Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
OCT 06 2017
Farmington Field Office
Bureau of Land Management

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

5. Lease Serial No.
NM-03863

6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Valdez 8C

2. Name of Operator
Hilcorp Energy Company

9. API Well No.
30-039-30362

3a. Address
PO Box 4700, Farmington, NM 87499

3b. Phone No. (include area code)
505-599-3400

10. Field and Pool or Exploratory Area
Blanco Mesaverde/Basin Dakota

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
Surface Unit A (NENE), 1350' FNL & 1120' FEL, Sec. 28, T28N, R4W
Bottomhole Unit G (SWNE), 1405' FNL & 1909' FEL, Sec. 28, T28N, R4W

11. Country or Parish, State
Rio Arriba , New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☒ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other DK Water Shut-off
BP	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once Testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Hilcorp Energy Company requests permission to set CIBP above DK perforations, PT w/pkr and produce MV only in the subject well per the attached procedure and current wellbore schematic.

Verbal approval to perform work was received on 10/4/17 by BLM (Troy Salyers) & NMOCD (Brandon Powell).

OIL CONS. DIV DIST. 3
OCT 16 2017

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Tammy Jones

Title Operations/Regulatory Technician

Signature Tammy Jones

Date 10/6/17

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
William Tambekou

Title Petroleum Engineer

Date 10/12/2017

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office FFO

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.

NMOCD AV

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(Instruction on page 2)

Hilcorp
VALDEZ 8C
Expense - Repair Tubing

Lat 36.63558 N Long -107.25029 W

PROCEDURE

1. Hold pre-job safety meeting. Verify cathodic is off. Comply with all NMOCD, BLM, and HEC safety and environmental regulations. Scope location for base beam. If unable to use base beam, test rig anchors prior to moving in rig. **Before RU, run slickline to check for and remove any downhole equipment. If an obstruction is found and cannot be recovered, set a locking 3-slip-stop above the obstruction in the tubing.**

2. MIRU workover rig. Check casing, tubing, and bradenhead pressures and record them in WellView. If there is pressure on the bradenhead, contact Ops Engineer.

3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well with treated fresh water as necessary.

4. ND wellhead and NU BOPE. Test and chart BOPs as per regulations. PU and remove tubing hanger. Tag for fill, adding additional joints as needed. Record pressure test and fill depth in WellView.

5. RU Tuboscope unit to inspect tubing. TOOH with tubing (per pertinent data sheet). LD and replace any bad joints and record findings in WellView. Make note of corrosion, scale, or paraffin and save a sample to give to engineering for further analysis.

6. RU & RIH w/ 3-3/4" mill bit and a casing scraper for 11.6# 4.5" L-80 casing to the top Dakota perforation @ 8,660'. POOH w/ bit & casing scraper.

7. PU 4.5" CIBP and RIH to set @ 8,610' (50' above top Dakota formation perf). POOH w/ tubing.

8. Notify OCD and BLM at least 24 hours in advance that we will be pressure testing the CIBP.

9. RIH with 4.5" packer and set @ 8,580' (within 50' of the CIBP). Test CIBP to 560 psi. If test passes, pressure test the wellbore to 560 psig for 30 minutes on a 2 hour chart with 1000# spring. Contact engineer if the test does not hold. If test holds, POOH with tubing and packer. Send the signed and approved test chart to both the regulatory techs as well as the engineer.

Contact Operations Engineer to discuss whether cleanout is needed.

10. RIH with production BHA to 8,580'. Blow the well dry using air package equipment. Land and drift tubing @ 6,850'.

Tubing Wt./Grade:	4.7#, L-80
Tubing Drift ID:	1.901"
Land Tubing At:	6,850'
KB:	15'

Tubing and BHA Description	
1	2-3/8" Expendable Check
1	2-3/8" (1.78" ID) F-Nipple
1	2-3/8" Tubing Joint
1	2-3/8" Pup Joint (2' or 4')
+/- 216	2-3/8" Tubing Joints
As Needed	2-3/8" Pup Joints
1	2-3/8" Tubing Joint

8. Ensure barriers are holding. ND BOPE, NU Wellhead. Pressure test tubing slowly with an air package as follows: pump 3 bbl. pad, drop steel ball, pressure tubing up to 500 psi, and bypass air. Monitor pressure for 15 min., then complete the operation by pumping off the expendable check. Note in WellView the pressure in which the check pumped off. Purge air as necessary. Notify MSO & A/L Tech that well is ready to be turned back online. RDMO.

Hilcorp Energy Company

Current Schematic - Version 3

Well Name: VALDEZ #8C

API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3003930362	028-028N-004W-A	MV/DK COM		NEW MEXICO	DEVIATED

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
7,356.00	7,371.00	15.00		

DEVIATED, Sidetrack 1, 10/6/2017 10:40:17 AM