# YWDIU-191210-C-107A 5074

Revised March 23, 2017

$\begin{array}{c c} \text{Received:} & 12/10/19 \end{array}  \text{Reviewer:} \\ \end{array}$	TYPE: DHC APP NO: pDM1935447180
NEW A - Geo 1220 South	ABOVE THIS TABLE FOR OCC DIVISION USE ONLY <b>AEXICO OIL CONSERVATION DIVISION</b> ological & Engineering Bureau – St. Francis Drive, Santa Fe, NM 87505
ADM	NISTRATIVE APPLICATION CHECKLIST
THIS CHECKLIST IS MANDATOR REGULATIONS W	Y FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND HICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applicant: Hilcorp Energy Company	OGRID Number: 372171
Well Name: Canyon Largo Unit #344	<b>API:</b> 30-039-23387
Pool: Devils Fork Mesaverde / Devils Fork	CGallup Pool Code: 17620 / 17610
	TE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW
1) <b>TYPE OF APPLICATION:</b> Check the A. Location – Spacing Unit – NSL	hose which apply for [A] Simultaneous Dedication NSP(project area) NSP(proration unit) SD
B. Check one only for [1] or [1] Commingling – Storag DHC CTB [1] Injection – Disposal – WFX PMX	<pre>[II] ge - Measurement</pre>
<ul> <li>2) NOTIFICATION REQUIRED TO: C.</li> <li>A. Offset operators or lease</li> <li>B. Royalty, overriding royalty, overri</li></ul>	heck those which apply. se holders alty owners, revenue owners ublished notice ncurrent approval by SLO ncurrent approval by BLM roof of notification or publication is attached, and/or,
3) <b>CERTIFICATION:</b> I hereby certify administrative approval is <b>acc</b> understand that <b>no action</b> will notifications are submitted to t	<sup>1</sup> that the information submitted with this application for <b>urate</b> and <b>complete</b> to the best of my knowledge. I also be taken on this application until the required information and he Division.
Note: Statement must be	completed by an individual with managerial and/or supervisory capacity.
Cherylene Weston, Operations/Regulatory	Tech-Sr. Date
Print or Type Name	505-564-0779
	Phone Number
Morulan Meson	

Signature

cweston@hilcorp.com e-mail Address

## Received by OCD: 12/10/2019 2:04:35 PM

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 En MLC 07505

State of New Mexico Energy, Minerals and Natural Resources Department

**Oil Conservation Division** 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-107A Revised August 1, 2011 APPLICATION TYPE

Single Well Establish Pre-Approved Pools EXISTING WELLBORE X Yes \_\_\_ No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Con	pany	382 Road 3100, Aztec, NM 87410	
Operator		Address	
Canyon Largo Unit	#344	Unit K (NESW) Section 30, T25N, R06W	Rio Arriba
Lease	Well No.	Unit Letter-Section-Township-Range	County
OGRID No. 372171	_Property Code 318470	API No. 30-039-23387 Lease Type: X Federal	State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Devils Fork-Mesaverde		Devils Fork Gallup
Pool Code	17620		17610
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5198' – 5289'		5290' – 6446'
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT		ARTIFICIAL LIFT
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	185 psi		200 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1,325 BTU		1,383 BTU
Producing, Shut-In or New Zone	Shut-In		Shut-In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates:	Date: N/A Rates: N/A	Date: 11/09/2019 Rates: 5 BBL Oil 4 MCF Gas 6 BBL Water
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or part production, supporting data or evaluation will be required)	Oil Gas 0 % 1%	Oil Gas % %	Oil Gas 100% 99%

## ADDITIONAL DATA

Are all working, royalty and overriding royalty interests i If not, have all working, royalty and overriding royalty in	dentical in all commingled zones? terest owners been notified by certified mail?	Yes Yes	No2	<u>x</u>	
Are all produced fluids from all commingled zones comp	atible with each other?	Yes <u>X</u>	No	*	
Will commingling decrease the value of production?		Yes	_ No]	x	
If this well is on, or communitized with, state or federal le or the United States Bureau of Land Management been no	ands, has either the Commissioner of Public Lands otified in writing of this application?	Yes <u>X</u>	No		
NMOCD Reference Case No. applicable to this well:	R-10786 / Case # 11685				
Attachments: C-102 for each zone to be commingled showing its sr	acing unit and acreage dedication.				

