

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT Sundry Print Report

Well Name: CANYON LARGO UNIT Well Location: T25N / R6W / SEC 11 /

NWNW / 36.418509 / -107.442983

County or Parish/State: RIO

Allottee or Tribe Name:

ARRIBA / NM

Well Number: 278E

Type of Well: CONVENTIONAL GAS

Unit or CA Name: CANYON LARGO Unit or CA Number:

UNIT--DK

NMNM78383D

US Well Number: 3003929960

Lease Number: NMSF078885

Well Status: Producing Gas Well

Operator: HILCORP ENERGY

COMPANY

Notice of Intent

Sundry ID: 2766745

Type of Submission: Notice of Intent Type of Action: Recompletion Date Sundry Submitted: 12/19/2023 Time Sundry Submitted: 11:07

Date proposed operation will begin: 04/01/2024

Procedure Description: Hilcorp Energy Company requests permission to recomplete the subject well in the Mesaverde / Mancos formations and downhole commingle with the existing Dakota formation. Please see the attached procedure, current and proposed wellbore diagram, plat and natural gas management plan. A closed loop system will be used. A pre-reclamation site visit was held on 11/29/2023 with Roger Herrera/BLM. The reclamation plan is attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Canyon_Largo_Unit_278E_NOI_20231219110614.pdf

County or Parish/State: RIO Well Name: CANYON LARGO UNIT Well Location: T25N / R6W / SEC 11 / ARRIBA / NM

NWNW / 36.418509 / -107.442983

Well Number: 278E Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

Lease Number: NMSF078885 Unit or CA Name: CANYON LARGO Unit or CA Number:

UNIT--DK NMNM78383D

US Well Number: 3003929960 Well Status: Producing Gas Well Operator: HILCORP ENERGY

COMPANY

Operator

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Signed on: DEC 19, 2023 11:06 AM Operator Electronic Signature: CHERYLENE WESTON

Name: HILCORP ENERGY COMPANY Title: Operations/Regulatory Tech - Sr Street Address: 1111 TRAVIS STREET

City: HOUSTON State: TX

Phone: (713) 289-2615

Email address: CWESTON@HILCORP.COM

Field

Representative Name:

Street Address:

City: State: Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: MATTHEW H KADE BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736 BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved Disposition Date: 12/20/2023

