

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

5. Lease Serial No.
NMSF078875

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit or CA/Agreement, Name and/or No.
891001059C

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

8. Well Name and No.
CANYON LARGO UNIT 344

2. Name of Operator
HILCORP ENERGY COMPANY
Contact: CHERYLENE WESTON
E-Mail: cweston@hilcorp.com

9. API Well No.
30-039-23387-00-S1

3a. Address
1111 TRAVIS STREET
HOUSTON, TX 77002

3b. Phone No. (include area code)
Ph: 505-564-0779

10. Field and Pool or Exploratory Area
DEVIL'S FORK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 30 T25N R6W NESW 1808FSL 1850FWL
36.368378 N Lat, 107.510223 W Lon

11. County or Parish, State
RIO ARRIBA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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 downhole commingle the subject well per the attached summary, MV C-102, current wellbore schematic and proposed allocation. The DHC C-107A will be submitted to Santa Fe NMOCD.

NMOCD

HOLD C104 FOR DHC

DEC 18 2019

DISTRICT III

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #495100 verified by the BLM Well Information System
For HILCORP ENERGY COMPANY, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 12/16/2019 (20JK0065SE)**

Name (Printed/Typed) CHERYLENE WESTON

Title OPERATIONS/REGULATORY TECH SR.

Signature (Electronic Submission)

Date 12/09/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title ENGINEER

Date 12/16/2019

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 Farmington

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Canyon Largo Unit 344 – DHC

API# 30-039-23387

Lease# NMSF078875

Hilcorp Energy Company (HEC) acquired the above well from Huntington Energy on 4/02/2019. HEC and NMOCD entered into a short-term ACOI agreement dated 4/16/2019 with a deadline of 11/16/2019 to return the well to production or plug and abandon.

On 9/4/2019, HEC filed a BLM NOI to perform remedial work in which BLM and NMOCD approved. HEC rigged up on 10/29/2019 to perform remedial work and confirmed a hole in casing from 763'-736'. Verbal approvals were obtained from the BLM & NMOCD to squeeze on 10/30/2019. The squeeze work was successful and passed a witnessed MIT on 11/05/2019. The rig moved off on 11/07/2019 and the well was returned to production on 11/09/2019.

On 11/11/2019, HEC submitted the required subsequent report of the remedial squeeze work and MIT chart to BLM and it was accepted on 11/12/2019. A copy of the BLM approved subsequent sundry and supporting documents were dropped off at NMOCD, Aztec office. It was during the NMOCD review that HEC was notified by the Division Geologist that the existing Gallup top perforations from 5198'-5289' were within the Point Lookout interval of the Mesaverde. HEC Reservoir Engineer submitted logs and data to request changing the formation top of the Mancos, but was denied. HEC was then ordered to shut-in the well and apply for DHC for the Mesaverde and Gallup formations. A new completion report for the Mesaverde and C-104 will be filed upon approval of the DHC.

Attached is the current wellbore schematic and proposed allocation.

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

Form C-102
August 1, 2011

Permit 275394

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-23387	2. Pool Code 17620	3. Pool Name DEVILS FORK MESAVERDE
4. Property Code 318470	5. Property Name CANYON LARGO UNIT	6. Well No. 344
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6882

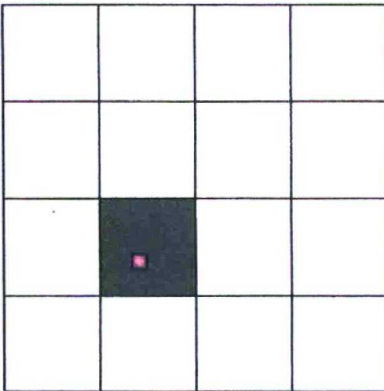
10. Surface Location

UL - Lot K	Section 30	Township 25N	Range 06W	Lot Idn	Feet From 1808	N/S Line S	Feet From 1850	E/W Line W	County RIO ARRIBA
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11. Bottom Hole Location if Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00 - NE/SW				13. Joint or Infill	14. Consolidation Code			15. Order No.	

