

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

Well Name: CANYON LARGO	Well Location: T24N / R6W / SEC 1 / NWNW / 36.347214 / -107.424423	County or Parish/State: RIO ARRIBA / NM
Well Number: 320	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMSF080594	Unit or CA Name:	Unit or CA Number:
US Well Number: 3003923133	Well Status: Producing Oil Well	Operator: M & M PRODUCTION & OPERATION

Notice of Intent

Sundry ID: 2706661

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 12/09/2022

Time Sundry Submitted: 12:15

Date proposed operation will begin: 12/01/2022

Procedure Description: Plug and abandon procedure for the reference well.

Surface Disturbance

Is any additional surface disturbance proposed?: No

Oral Submission

Oral Notification Date: Dec 7, 2022

Oral Notification Time: 12:00 AM

Contacted By: Kandis Roland

Contact's Email: kroland@blm.gov

Comments: Hilcorp Energy Company is submitting this as the record title owner of Lease NMSF080594.

NOI Attachments

Procedure Description

Canyon_Largo_Unit_320_P_A_NOI_20221209121454.pdf

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NWNW / 36.347214 / -107.424423

County or Parish/State: RIO
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Well Number: 320

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMSF080594

Unit or CA Name:

Unit or CA Number:

US Well Number: 3003923133

Well Status: Producing Oil Well

Operator: M & M PRODUCTION
& OPERATION

Conditions of Approval

Specialist Review

General_Requirement_PxA_20221209124005.pdf

2706661_NOIA_320_3003923133_KR_12092022_20221209123920.pdf

24N06W01DKg_Canyon_Largo_Unit_320_20221209105707_20221209121631.pdf

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: 12/09/2022

Signature: Kenneth Rennick

CONFIDENTIAL

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

AFMSS 2 Sundry ID 2706661

Attachment to notice of Intention to Abandon

Well: Canyon Largo 320

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 #4 (Chacra) to cover BLM formation top pick at 2960'.
 - b. Add a plug, or extend the Fruitland plug (proposed Plug #5), to cover the Pictured Cliffs formation top at 2520'.
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 12/9/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 12/9/2022

Well No. Canyon Largo Unit #320 (API# 30-039-23133)	Location	860	FNL	&	1110	FWL
Lease No. NMSF080594	Sec. 01	T24N			R06W	
Operator M & M Production & Operation	County	Rio Arriba		State	New Mexico	
Total Depth 6180'	PBTD 6126'	Formation Gallup				
Elevation (GL)		Elevation (KB) 6707'				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose	Surface	bsc			Surface/possible freshwater sands
Nacimientto	Behind surface casing	2100			Possible freshwater sands
Ojo Alamo Ss	2100	2155			Aquifer (possible freshwater)
Kirtland Shale	2155	2414			Possible gas
Fruitland	2414	2520			Coal/Gas/Water
Pictured Cliffs Ss	2520	2590			Probable Gas
Lewis Shale	2590	2960			
Chacra	2960	4004			Possible Gas
Cliff House Ss	4004	4085			Water/possible gas
Menefee	4085	4561			Coal/Ss/Water/possible gas
Point Lookout Ss	4561	4890			
Mancos Shale	4890	5792			Probable O&G
Gallup	5792	PBTD			O&G
Greenhorn					
Graneros Shale					
Dakota Ss					
Morrison					

Remarks:

P & A

- This well is being plugged by Hilcorp Energy Company as Record Title Owner of the subject lease. The Operator, M&M Production, is defunct.
- Adjust Plug #4 (Chacra) to cover BLM formation top pick at 2960'.
- Add a plug, or extend the Fruitland plug (proposed Plug #5), to cover the Pictured Cliffs formation top at 2520'.
- Gallup perms 5796' – 6024'.

Reference Well:

1) **Formation Tops**
Hilcorp Energy Company
Canyon Largo Unit Com #110
1190 FNL, 990 FWL
Sec. 01, T24N, R06W
6701' KB elev.

