

Initial Application Part I

Received: 06/24/2019

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

RECEIVED: 06/24/2019	REVIEWER: MAM	TYPE: PLC	APP NO: pMAM1917538812
-----------------------------	----------------------	------------------	-------------------------------

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

Applicant: <u>Hilcorp Energy Company</u>	OGRID Number: <u>372171</u>
Well Name: <u>Canyon Largo Unit 120 & Canyon Largo Unit 303</u>	API: <u>30-039-05632 / 30-039-22685</u>
Pool: <u>Ballard Pictured Cliffs & Devils Fork Gallup</u>	Pool Code: <u>71439 & 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]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD

PLC-584

- 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

FOR OCD ONLY	
<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



Signature

June 14, 2019

Date

713-209-2449

Phone Number

nkunze@hilcorp.com

e-mail Address

McMillan, Michael, EMNRD

From: Etta Trujillo <ettrujillo@hilcorp.com>
Sent: Friday, June 21, 2019 1:36 PM
To: McMillan, Michael, EMNRD
Cc: JD Lorence; John Jones; Pamela Harper; Tammy Jones
Subject: [EXT] C-107B - Canyon Largo 120 - 3003905632
Attachments: C-107B Application for Surface Commingling_Canyon Largo Unit 120_303.pdf

Mr. McMillan

Please find attached, a surface commingle C-107B application for the above well and adjacent well; Canyon Largo Unit 303 (API 3003922685).

*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.*

Thank you,

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

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.

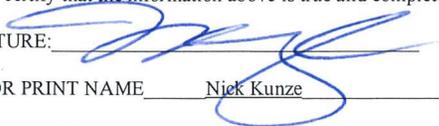
(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(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

