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

Sundry Print Report

06/12/2023

Well Name: CANYON

Well Location: T25N / R11W / SEC 10 / SWSE / 36.411224 / -107.987869

County or Parish/State: SAN JUAN / NM

Well Number: 1

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name: EASTERN NAVAJO

Lease Number: N00C14203607

Unit or CA Name: CANYON

Unit or CA Number: NMNM75919

US Well Number: 3004521247

Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2734751

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 06/07/2023

Time Sundry Submitted: 10:00

Date proposed operation will begin: 07/01/2023

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 6/6/2023 with Roger Herrera/BLM and Belinda Chee/Navajo Nation. 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

Canyon_1_P_A_Procedure_2023_20230607100043.pdf

Please Add a cmt plug sufficient to cover the DV tool @ 2118'

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Operator: HILCORP ENERGY COMPANY

Conditions of Approval

Additional

PxA_25N11W10OKd_Canyon_001_20230609130710.pdf

Authorized

General_Requirement_PxA_20230609140154.pdf

2734751_NOIA_1_3004521247_KR_06092023_20230609140144.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: AMANDA WALKER

Signed on: JUN 07, 2023 10:00 AM

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 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: 06/09/2023

Signature: Kenneth Rennick

Hilcorp Energy Company

Proposed P&A Procedure

Well: Canyon #1

API: 30-045-21247

Date: 6/5/2023

Engr: M Wissing

Surface: BLM

Wellbore		Wt #	ID	Bottom (ft)	Bbl/ft	Drill Bit
SPUD	3/2/1973					
KB (ft)	13 ft					
Surface Casing	8-5/8"	24#	8.1	627'	0.06370	12-1/4"
Production Casing	4-1/2"	11.6#	4.00	6,025'	0.01553	7-7/8"
Csg x Open hole	7.875 X 4.5	-	-	-	0.04060	
Csg Annular	8.1 X 4.5	-	-	-	0.04410	
Tubing	2-3/8" (2014)	4.7#		187 jts		
PBTD	6,002 ft					

Cement

Type	Type III	
Yield	1.37	Bbl/sx
Water	6.64	Gal/sx
Weight	14.8	PPG
Total Job Cmt	107	SX
Total Cmt Water	17	Bbl
Csg Vol Water	89.8	Bbl

Lift Type: Plunger

SITP: 0 psi; SICP: 0 psi; SIBP: 86 psi (6/6/23)

Historic Braden Head Pressure: 115 psi in 2015 by XTO. All Hilcorp BH tests have been 0 psi.

Rig History: Rig work in 2014 by XTO ran a RBP to run a CBL. History of fill in csg but never cleaned out.

Slickline: found scale and fishing stuck plungers and bumper springs (XTO)

Logs: 2014 CBL but unable to locate

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Proposed P&A Procedure

P&A Cement: All cement plugs include 50 ft excess volumes. Due to SJ Basin cement resource limitations, Type III (6.64 gal/sx, 1.37 yld, 14.8#), Class G (5 gal/sx, 1.15 yld, 15.8#), or Type 2/5 (6.041 gal/sx, 1.27 yld, 15#) cement might be used at any point during the P&A project.

RIG P&A PROCEDURE:

