

State of Colorado Energy & Carbon Management Commission

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| Date Received: | | | |

SUNDRY NOTICE

This form is required for reports, updates, and requests as specified in the ECMC rules. It is also used to request changes to some aspects of approved permits for Wells and Oil and Gas Locations.

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|---|--|
| ECMC Operator Number: <u>10133</u> | Contact Name <u>Amanda Atencio</u> |
| Name of Operator: <u>HILCORP ENERGY COMPANY</u> | Phone: <u>(346) 237-2160</u> |
| Address: <u>P O BOX 61229</u> | Fax: <u>()</u> |
| City: <u>HOUSTON</u> State: <u>TX</u> Zip: <u>77208</u> | Email: <u>Amanda.Atencio@hilcorp.com</u> |

FORM 4 SUBMITTED FOR:

Facility Type: WELL

API Number : 05- 067 09586 00 ID Number: 296927

Name: SCHALLES Number: 3

Location QtrQtr: SWNW Section: 6 Township: 32N Range: 6W Meridian: N

County: LA PLATA Field Name: IGNACIO BLANCO

Oil & Gas Location(s) and Oil & Gas Development Plan (OGDP) Information

Location(s)

| Location ID | Location Name and Number |
|-------------|--------------------------|
| 333613 | SCHALLES-N32N6W 6SWNW |

OGDP(s)

No OGDP

WELL LOCATION CHANGE OR AS-BUILT GPS REPORT

☐ Change of Location for Well * ☐ As-Built GPS Location Report ☐ As-Built GPS Location Report with Survey

* Well Location Change requires a new Plat.

SURFACE LOCATION GPS DATA Data must be provided for Change of Surface Location and As Built Reports.

Latitude Longitude

GPS Quality Value: Type of GPS Quality Value: Measurement Date:

Well Ground Elevation: feet (Required for change of Surface Location.)

WELL LOCATION CHANGE

Well plan is: (Vertical, Directional, Horizontal)

Change of **Surface** Footage From:

Change of **Surface** Footage To:

| | | | | | | | | | | |
|--------------------------------------|--------|-------------------|-----|-------------------|-----|-------------------|-------|-------------------|----------|-------------------|
| Current Surface Location From | QtrQtr | <u>SWNW</u> | Sec | <u>6</u> | Twp | <u>32N</u> | Range | <u>6W</u> | Meridian | <u>N</u> |
| New Surface Location To | QtrQtr | <u> </u> | Sec | <u> </u> | Twp | <u> </u> | Range | <u> </u> | Meridian | <u> </u> |

Change of **Top of Productive Zone** Footage From:

Change of **Top of Productive Zone** Footage To:

| | | | | | | |
|--|-----|-------------------|-----|-------------------|-------|-------------------|
| Current Top of Productive Zone Location | Sec | <u>6</u> | Twp | <u>32N</u> | Range | <u>6W</u> |
| New Top of Productive Zone Location | Sec | <u> </u> | Twp | <u> </u> | Range | <u> </u> |

| | | | |
|-------------------|-------------------|-------------------|-------------------|
| FNL/FSL | | FEL/FWL | |
| <u>1441</u> | <u>FNL</u> | <u>737</u> | <u>FWL</u> |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| FNL/FSL | | FEL/FWL | |
| <u>797</u> | <u>FNL</u> | <u>2079</u> | <u>FWL</u> |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> |

**

Change of **Base of Productive Zone** Footage **From:**

Change of **Base of Productive Zone** Footage **To:**

Current **Base of Productive Zone** Location

New **Base of Productive Zone** Location

Change of **Bottomhole** Footage **From:**

Change of **Bottomhole** Footage **To:**

Current **Bottomhole** Location

New **Bottomhole** Location

Sec

Twp

Range

Sec

Twp

Range

797

FNL

2079

FWL

**

** attach deviated drilling plan

SAFETY SETBACK INFORMATION

Required for change of Surface Location.

