

# Initial Application Part I

Received: 06/20/2019

*This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete*

RECEIVED: <b>06/20/2019</b>	REVIEWER: <b>MAM</b>	TYPE: <b>PLC</b>	APP NO: <b>pMAM1917129121</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

<b>Applicant:</b> <u>Hilcorp Energy Company</u>	<b>OGRID Number:</b> <u>372171</u>
<b>Well Name:</b> <u>Canyon Largo Unit 106 &amp; Canyon Largo Unit 324</u>	<b>API:</b> <u>30-039-05414 / 30-039-23338</u>
<b>Pool:</b> <u>Ballard Pictured Cliffs &amp; Devils Fork Gallup</u>	<b>Pool Code:</b> <u>71439 &amp; 17610</u>

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A] **PLC-582**  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD

B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Nick Kunze - Operations Manager  
 Print or Type Name

June 13, 2019  
 Date

713-209-2449  
 Phone Number

nkunze@hilcorp.com  
 e-mail Address

  
 Signature

## McMillan, Michael, EMNRD

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**From:** Etta Trujillo <ettrujillo@hilcorp.com>  
**Sent:** Thursday, June 20, 2019 7:48 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Tammy Jones; JD Lorence; John Jones; Pamela Harper  
**Subject:** [EXT] C-107B - Canyon Largo 106 - 3003905414  
**Attachments:** C-107B Application for Surface Commingling\_Canyon Largo Unit 106\_324.pdf

Mr. McMillan

Please find attached, a surface commingle C-107B application for the above well and adjacent well; Canyon Largo Unit 324 (API 3003923338).

*The affected interest owners were notified by certified mail.  
Original copy of this application will be FedEx mailed to NMOCD Santa Fe  
A copy of this application has been sent BLM, Farmington Field office as notification.*

Etta Trujillo  
Operations/Regulatory Tech - San Juan East  
Hilcorp Energy  
(505) 324-5161  
[ettrujillo@hilcorp.com](mailto:ettrujillo@hilcorp.com)

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The information contained in this e-mail message is confidential information intended only for the use of the recipient(s) named above. In addition, this communication may be legally privileged. If the reader of this e-mail is not an intended recipient, you have received this e-mail in error and any review, dissemination, distribution or copying is strictly prohibited. If you have received this e-mail in error, please notify the sender immediately by return e-mail and permanently delete the copy you received.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Hilcorp Energy Company  
OPERATOR ADDRESS: 382 Road 3100, Aztec, NM 87410  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Devils Fork Gallup (17610)					
Ballard Pictured Cliffs (71439)					

(2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code.  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

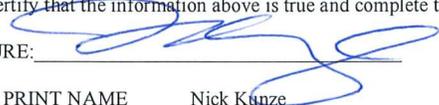
**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Operations Manager DATE: 06/14/2019  
TYPE OR PRINT NAME Nick Kunze TELEPHONE NO.: (713) 209-2449  
E-MAIL ADDRESS: nkunze@hilcorp.com

Well Location and Acreage Dedication Plat

Section A.

Date May 26, 1961

Operator EL PASO NATURAL GAS COMPANY Lease CANYON LARGO UNIT SF 078886  
 Well No. 106 Unit Letter C Section 20 Township 24-N Range 6-W NMPM  
 Located 990 Feet From NORTH Line, 1500 Feet From WEST Line  
 County RIO ARRIBA G. L. Elevation 6555 Dedicated Acreage 160.00 Acres  
 Name of Producing Formation PICTURED CLIFFS Pool BALLARD PICTURED CLIFFS

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?  
 Yes \_\_\_\_\_ No \_\_\_\_\_
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes \_\_\_\_\_ No \_\_\_\_\_. If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

<u>Owner</u>	<u>Land Description</u>

**NOTE: THIS PLAT REISSUED TO SHOW WELL PLUGGED BACK TO PICTURED CLIFFS. 11-16-72**

Section B.