Prepared by: Chris Wenman

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. SF-080594
2. Name of Operator Hilcorp Energy Company		6. If Indian, Allottee or Tribe Name
3a. Address 382 Road 3100, Aztec, NM 87410	3b. Phone No. (include area code) 505-599-3400	7. If Unit of CA/Agreement, Name and/or No. Canyon Largo Unit
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) Surface Unit D (NW/NW) 860' FNL & 1110' FWL, Sec. 1, T24N, R06W		8. Well Name and No. Canyon Largo Unit 320
		9. API Well No. 30-039-23133
		10. Field and Pool or Exploratory Area Devils Fork Gallup
		11. Country or Parish, State San Juan, New Mexico

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"/> Fracture Treat	<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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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.)

Reference Notice of Order 22KR0118W, LLNMF01110 issued 9/2/2022. 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 11/14/2022 with Roger Herrera/BLM. The Re-Vegetation Plan is attached. A closed loop system will be used. Plugging procedures will be completed by 12/1/2023.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	
Kandis Roland	Title Operations/Regulatory Technician - Sr.
Signature <i>Kandis Roland</i>	Date 12/5/2022

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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.

(Instruction on page 2)



HILCORP ENERGY COMPANY
Canyon Largo Unit 320
NOTICE OF INTENT TO PERMANENTLY ABANDON

API #:	3003923133
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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. POOH w/ 2-3/8" 4.7# EUE J55 tbg set at 5,993'
 4. MU 4-1/2" 11.6# csg scraper, clear csg to ~5796', POOH.
 5. MU 4-1/2" 11.6# CICR and set @ 5,746' (GL Top Perf @ 5,796').
 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 5746' to surface. All plugs will be adjusted based on TOC behind 4-1/2".
 8. **Plug #1 | 5,596' - 5,746' (CICR @ 5746 | Gallup Top: 5,792)** Pump 10sx of Class G cement and spot an inside plug over CICR @ 5,746'
 9. **Plug #2 | 4,790' - 4,940' (Mancos Top @ 4,890)** Pump 10sx of Class G cement and spot inside plug to cover the Mancos Top.
 10. **Plug #3 | 3,904' - 4,054' (Cliffhouse Top @ 4,004)** Pump 10sx of Class G cement and spot inside plug to cover the Cliffhouse Top.
 11. **Plug #4 | 2,490' - 2,640' (Lewis Top @ 2,590)** Pump 10sx of Class G cement and spot inside plug to cover the Cliffhouse Top.
 12. **Plug #5 | 2,314' - 2,464' (Fruitland Top @ 2,414)** Pump 10sx of Class G cement and spot inside plug to cover the Cliffhouse Top.
 13. **Plug #6 | 2,055' - 2,205" (Kirtland Top @ 2,155')** Pump 10sx of Class G cement and spot an inside plug to cover the Kirtland Top.
 14. **Plug #7 | 2,000' - 2,150' (Ojo Top @ 2,100')** Pump 10sx of Class G cement and spot an inside/outside plug to cover the Ojo Top.
 15. **Plug #8 | 0' - 348' (Surface Shoe @ 298')** Pump 83sx of Class G cement and spot an inside/outside plug to cover the surface shoe from 348' to surface. WOC, tag, ensure no pressure present on BH.
- Cut off wellhead below surface casing flange as per NMOCD. Top off cement at surface as needed. Weld new P&A maker.