1) Verify rig access and that all wellhead valves are operable.
2) Verify slickline has cleared 2-3/8" tbg with gauge ring past EOT at 5,839'.
    a. Pull any plunger and/or BHBS that could be in tbg.
3) Move rig onto well location. Check well pressures on all casing strings and record (daily). Check well for H_2S and blow down or kill well as necessary.
4) RD wellhead and RU BOPs. Function test BOP 2-3/8" pipe and blind rams.
5) Release tbg hanger and TOOH with the production tbg.
6) MU 2-3/8" work string with 4-1/2" csg scraper and RIH. Get down to at least 5,800'. POOH.
7) MU 4-1/2" CIBP (3.62" running ID) and RIH. Set CIBP at 5,780'.
8) Top off prod. casing with water.
9) Pressure test the casing to 550-600 psi for 10 minutes (no chart).
10) PLUG #1 (TOP PERF @ 5,826', DK TOP @ 5,825')
    a. Pump a 150' cement balanced plug from 5,630'- 5,780' with 10 SXS, 2.4 BBLS of Type III, 1.37 yld, 14.8# cement inside the 4-1/2" csg.
11) TOOH with setting tool.
12) RU E-line and run CBL tool from near TOC to surface.
13) Review CBL with BLM & NMOCD; adjust all cement plugs based on log results.
14) RIH with work string to 5,101'.
15) PLUG #2 (GALLUP TOP @ 5,051')
    a. Pump a 150' cement balanced plug from 4,951'- 5,101' with 10 SXS, 2.4 BBLS of Type III, 1.37 yld, 14.8# cement inside the 4-1/2" csg.
16) TOOH with tbg to 4,010'.
17) PLUG #3 (MANCOS TOP @ 3,960')
    a. Pump a 150' cement balanced plug from 3,860'- 4,010' with 10 SXS, 2.4 BBLS of Type III, 1.37 yld, 14.8# cement inside the 4-1/2" csg.
18) TOOH to 2,808'.
19) PLUG #4 (MESA VERDE TOP @ 2,758')
    a. Pump a 150' cement balanced plug from 2,658'- 2,808' with 10 SXS, 2.4 BBLS of Type III, 1.37 yld, 14.8# cement inside the 4-1/2" csg.
20) TOOH with tbg to 2,103'
21) PLUG #5 (CHACRA TOP @ 2,053')
    a. Pump a 150' cement balanced plug from 1,953'- 2,103' with 10 SXS, 2.4 BBLS of Type III, 1.37 yld, 14.8# cement inside the 4-1/2" csg.
22) TOOH to 1,358'

Hilcorp Energy Company

Proposed P&A Procedure

23) PLUG #6 (PC TOP @ 1,308')
    a. Pump a 150' cement balanced plug from 1,208'- 1,358' with 10 SXS, 2.4 BBLS of Type III, 1.37 yld, 14.8# cement inside the 4-1/2" csg.
24) TOOH with tbg to 912'.
25) PLUG #7 (FRC TOP @ 862', Surface csg @ 627')
    a. Pump a 385' cement balanced plug from 527'- 912' with 25 SXS, 6.1 BBLS of Type III, 1.37 yld, 14.8# cement inside the 4-1/2" csg.
    b. Adjust cement plug based on CBL results and possible bradenhead pressure. Working with BLM and OCD to monitor and remediate any BH pressure.
26) TOOH with tbg to 113'.
27) PLUG #8 (SURFACE @ 334')
    a. Pump a 100' cement balanced plug from Surface (13' KB) - 113' with 7 SXS, 1.7 BBLS of Type III, 1.37 yld, 14.8# cement inside the 4-1/2" csg.
28) N/D BOPE.
29) Cut off wellhead.
30) Check marker joint for correct well information and weld on P&A well marker.
31) Top off all casing strings and whd cellar with 15+/- sx of cement.
32) Release rig.