Distance from Well to nearest:

Building:

Building Unit:

Public Road:

Above Ground Utility:

Railroad:

Property Line:

Feet

Feet

Feet

Feet

Feet

Feet

INSTRUCTIONS:

- Specify all distances per Rule 308.b.(1).

- Enter 5280 for distance greater than 1 mile.

- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.

- Building Unit – as defined in 100 Series Rules.

SUBSURFACE MINERAL SETBACKS

Required for change of Top and/or Base of Productive Zone. Enter 5280 for distance greater than 1 mile.

Is this Well within a unit?

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary:

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well within the same unit permitted or completed in the same formation:

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease:

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well producing from the same lease and permitted or completed in the same formation:

Exception Location

☐

If this Well requires the approval of a Rule 401.c Exception Location, enter the Rule or spacing order number and attach the Exception Location Request and Waivers.

LOCATION CHANGE COMMENTS

CHANGE OR ADD OBJECTIVE FORMATION AND/OR SPACING UNIT

| Objective Formation | Formation Code | Spacing Order Number | Unit Acreage | Unit Configuration | Add | Modify | No Change | Delete |
|---------------------|----------------|----------------------|--------------|--------------------|-----|--------|-----------|--------|
| FRUITLAND COAL | FRLDC | 112-185 | 320 | N/2 | | | X | |

OTHER

☐ RULE 502 VARIANCE

Order Number: _____

Description: _____

☐ REMOVE FROM SURFACE BOND Signed surface use agreement is a required attachment

☐ CHANGE NAME OR NUMBER OF WELL, FACILITY, OIL & GAS LOCATION, OR OGD

From: Name SCHALLES Number 3 Effective Date: _____

To: Name _____ Number _____

☐ ABANDON PERMIT: Permit can only be abandoned if the permitted operation has NOT been conducted. Field inspection will be conducted to verify site status.

☐ WELL: Abandon Application for Permit-to-Drill (Form 2) – Well API Number _____ has not been drilled.

☐ PIT: Abandon Earthen Pit Permit (Form 15) – ECMC Pit Facility ID Number _____ has not been constructed (Permitted and constructed pit requires closure per Rule 911)

☐ CENTRALIZED E&P WASTE MANAGEMENT FACILITY: Abandon Centralized E&P Waste Management Facility Permit (Form 28) – Facility ID Number _____ has not been constructed (Constructed facility requires closure per Rule 907)

OIL & GAS LOCATION ID Number: _____

☐ Abandon Oil & Gas Location Assessment (Form 2A) – Location has not been constructed and site will not be used in the future.

☐ Keep Oil & Gas Location Assessment (Form 2A) active until expiration date. This site will be used in the future.

Surface disturbance from Oil and Gas Operations must be reclaimed per Rule 1003 and Rule 1004.

☐ REQUEST FOR WELL RECORDS CONFIDENTIALITY (Rule 206.c.(1))

☐ DIGITAL WELL LOG UPLOAD

☐ DOCUMENTS SUBMITTED Purpose of Submission: _____

☐ COMPLIANCE with CONDITION OF APPROVAL (COA) on Form NO: _____ Document Number: _____

RECLAMATION

INTERIM RECLAMATION

☐ Interim Reclamation will commence approximately _____

Per Rule 1003.e.(3) operator shall submit Sundry Notice reporting interim reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Interim reclamation complete, site ready for inspection.
Per Rule 1003.e(3) describe interim reclamation procedure in Comments below or provide as an attachment and attach required location photographs.

Field inspection will be conducted to document Rule 1003.e. compliance

FINAL RECLAMATION

☐ Final Reclamation will commence approximately _____

Per Rule 1004.c.(4) operator shall submit Sundry Notice reporting final reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Final reclamation complete, site ready for inspection. Per Rule 1004.c(4) describe final reclamation procedure in Comments below or provide as an attachment.

Field inspection will be conducted to document Rule 1004.c. compliance

Comments:

ENGINEERING AND ENVIRONMENTAL WORK

☐ REPORT OF TEMPORARY ABANDONMENT

Describe the method used to ensure that the Well is closed to the atmosphere and the Operator's plans for future operation of the Well in the COMMENTS box below as required by Rule 434.b.(1).