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 268920

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 300-039-05632	2. Pool Code 71439	3. Pool Name BALLARD PICTURED CLIFFS (GAS)
4. Property Code 318470	5. Property Name CANYON LARGO UNIT	6. Well No. 120
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6624

10. Surface Location

UL - Lot N	Section 5	Township 24N	Range 06W	Lot Idn	Feet From 1100	N/S Line S	Feet From 1650	E/W Line W	County RIO ARRIBA
---------------	--------------	-----------------	--------------	---------	-------------------	---------------	-------------------	---------------	----------------------

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 160.00 W/2			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 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: Etta Trujillo Title: 06/21/2019 Date: Operations/Regulatory Tech Sr</p> <hr/> <p 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: 5/28/1963 Certificate Number: 1760</p>
--	--

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
 OIL AND MINERALS DEPARTMENT

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

Form C-107
 Revised 10-1-78

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

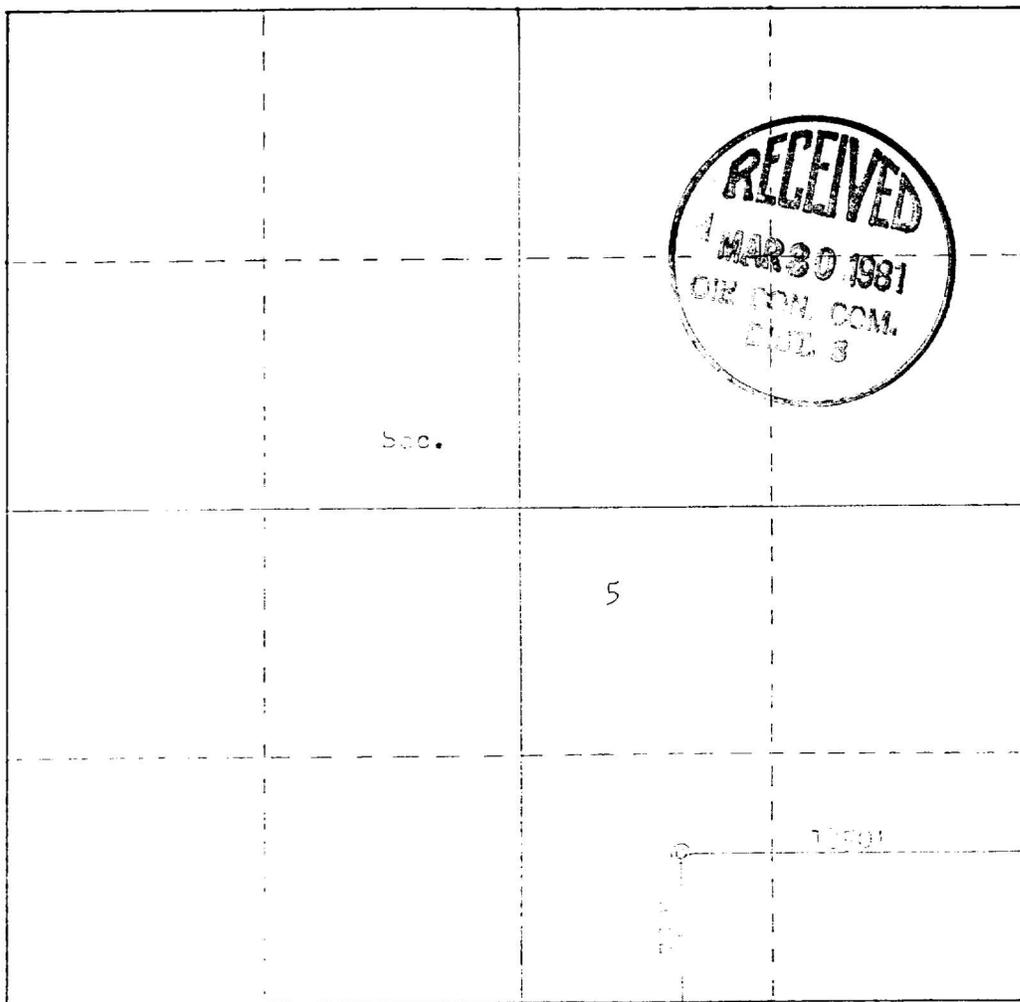
Operator MERRION & BAYLESS			Lease CANYON LARGO UNIT		Well No. 303
Unit Letter 0	Section 5	Township 24N	Range 6W	County Rio Arriba	
Actual Footage Location of Well: 790 feet from the South line and 1850 feet from the East line					
Ground Level Elev. 6659	Producing Formation Gallup		Pool Devils Fork Gallup	Dedicated Acreage: 80 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 thereof (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?