Canyon Largo Unit 320 - CURRENT WELLBORE SCHEMATIC

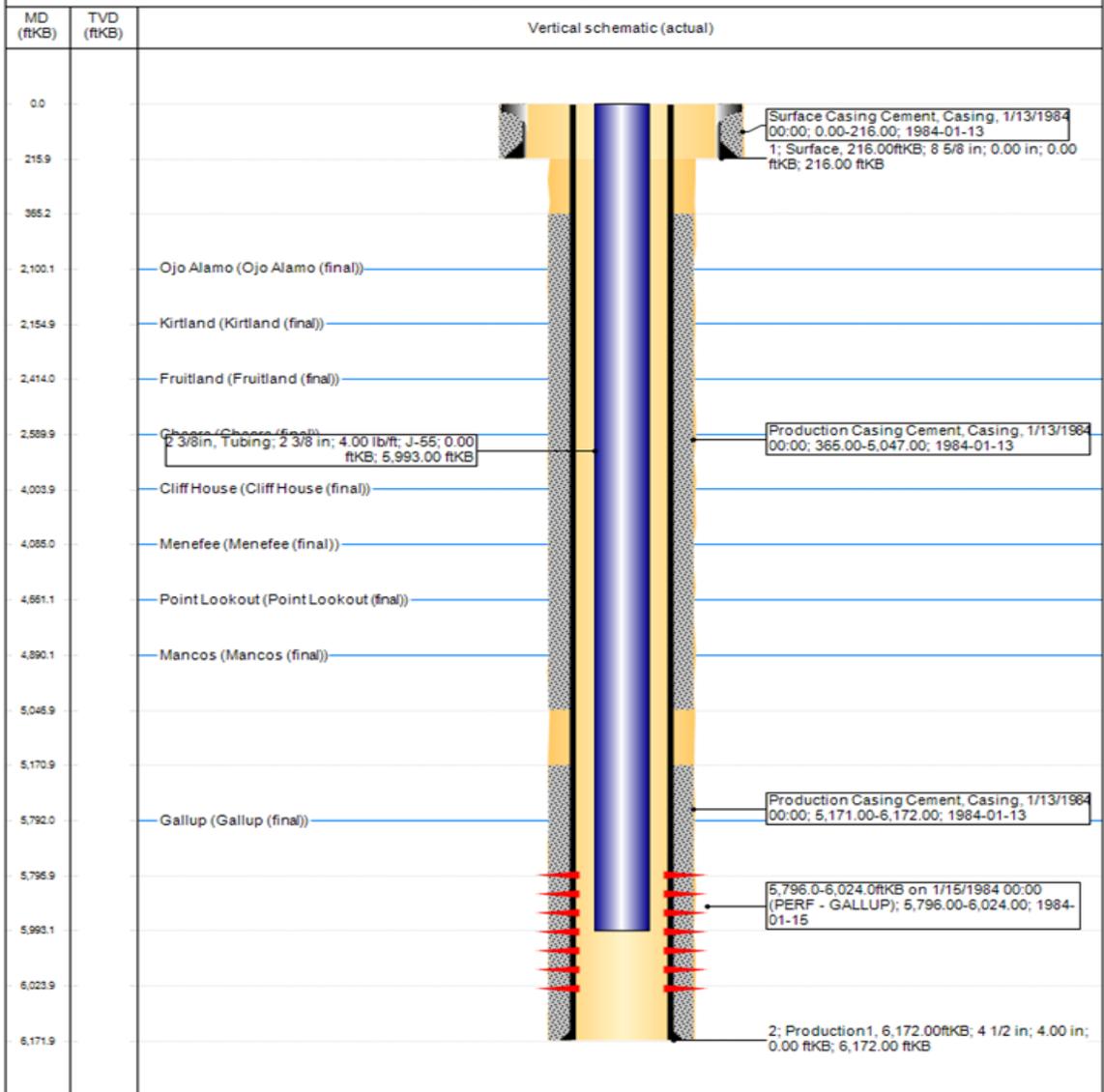


Current Schematic - Version 3

Well Name: CANYON LARGO UNIT 320

API / UWI 3003923133	Surface Legal Location D-01-24N-06W	Field Name BASIN GALLUP	Route 1409	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,694.00	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole [Vertical]





