Well Name: VALENCIA CANYON

Well Location: T28N / R4W / SEC 22 / SWSE / 36.64056 / -107.23543

County or Parish/State: RIO ARRIBA / NM

Well Number: 13

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMNM14916

Unit or CA Name:

Unit or CA Number:

US Well Number: 3003921469

Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2695893

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 10/03/2022

Time Sundry Submitted: 05:54

Date proposed operation will begin: 10/10/2022

Procedure Description: Hilcorp Energy Company requests permission to P&A the subject well per the attached procedures, current and proposed wellbore schematics. A closed loop system will be used. A pre-disturbance site visit was not conducted as surface is Forest.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Valencia_Canyon_Unit_13_P_A_Procedure_20221003055303.pdf

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Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Conditions of Approval

Specialist Review

28N04W22OKpc_Valencia_Canyon_Unit_013_20220930142601_20221003084805.pdf

2695893_NOIA_13_3003921469_KR_10032022_20221003084757.pdf

General_Requirement_PxA_20221003084719.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: OCT 03, 2022 05:54 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 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: 10/03/2022

Signature: Kenneth Rennick

HILCORP ENERGY COMPANY
Valencia Canyon Unit 13
NOTICE OF INTENT TO PERMANENTLY ABANDON

API #:	3003921469

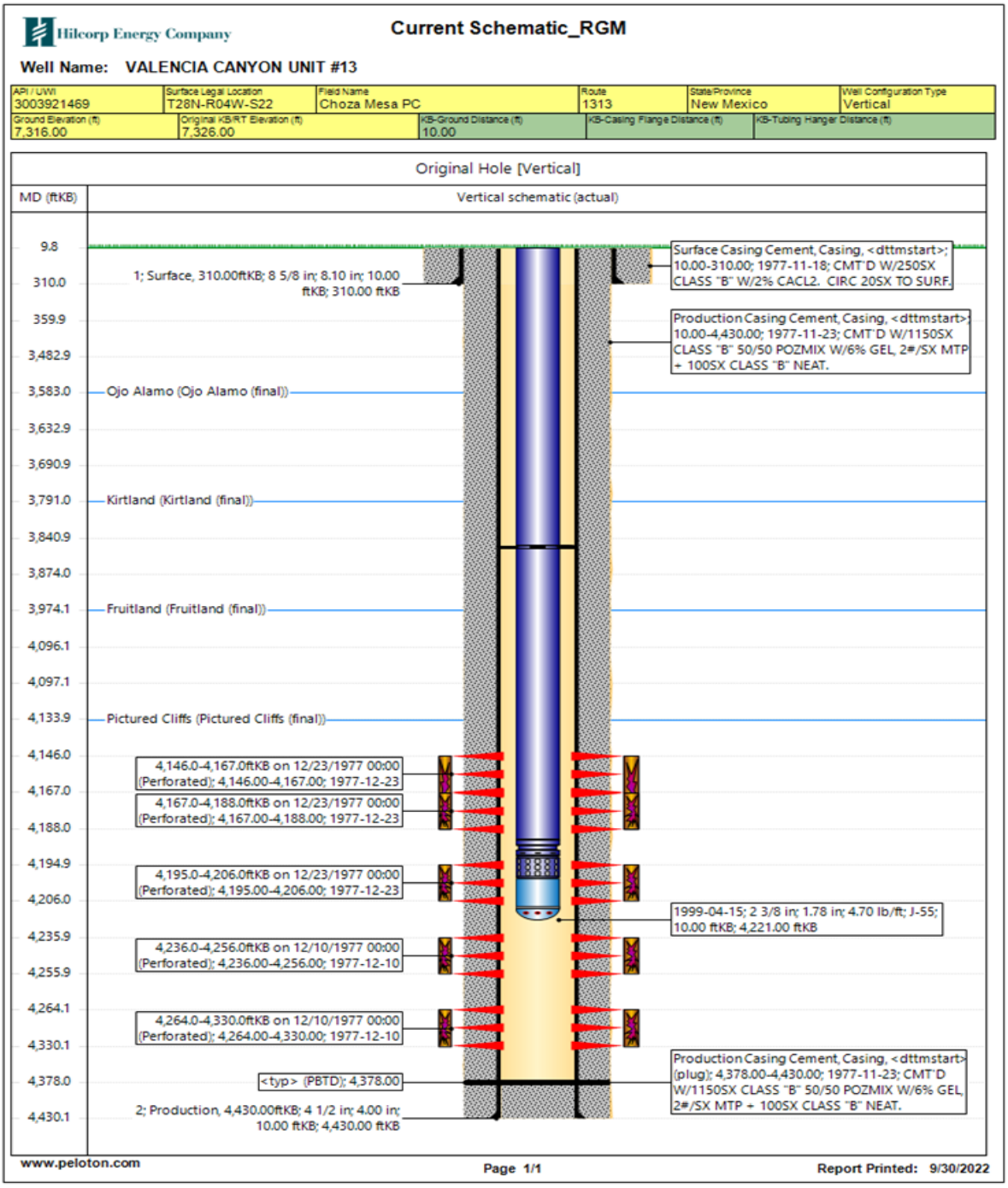
JOB PROCEDURES

☑ NMOCD **Contact OCD and BLM (where applicable) 24 hrs prior to MIRU. Comply with all NMOCD (where applicable), and HEC safety and environmental regulations.**