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula. Notification lists and supporting quark overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling.

## PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

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

SIGNATURE Cheryleve Weston	TITLE Operations/Regulatory Technician-Sr. DATE 12-9-19	
0	· · · · · · · · · · · · · · · · · · ·	
TYPE OP PRINT NAME Charylane Weston	TELEDUONE NO (505) 564 0770	

TYPE OR PRINT NAME	Cherylene Weston
E-MAIL ADDRESS	cweston@hilcorp.com

Page 2 of 13

#### District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

District II 811 S. First St., Arlesia, 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

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-102 August 1, 2011

Permit 275394

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Nui 30-039	mbe 9-2	r 3387	2. Pool Code 1763	20				3. Pool	Name DEVILS FOR	RK MESAVE	RDE	
4. Propert	y Co 31	ode  8470	5. Property Nam CAN	e IYON LARGO I	JNIT			6. Well	No. 344			
7. OGRID	No. 37	2171	8. Operator Nan HIL(	IORP ENERG	COMPA	INY		9. Eleva	ation 6882			
					10.	Surface Location	n					
UL - Lot	к	Section 30	Township 25N	Range 06W	Lot Idn	Feet From 1808	N/S Li	ine S	Feet From 1850	E/W Line W	County ARRIE	RIO
				11. Botton	n Hole Lo	ocation If Differe	nt Fro	om Sui	rface			
UL - Lot		Section	Township	Range	Lot Idn	Feet From		N/S Line	Feet From	m E/W Li	ne	County
12. Dedica	ated 40	Acres 0.00 - NE/SV	N	13. Joint or In	fill	14. Consol	lidation	Code		15. Orc	ler 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 frue 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: E-Signed By: Title: Cherylene Weston, Operations/Regulatory Tech-Sr. Date: 12/04/2019
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: DAVID KILVEN
Date of Survey: 1/25/1984
Certificate Number: 1760

