

NSL-7715

Revised March 23, 2017

RECEIVED: 4/27/2018	REVIEWER: LRL	TYPE: NSL	APP NO: pMAM1811741739
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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> Hilcorp Energy Company	<b>OGRID Number:</b> 372171
<b>Well Name:</b> Koch State Com 1A	<b>API:</b> 30-045-21787
<b>Pool:</b> Fruitland Coal	<b>Pool Code:</b> 71629

### 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

APR 27 2018 AM 11:26

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

☐ Notice Complete

☐ 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.**

Christine Brock

Print or Type Name

*Christine Brock*

Signature

4/16/18  
 Date

505-324-5155

Phone Number

cbrock@hilcorp.com

e-mail Address

# Hilcorp Energy Company

PO Box 4700  
Farmington, NM 87499

April 6, 2018  
Sent Overnight UPS

New Mexico Oil Conservation Division - NSL Examiner  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Koch State Com 1A – NSL application for Basin Fruitland Coal Pool  
Unit I (NE/SE), 2110' FSL & 620' FEL, Sec. 36, T29N, R9W  
API – 30-045-21787

Dear Sir:

Hilcorp Energy Company is requesting administrative approval for a non-standard gas well location in the Basin Fruitland Coal Pool.

The Koch State Com 1A was originally drilled as a Blanco Mesaverde & a Blanco Pictured Cliffs in 1977. We are currently proposing to recomplete this well adding the Basin Fruitland Coal formation. This well will then be a MV/PC/FC commingled well.

The Mesaverde, Pictured Cliffs and Fruitland Coal pools at this location is considered NSL since the location is less than 660' from the boundary liner per Rule 104. Blanco Mesaverde and Blanco Pictured Cliffs was approved for non-standard location on 7/7/1977, administrative order NSL-863-0.

Production from the Blanco Mesaverde is included in the 320.00 acre gas spacing unit E/2 Section 36, T29N, R9W. Production from the Blanco Pictured Cliff is included in the 160.00 acre gas spacing unit E/2 Section 36, T29N, R9W. Production from the Basin Fruitland Coal is included in the 320.00 acre gas spacing unit S/2 Section 36, T29N, R9W.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following to help with your decision process:

1. 9 Section Plat showing wells in the area
2. Offset Operator plat for Section 36 T29N, R9W
3. Topo and aerial maps showing the location of the well
4. C-102 for each formation

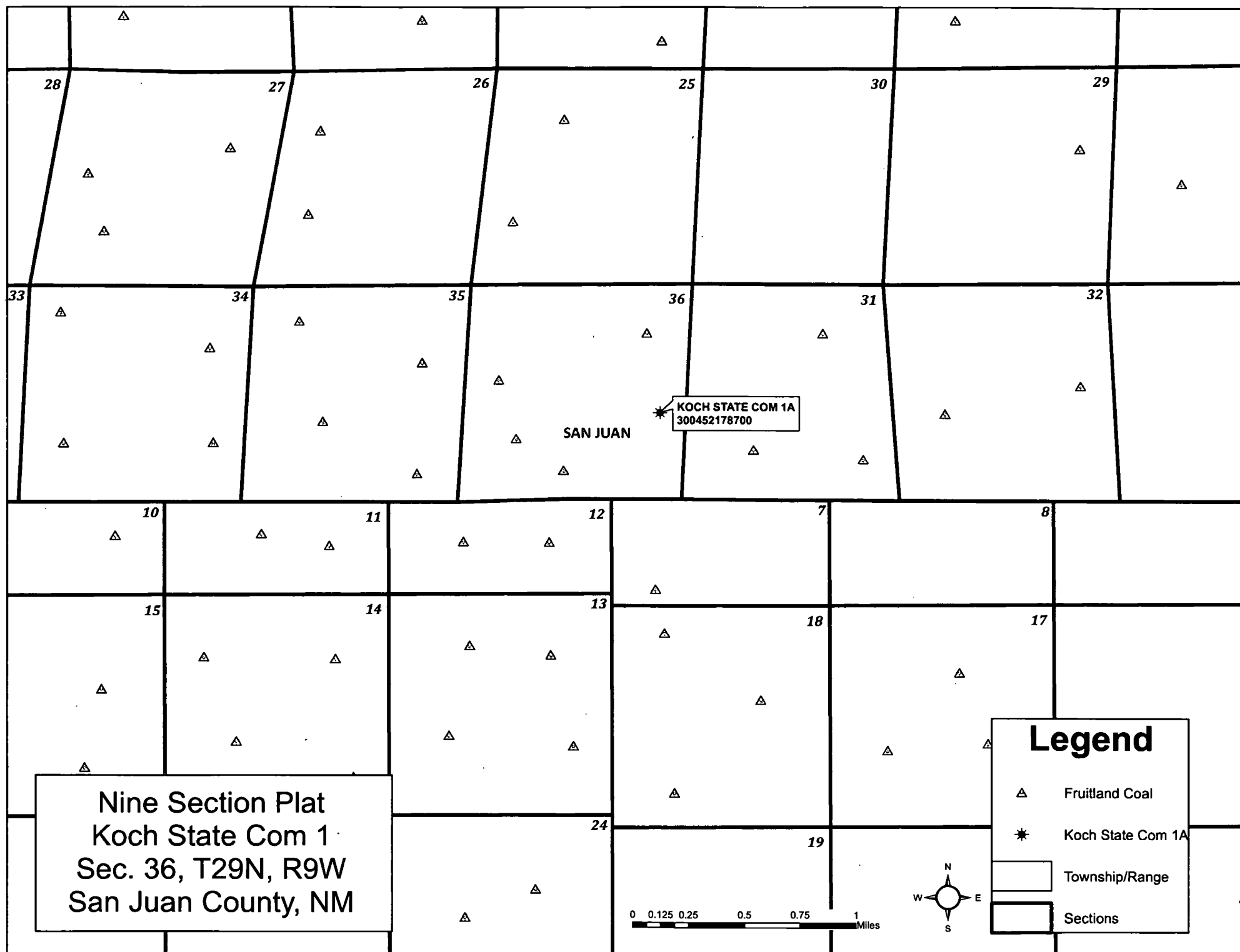
A notice of intent to recomplete into the Basin Fruitland Coal pool will be filed with the Aztec OCD.

