

NSL Initial Application

Received: 03/11/20

Revised March 23, 2017

RECEIVED: 03/11/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2007132118
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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

Applicant: HILCORP ENERGY COMPANY **OGRID Number:** 372171
Well Name: HELMS FEDERAL 1B **API:** 30-045-29998
Pool: WC 30N10W22; FARMINGTON SAND **Pool Code:** 98339

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
 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.

Clay Padgett
 Print or Type Name

Signature

03/11/2020
 Date

(918) 232-6227
 Phone Number

cpadgett@hilcorp.com
 e-mail Address



March 11, 2020

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Mr. Leonard Lowe

Re: Unorthodox Well Location for Wildcat Farmington Sand
Helms Federal 1B (API: 30-045-29998)
SHL/BHL: Unit M (SW/SW), 1160' FSL & 1060' FWL,
Spacing Unit: Lot 13 "Aka SW/4 SW/4" (39.61 acres)
Section 22, T30N, R10W, San Juan County, New Mexico

Dear Mr. Lowe:

Pursuant to 19.15.15.13 NMAC, Hilcorp Energy Company ("Hilcorp") hereby requests administrative approval of an unorthodox location for the Helms Federal 1B (the "Well") as to wildcat oil pool WC 30N10W22; FARMINGTON SAND (98339).

The Well, originally drilled in 1999, is producing from the Blanco-Mesaverde Gas Pool (71599). However, the current cement top allows communication below the 7" casing shoe into the Farmington Sand. In response, Hilcorp plans to shut-in the Mesaverde and perform a 30-day flow test of the Farmington Sand to measure oil, gas and water rates.

19.15.15.9 NMAC assigns wildcat oil wells with 40-acre spacing units and 330' setbacks which automatically creates the need for this application based on the well's existing location.

Paragraph (2), Subsection A, 19.15.4.12 NMAC provides the basis for identifying adjoining quarter-quarter sections where notice requirements would apply (outlined in red on map attached). Hilcorp is the operator and 100% working interest owner in these quarter-quarter sections; therefore, **no notice is required**. To note, the subject spacing unit and adjoining quarter-quarter sections where notice would otherwise be required are comprised of a single federal lease. A copy of this application has been sent to the Farmington BLM office accordingly.

Attached is the C-102 and a map identifying the subject spacing unit/well and adjoining quarter-quarter sections. Approval of this application is necessary for maximum recovery of potential oil and gas reserves. A notice of intent to perform this flow test has been filed with the Aztec OCD district office as required.

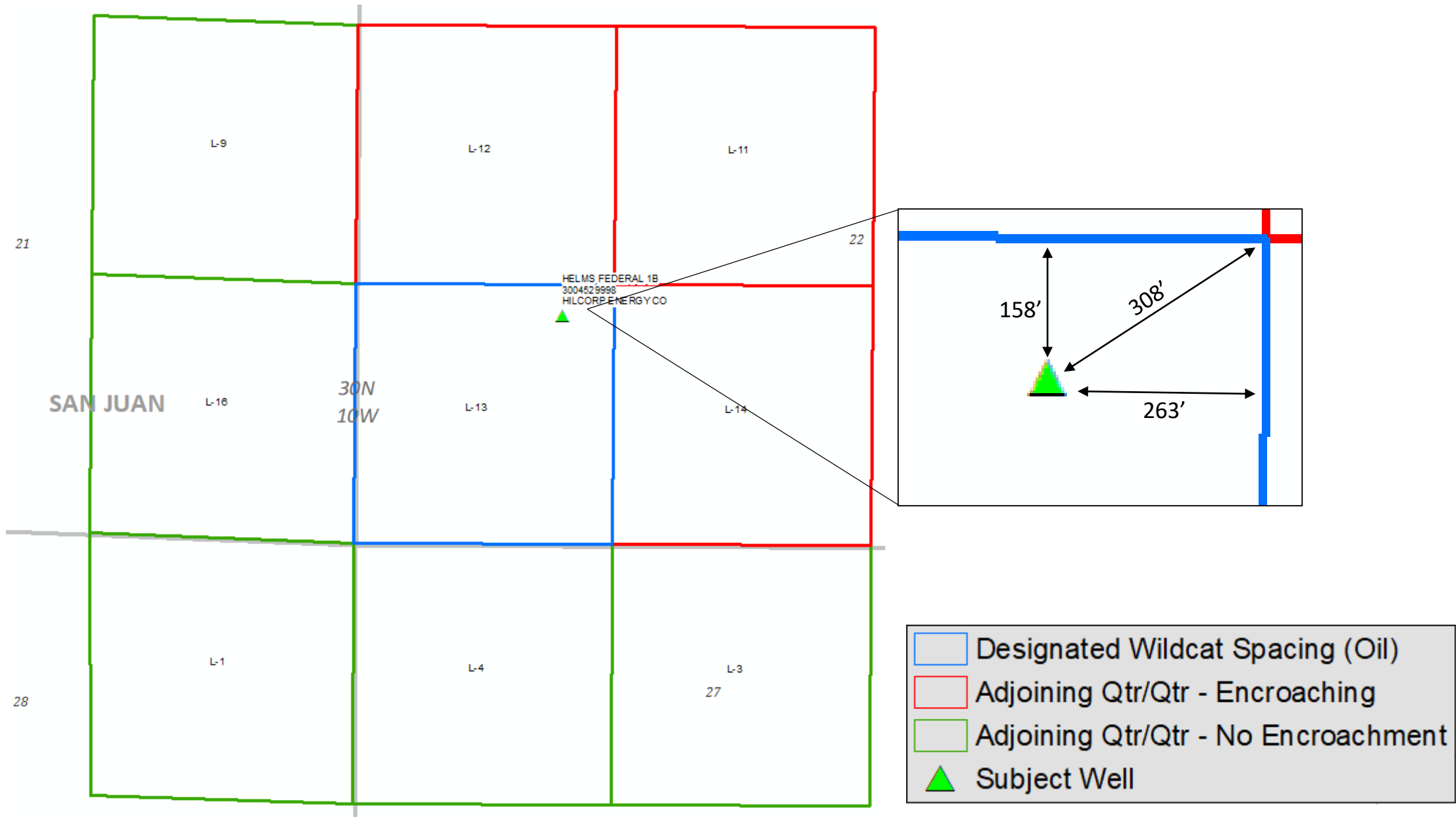
For questions, please contact me at the email/number below.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rob Carlson'.