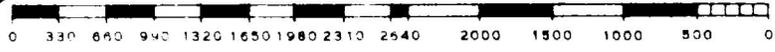
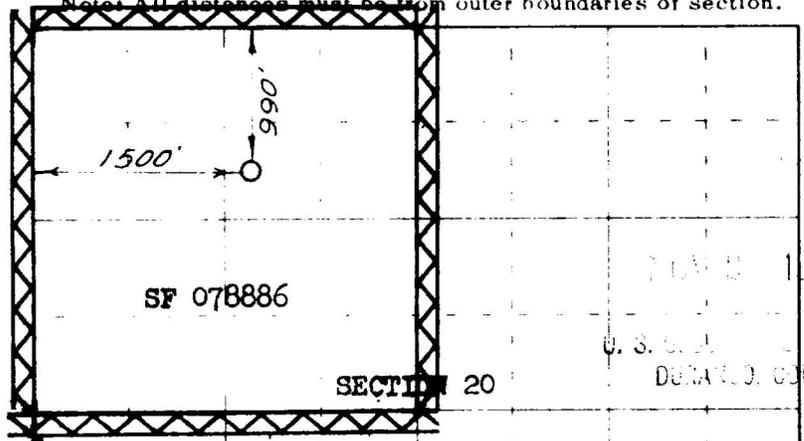
This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

(Operator)

(Representative)

(Address)

Note: All distances must be from outer boundaries of section.



Scale 4 inches equal 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

(Seal)

Date Surveyed May 18, 1961

*David A. Wilson*  
 Registered Professional Engineer and/or Land Surveyor

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator EL PASO NATURAL GAS COMPANY		Lease Canyon Largo Unit (SF 078886)		Well No. 324
Unit Letter K	Section 20	Township 24-N	Range 6-W	County Rio Arriba
Actual Footage Location of Well: .1850 feet from the South line and 1465 feet from the West line				
Ground Level Elev. 6585	Producing Formation Gallup	Pool Devils Fork Gallup	Dedicated Acreage: 320.00 Acres	

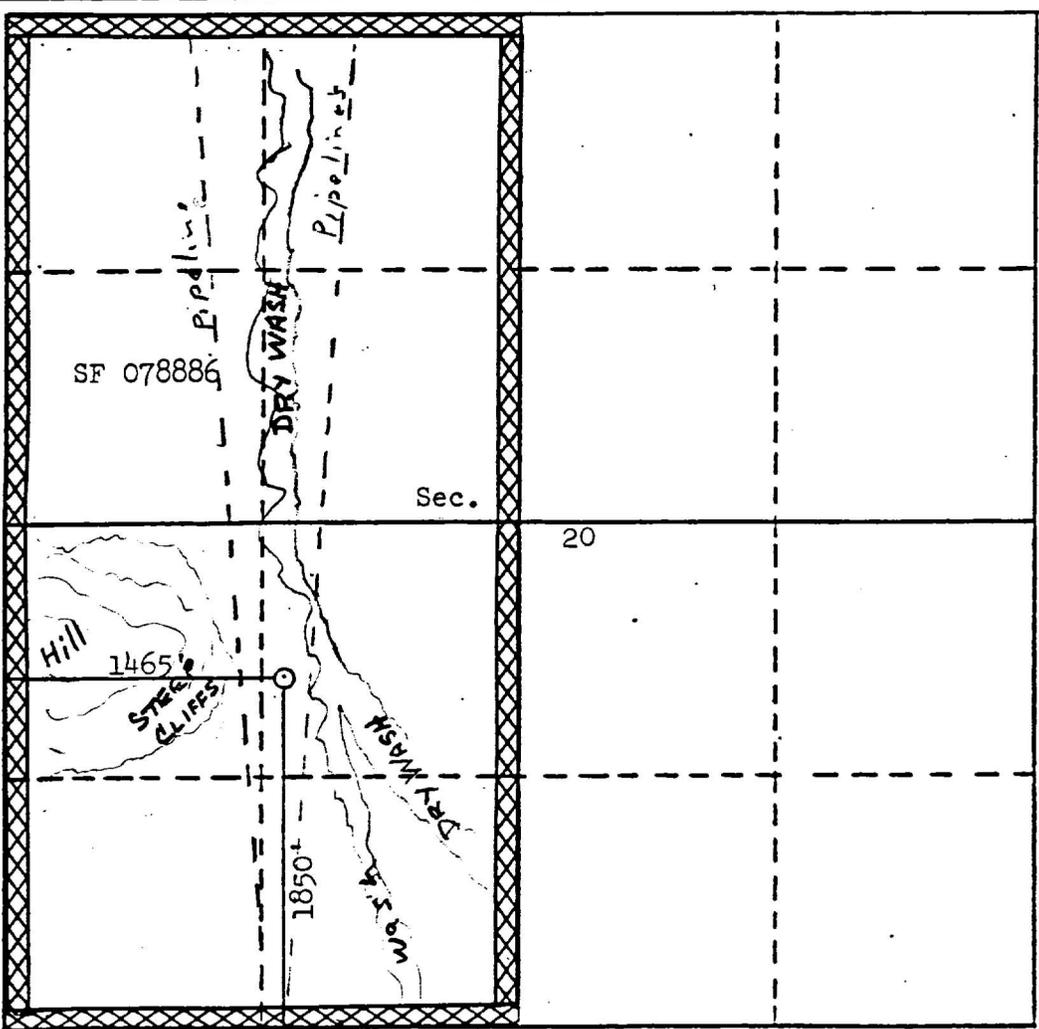
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership (include both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