Canyon Largo Unit 320 - PROPOSED P&A SCHEMATIC

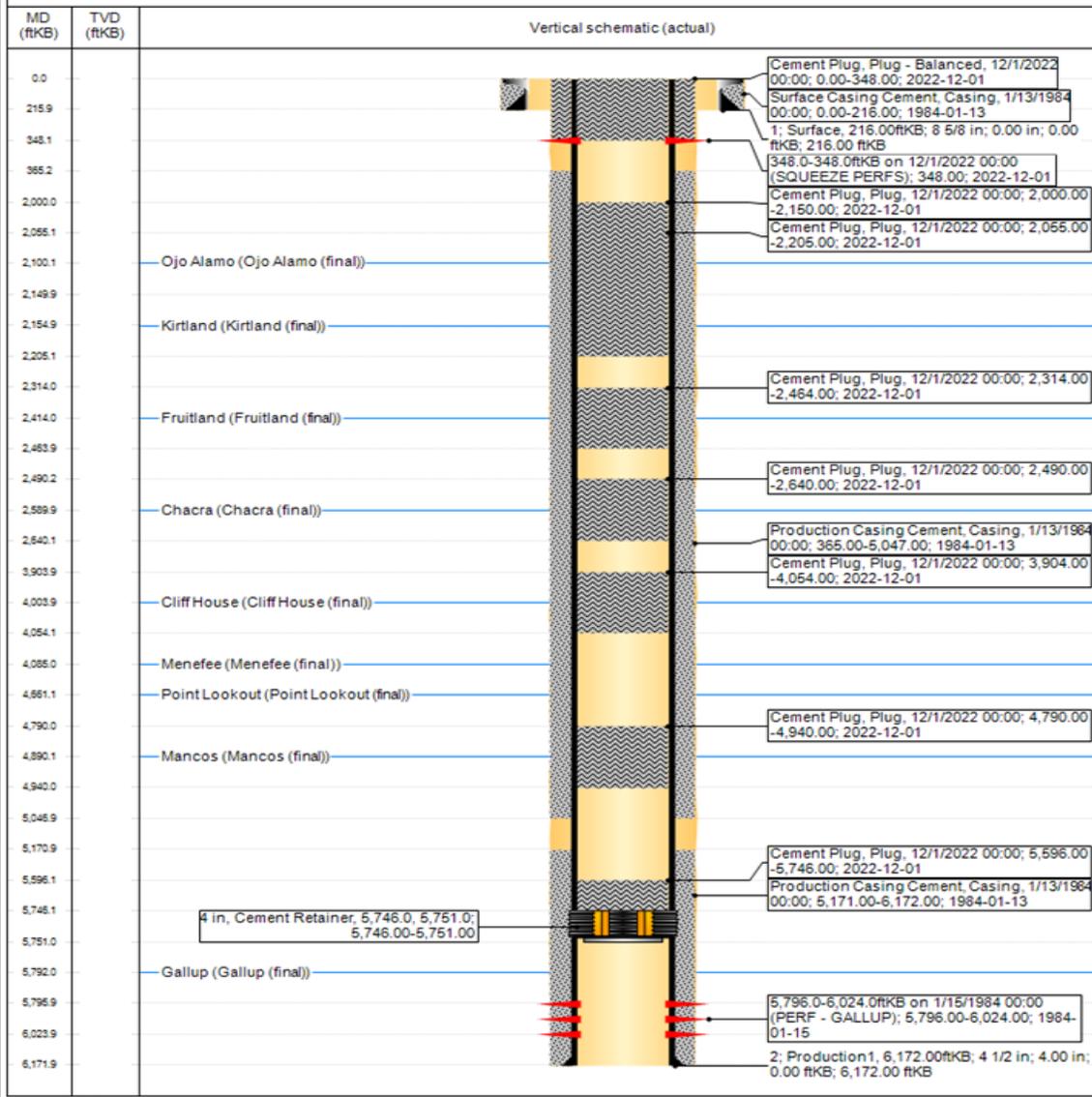
Hilcorp Energy Company

PROPOSED

Well Name: CANYON LARGO UNIT 320

API / UWI 3003923133	Surface Legal Location D-01-24N-06W	Field Name BASIN GALLUP	Route 1409	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,694.00	Original KBRT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Original Hole [Vertical]



www.peloton.com

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Report Printed: 12/1/2022

Hilcorp Energy
P&A Final Reclamation Plan
CANYON LARGO UNIT 320
API: 30-039-23133
T024N-R006W-Sec. 1-D
LAT: 36.3472862 LONG: -107.4248276 (NAD 27)
Rio Arriba County, NM

1. PRE- RECLAMATION SITE INSPECTION

A pre-reclamation site inspection was completed with Roger Herrera from the BLM and Travis Munkres Hilcorp Energy SJ East Construction Foreman on November 14, 2022.

2. LOCATION RECLAMATION PROCEDURE

1. Reclamation work will begin in fall/ early winter time period.
2. All trash and debris will be removed within a 25' buffer outside of the location disturbance during reclamation.
3. Push the fill slope back to the cut slope and blend with the contour of the cut slope.
4. Leave diversion above the cut slope in place.
5. Create a depression for drainage between the Canyon Largo Unit 83 and the Canyon Largo Unit 320.