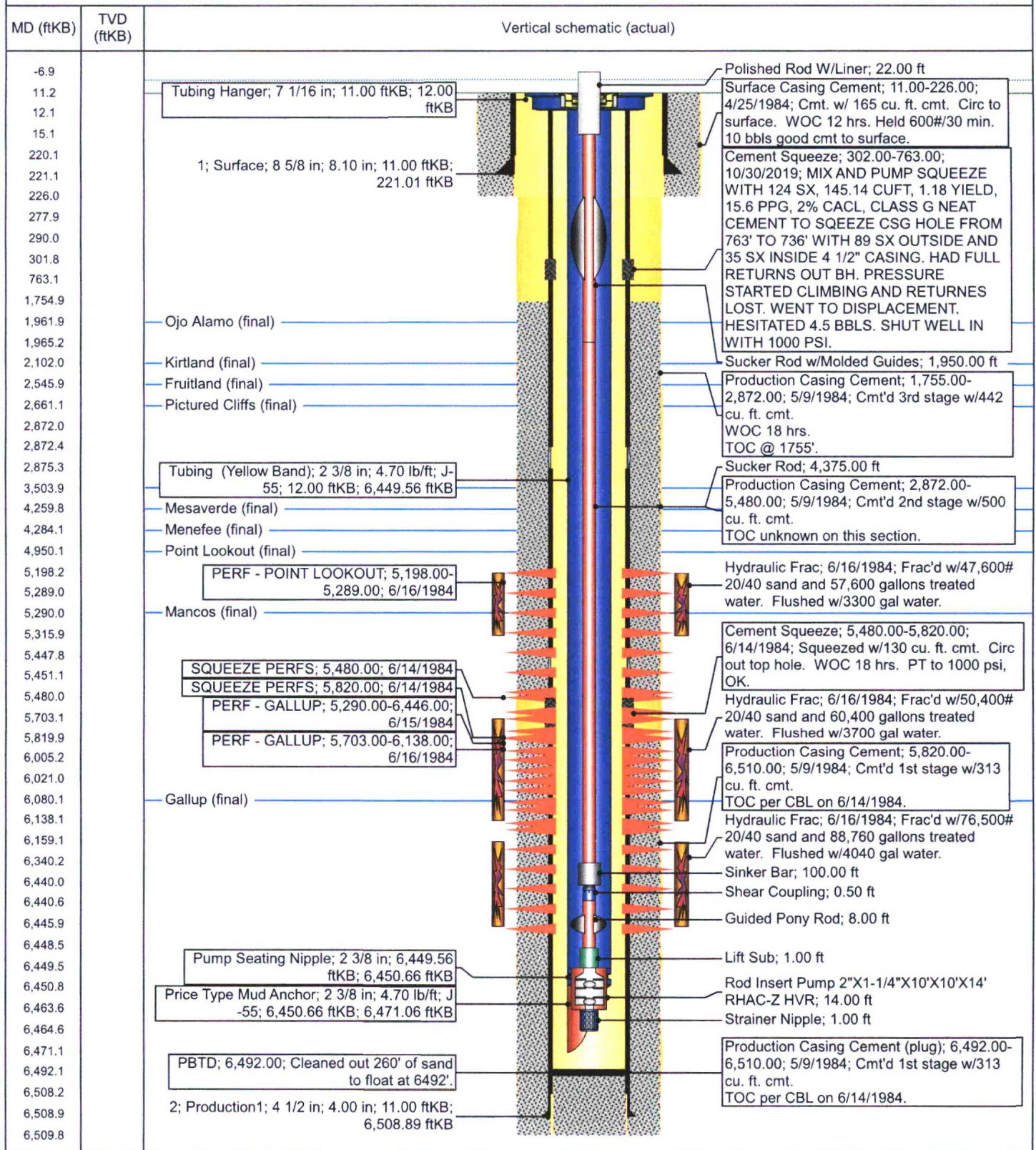
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>Cherylene Weston</i> Title: Cherylene Weston, Operations/Regulatory Tech-Sr. Date: 12/04/2019</p> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: DAVID KILVEN Date of Survey: 1/25/1984 Certificate Number: 1760</p>
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12/4/2019

Well Name: CANYON LARGO UNIT #344

API / UWI 3003923387	Surface Legal Location K-30-25N-6W	Field Name	Route 0910	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,882.00	Original KB/RT Elevation (ft) 6,893.00	KB-Ground Distance (ft) 11.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 12/5/2019 9:18:22 AM


Canyon Largo Unit 344 – Production Allocation Method

The forecast for Mesaverde production has been generated based on a fixed percentage allocation using MV gas production in the surrounding production trend. The Mesaverde formation has been unproductive in surrounding areas in T25N-R6W, T25N-R7W, and T24N-R7W. One percent allocation to the Mesaverde formation is supported by BHP and wellbore fluid composition.