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Line for the next start for the bernam         Description         Canyon Largo Unit (SF 078875)       344         Canyon Largo Unit (SF 078875)       344         Construction of Weilt         Termship       Construction of Weilt         Construction of Weilt         Termship       Construction of Weilt         Construction of Weilt         Construction of Weilt         Construction of Weilt         Termship       Description         Construction of Weilt         Construction of Weilt         Construction on the weilt on the we	ENERGY AND MIN	ERALS DEPARTMEN	T SANTA	FE, NEW MEX	CO 87501		Revised 10-1-
Spectrum       Canyon Largo Unit(SF 078875)       344         Link Laim       Section of Yours       25-N       Reage       Convert       Convert       24-04         Manual Fractaure Learning Formation       Free toom the West       Inc.       Devise the Mest       Devise			All distances must be	from the outer bound	aries of the Section	M.	
ET Paso Natural Gas Company       Largo Directory (Largo Directory	ercior		<b>.</b>	Lease To	man IInit (	CE 0700751	244
R       Description       Description       Section       Section <td>EI Paso Na</td> <td>atural Gas</td> <td>Company</td> <td></td> <td>I GO UNIC(</td> <td>51 0788757</td> <td></td>	EI Paso Na	atural Gas	Company		I GO UNIC(	51 0788757	
circuit Forsize Lorsino at Well       2.7 M       0 m       [Post Include]         1800       free tom the South       Integrated       Integrated       Integrated         0682       Post of Gallup       Post Devils       Fork Gallup Ext.       Deviced Arcesser         0682       Gallup       Devils       Fork Gallup Ext.       Deviced Arcesser         10 Outline the arceage dedicated to the subject well by colored pencil or hachare 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 vinterest and royally).         3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been c dated by communitization, unitiation, force-pooling, etc?         [N] Yes       No If answer is "yes," type of consolidation       Unitization         If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse this fam if accessary.)       No allowable will be assigned to the well until all interests have been consolidated (by communitization, until forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Di land the other well and the othe well and the other well and the other we	it Letter	Section 3.0	Township 25-N	6-W	Bio	Arriha	
Issue of a long beginning being be	K	50	2J-N				
The end book in the new recent the finance in the fi	1808		outh .	. 1850	1	West	line
Gallup       Devils Fork Gallup Ext.		feet from the	mation		feet from the	De	dicated Acreage;
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 v interest and royalty).         3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been c dated by communitization, unitization, force-pooling.etc?         [X] Yes       No       If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse this form if accessary.)         No allowable will be assigned to the well until all interests have been consolidated (by communitization, until forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Di FEB 2 9/1984         OIL CONN DIV.       Issue of the work of the thermart is a one standard unit, eliminating such interests, has been approved by the Di Dist.         SEC       SEC         SEC       30         R E C E I V E D         FEB 6 [1984         BUREAU OF LAND MINNALEMENT         Campary 7, 1984         Date Survey         SEC	6882	Gallup		Devils Fo	rk Gallup	Ext.	21.04/60.59 AGT
<ul> <li>1. Outline the arrays contrast of the subject with 5 control point of matter and the matter and the present of the subject with 5 control point of matter and the present of the subject with 5 control point of matter and the present of the subject with 5 control point of matter and the present of the subject with 5 control point of matter and results of all owners been consolidated to the well, have the interests of all owners been consolidated (by communitization, unitiation if accessary.)</li> <li>No If answer is "yes," type of consolidation Unitization</li> <li>If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated. (Use reverse this form if accessary.)</li> <li>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitificated-pooling, or otherwise) or until a no-standard unit, eliminating such interests, has been approved by the Distribution of the subject of the</li></ul>			ted to the subject of	well by colored p	encil or hachur	e marks on the r	lat below.
No allowable will be assigned to the well until all interests have been consolidated. (b) Communitation, until forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Di	interest an 3. If more tha dated by co X Yes If answer i this form if	d royalty). n one lease of d ommunitization, u No If an s "no," list the necessary.)	ifferent ownership is nitization, force-poo nswer is "yes," type owners and tract des	dedicated to the ling. etc? of consolidation criptions which h	well, have the Unitizat	interests of al	l owners been conso I. (Use reverse side
SEC SEC SEC SEC SEC SEC SEC SEC	forced-pool	ing, or otherwise)		FEB 2 911984 DIST.	ED 1.	I hereby certi tained herein best of my kni Name Drilling	ERTIFICATION fy that the information co is true and complete to the particular and belief. Success Clerk
SF 078875 1850' 1850' RECEIVED FEB 61984 BUREAU OF LAND MIAINAGEMENT FARMINGTON RESOURCE AREA Registered Profossional Engineer ad/or Lond Surveyor			SEC			Position El Paso Ni Compony February Date	atural Gas Compa 3, 1984
BUREAU OF LAND MAINAGEMENT BUREAU OF LAND MAINAGEMENT FARMINGTON RESOURCE AREA Registered Professional Engineer ant/or Lond Surveyor	SF 1850	078875	30		<u>IVED</u> 1984	f hereby ceri shown on this notes of actu- under my supe is true and a knowledge and	Ify that the well location plat was plotted from fie of surveys made by me of invision, and that the sam correct to the best of m I belief.
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	/	1808-	B F	JREAU OF LAND ARMINGTON RES	MANAGEMENT OURCE AREA	Date Surveyed Janua Registered Proto an 1/pr Land Sur	iry 25, 1984