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.) _____

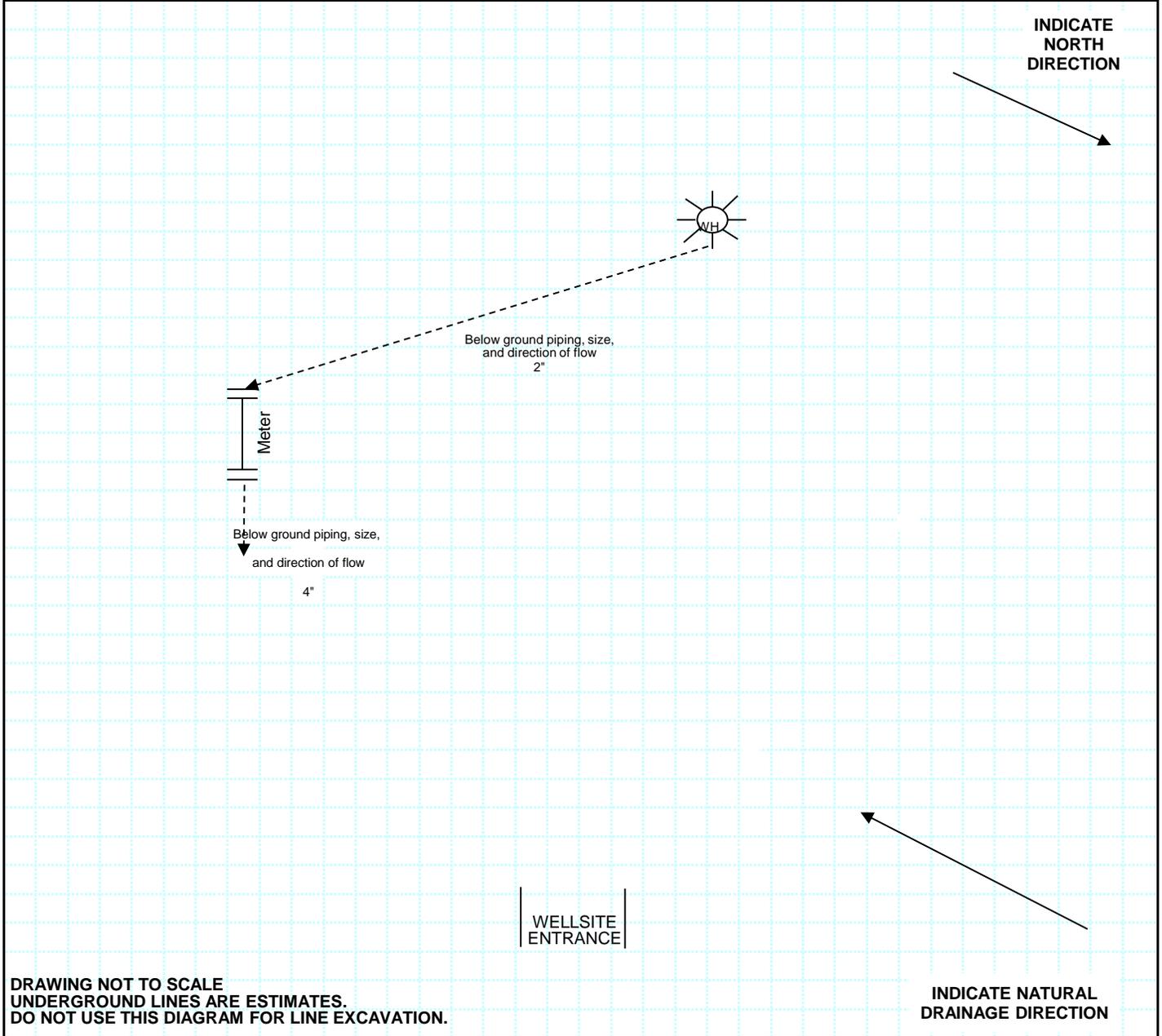
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	Robert L. Bayless
Position	Co-Owner
Company	Merrion & Bayless
Date	February 25, 1981
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	February 20, 1981
Registered Professional Engineer and Land Surveyor Fred B. Kerr Jr.	
Certificate No.	3950

