P&A Final Reclamation Plan
MCADAMS A 1S
API: 30-045-34357
T27N-R9W-Sec. 20-Unit D
LAT: 36.565122 LONG: -107.816604 NAD 27
Footage: 910' FNL & 950' FWL
San Juan County, NM

1. PRE- RECLAMATION SITE INSPECTION

A pre-reclamation site inspection was completed with Roger Herrera from the BLM and Eufracio Trujillo, Hilcorp Energy SJ South Construction Foreman on April 7, 2022.

2. LOCATION RECLAMATION PROCEDURE

1. Reclamation work will begin in summer.
2. Removal of all equipment, anchors, and flow lines.
3. Reclamation of location will take place when twinned location is P&A.
4. All trash and debris will be removed within a 50' buffer outside of the location disturbance during reclamation.
5. Remove all gravel from berms, pads, and meter run and use on lease road where needed.
6. Enterprise meter run will be removed out of their ROW. Barricade riser and blind if needed.

3. ACCESS ROAD RECLAMATION PROCEDURE

1. No reclamation to be done at this time until the twinned well is P&A.

4. SEEDING PROCEDURE

Nothing will need seeded until twinned well is P&A.

5. WEED MANAGEMENT

1. No noxious weeds were identified during this onsite.

**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 2669538

Attachment to notice of Intention to Abandon

Well: Mcadams A 1S

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence 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 5/23/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 05/19/2022

| | | | | | | | |
|--------------------------------------------|------------|---------------------------------------------------------|----------|-----|-------|------------|-----|
| Well No. McAdams A #1S (API# 30-045-34357) | | Location | 910 | FNL | & | 950 | FWL |
| Lease No. NMSF078421 | | Sec. 20 | T27N | | | R09W | |
| Operator Hilcorp Energy Company | | County | San Juan | | State | New Mexico | |
| Total Depth 2482' | PBTD 2361' | Formation Pictured Cliffs (PBTD), Fruitland (producing) | | | | | |
| Elevation (GL) 6390' | | Elevation (KB) 6401' | | | | | |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks |
|---------------------|----------|-------------|---------|------------|-----------------------------------|
| San Jose Fm | | | | | |
| Nacimiento Fm | Surface | 1296 | | | Surface/possible freshwater sands |
| Ojo Alamo Ss | 1296 | 1475 | | | Aquifer (possible freshwater) |
| Kirtland Shale | 1475 | 1936 | | | Possible gas |
| Fruitland Fm | 1936 | 2282 | | | Coal/Gas/Water |
| Pictured Cliffs Ss | 2282 | PBTD | | | Gas |
| Lewis Shale | | | | | |
| Chacra | | | | | |
| Cliff House Ss | | | | | |
| Menefee Fm | | | | | |
| Point Lookout Ss | | | | | |
| Mancos Shale | | | | | |
| Gallup | | | | | |
| Greenhorn | | | | | |
| Graneros Shale | | | | | |
| Dakota Ss | | | | | |
| Morrison Formation | | | | | |

Remarks:

P & A

- No well log available for subject well. Operator tops are acceptable based on well data from offset wells.
- The plugs proposed in the P&A procedure will adequately protect any freshwater sands in this well bore.
- Fruitland coal perms 2062' – 2184'.

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 109662

CONDITIONS

| | |
|--------------------------------------------------------------------------------|-----------------------------------------------------|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 109662 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-------------------------------------------------------|----------------|
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 5/31/2022 |
| kpickford | Adhere to BLM approved plugs and COAs. See GEO Report | 5/31/2022 |