☐ REQUEST FOR TEMPORARY ABANDONMENT EXCEEDING 6 MONTHS

State the reason for the extension request and explain the Operator's plans for future operation of the Well in the COMMENTS box below as required by Rule 434.b.(3).

Date well temporarily abandoned _____

Has Production Equipment been removed from site? _____

Mechanical Integrity Test (MIT) required. Date of last MIT _____

TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

Details of work must be described in full in the COMMENTS below or provided as an attachment.

☒ NOTICE OF INTENT/REQUEST FOR APPROVAL Approximate Start Date 11/01/2024

☐ SUBSEQUENT REPORT Date of Activity _____

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Bradenhead Plan | <input type="checkbox"/> Venting or Flaring (Rule 903) | <input type="checkbox"/> E&P Waste Mangement |
| <input type="checkbox"/> Change Drilling Plan | <input type="checkbox"/> Repair Well | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Change | | |
| <input type="checkbox"/> Underground Injection Control | | |
| <input type="checkbox"/> Request approval of Reuse and Recycling Plan per Rule 905.a.(3). (Reuse and Recycling Plan must be attached.) | | |
| <input type="checkbox"/> Request approval of Alternative Sampling Plan per Rule 909.j.(6). for this Pit. (Alternative Sampling Program must be attached.) | | |
| <input type="checkbox"/> Other | | |

☐ Request that an existing produced water sample from the same formation be used per Rule 909.j.(6) to meet the requirements of Rule 909.j.(1)-(5) for this Well.

Pit ID _____ Pit Name _____

(No Sample Provided)

☐ Subsequent well operations with heavy equipment (Rule 312)

(No Well Provided)

COMMENTS:

This well has bradenhead pressure that exceeds the Colorado threshold of 5 psi with a required bradenhead plan by 10/14/2024.

The Schalles 3's bradenhead test observed the bradenhead pressure bleeding off to no flow in 12 seconds with the instantaneous ending pressure (BH) equaling zero psi. There was no communication in pressure on the production casing, it maintained ~38 psi throughout the test. The gas analysis of the two annuli indicates dissimilar gas:

- Bradenhead:
 - o Nitrogen – 3.68
 - o CO2 - .0248
 - o Methane – 93.6352
 - o Ethane – 2.35
 - o Propane - .1399
- Production Casing:
 - o Nitrogen - .0282
 - o CO2 – 5.53
 - o Methane – 94.22
 - o Ethane - .2017
 - o Propane - .0072

Due to zero communication between the production annulus and bradenhead, the quick bradenhead bleed down to no flow, and differing gas compositions, the bradenhead pressure seems to be from background gas. Hilcorp requests to continue monitoring the Schalles 3 and to work with the ECMC if communication occurs or gas analysis show to be similar.

GAS CAPTURE

VENTING AND FLARING:

Operation type: _____ Operational phase requiring venting/flaring: _____

Reason for venting/flaring: _____

Describe Other reason for venting/flaring:

Describe why venting or flaring is necessary. If reporting per Rule 903.b.(2), 903.c.(3).C, or 903.d.(2), include the explanation, rationale, and cause of the event:

Describe how the operation will protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. If reporting per Rule 903.d.(2), include BMPs used to minimize venting on the BMP Tab:

Total volume of gas vented or flared: _____ mcf ☐ estimated ☐ measured

Total duration of emission event: _____ hours ☐ consecutive ☐ cumulative

Submit a single representative gas analysis via Form 43 to create a Sample Site Facility ID# for this Location. Reference the Form 43 document number on the Related Forms tab.

Sample Site Facility ID#: _____

GAS CAPTURE PLAN

Describe the plan to connect to a gathering line or beneficially use the gas; include anticipated timeline:

A Gas Capture Plan that meets the requirements of Rule 903.e is attached. ☐

CASING PROGRAM

(No Casing Provided)

POTENTIAL FLOW AND CONFINING FORMATIONS

H2S REPORTING

- ☐ Intentional release of H2S gas due to Upset Condition or malfunction.
- ☐ Intent to temporarily abandon well with potential H2S concentration >100 ppm.