RECEIVED  
MAY 3 1983  
OIL CONSERVATION DIVISION

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

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 knowledge and belief.

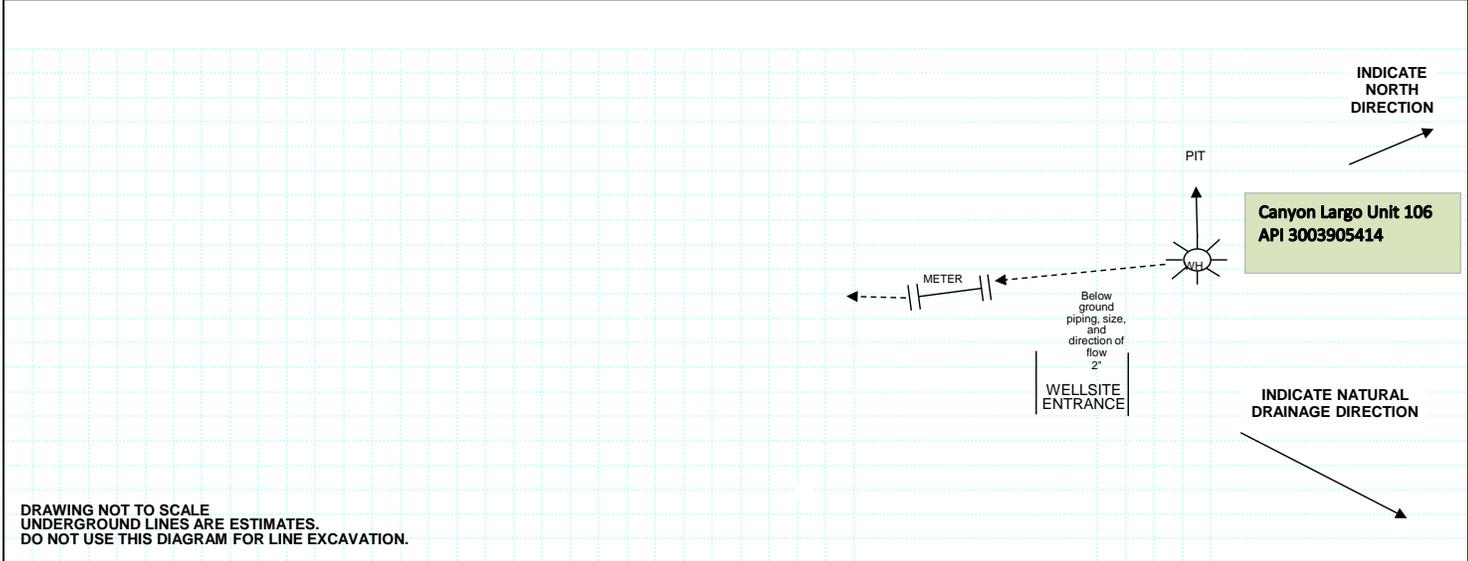
Date Surveyed  
May 3, 1983

Registered Professional Engineer  
and/or Land Surveyor  
*David M. [Signature]*

Certificate No.  
1760

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

<b>HILCORP ENERGY SITE SECURITY PLAN - SITE DIAGRAM</b>				NAME: Terry Nelson	
				DATE: 04/29/19	
WELL / SITE NAME:	Canyon Largo Unit 106	LEGAL DESCR (U-S-T-R):	Unit Letter C, Sec 20, T024N, R06W		
API No.:	3003905414	PRODUCING ZONE(S):	Ballards Pictured Cliffs		
LEASE No.:	NMSF078886	LATITUDE:	36.30248	LONGITUDE:	-107.49522
FOOTAGES:	990' FNL & 1500' FWL	COUNTY:	Rio Arriba	STATE:	NM
Comments:					