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#### **Current Schematic** 📕 Hilcorp Energy Company Well Name: CANYON LARGO UNIT #344 API / UW Surface Legal Location Field Name State/Province Well Configuration Type 3003923387 K-30-25N-6W 0910 NEW MEXICO Vertical Original KB/RT Elevation (ft) KB-Ground Distance (ft) KB-Casing Flange Distance (ft) Ground Elevation (ft) KB-Tubing Hanger Distance (ft) 6,882.00 6.893.00 11.00 Vertical, Original Hole, 12/5/2019 9:18:22 AM TVD MD (ftKB) Vertical schematic (actual) (ftKB) Polished Rod W/Liner; 22.00 ft -6.9 Surface Casing Cement; 11.00-226.00; Tubing Hanger; 7 1/16 in; 11.00 ftKB; 12.00 11.2 4/25/1984; Cmt. w/ 165 cu. ft. cmt. Circ to ftKB 12.1 surface. WOC 12 hrs. Held 600#/30 min. 15.1 10 bbls good cmt to surface 220.1 Cement Squeeze; 302.00-763.00; 1; Surface; 8 5/8 in; 8.10 in; 11.00 ftKB; 10/30/2019; MIX AND PUMP SQUEEZE 221.1 221.01 ftKB WITH 124 SX, 145.14 CUFT, 1.18 YIELD. 226.0 15.6 PPG, 2% CACL, CLASS G NEAT 277.9 CEMENT TO SQEEZE CSG HOLE FROM 290.0 763' TO 736' WITH 89 SX OUTSIDE AND 35 SX INSIDE 4 1/2" CASING. HAD FULL 301.8 RETURNS OUT BH. PRESSURE 763.1 STARTED CLIMBING AND RETURNES 1.754.9 LOST. WENT TO DISPLACEMENT. 1,961.9 Ojo Alamo (final) HESITATED 4.5 BBLS. SHUT WELL IN WITH 1000 PSI 1.965.2 Sucker Rod w/Molded Guides; 1,950.00 ft Kirtland (final) 2,102.0 Production Casing Cement; 1,755.00-Fruitland (final) 2.545.9 2,872.00; 5/9/1984; Cmt'd 3rd stage w/442 Pictured Cliffs (final) 2.661.1 cu. ft. cmt. 2,872.0 WOC 18 hrs 2,872.4 TOC @ 1755' Sucker Rod; 4,375.00 ft 2.875.3 Tubing (Yellow Band); 2 3/8 in; 4.70 lb/ft; J-Production Casing Cement; 2,872.00-55; 12.00 ftKB; 6,449.56 ftKB 3.503.9 5,480.00; 5/9/1984; Cmt'd 2nd stage w/500 Mesaverde (final) 4.259.8 cu. ft. cmt. 4.284.1 Menefee (final) TOC unknown on this section. 4,950.1 Point Lookout (final) Hydraulic Frac; 6/16/1984; Frac'd w/47,600# 5,198.2 PERF - POINT LOOKOUT: 5.198.00-1.000 20/40 sand and 57,600 gallons treated 5,289.0 5,289.00; 6/16/1984 water. Flushed w/3300 gal water. ..... 5.290.0 Mancos (final) . . . . Cement Squeeze; 5,480.00-5,820.00; 5.315.9 . . . . . 6/14/1984; Squeezed w/130 cu. ft. cmt. Circ 5,447.8 out top hole. WOC 18 hrs. PT to 1000 psi, SQUEEZE PERFS; 5,480.00; 6/14/1984 5,451.1 OK. SQUEEZE PERFS; 5,820.00; 6/14/1984 5.480.0 Hydraulic Frac; 6/16/1984; Frac'd w/50,400# PERF - GALLUP; 5,290.00-6,446.00; 20/40 sand and 60,400 gallons treated 5.703.1 6/15/1984 water. Flushed w/3700 gal water. 5.819.9 PERF - GALLUP; 5,703.00-6,138.00 Production Casing Cement; 5,820.00-6/16/1984 6.005.2 6,510.00; 5/9/1984; Cmt'd 1st stage w/313 6,021.0 cu. ft. cmt. 6.080.1 Gallup (final) TOC per CBL on 6/14/1984. 6,138.1 Hydraulic Frac; 6/16/1984; Frac'd w/76,500# 20/40 sand and 88,760 gallons treated **Brand** 6.159.1 water. Flushed w/4040 gal water. 1.1.1 6.340.2 Sinker Bar; 100.00 ft 6,440.0 Shear Coupling; 0.50 ft 6,440.6 Guided Pony Rod; 8.00 ft 6.445.9 6.448.5 Pump Seating Nipple; 2 3/8 in; 6,449.56 Lift Sub; 1.00 ft 6 4 4 9 5 ftKB; 6,450.66 ftKB Rod Insert Pump 2"X1-1/4"X10'X10'X14' 6.450.8 Price Type Mud Anchor; 2 3/8 in; 4.70 lb/ft; J RHAC-Z HVR; 14.00 ft 6.463.6 -55; 6,450.66 ftKB; 6,471.06 ftKB Strainer Nipple; 1.00 ft 6.464.6 Production Casing Cement (plug); 6,492.00-6.471.1 PBTD; 6,492.00; Cleaned out 260' of sand 6,510.00; 5/9/1984; Cmt'd 1st stage w/313 6.492.1 to float at 6492'. cu. ft. cmt. 6 508 2 TOC per CBL on 6/14/1984 2; Production1; 4 1/2 in; 4.00 in; 11.00 ftKB; 6.508.9 6,508.89 ftKB 6.509.8