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Proposed P&A Procedure

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Proposed P&A Procedure

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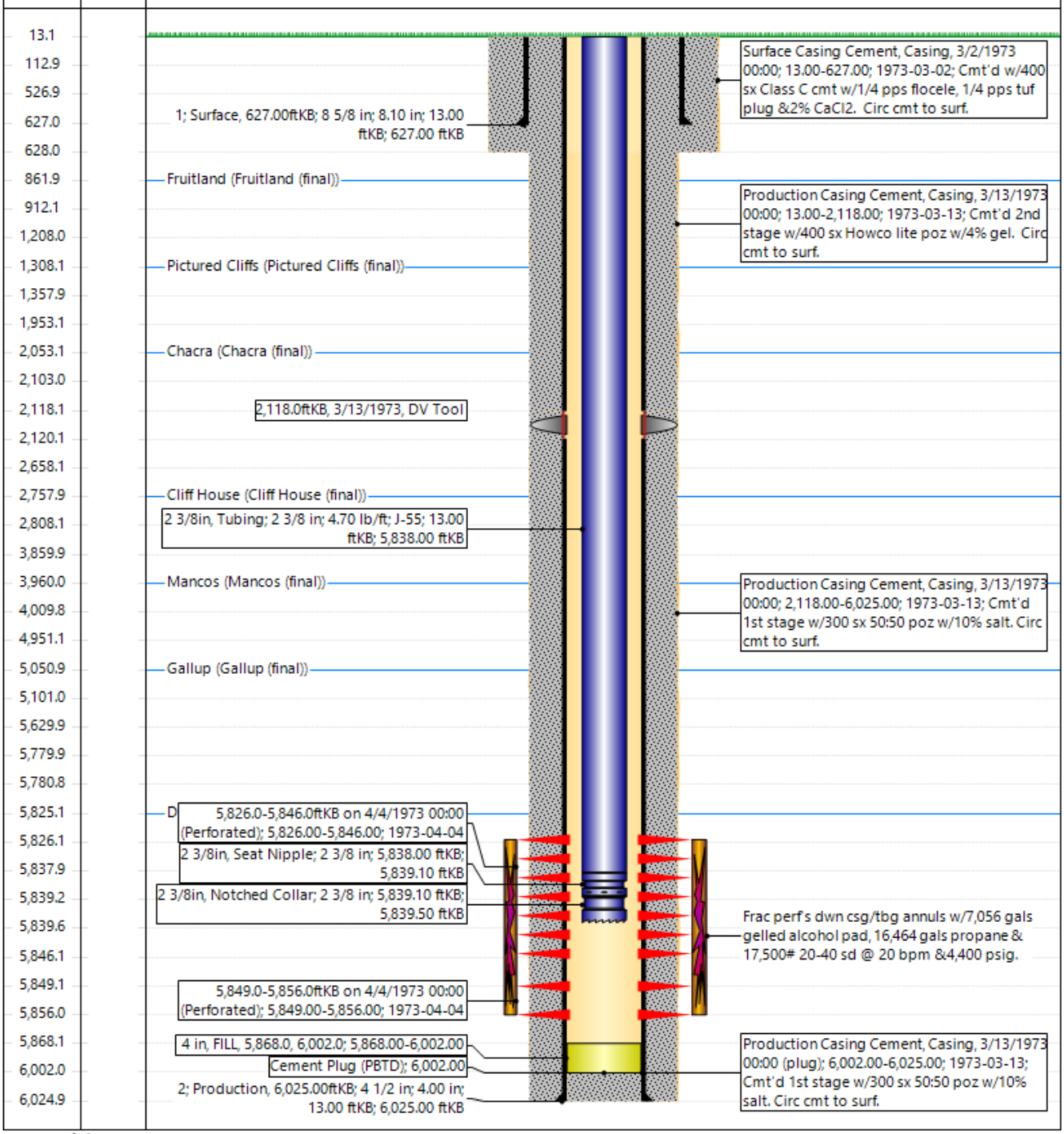
Current Schematic - Completion Comments

Well Name: CANYON #1

API / UWI	Surface Legal Location	Field Name	Route	State/Province	Well Configuration Type
3004521247	T25N-R11W-S10	Basin Dakota	0609	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)
6,356.00	6,369.00	13.00		

Original Hole [Vertical]