Rob Carlson
Sr. Landman
832-839-4596
rcarlson@hilcorp.com

NSL – Helms Federal #1B (API 3004529998)



District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

RECEIVED
OCT 7 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

PO Box 2088

Santa Fe, NM 87504-2088

OCT -7 PM 2:17

District IV
PO Box 2088, Santa Fe, NM 87504-2088

070 FARMINGTON, NM

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-		*Pool Code 72319	*Pool Name Blanco Mesaverde
*Property Code 7108	*Property Name HELMS FEDERAL		*Well Number 1B
*GRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		*Elevation 6182'

¹⁰ Surface Location

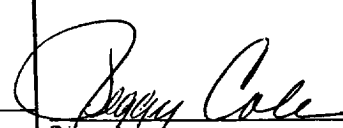
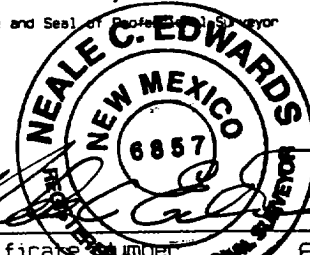
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	30N	10W		1160	SOUTH	1060	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres W/323.84	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ <div style="display: flex; justify-content: space-between;"> 5385.60' </div> <div style="display: flex; justify-content: space-around;"> LOT 4 LOT 3 LOT 2 LOT 1 </div> <div style="display: flex; justify-content: space-between;"> 2737.68' </div> <div style="display: flex; justify-content: space-around;"> LOT 5 LOT 6 LOT 7 LOT 8 </div> <div style="display: flex; justify-content: space-between;"> NM-0555078 </div> <div style="display: flex; justify-content: space-around;"> 22 </div> <div style="display: flex; justify-content: space-between;"> 2628.78' </div> <div style="display: flex; justify-content: space-around;"> LOT 12 LOT 11 LOT 10 LOT 9 </div> <div style="display: flex; justify-content: space-between;"> 1060' </div> <div style="display: flex; justify-content: space-around;"> LOT 13 LOT 14 LOT 15 LOT 16 </div> <div style="display: flex; justify-content: space-between;"> 1160' </div> <div style="display: flex; justify-content: space-between;"> 5248.32' </div>				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <div style="border-top: 1px solid black; margin-top: 10px;">  </div> Signature Peggy Cole Printed Name Regulatory Administrator Title 9-10-99 Date
¹⁸ 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. <div style="text-align: center; margin-top: 20px;"> AUGUST 19, 1999 Date of Survey </div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div> Signature and Seal of Professional Surveyor  </div> <div> Certificate No. 6857 </div> </div>				

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 279228

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-29998	2. Pool Code 98339	3. Pool Name WC 30N10W22;FARMINGTON SAND
4. Property Code 318554	5. Property Name HELMS FEDERAL	6. Well No. 001B
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6182

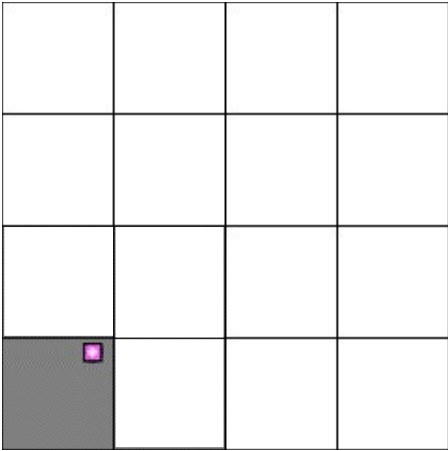
10. Surface Location

UL - Lot M	Section 22	Township 30N	Range 10W	Lot Idn 13	Feet From 1160	N/S Line S	Feet From 1060	E/W Line W	County SAN JUAN
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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 40.00	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 style="text-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: Priscilla Shorty Title: Operations Regulatory Technician - Sr. Date: 3/10/2020</p> <hr/> <p style="text-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: Neale Edwards Date of Survey: 8/19/1999 Certificate Number: 6857</p>
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