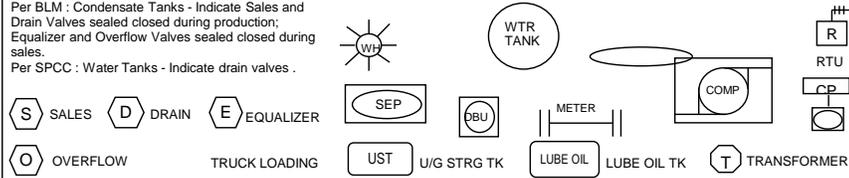


**DRAWING NOT TO SCALE  
UNDERGROUND LINES ARE ESTIMATES.  
DO NOT USE THIS DIAGRAM FOR LINE EXCAVATION.**

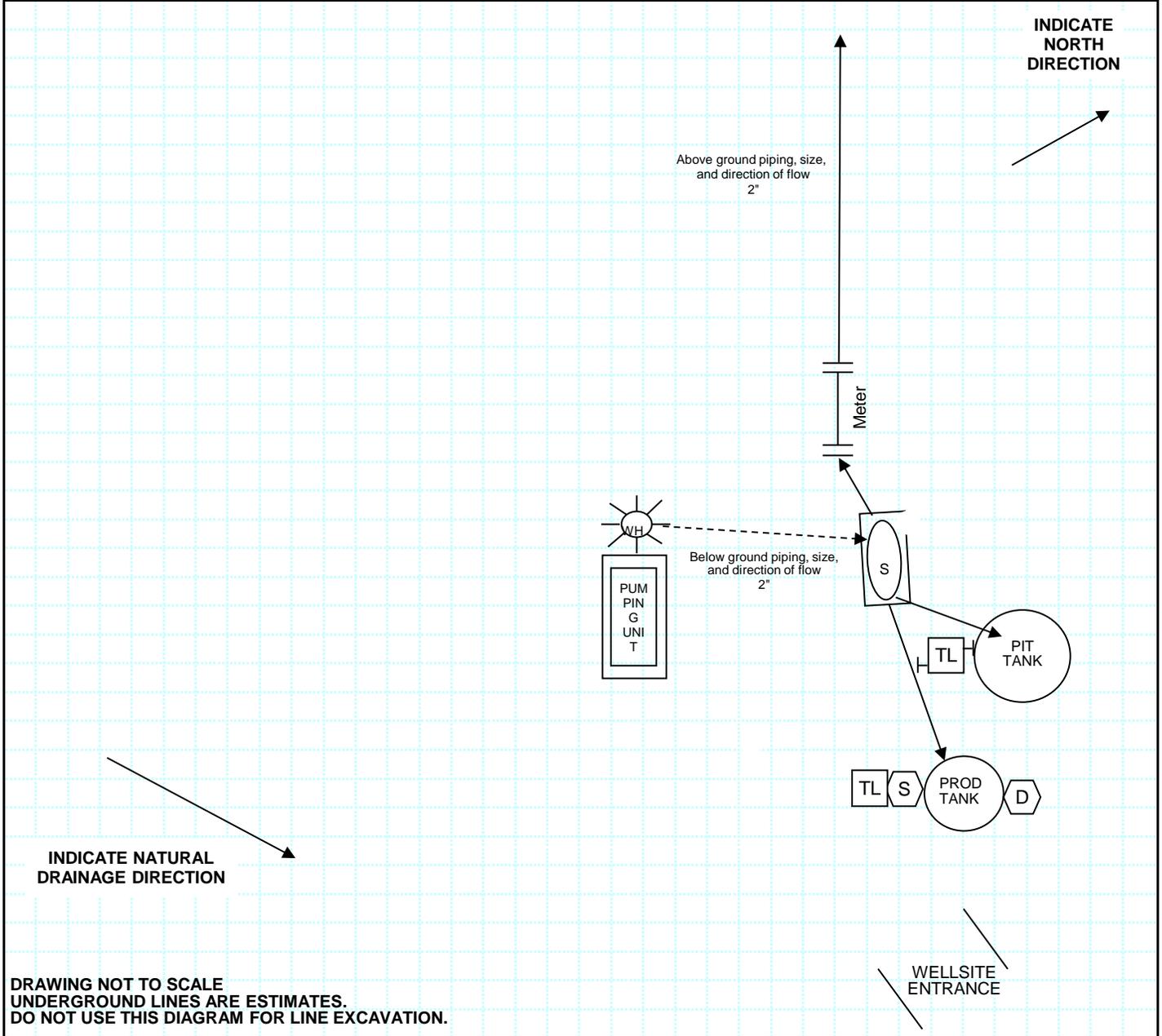
This Site is subject to-  
The Hilcorp Energy Company San Juan Site Security Plan for Sale of Oil and Gas, Production Policy.