1. MIRU service rig and associated equipment, record all pressures on wellbore.
2. Load well, ND tree, NU BOPs and test.
3. Release TAC, POOH w/ 2-3/8" 4.7# EUE J55 tbg set at 4,221'.
4. MU 4-1/2" 11.6# csg scraper, clear csg to 4,110', POOH.
5. MU 4-1/2" 11.6# CICR and set @ 4,096' (PC Top Perf @ 4,146').
6. Load well with inhibited brine & circulate clean. Pressure test the csg to 560 psi. Monitor for 30 minutes.
7. RU ELU, Run CBL from 4,096' to surface. All plugs will be adjusted based on TOC behind 4-1/2".
8. **Plug #1 | 3,874' - 4,096' (CICR @ 4,096 | Pictured Cliffs Top: 4134', Fruitland Top: 3,974')** Pump 15sx of Class G cement and spot an inside plug over CICR @ 4,096', Pictured Cliffs Top, Fruitland Top.
9. **Plug #2 | 3,691' - 3,841' (Kirtland Top @ 3,791')** Pump 10sx of Class G cement and spot an inside plug to cover the Kirtland Top. Kirtland & Ojo are separated due to BH pressure.
10. **Plug #3 | 3,483' - 3,633' (Ojo Top @ 3,583')** Pump 10sx of Class G cement and spot an inside/outside plug to cover the Ojo Top. Kirtland & Ojo are separated due to BH pressure.
11. **Plug #4 | 10' - 360' (Surface Shoe @ 310')** Pump 71sx of Class G cement and spot an inside/outside plug to cover the surface shoe from 360' to surface. WOC, tag, ensure no pressure present on BH.
12. Cut off wellhead below surface casing flange as per NMOCD. Top off cement at surface as needed. Weld new P&A maker.

HILCORP ENERGY COMPANY
Valencia Canyon Unit 13
NOTICE OF INTENT TO PERMANENTLY ABANDON

Valencia Canyon Unit 13 - CURRENT WELLBORE SCHEMATIC



HILCORP ENERGY COMPANY
Valencia Canyon Unit 13
NOTICE OF INTENT TO PERMANENTLY ABANDON