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

Gas Analysis Report must be attached.

H2S Concentration: _____ in ppm (parts per million)

Date of Measurement or Sample Collection _____

Description of Sample Point:

Absolute Open Flow Potential _____ in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: _____

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: _____

COMMENTS:

OIL & GAS LOCATION UPDATES

OGDP ID _____ OGDP Name _____

SITE EQUIPMENT LIST UPDATES

Indicate the number and type of major equipment components planned for use on this Oil and Gas Location:

| | | | | |
|----------------------------|---------------------------|-----------------------------|-----------------------|------------------------------------|
| Wells _____ | Oil Tanks _____ | Condensate Tanks _____ | Water Tanks _____ | Buried Produced Water Vaults _____ |
| Drilling Pits _____ | Production Pits _____ | Special Purpose Pits _____ | Multi-Well Pits _____ | Modular Large Volume Tank _____ |
| Pump Jacks _____ | Separators _____ | Injection Pumps _____ | Heater-Treaters _____ | Gas Compressors _____ |
| Gas or Diesel Motors _____ | Electric Motors _____ | Electric Generators _____ | Fuel Tanks _____ | LACT Unit _____ |
| Dehydrator Units _____ | Vapor Recovery Unit _____ | VOC Combustor _____ | Flare _____ | Enclosed Combustion Devices _____ |
| Meter/Sales Building _____ | Pigging Station _____ | Vapor Recovery Towers _____ | | |

OTHER PERMANENT EQUIPMENT UPDATES

OTHER TEMPORARY EQUIPMENT UPDATES

CULTURAL AND SAFETY SETBACK UPDATES

OTHER LOCATION CHANGES AND UPDATES

Provide a description of other changes or updates to technical information for this Location:

POTENTIAL OGDG UPDATES**PROPOSED CHANGES TO AN APPROVED OGDG**

☐ This Sundry Form 4 is being submitted pursuant to Rule 301.c to propose changes to an approved Oil and Gas Development Plan.

Check all boxes that pertain to the type(s) of changes being proposed for this OGDG:

- | | |
|--|--|
| <input type="checkbox"/> Add Oil and Gas Location(s) | <input type="checkbox"/> Add Drilling and Spacing Unit(s) |
| <input type="checkbox"/> Amend Oil and Gas Location(s) | <input type="checkbox"/> Amend Drilling and Spacing Unit(s) |
| <input type="checkbox"/> Remove Oil and Gas Location(s) | <input type="checkbox"/> Remove Drilling and Spacing Unit(s) |
| <input type="checkbox"/> Oil and Gas Location attachment or plan updates | <input type="checkbox"/> Amend the lands subject to the OGDG |
| <input type="checkbox"/> Other | |

Provide a detailed description of the changes being proposed for this OGDG. Attach supporting documentation such as maps if necessary.

Operator Best Management Practices**No BMP/COA Type****Description**

| | |
|--|--|
| | |
|--|--|

Operator Comments:

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Priscilla Shorty

Title: OperationsRegulatory
Tech

Email: pshorty@hilcorp.com

Date: _____

Based on the information provided herein, this Sundry Notice (Form 4) complies with ECMC Rules and applicable orders and is hereby approved.

ECMC Approved: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY LIST**COA Type****Description**

| | |
|-------|--|
| | |
| 0 COA | |

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|---------------------|--|---------------------|
| Engineer | Return to Draft: Past 12 months' Bradenhead monitoring records show 29-60 psi, all exceeding 5 psi threshold. Bradenhead annual tests exceeded threshold since 2011. Rule requires operator take actions to mitigate the pressure. Please add specific plans and resubmit. | 11/11/2024 |
| Total: 1 comment(s) | | |

ATTACHMENT LIST

| <u>Att Doc Num</u> | <u>Name</u> |
|-----------------------|-------------|
| 403956439 | OTHER |
| Total Attach: 1 Files | |