HILCORP ENERGY SITE SECURITY PLAN - SITE DIAGRAM				NAME: Terry Nelson	
				DATE: 04/24/19	
WELL / SITE NAME:	Canyon Largo 120	LEGAL DESCR (U-S-T-R):	SEC 05-T024N-R006W NMPM		
API No.:	30-039-05632	PRODUCING ZONE(S):			
LEASE No.:	NMSF-078884	LATITUDE:	362015	LONGITUDE:	1072942
FOOTAGES:	SE/SW, 1100' FSL&1650' FWL	COUNTY:	San Juan	STATE:	NM
Comments:					



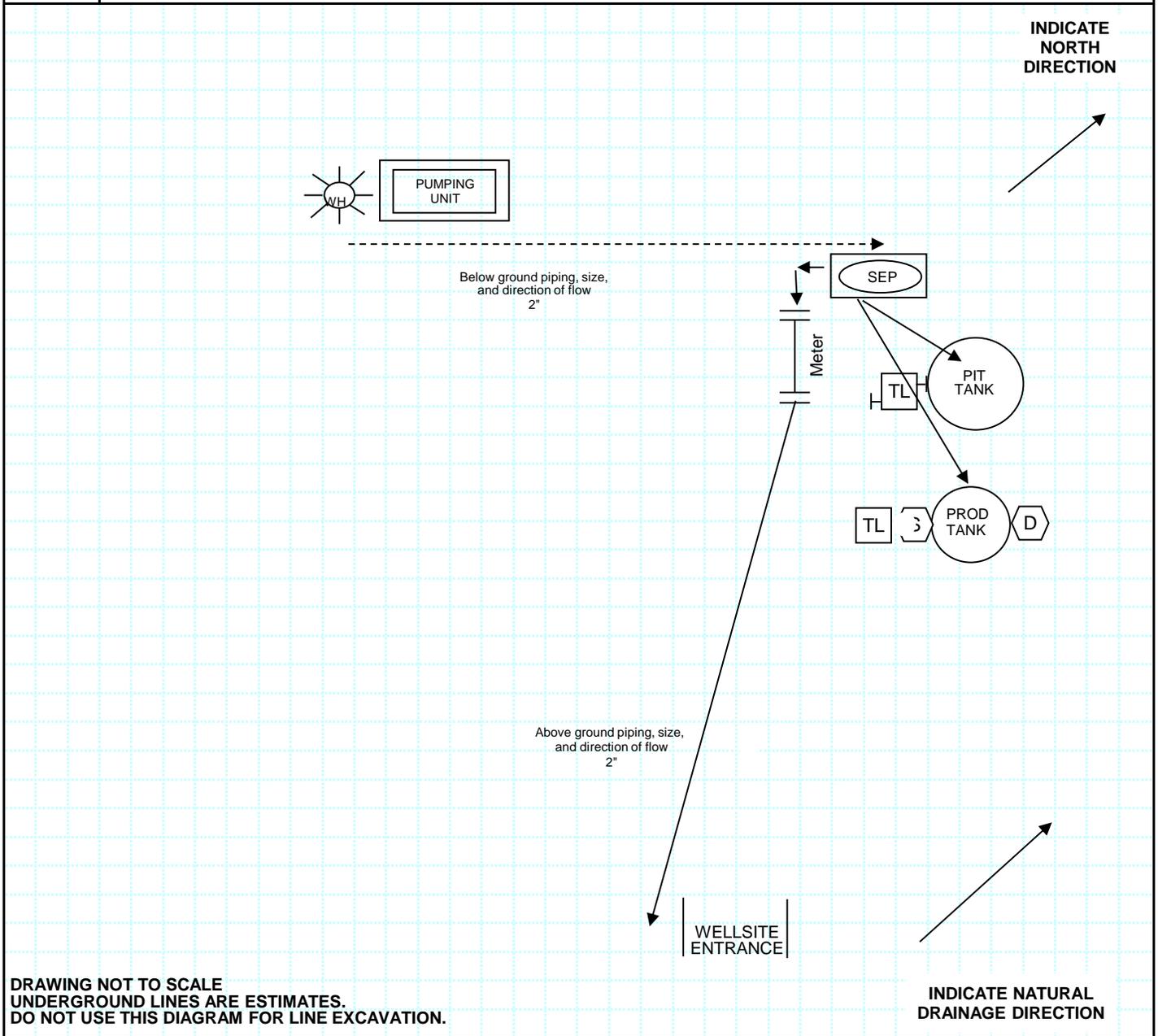
**DRAWING NOT TO SCALE
UNDERGROUND LINES ARE ESTIMATES.
DO NOT USE THIS DIAGRAM FOR LINE EXCAVATION.**