Valencia Canyon Unit 13 - PROPOSED P&A SCHEMATIC

Hilcorp Energy Company

WBD Proposed Formations

Well Name: VALENCIA CANYON UNIT #13

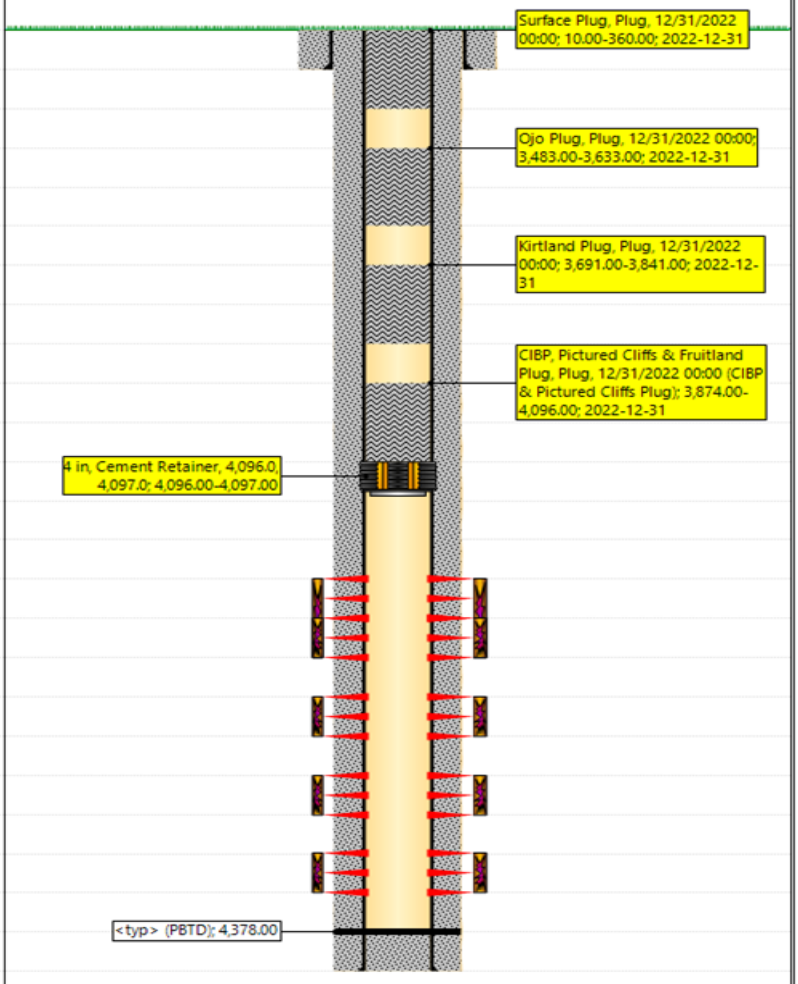
API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3003921469	T28N-R04W-S22	Choza Mesa PC		New Mexico	Vertical
Ground Elevation (ft)	**Casing Flange Elevation (ft)**	**KB-Ground Distance (ft)**	**KB-Casing Flange Distance (ft)**	**Original Spud Date**	**Rig Release Date**
7,316.00		10.00		11/18/1977 00:00	11/28/1977 00:00

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
Well Maintenance	RWTP		4/18/2012	4/18/2012

Original Hole [Vertical]

MD (ftKB)	TVD (ftKB)	Formation Tops	MD
9.8			
310.0			
359.9			
3,482.9			
3,583.0		Ojo Alamo	3,583.0
3,632.9			
3,690.9			
3,791.0		Kirtland	3,791.0
3,840.9			
3,874.0			
3,974.1		Fruitland	3,974.0
4,096.1			
4,097.1			
4,133.9		Pictured Cliffs	4,134.0
4,146.0			
4,167.0			
4,188.0			
4,194.9			
4,206.0			
4,235.9			
4,255.9			
4,264.1			
4,330.1			
4,378.0			
4,430.1			



www.peloton.com Page 1/1 Report Printed: 9/30/2022

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

AFMSS 2 Sundry ID 2695893

Attachment to notice of Intention to Abandon

Well: Valencia Canyon 13

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. Combine Plug #2 (Kirtland) and Plug #3 (Ojo Alamo) to cover the entire Ojo Alamo formation.
   b. Add a plug to cover the Nacimiento formation top at 2200'.

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 9/30/2022

BLM FLUID MINERALS
P&A Geologic Report

Date Completed: 09/30/2022

Well No. Valencia Canyon Unit #013 (API# 30-039-21469)		Location	790	FSL	&	1850	FEL
Lease No. NMNM14916		Sec. 22	T28N			R04W	
Operator Hilcorp Energy Company		County	Rio Arriba		State	New Mexico	
Total Depth 4434’	PBTD 4378’	Formation Pictured Cliffs					
Elevation (GL) 7316’		Elevation (KB) 7326’					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose			Surface	2200	Surface/freshwater sands
Nacimiento			2200	3583	Probable freshwater sands
Ojo Alamo Ss			3583	3791	Aquifer (possible freshwater)
Kirtland Shale			3791	3974	Possible gas
Fruitland			3974	4134	Coal/Gas/Water
Pictured Cliffs Ss			4134	PBTD	Gas
Lewis Shale					
Chacra					
Cliff House Ss					
Menefee					
Point Lookout Ss					
Mancos Shale					
Gallup					
Greenhorn					
Graneros Shale					
Dakota Ss					
Morrison					

Remarks:
P & A

- Combine Plug #2 (Kirtland) and Plug #3 (Ojo Alamo) to cover the entire Ojo Alamo formation.

- Add a plug to cover the Nacimiento formation top at 2200’.

- The plugs proposed in the P&A procedure will adequately protect any freshwater sands in this well bore.

- Pictured Cliffs perfs 4146’ – 4330’.

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 148097

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 148097
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	10/5/2022
kpickford	Adhere to BLM approved COAs and plugs. See BLM COAs and GEO report.	10/5/2022