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Hilcorp Energy Company

Proposed P&A Procedure

Hilcorp Energy Company

P&A Proposed Schematic

Well Name: CANYON #1

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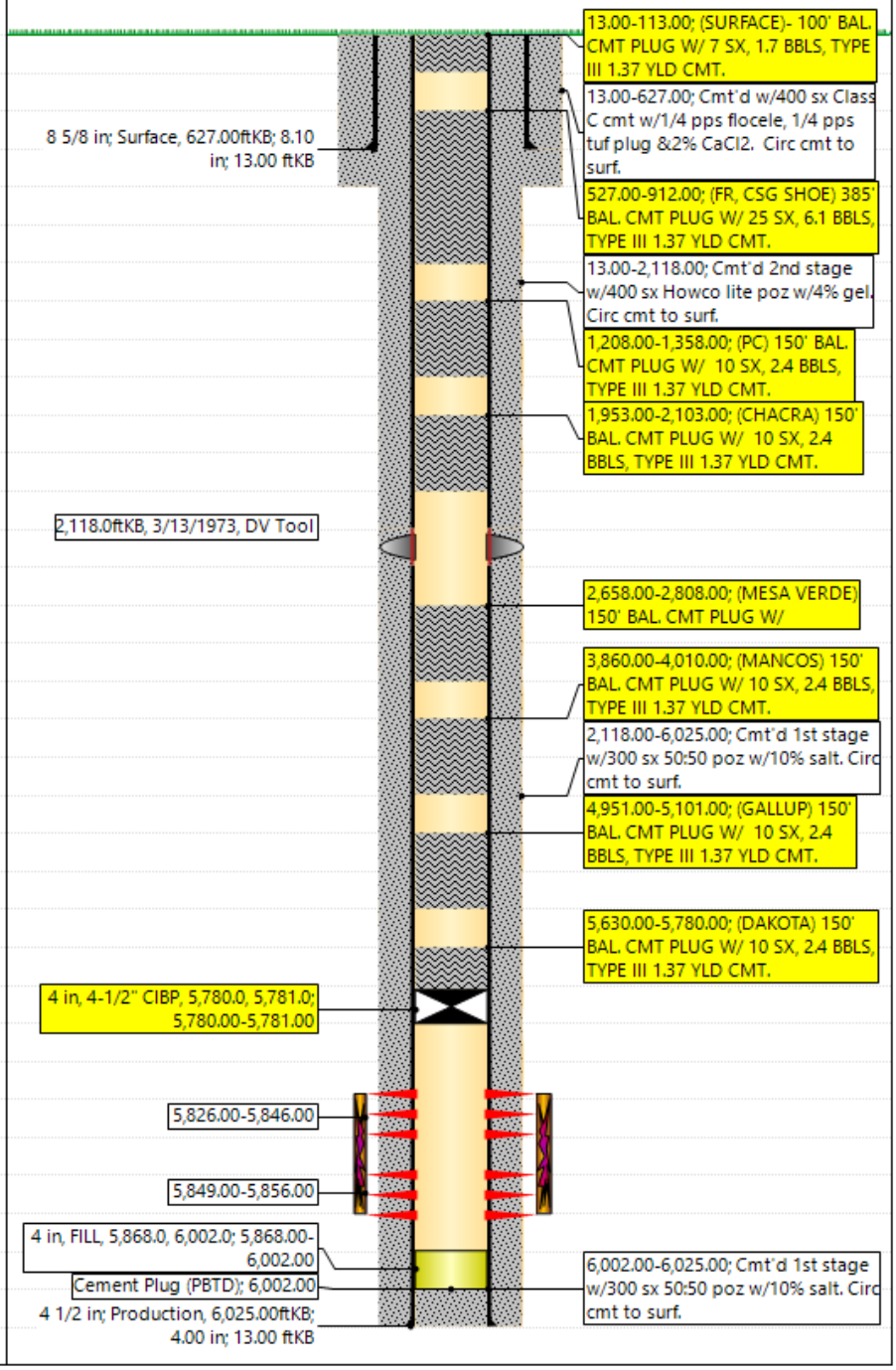
6,356.00	6,369.00	13.00		

Original Hole [Vertical]

MD (ftKB)	TVD (ftKB)	Formation Tops	MD
13.1			
112.9			
526.9			
627.0			
628.0			
861.9		Fruitland	862.0
912.1			
1,208.0			
1,308.1		Pictured Cliffs	1,308.0
1,357.9			
1,953.1			
2,053.1		Chacra	2,053.0
2,103.0			
2,118.1			
2,120.1			
2,658.1			
2,757.9		Cliff House	2,758.0
2,808.1			
3,859.9			
3,960.0		Mancos	3,960.0
4,009.8			
4,951.1			
5,050.9		Gallup	5,051.0
5,101.0			
5,629.9			
5,779.9			
5,780.8			
5,825.1		Dakota	5,825.0
5,826.1			
5,846.1			
5,849.1			
5,856.0			
5,868.1			
6,002.0			
6,024.9			