3. SEEDING PROCEDURE

1. A Pinion/Juniper seed mix will be used for all reclaimed and disturbed areas of the well pad.
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.

4. WEED MANAGEMENT

1. No action is required at this time for weed management, no noxious weeds were identified during this onsite.



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Farmington Field Office
6251 College Boulevard, Suite A
Farmington, NM 87402

IN REPLY REFER TO:
NMSF080594
22KR0118W
LLNMF01110

SEPTEMBER 2, 2022

TO:

Hilcorp Energy Company
Attn: Chuck Creekmore
1111 Travis St
Houston, TX 77002

Cert. Mail: 9171 9690 0935 0272 5306 39

NOTICE OF ORDER OF THE BLM AUTHORIZED OFFICER

Our records show Hilcorp Energy Company (Hilcorp) is the record title owner of Federal oil and gas lease NMSF080594. See attached adjudication for the lease.

It has been determined that the assigned operator M & M Production & Operation INC. (M & M) has been unresponsive to our requests. As owner of record title, Hilcorp bears the ultimate responsibility for performance under the lease terms.

Our records show the well (see Exhibit A) associated to the lease that is operated by M & M has not produced recently. Therefore, Hilcorp is hereby ordered to complete the following corrective action.

Corrective Action: Complete one of the following options.

1. Return the well to production and notify the BLM by a Notification (AFMSS 2, Action – Resume Production).
2. Conduct 48-hour flow testing to prove that the well can produce in paying quantities and submit a Subsequent Report (AFMSS 2, Action – Other) with results along with a timeline/plan to return to production. If the well is not capable of producing in paying quantities, the well must be plugged.

3. Request Temporary Abandonment status by submitting a Notice of Intent (AFMSS 2, Action – Temporary Abandon). This option would be used if Hilcorp has other plans for the well such as recompletion in another zone, stimulation plans or water disposal, etc. The request must include the details of the well work proposed and a firm date for execution.
4. Submit a Notice of Intent (AFMSS 2, Action – Plug and Abandon) to abandon accompanied by (1) an abandonment procedure for preapproval, (2) proposed start date, and (3) a reclamation plan. Work must be completed within one year after the receipt of the Notice of Intent to be considered a corrective action.

In accordance with 43 CFR 3163.1(a), Hilcorp must comply with the corrective action no later than **December 14, 2022**. If Hilcorp fails to comply within the time frame specified, further enforcement action may occur as deemed necessary.

WARNING

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this notice (or 7 business days after the date it is mailed, whichever is earlier). Each stipulation must be corrected within the prescribed time from receipt of this notice and reported to the Bureau of Land Management Office at the address shown.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations under 43 CFR 3163.2(f)(1), provides that any person who “knowingly or willfully” prepares, maintains or submits false, inaccurate or misleading reports, notices, affidavits, records, data or other written information required by this part shall be liable for a civil penalty of up to \$59,973 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the notice with the appropriate State Director (see 43 CFR 3156.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

If there are any questions regarding this notice, please contact Mr. Kenneth Rennick, Petroleum Engineer, at 505-564-7742 or krennick@blm.gov.

Sincerely,



David J. Mankiewicz
Assistant Field Manager

ENCLOSED:

EXHIBIT A – WELL INFORMATION

NMSF080594 Record Title and Operating Right Adjudication

CC:

Chuck Creekmore, Hilcorp Energy Company

Well File Canyon Largo 320 (API 3003923133)

Lease File NMSF080594

- Mustafa Haque, BLM New Mexico State Office
- Jose Rios, BLM New Mexico State Office
- Ross Klein, BLM New Mexico State Office
- Maureen Joe, BLM Farmington Field Office
- Virgil Lucero, BLM Farmington Field Office
- Shannon Fachan, BLM Farmington Field Office
- Roger Herrera, BLM Farmington Field Office
- Abiodun Adeloye, BLM Farmington Field Office

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 165818

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 165818
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	CBL required	12/15/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	12/15/2022
kpickford	Adhere to BLM approved COAs and plugs. See BLM COAs and GEO report.	12/15/2022