Signature: Matthew Kade



HILCORP ENERGY COMPANY CANYON LARGO UNIT 278E

MESA VERDE and MANCOS RECOMPLETION SUNDRY

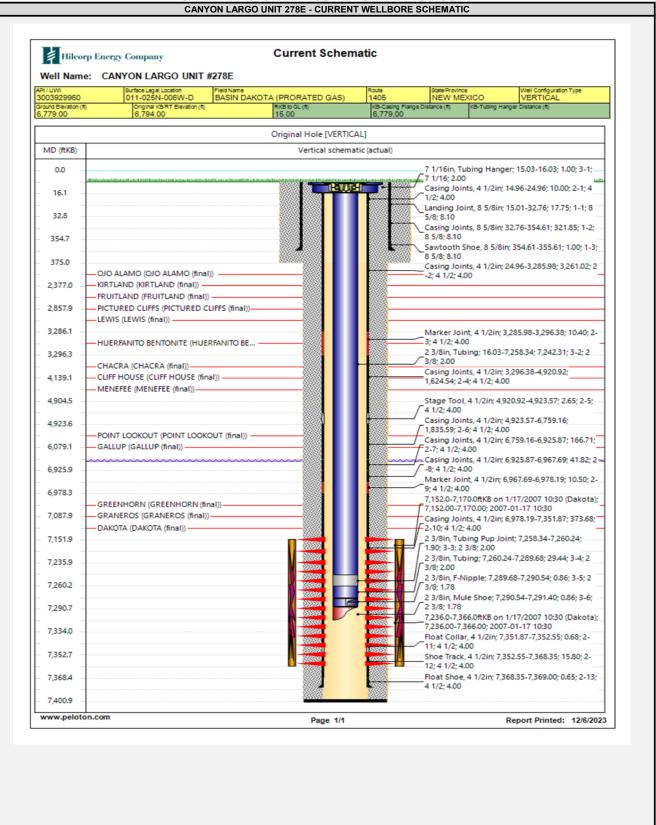
JOB PROCEDURES

- 1. MIRU service rig and associated equipment; test BOP.
- 2. TOOH with 2-3/8" tubing set at 7,291'.
- 3. Set a 4-1/2" plug at +/- 7,121' to isolate the Dakota.
- 4. RU Wireline. Run CBL. Record Top of Cement.
- 5. Load the hole and pressure test the casing.
- 6. N/D BOP, N/U frac stack and pressure test frac stack.
- 7. Perforate and frac the Mesa Verde and Mancos formations (Top Perforation @ 4,139'; Bottom Perforation @ 7,036').
- 8 Isolate frac stages with a plug.
- 9. Nipple down frac stack, nipple up BOP and test.
- 10. TIH with a mill and drill out top isolation plug, Mesa Verde frac plug, and Mancos frac plug.
- 11. Clean out to **Dakota** isolation plug.
- 12. Drill out Dakota isolation plug and cleanout to PBTD of 7,400'. TOOH.
- 13. TIH and land production tubing. Get a commingled **Dakota/Mesa Verde/Mancos** flow rate.



HILCORP ENERGY COMPANY CANYON LARGO UNIT 278E

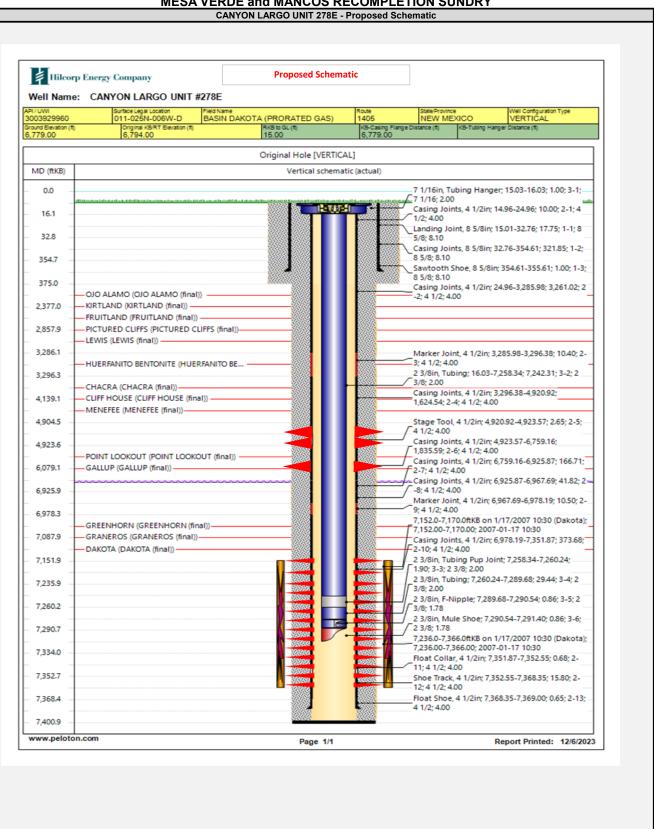
MESA VERDE and MANCOS RECOMPLETION SUNDRY





HILCORP ENERGY COMPANY **CANYON LARGO UNIT 278E**

MESA VERDE and MANCOS RECOMPLETION SUNDRY



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

<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

<u>District IV</u> 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 356169

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-29960	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318470	5. Property Name CANYON LARGO UNIT	6. Well No. 278E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6779

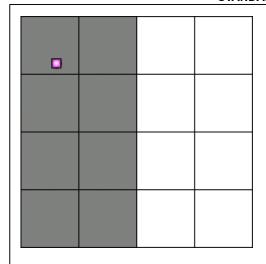
10. Surface Location

	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
١	D	10	25N	06W		1050	N	800	W	RIO
١										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 A 320.			13. Joint or Infill		14. Consolidatio	n 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



OPERATOR CERTIFICATION

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.

E-Signed By: Cherylene Weston
Title: Cherylene Weston

Date: 12/19/2023

SURVEYOR CERTIFICATION

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.

Surveyed By: Glen W. Russell
Date of Survey: 5/26/2006

Certificate Number: 15703

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Form C-102 August 1, 2011

Permit 356169

WELL LOCATION AND ACREAGE DEDICATION PLAT

		
1. API Number 30-039-29960	2. Pool Code 97232	3. Pool Name BASIN MANCOS
4. Property Code 318470	5. Property Name CANYON LARGO UNIT	6. Well No. 278E
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Title: Cherylene Weston
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Hilcorp Energy
Recomplete Reclamation Plan
Canyon Largo Unit 278E
API: 30-039-29960
T25N-R6W-Sec.11-D
LAT: 36.4183 LONG: - 107.44231(NAD 27)

Footage: 1050' FNL & 860' FEL 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 South Construction Foreman on November 29, 2023.