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 .

SALES	DRAIN	EQUALIZER				Above ground piping, size, and direction of flow 3"
OVERFLOW	TRUCK LOADING					Below ground piping, size, and direction of flow 2"
	U/G STRG TK					Below ground electrical line ----- E -----

HILCORP ENERGY SITE SECURITY PLAN - SITE DIAGRAM				NAME: Terry Nelson	
				DATE: 04/24/19	
WELL / SITE NAME:	Canyon Largo 303	LEGAL DESCR (U-S-T-R):	SEC 5-T24N-R6W		
API No.:	30-039-22685	PRODUCING ZONE(S):			
LEASE No.:	NMSF-078874	LATITUDE:	36.33659	LONGITUDE:	-107.48839
FOOTAGES:	790'FSL1850 FEL	COUNTY:	San Juan	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 .

SALES	DRAIN	EQUALIZER	WEL	WTR TANK	SEP	DBU	METER	COMP	RTU	Above ground piping, size, and direction of flow 3"
OVERFLOW	TRUCK LOADING	UST	U/G STRG TK	LUBE OIL	LUBE OIL TK	T TRANSFORMER	Below ground piping, size, and direction of flow 2"	Below ground electrical line	E	

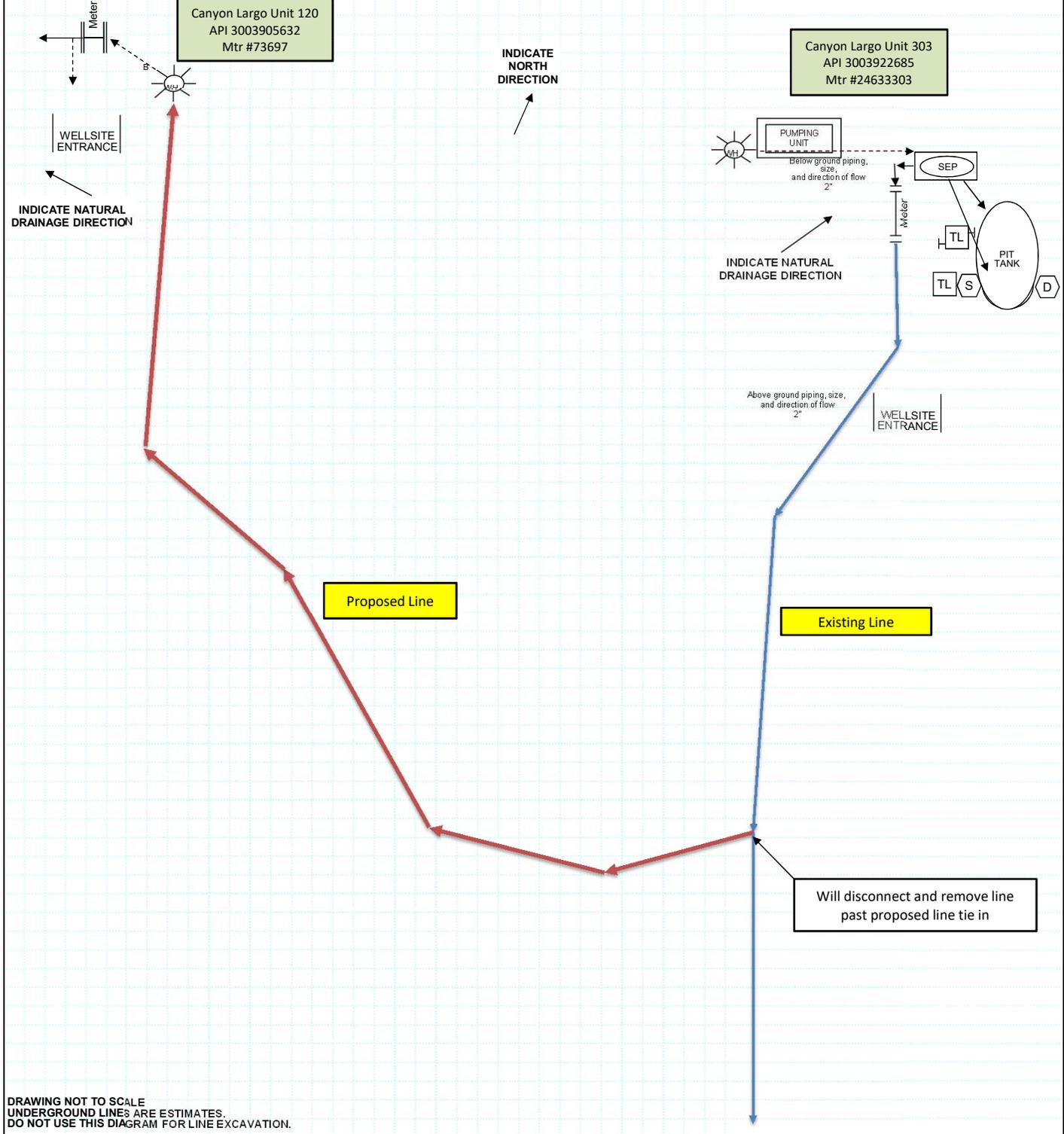
HILCORP ENERGY SITE SECURITY PLAN - SITE DIAGRAM

NAME: Terry Nelson

DATE: 04/24/19

WELL / SITE NAME:	Canyon Largo Unit 303/120	LEGAL DESCR (U-S-T-R):	
API No.:		PRODUCING ZONE(S):	
LEASE No.:		LATITUDE:	36.33659
FOOTAGES:		LONGITUDE:	
		COUNTY:	San Juan
		STATE:	