The Site Security Plans are Located At:  
Hilcorp Energy Company  
#9A CR-5793  
Farmington, NM 87401

Per BLM : Condensate Tanks - Indicate Sales and Drain Valves sealed closed during production; Equalizer and Overflow Valves sealed closed during sales.  
Per SPCC : Water Tanks - Indicate drain valves .



<b>HILCORP ENERGY SITE SECURITY PLAN - SITE DIAGRAM</b>				NAME: Terry Nelson	
				DATE: 04/29/19	
WELL / SITE NAME:	Canyon Largo Unit 324	LEGAL DESCR (U-S-T-R):	K,20,T024N,R06W		
API No.:	3003923338	PRODUCING ZONE(S):	Devils Fork Gallup		
LEASE No.:	NMSF078886	LATITUDE:	36.295531	LONGITUDE:	-107.495365
FOOTAGES:	1850' FSL & 1465' FWL	COUNTY:	Rio Arriba	STATE:	NM
Comments:					



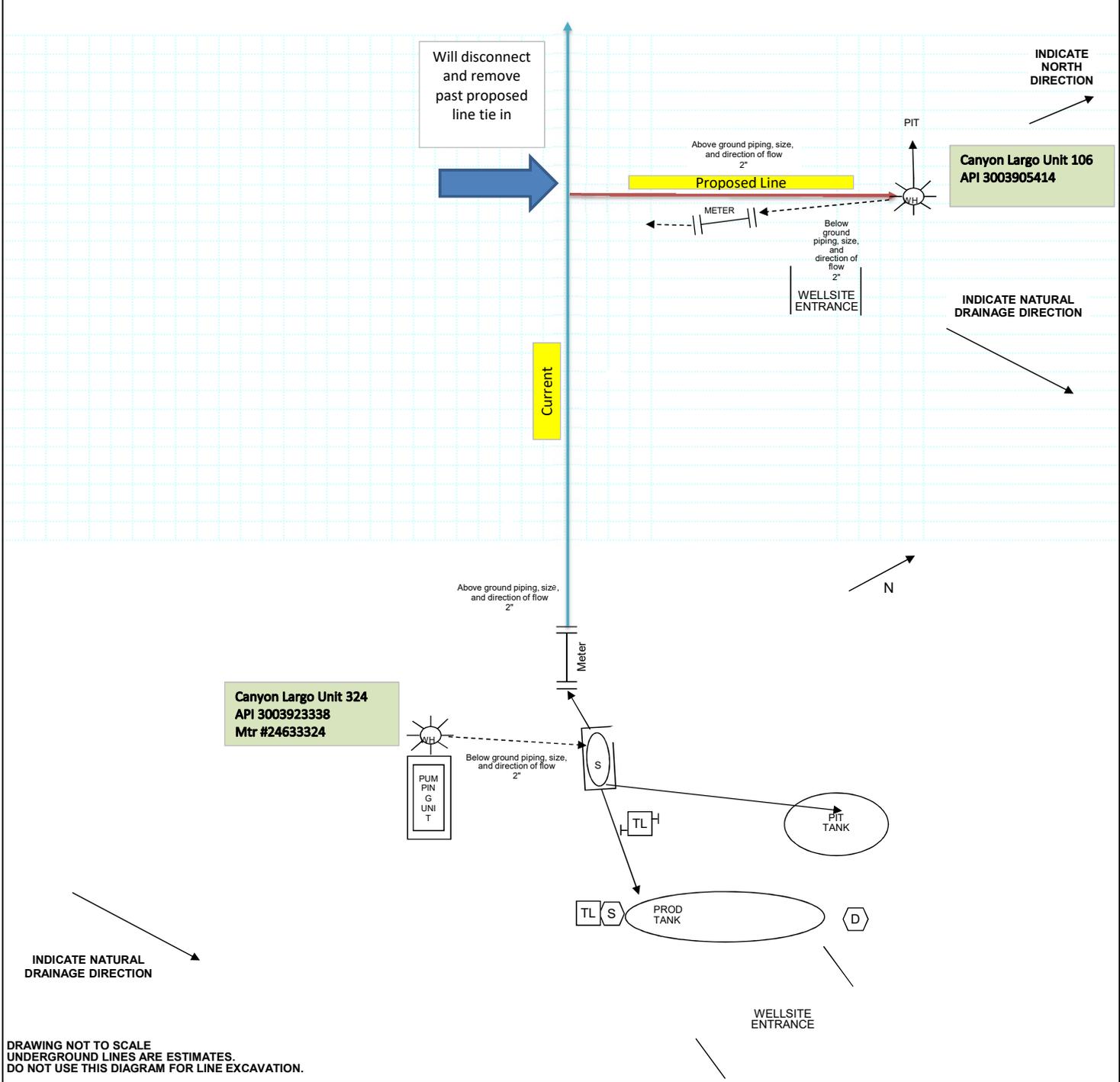
This Site is subject to- The Hilcorp Energy Company San Juan Site Security Plan for Sale of Oil and Gas, Production Policy.	The Site Security Plans are Located At: Hilcorp Energy Company #9A CR-5793 Farmington, NM 87401
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Per BLM : Condensate Tanks - Indicate Sales and Drain Valves sealed closed during production; Equalizer and Overflow Valves sealed closed during sales.  
 Per SPCC : Water Tanks - Indicate drain valves .