www.peloton.com

Report Printed: 12/5/2019





The forecast for Mesaverde production has been generated using a type curve of MV gas production in the surrounding production trend. The Mesaverde formation has been unproductive in surrounding areas in 25N-6W, 25N-7W, and 24N-7W.

These zones are proposed to be commingled because the application of dual completions impedes the ability to produce the shallow zone without artificial lift and the deeper zones with reduced artificial lift efficiency. All horizons will require artificial lift due to low bottomhole pressure (BHP) and permeability.

The BHPs of all zones, producing and non-producing, were estimated based upon basin wide Moving-Domain Material Balance models that have proven to approximate the pressure in the given reservoirs well in this portion of the basin. These models were constructed incorporating reservoir dynamics and physics, historic production, and observed pressure data. Historic commingling operations have proven reservoir fluids are compatible and the higher MV reservoir pressure declines very quickly given the tight gas nature of the horizon.

## Canyon Largo Unit 344 – Production Allocation Method

The forecast for Mesaverde production has been generated based on a fixed percentage allocation using MV gas production in the surrounding production trend. The Mesaverde formation has been unproductive in surrounding areas in T25N-R6W, T25N-R7W, and T24N-R 7W. One percent allocation to the Mesaverde formation is supported by BHP and wellbore fluid composition.