Vertical schematic (proposed)



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Hilcorp Energy
P&A Final Reclamation Plan
Canyon 1
API: 30-045-21247
T25N-R11W-Sec. 10-Unit O
LAT: 36.411275 LONG: -107.98794 NAD 27
Footage: 1100' FSL & 1800' FEL
San Juan County, NM

1. **PRE- RECLAMATION SITE INSPECTION**

   A pre-reclamation site inspection was completed with Roger Herrera from the BLM, Belinda Chee from the Navajo Nation and Dale Crawford, Hilcorp Energy SJ South Construction Foreman on June 6, 2023.

2. **LOCATION RECLAMATION PROCEDURE**

   1. Reclamation work will begin in summer.
   2. Removal of all equipment, anchors, flowlines, cathodic, and pipelines.
   3. All trash and debris will be removed within a 50' buffer outside of the location disturbance during reclamation.
   4. Check BGT permit status on this location as it has a BGT present.
   5. Close out BGT on location when results permit if needed.
   6. Remove cathodic pole.
   7. Plug cathodic well below surface.
   8. Rip compacted soil and walk down disturbed portion of well pad.
   9. Pull Eastern edge towards Western edge.
   10. Leave diversion ditch along North edge of pad as is.
   11. Add silt trap at entrance to pad on the north side and as needed.
   12. Remove all gravel from berms, pads, and meter run and use on main road where needed.
   13. Enterprise meter run and line to be removed and dead ended at main road

3. **ACCESS ROAD RECLAMATION PROCEDURE**

   1. The well access road will be ripped and contoured in and blocked off entrance with earthen berm.
   2. Block at the main road with a berm and ditch.
   3. Seed road.

4. **SEEDING PROCEDURE**

   1. A Pinon/Juniper seed mix will be used for all reclaimed and disturbed areas of the well pad and lease road.
   2. Drill seed 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.
   3. Timing of the seeding will be when the ground is not frozen or saturated.

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 H_2S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), through the Automated Fluid Minerals Support System (AFMSS) 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

AFMSS 2 Sundry ID 2734751

Attachment to notice of Intention to Abandon

Well: Canyon 1

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. Adjust Plug #2 (Gallup) to cover BLM formation top pick @ 4794'.

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 06/09/2023

BLM FFO Fluid Minerals
P&A Geologic Report

AFMSS Sundry ID: 2734751 **Date Completed:** 6/9/2023

Well No.	Canyon #001	SHL	1100	FSL	1800	FEL
API No.	3004521247	Section	10	T25N	R11W	
Lease No.	N00C14203607					
Operator	Hilcorp Energy Company					
Elevation (KB)	6369'	County	San Juan		State	NM
Total Depth	6025 PBTD 6002	Formation		Dakota		

Formation	Top (TVD)	Remarks
San Jose Fm.		
Nacimiento Fm.	Surface	Surface/fresh water sands
Ojo Alamo Ss	behind surface casing	Aquifer
Kirtland Fm.	behind surface casing	Probable gas/water
Fruitland Fm.	848	Coal/gas/possible water
Pictured Cliffs Ss	1308	Potential gas/water
Lewis Shale	1382	
Chacra	2053	Probable water
Cliff House Ss	2758	Possible gas/water
Menefee Fm.	2804	Coal/ss/water/possible gas
Point Lookout Fm.	3630	Possible Gas
Mancos Shale	3960	O&G
Gallup	4794	O&G
Greenhorn Ls	5827	
Graneros Shale	5731	
Dakota Ss	5825	O&G
Morrison Fm.		

Remarks:	Reference Well:
- BLM picks for the Gallup and Fruitland formation tops vary from Operator. - Adjust Plug #2 (Gallup) to cover BLM formation top pick @ 4794'. - Dakota perfs 5826' - 5856'.	**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 226314

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 226314
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
john.harrison	Accepted for record - NMOCD JRH.6/15/23. BLM approved P&A 6/9/23. Please add cmt plug sufficient to cover DV Tool @ 2118'	6/15/2023