SALES	DRAIN	EQUALIZER	WTR TANK	SEP	DBU	METER	COMP	RTU	CP	R
OVERFLOW	TRUCK LOADING	UST	U/G STRG TK	LUBE OIL	LUBE OIL TK	TRANSFORMER				

Above ground piping, size, and direction of flow 3"  
 Below ground piping, size, and direction of flow 2"  
 Below ground electrical line  
 ----- E -----

<b>HILCORP ENERGY SITE SECURITY PLAN - SITE DIAGRAM</b>			NAME: Terry Nelson	
			DATE: 04/29/19	
WELL / SITE NAME:	Canyon Largo Unit 324/106	LEGAL DESCR (U-S-T-R):		
API No.:		PRODUCING ZONE(S):		
LEASE No.:		LATITUDE:	LONGITUDE:	
FOOTAGES:		COUNTY:	STATE:	NM
Comments:	<b>PROPOSED</b>			



**DRAWING NOT TO SCALE  
UNDERGROUND LINES ARE ESTIMATES.  
DO NOT USE THIS DIAGRAM FOR LINE EXCAVATION.**

This Site is subject to- The Hilcorp Energy Company San Juan Site Security Plan for Sale of Oil and Gas, Production Policy.	The Site Security Plans are Located At: Hilcorp Energy Company 382 Road 3100 Aztec, NM 87410
--	---

Per BLM : Condensate Tanks - Indicate Sales and Drain Valves sealed closed during production; Equalizer and Overflow Valves sealed closed during sales.  
Per SPCC : Water Tanks - Indicate drain valves .

(S) SALES	(D) DRAIN	(E) EQUALIZER	(SEP)	(DBU)	(METER)	(COMP)	(WTR TANK)	(R)	(RTU)	(CP)
(O) OVERFLOW	TRUCK LOADING	(UST)	U/G STRG TK	(LUBE OIL)	LUBE OIL TK	(T) TRANSFORMER				

Below ground piping, size, and direction of flow 2" (solid line with arrow)  
Below ground electrical line (dashed line with 'E')