Comments: **PROPOSED**



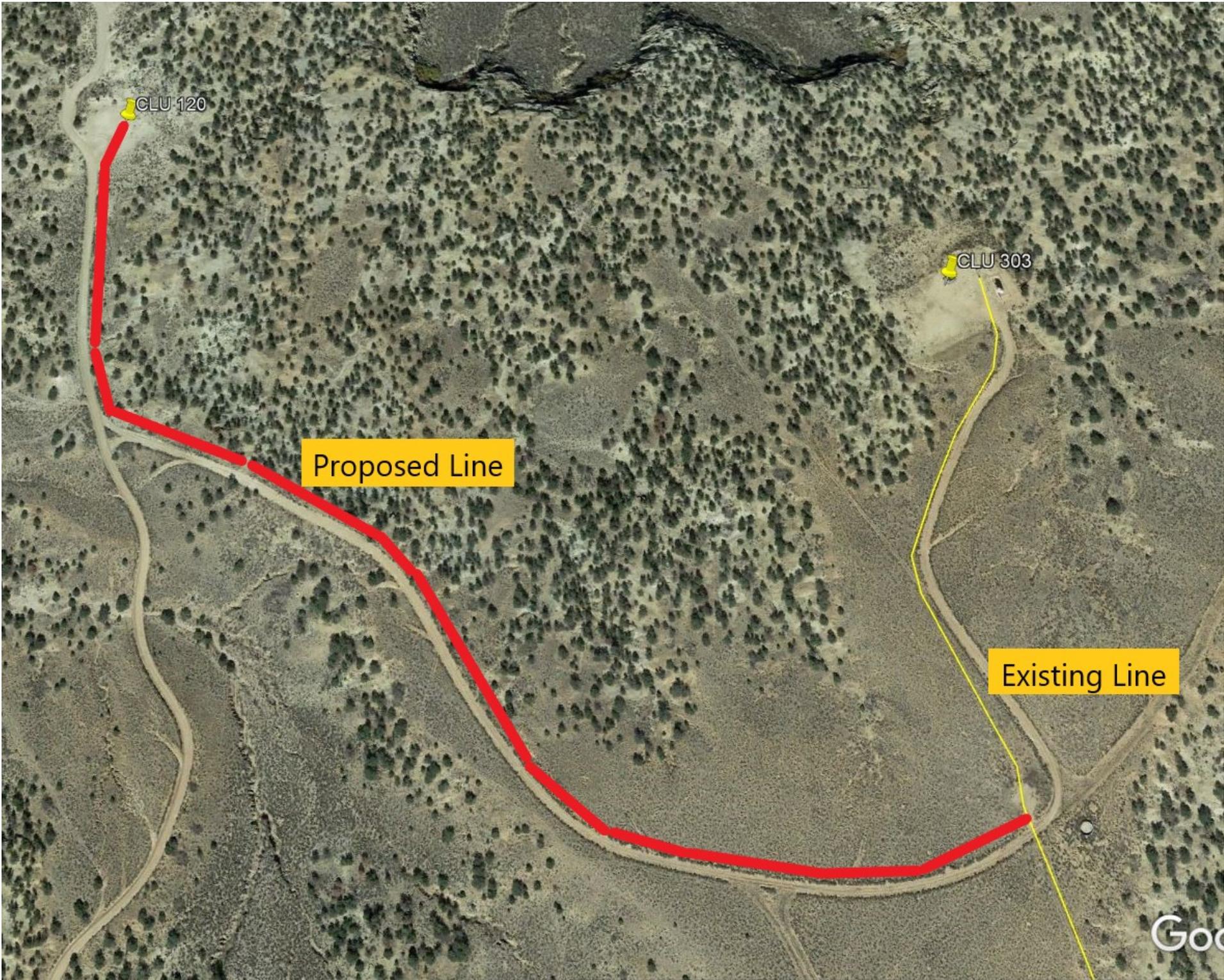
DRAWING NOT TO SCALE
UNDERGROUND LINES ARE ESTIMATES.
DO NOT USE THIS DIAGRAM FOR LINE EXCAVATION.

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 .

SALES	DRAIN	EQUALIZER	WTR TANK	Above ground piping, size, and direction of flow 3"	RTU
OVERFLOW	TRUCK LOADING	UST	U/G STRG TK	Below ground piping, size, and direction of flow 2"	CP
SEP	METER	LUBE OIL	LUBE OIL TK	TRANSFORMER	Below ground electrical line E



CLU 120

CLU 303

Proposed Line

Existing Line

Go



36

31

32

33

34

25N 6W

1

6

5

4

3

USA
NMSF078874

RIO ARRIBA

CANYON LARGO UNIT #120
30-039-05632

CANYON LARGO UNIT #303
30-039-22685

24N 6W

7

8

9

10

0 0.125 0.25 0.5 Miles

18

17

15

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 303	30-039-22685	Devils Fork Gallup	Sec. 05, T24N, R06W	790' FNL	1850' FWL	NMSF078874			0.779	1355.00	22.00
Canyon Largo Unit 120	30-039-05632	Ballard Pictured Cliffs	Sec. 05, T24N, R06W	1100' FSL	1650' FWL	NMSF078874			0.691	1202.00	24.00

Well	Canyon Largo Unit 303	Canyon Largo Unit 120
Formation	Devils Fork Gallup	Ballard Pictured Cliffs
Production (mcf/d)		
December	0	23
January	0	25
February	1.2	26
March	0	23
April	0	23
May	0	22

Canyon Largo Unit 120 Surface Commingle with Canyon Largo Unit 303

Hilcorp Energy proposes to run a 2" surface line from the Canyon Largo Unit #303 (Meter #24633303) to the Canyon Largo Unit #120 (Meter #73697) to create a surface commingle (CDP) to Enterprise.

Allocation Meter #24633303 will remain at the Canyon Largo Unit #303 to measure gas. Enterprise sales meter 73697 will measure the total flow for the 2 wells.

The gas volume for the Canyon Largo Unit #120 will be calculated by subtracting the allocation meter volume from the sales meter.