	DE	UNITED STATE	S			FORM OMB N	APPROVED
	BI	UREAU OF LAND MANA	IN TERIOR AGEMENT			Expires: J 5. Lease Serial No.	January 31, 2018
D	SUNDRY to not use thi	NOTICES AND REPC	ORTS ON WELLS o drill or to re-ente	r an		NMSF078875	
aba	andoned we	II. Use form 3160-3 (AF	PD) for such propo	sals.		6. If Indian, Allottee	or Tribe Name
	SUBMIT IN	TRIPLICATE - Other ins	structions on page	2		7. If Unit or CA/Agre	eement, Name and/or No.
1. Type of Well ☑ Oil Well □ G	as Well 🔲 Oth	ner				8. Well Name and No. CANYON LARGO	O UNIT 344
2. Name of Operator HILCORP ENERGY COMPANY         Contact: E-Mail: cweston@hilcorp.com			CHERYLENE WE	STON		9. API Well No. 30-039-23387	
3a. Address 382 ROAD 3100 AZTEC, NM 874	410		3b. Phone No. (inclu Ph: 505-564-07	ide area code) 79		10. Field and Pool or DEVILS FORK	Exploratory Area GALLUP & MV
4. Location of Well (	Footage, Sec., T	., R., M., or Survey Description	<i>n</i> )			11. County or Parish,	State
Sec 30 T25N R6 36.368378 N Lat	W Mer NMP   t, 107.510223	NESW 1808FSL 1850FV W Lon	VL			RIO ARRIBA C	OUNTY, NM
12. CHI	ECK THE AF	PROPRIATE BOX(ES	) TO INDICATE N	ATURE O	F NOTICE,	REPORT, OR OT	HER DATA
TYPE OF SUBM	IISSION			TYPE OF	FACTION		
Notice of Intent		□ Acidize	Deepen		Producti	on (Start/Resume)	UWater Shut-Off
Subsequent Per	oort	□ Alter Casing	🗖 Hydraulic	Fracturing	🗖 Reclama	tion	U Well Integrity
		Casing Repair	□ New Cons	struction	□ Recomp	lete	Other Subsurface Commin
Final Abandonn	nent Notice	Change Plans	Plans Plug and Abandon Tempo		□ Tempora	Disposal	
If the proposal is to c Attach the Bond und following completior testing has been com, determined that the s Hilcorp Energy C	ler which the wor n of the involved upleted. Final At site is ready for fi	k will be performed or provid operations. If the operation r pandonment Notices must be fi inal inspection.	the commingle the	with BLM/BIA pletion or reco ements, includ	Required sub ompletion in a n ing reclamation	ew interval, a Form 316 , have been completed	60-4 must be filed once and the operator has
11 the proposal is to c         Attach the Bond und         following completion         testing has been com         determined that the s         Hilcorp Energy C         summary, MV C-         submitted to San	t the foregoing is	k will be performed or provid operations. If the operation r pandonment Notices must be fr inal inspection. uests permission to dowr wellbore schematic and D.	#495100 verified by t ENERGY COMPANY,	he BLM Wel sent to the	I Information Farmington	System	e filed within 30 days 50-4 must be filed once and the operator has
11 the proposal is to c         Attach the Bond und         following completion         testing has been com         determined that the s         Hilcorp Energy C         summary, MV C-         submitted to San	t the foregoing is d) CHERYLE	k will be performed or provid operations. If the operation r pandonment Notices must be fi inal inspection. uests permission to dowr wellbore schematic and D.	#495100 verified by t ENERGY COMPANY, Title	the BLM Wel sent to the OPERA	I Information Farmington I Samington TIONS/REG	System	s Filed within 30 days 60-4 must be filed once and the operator has
11 the proposal is to c         Attach the Bond und         following completion         testing has been com         determined that the s         Hilcorp Energy C         summary, MV C-         submitted to San         14. I hereby certify that         Name (Printed/Typed)	the foregoing is d) CHERYLE	true and correct. Electronic Submission a For HILCORP E	#495100 verified by t ENERGY COMPANY, Title	he BLM Wel sent to the OPERA	I Information Farmington	System	s Filed within 30 days 60-4 must be filed once and the operator has
If the proposal is to c         Attach the Bond und         following completion         testing has been com         determined that the s         Hilcorp Energy C         summary, MV C-         submitted to San         14. I hereby certify that         Name (Printed/Typead         Signature	t the foregoing is d) CHERYLE (Electronic S	true and correct. Electronic Submission a For HILCORP E ENE WESTON	#495100 verified by t ENERGY COMPANY, Title	he BLM Wel sent to the OPERA	I Information Farmington TIONS/REG	System	SR
11 the proposal is to c         Attach the Bond und         following completion         testing has been com         determined that the s         Hilcorp Energy C         summary, MV C-         submitted to San         14. I hereby certify that         Name (Printed/Typed         Signature	t the foregoing is d) CHERYLE (Electronic S	true and correct. Electronic Submission Environment Submission to dowr wellbore schematic and p D. true and correct. Electronic Submission to ENE WESTON Submission) THIS SPACE F	#495100 verified by t ENERGY COMPANY, Title OR FEDERAL O	he BLM Wel sent to the OPERA 12/09/2	I Information Farmington TIONS/REG 019 OFFICE US	System SULATORY TECH-S	s Filed within 30 days 60-4 must be filed once and the operator has SR
If the proposal is to c         Attach the Bond und         following completion         testing has been com         determined that the s         Hilcorp Energy C         summary, MV C-         submitted to San         14. I hereby certify that         Name (Printed/Typead         Signature	t the foregoing is d) CHERYLE (Electronic S f any, are attache policant to condu	true and correct.     Electronic Submission     ENE WESTON     Submission)     THIS SPACE F	#495100 verified by t     ENERGY COMPANY,     Title     Date     OR FEDERAL OI     Titl     ss not warrant or     ne subject lease     Offi	he BLM Wel sent to the OPERA 12/09/2 R STATE	I Information Farmington TIONS/REG 019 OFFICE US	System SULATORY TECH-1 SE	SR