WELL INFORMATION

Well Name	API#	Pool	S-T-R	FNL/FSL	FEL/FWL	Lease Number	Agreement Number	Permits	Gravity	BTU	Est Daily Gas Rate
Canyon Largo Unit 324	30-039-23338	Devils Fork Gallup	Sec. 20, T24N, R06W	1850' FNL	1465' FWL	NMSF078886			0.771	1349.00	151.00
Canyon Largo Unit 106	30-039-05414	Ballard Pictured Cliffs	Sec. 20, T24N, R06W	990' FNL	1500' FWL	NMSF078886			0.696	1202.00	5.40

Well	Canyon Largo Unit 324	Canyon Largo Unit 106
Formation	Devils Fork Gallup	Ballard Pictured Cliffs
Production (mcf)		
December	124	4.8
January	103	4.3
February	82	6.9
March	60	5.7
April	0	5.1
May	0	5.4

## **Canyon Largo Unit 106 Surface Commingle with Canyon Largo Unit 324**

Hilcorp Energy proposes to run a 2" surface line from the Canyon Largo Unit #324 (Meter #24633324) to the Canyon Largo Unit #106 (Meter #87515) to create a surface commingle (CDP) to Enterprise.

Allocation Meter #24633324 will remain at the Canyon Largo Unit #324 to measure gas. Enterprise sales meter 87515 will measure the total flow for the 2 wells.

The gas volume for the Canyon Largo Unit #106 will be calculated by subtracting the allocation meter volume from the sales meter.

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.*

5. Lease Serial No. **NMSF078886**

6. If Indian, Allottee or Tribe Name  
**Canyon Largo Unit**

*SUBMIT IN TRIPLICATE - Other instructions on page 2.*

1. Type of Well  
 Oil Well     Gas Well     Other

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

2. Name of Operator  
**Hilcorp Energy Company**

8. Well Name and No.  
**Canyon Largo Unit 106**

3a. Address  
**382 Road 3100, Aztec, NM 87410**

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

9. API Well No.  
**30-039-05414**

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)  
**Surface      Unit C (NE/NW) 990' FNL & 1500' FWL, Sec. 20, T24N, R06W**

10. Field and Pool or Exploratory Area  
**Ballards Pictured Cliffs**

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			
<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 checked="" type="checkbox"/> Other <u>Surface Commingle</u>
	<input type="checkbox"/> Change Plans	<input 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 recomplate 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 recomplate 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.)

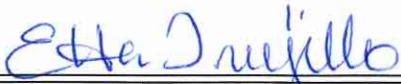
**Hilcorp Energy proposes to run a 2" surface line from the Canyon Largo Unit #324 (Meter #24633324) to the Canyon Largo Unit #106 (Meter #87515) to create a surface commingle (CDP) to Enterprise.**

**Allocation Meter #24633324 will remain at the Canyon Largo Unit #324 to measure gas. Enterprise sales meter 87515 will measure the total flow for the 2 wells.**

**The gas volume for the Canyon Largo Unit #106 will be calculated by subtracting the allocation meter volume from the sales meter.**

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

Title **Operations/Regulatory Technician - Sr.**

Signature  Date **6/7/2019**

**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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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5. Lease Serial No. **NMSF078886**  
6. If Indian, Allottee or Tribe Name  
**Canyon Largo Unit**

*SUBMIT IN TRIPLICATE - Other instructions on page 2.*

1. Type of Well  
 Oil Well  Gas Well  Other

7. If Unit of CA/Agreement, Name and/or No.  
8. Well Name and No.  
**Canyon Largo Unit 324**

2. Name of Operator  
**Hilcorp Energy Company**

9. API Well No.  
**30-039-23338**

3a. Address  
**382 Road 3100, Aztec, NM 87410**

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

10. Field and Pool or Exploratory Area  
**Devils Fork Gallup**

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)  
**Surface Unit K (NE/SW) 1850' FNL & 1465' FWL, Sec. 20, T24N, R06W**

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			
<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 checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Surface Commingle</b>
	<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 recomplate 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.)

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14. I hereby certify that the foregoing is true and correct. Name (*Printed/Typed*)  
**Etta Trujillo** Title **Operations/Regulatory Technician - Sr.**  
Signature  Date **6/7/2019**

**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.



June 18, 2019

Transmitted Via  
Certified Mail

RE: Application for Surface Commingling  
Canyon Largo Unit 324 (API # 30-039-23338)  
Canyon Largo Unit 106 (API # 30-039-05414)  
Rio Arriba County, New Mexico

Hilcorp plans to surface commingle existing pay from the Canyon Largo 324 and Canyon Largo Unit 106. As required by Subsection C of 19.15.12.10 New Mexico Administrative Code, we have enclosed a copy of the Commingling Application for your review. No action is required by you unless you object our commingling proposal.