2. LOCATION RECLAMATION PROCEDURE

- 1. Reclamation work will begin when all the recompletion activities are completed.
- 2. All trash and debris will be removed within a 25' buffer outside of the location disturbance during reclamation.
- 3. Repair Gonzales Hill from the Tapacitos Road to the Gonzales Compressor.
- 4. Blade the main Gonzales Road from Gonzales Compressor to the Jicarilla Boundary Gate to the Gold Book Standard.
- 5. Create a teardrop ditch.
- 6. Move excess gravel to the roadway and spread.
- 7. Reseed all disturbed area being used for recompletion activities.
- 8. The Canyon Largo Unit 32 will be used for a staging area.
- 9. Reseed all disturbed areas in the staging area.

3. SEEDING PROCEDURE

- 1. A BLM Special seed mix will be used for all reclaimed and disturbed areas of the well pad and lease road.
- 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.

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description Effective May 25, 2021

I. Operator: Hilcorp E	nergy Compar	ıy	OGRID:	372171	Date:	<u>12 / 19 / 2023</u>
II. Type: 🛛 Original 🗆	Amendment	due to □ 19.15.2	7.9.D(6)(a) NMAC	C □ 19.15.27.9.D((6)(b) NMAC □ (Other.
If Other, please describe	:					
III. Well(s): Provide the be recompleted from a s					wells proposed to	be drilled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Canyon Largo Unit 278E	3003929960	D-10-25N-6W	1050 FNL, 800 FW	L 3.1 bbl/d	347 mcf/d	0.5 bbl/d
V. Anticipated Schedul proposed to be recomple Well Name					Initial F	
Canyon Largo Unit 278E	3003929960					<u>2024</u>
VII. Operational Prac Subsection A through F	tices: Attac of 19.15.27.8	h a complete des NMAC.	cription of the act	ions Operator wil	l take to comply	nt to optimize gas capture. with the requirements of tices to minimize venting

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

🗵 Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	Well API		Anticipated Volume of Natural Gas for the First Year MCF	

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering	Available Maximum Daily Capacity
			Start Date	of System Segment Tie-in

XI. Map. Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural	gas gathering system 🗆 w	vill □ will not have	capacity to gather	100% of the anticipated	natural gas
production volume from the well p	prior to the date of first pro	oduction.			

XIII. Line Pressure. Operator \square does \square does not anticipate that its existing well(s) connected to the same segment, or portion, of	f the
natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well-	(s).

A 1 .	O 1	, 1		1 4.	•	4 41 .	ased line pres	
 Attach (Inerator	'c nlan to	manage	nraduction	in rechange	to the incre	aced line nrec	CILTO

XIV. Confidentiality: \square Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information	ion provided in
Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the spec	ific information
for which confidentiality is asserted and the basis for such assertion.	

Section 3 - Certifications <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: 🗵 Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system: or ☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following: Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or Venting and Flaring Plan.

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including: power generation on lease; (a) **(b)** power generation for grid; compression on lease; (c) (d) liquids removal on lease; reinjection for underground storage; (e)

- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- fuel cell production; and (h)
- other alternative beneficial uses approved by the division. (i)

Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become (a) unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	Cherylene Weston
Printed Name:	Cherylene Weston
Title:	Operations/Regulatory Tech-Sr.
E-mail Address:	cweston@hilcorp.com
Date:	12/19/2023
Phone:	713-289-2615
	OIL CONSERVATION DIVISION
	(Only applicable when submitted as a standalone form)
Approved By:	
Title:	
Approval Date:	
Conditions of A	proval:

VI. Separation Equipment:

Hilcorp Energy Company (HEC or Operator) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our recomplete project. HEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the recomplete to optimize gas capture and send gas to sales or flare based on analytical composition. HEC operates facilities that are typically one-well facilities. Production separation equipment is upgraded prior to well being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the recomplete operations.