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## Canyon Largo Unit 344 – DHC API# 30-039-23387

Lease# NMSF078875

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

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

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

Attached is the current wellbore schematic and proposed allocation.

#### District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

District II 811 S. First St., Arlesia, 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

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-102 August 1, 2011

Permit 275394

## WELL LOCATION AND ACREAGE DEDICATION PLAT

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

			10.	ounace Locatio					
UL - Lot Section K 30	Township 25N	Range 06W	Lot Idn	Feet From 1808	N/S Line S	Feet From 1850	E/W Line W	County RIO ARRIBA	
								ARRIBA	_

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

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

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: Title: Cherylene Weston, Operations/Regulatory Tech-Sr. Date: 12/04/2019				
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: DAVID KILVEN				
Date of Survey: 1/25/1984				
Certificate Number: 1760				

www.peloton.com

<b>T</b>	orp Ene	rgy Company Curr	ent Schematic		
Vell Nar	ne: C/	ANYON LARGO UNIT #344			
03923387	7	Surface Legal Location Field Name K-30-25N-6W	Route 0910	State/Province NEW MEXICO	Well Configuration Type
und Elevation	n (ft)	Original KB/RT Elevation (ft) KB-Grour 6,893.00 11.00	Id Distance (ft) KB-Casing Flan	nge Distance (ft) KB-Tubing	Hanger Distance (ft)
		Vertical, Original F	lole, 12/5/2019 9:18:22 A	М	
(ftKB)	TVD (ftKB)		Vertical schematic (actual)		
-6.9		-		Polished Rod W/L	iner; 22.00 ft
11.2 —		Tubing Hanger; 7 1/16 in; 11.00 ftKB; 12.00		Surface Casing Ce	ement; 11.00-226.00;
12.1 -		[ftKB]		/ surface WOC 12	hrs Held 600#/30 min
15.1				10 bbls good cmt t	to surface.
220.1 -		1: Surface: 8 5/8 in: 8 10 in: 11 00 ftKB:		Cement Squeeze;	302.00-763.00;
21.1 -		221.01 ftKB		10/30/2019; MIX A	ND PUMP SQUEEZE
26.0				WITH 124 SX, 145	CL CLASS G NEAT
.77.9				CEMENT TO SQE	EZE CSG HOLE FROM
90.0				763' TO 736' WITH	H 89 SX OUTSIDE AND
01.8 -			······	35 SX INSIDE 4 1	2" CASING. HAD FULL
63.1 -					H. PRESSURE
754.9 —					DISPLACEMENT
961.9 —		— Ojo Alamo (final) ——————		HESITATED 4.5 B	BLS. SHUT WELL IN
965.2 -				WITH 1000 PSI.	
102.0 -		— Kirtland (final) —————		Sucker Rod w/Mol	ded Guides; 1,950.00 ft