Any objection to this application must be filed in writing within twenty (20) days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If the 20 day waiting period expires, the Division will conclude that your company has no objection to the application.

This letter represents a good faith effort to adhere with applicable notification requirements. However, if your ownership interest in the Subject Well has recently changed (i.e., new burdens created or you have sold or transferred your interest) please contact Hilcorp immediately to update your file.

Hilcorp appreciates this opportunity to enhance production from the Subject Wells and we are thankful for your support.

Regards,

**Etta Trujillo**

Operations/Regulatory Technician  
Hilcorp Energy Company  
505-324-5161

Encl.



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CANYON LARGO UNIT #106  
30-039-05414

24N 6W

CANYON LARGO UNIT #324  
30-039-23338

RIO ARRIBA

USA  
NMSF078886

30

29

28

0 0.1 0.2 Miles

27

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Hilcorp Energy Company  
OPERATOR ADDRESS: 382 Road 3100, Aztec, NM 87410  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Devils Fork Gallup (17610)					
Ballard Pictured Cliffs (71439)					

(2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code.  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: \_\_\_\_\_ TITLE: Operations Manager DATE: \_\_\_\_\_

TYPE OR PRINT NAME Nick Kunze TELEPHONE NO.: (713) 209-2449

E-MAIL ADDRESS: nkunze@hilcorp.com

<b>Certified Number</b>	<b>Sender</b>	<b>Recipient</b>	<b>Date Mailed</b>	<b>Delivery Status</b>
92148969009997901776080026	Brenda Guzman	, ALLAYNALEE K COYLE, 4800 PONDEROSA AVE NE, ALBUQUERQUE, NM, 87110 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080033	Brenda Guzman	, AMANDA BARCLAY, 10201 EDITH BLVD NE, ALBUQUERQUE, NM, 87113 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080040	Brenda Guzman	, AMMO INVESTMENTS LTD, 500 N AKARD #1900, DALLAS, TX, 75201 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080057	Brenda Guzman	, BALANCING OWNER, MISSING ADDRESS, , , Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080064	Brenda Guzman	, BANK ONE TEXAS NA, GMGF OIL ACCOUNT #3153 PO BOX 99084, FORT WORTH, TX, 76199 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080071	Brenda Guzman	, DUGAN PRODUCTION CORP, PO BOX 420, FARMINGTON, NM, 87499 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080088	Brenda Guzman	, JOE F ELLEDGE, PO BOX 111, FARMINGTON, NM, 87499 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080095	Brenda Guzman	, KIMBELL OIL CO OF TEXAS, 777 TAYLOR ST, SUITE PII-A, FORT WORTH, TX, 76102 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080101	Brenda Guzman	, LELAND FIKES FOUNDATION INC, 500 N AKARD #1900, DALLAS, TX, 75201 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080118	Brenda Guzman	, MERRION OIL and GAS CORP, 610 REILLY AVE, FARMINGTON, NM, 87401-2634 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080125	Brenda Guzman	, OMIMEX PETROLEUM, 7950 JOHN T WHITE ROAD, FORT WORTH, TX, 76120 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080132	Brenda Guzman	, PATRICK LANCE, PO BOX 192, JEMEZ SPRINGS, NM, 87025 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080149	Brenda Guzman	, PAUL LANCE, 816 DOUGLAS MACARTHUR NW, ALBUQUERQUE, NM, 87107 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080156	Brenda Guzman	, PHILLIP LANCE, 1459 ARROYO LN, BERNALILLO, NM, 87004 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080163	Brenda Guzman	, SYLVIA F LITTLE TRUST AGMT, 5 25 90 SYLVIA F LITTLE TRUST PO BOX 1258, FARMINGTON, NM, 87499-1258 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>
92148969009997901776080170	Brenda Guzman	, WM TRUST, SAM HARVEY TRUSTEE 596 SHOSHONE ST, GRAND JUNCTION, CO, 81504 Code: CLU 324_CLU 106 Surface Commingle	6/18/2019	<b>Signature Pending</b>