VII. Operational Practices:

- 1. Subsection (A) Venting and Flaring of Natural Gas
 - HEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
- 2. Subsection (B) Venting and Flaring during drilling operations
 - o This gas capture plan isn't for a well being drilled.
- 3. Subsection (C) Venting and flaring during completion or recompletion
 - o Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
- 4. Subsection (D) Venting and flaring during production operations
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
 - o Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
 - o HEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 1-4.
- 5. Subsection (E) Performance standards
 - o All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - o If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
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- 6. Subsection (F) Measurement or estimation of vented and flared natural gas
 - o Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - o When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

- 1. Operator has adequate storage and takeaway capacity for wells it chooses to recomplete as the flowlines at the sites are already in place and tied into a gathering system.
- 2. Operator will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
- 3. Operator combusts natural gas that would otherwise be vented or flared, when technically feasible.
- 4. Operator will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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4. Property Code 318470	5. Property Name CANYON LARGO UNIT	6. Well No. 278E								
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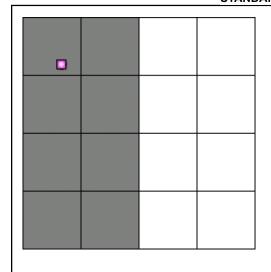
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Title: Operations/Regulatory Tech-Sr.

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Date of Survey:

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372171	HILCORP ENERGY COMPANY	6779

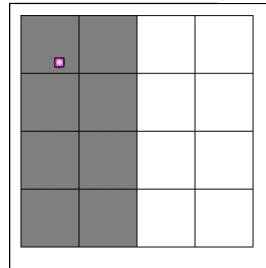
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5/26/2006

Certificate Number:

15703

From: Cheryl Weston

To: McClure, Dean, EMNRD; Rikala, Ward, EMNRD

Cc: Mandi Walker

Subject: [EXTERNAL] Action ID: 299510 Canyon Largo Unit 278E RC NOI

Date: Tuesday, February 13, 2024 12:54:15 PM

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

The estimated NOI perf range for the above NOI is as follows and it matches BLM approved NOI:

API	Well Name	Team	NOI OCD ID	MV Perfs:	MC Perfs:
				4139' -	5605' -
3003929960	CANYON LARGO UNIT 278E	SJS	299510	5605'	7036'

Thanks,

Cheryl Weston

San Juan Operations/Regulatory Tech-Sr. 1111 Travis Street | Houston, TX 77002

Ofc: 713.289.2615 | cweston@hilcorp.com



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 From:
 Cheryl Weston

 To:
 McClure, Dean, EMNRD

 Cc:
 Mandi Walker

Subject: RE: [EXTERNAL] Application ID: 299510; 30-039-29960 CANYON LARGO UNIT #278E

Date: Wednesday, February 21, 2024 3:36:55 PM

Attachments: CLU 278E MV C-102.pdf

CLU 278E MC C-102.pdf

Dean,

Here is the corrected C-102 for the MV and MC.

Thanks, Cheryl

From: McClure, Dean, EMNRD < Dean. McClure@emnrd.nm.gov>

Sent: Wednesday, February 21, 2024 3:46 PM **To:** Cheryl Weston <cweston@hilcorp.com> **Cc:** Mandi Walker <mwalker@hilcorp.com>

Subject: [EXTERNAL] Application ID: 299510; 30-039-29960 CANYON LARGO UNIT #278E

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Cheryl,

I am reviewing the sundry referenced in the subject line of this email regarding the recompletion of the 30-039-29960 CANYON LARGO UNIT #278E.

Please provide amended C-102s for the proposed new pools with corrected sections and surface locations included.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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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

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 299510

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	299510
	Action Type:
	[C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Notify NMOCD 24 Hours Prior to beginning operations.	2/21/2024
dmcclure	DHC required	2/21/2024
dmcclure	All conducted logs shall be submitted to the Division.	2/21/2024
dmcclure	The appropriate compliance officer supervisor shall be consulted and remedial action conducted as directed if the cement sheath around the casing is not adequate to protect the casing and isolate strata from: (a) the uppermost perforation in each added pool to at least 150 feet above that perforation; and (b) the lowermost perforation in each added pool to at least 100 feet below that perforation.	2/21/2024
dmcclure	Order R-10987-A(6) sets the base of the BLANCO-MESAVERDE (PRORATED GAS) [72319] pool at 500' below the top of the point lookout. However, Order R-12984 sets the top of the BASIN MANCOS [97232] pool at the base of the point lookout. These two orders are in disagreement for this well.	2/21/2024