545.9 -		— Fruitland (final) —————		Production Casing	Cement; 1,755.00-
661.1 -		— Pictured Cliffs (final) —————		2,872.00; 5/9/1984	1; Cmt'd 3rd stage w/442
372.0 -				WOC 18 hrs	
372.4 -				TOC @ 1755'.	
875.3 -		Tubing (Yellow Band): 2 3/8 in: 4 70 lb/ft: 1-		Sucker Rod; 4,375	5.00 ft
503.9 -		55; 12.00 ftKB; 6,449.56 ftKB		Production Casing	Cement; 2,872.00-
259.8		Mesaverde (final)		5,480.00; 5/9/1984	l; Cmt'd 2nd stage w/500
284.1		— Menefee (final) ————		TOC unknown on	this section
950.1		— Point Lookout (final) ————			
198.2 -		PERF - POINT LOOKOUT; 5,198.00-		Hydraulic Frac; 6/	16/1984; Frac'd w/47,600
289.0		5,289.00; 6/16/1984		20/40 sand and 5/	7,600 gallons treated
290.0		— Mancos (final) ————————————			5500 gai water.
315.9 -				Cement Squeeze;	5,480.00-5,820.00;
447.8 -				6/14/1984; Squeez	zed w/130 cu. ft. cmt. Ci
451.1 -		SQUEEZE PERFS; 5,480.00; 6/14/1984			
480.0		SQUEEZE PERFS; 5,820.00; 6/14/1984		Hydraulic Frac; 6/	16/1984; Frac'd w/50,400
/03.1		FERF - GALLOP, 5,290.00-0,440.00,1 6/15/1984		20/40 sand and 60 – 20/40	,400 gallons treated
319.9 -		PERF - GALLUP; 5,703.00-6,138.00:		water. Flushed w/	3700 gal water.
005.2 -		6/16/1984		Production Casing	Cement; 5,820.00-
021.0 -				Lou. ft cmt	r, onicu ist stage w/o13
080.1 -		— Gallup (final) ————————		TOC per CBL on 6	5/14/1984.
138.1 —				Hydraulic Frac; 6/*	16/1984; Frac'd w/76,500
59.1 —				20/40 sand and 88 – ر ا	8,760 gallons treated
340.2 -				water. Flushed w/	4040 gal water.
140.0 -				Sinker Bar; 100.00	ΓΩ
40.6 -				Snear Coupling; 0	π υς.
45.9 -				Guided Pony Rod;	8.00 ft
48.5 -					
49.5 -		Pump Seating Nipple; 2 3/8 in; 6,449.56		——Lift Sub; 1.00 ft	
450.8		ttKB; 6,450.66 ftKB		Rod Insert Pump 2	2"X1-1/4"X10'X10'X14'
463.6 -				RHAC-Z HVR; 14.	00 ft
164.6 -		-33, 0,430.00 IIKD, 0,47 1.00 IIKD		—— Strainer Nipple; 1.	00 ft
71.1				Production Casing	Cement (plug); 6,492.00
		PBTD; 6,492.00; Cleaned out 260' of sand		6,510.00; 5/9/1984	I; Cmt'd 1st stage w/313
492 1					
192.1		to float at 6492'.		cu. ft. cmt.	

## Canyon Largo Unit 344 – Production Allocation Method

The forecast for Mesaverde production has been generated based on a fixed percentage allocation using MV gas production in the surrounding production trend. The Mesaverde formation has been unproductive in surrounding areas in T25N-R6W, T25N-R7W, and T24N-R 7W. One percent allocation to the Mesaverde formation is supported by BHP and wellbore fluid composition.