BP America is the offset operator of Section 35 (T29N, R9W) and West Largo Corp is the offset operator of Section 12 (T28N, R9W), 7 (T28N, R8W) and Section 31 (T29N, R8W) and has 100% working interest therefore no notice to the Working Interest Owners was sent. Please let me know if you have any questions about this application by calling me at 505-324-5155.

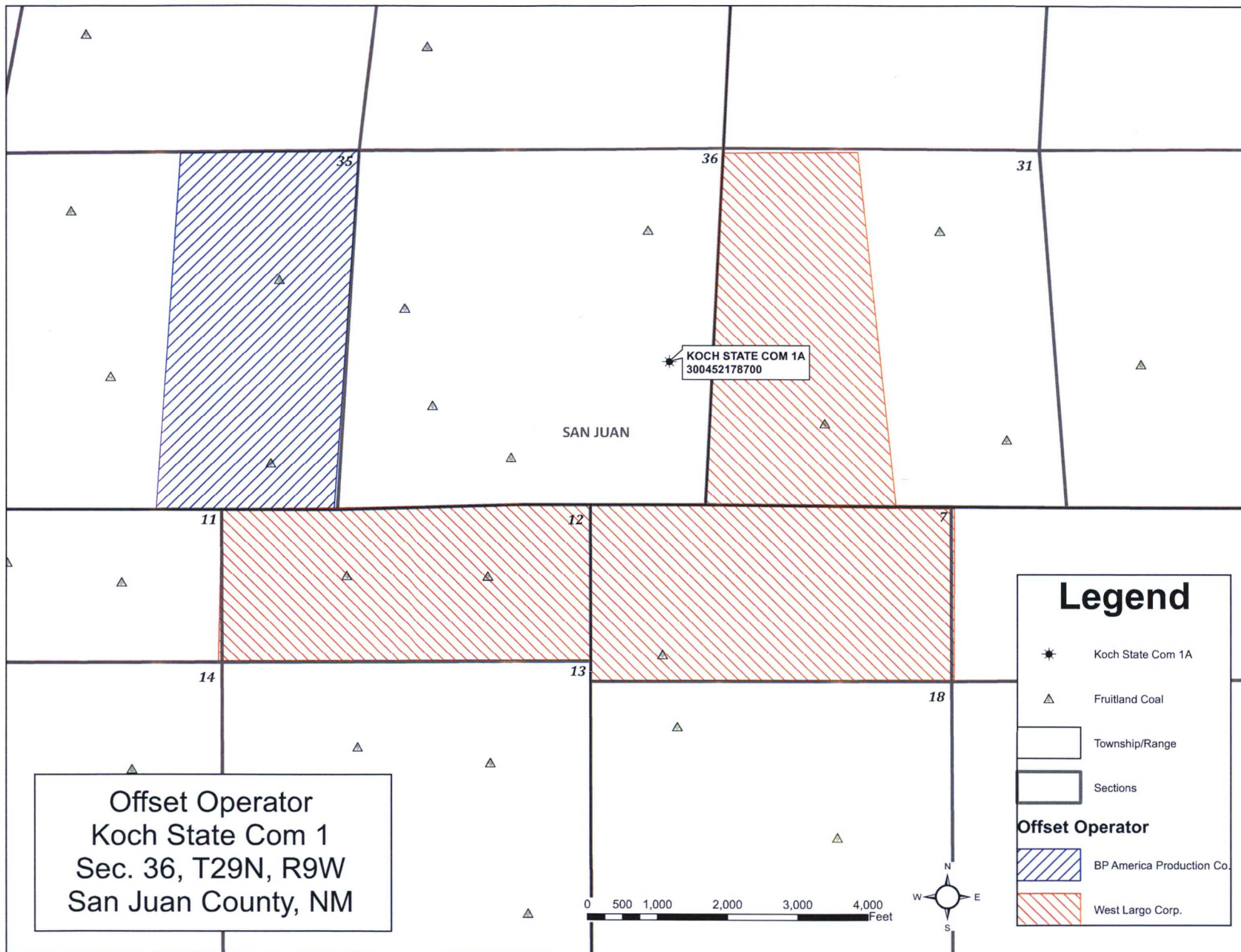
Respectfully,

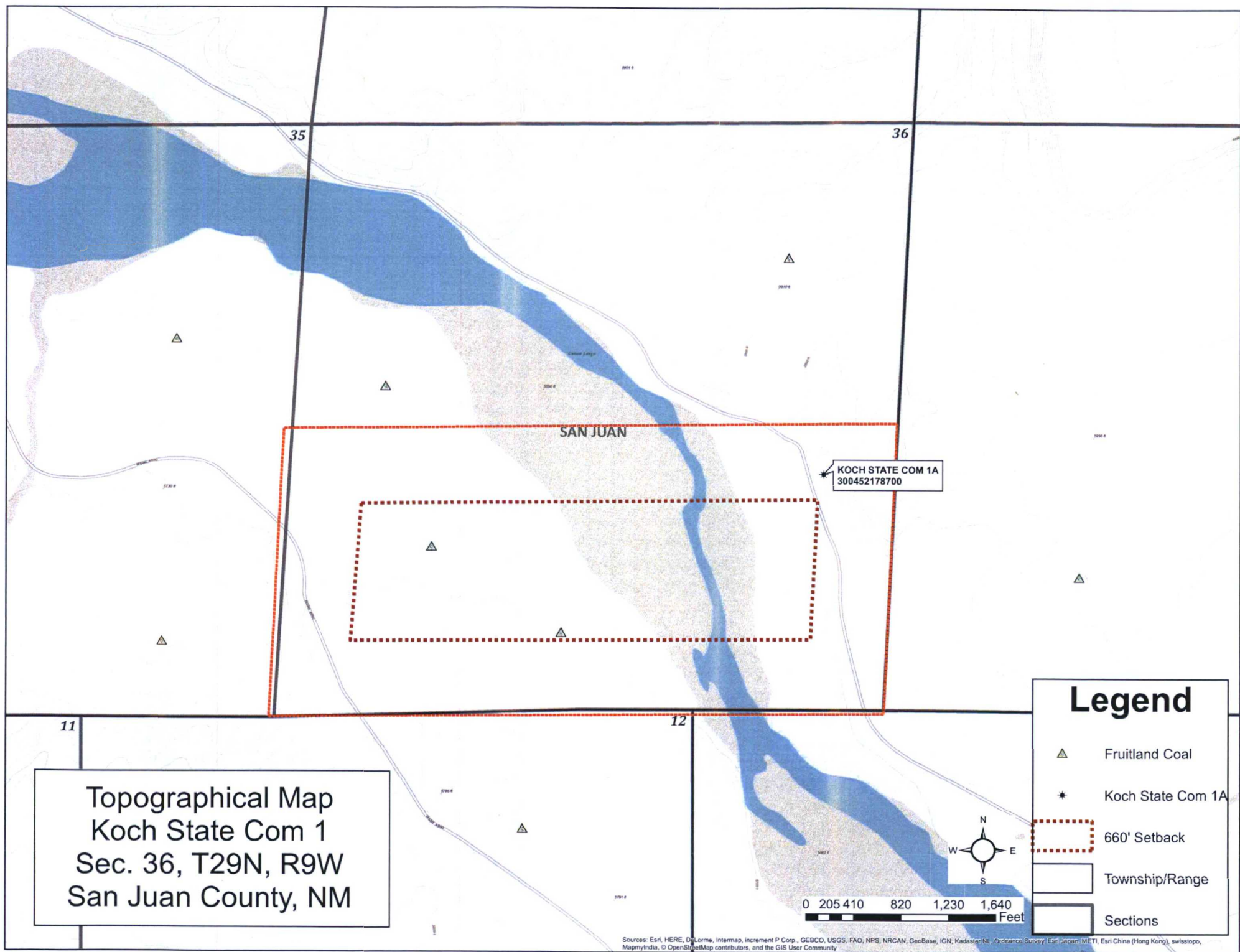


Christine Brock  
Operations/Regulatory Tech  
cbrock@hilcorp.com

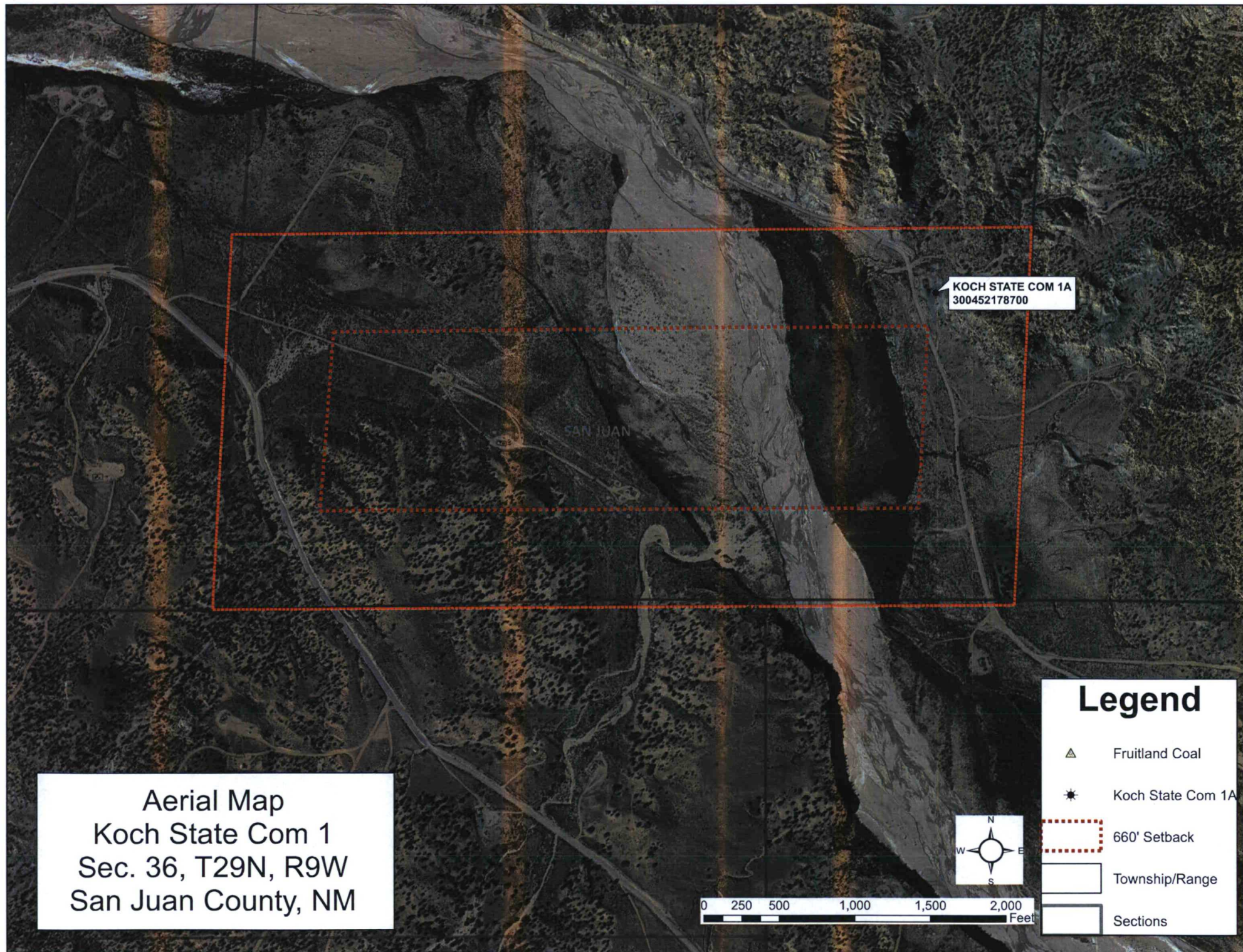












Aerial Map  
Koch State Com 1  
Sec. 36, T29N, R9W  
San Juan County, NM

## Legend

- △ Fruitland Coal
- ★ Koch State Com 1A
- 660' Setback
- Township/Range
- ... Sections

0 250 500 1,000 1,500 2,000 Feet



MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

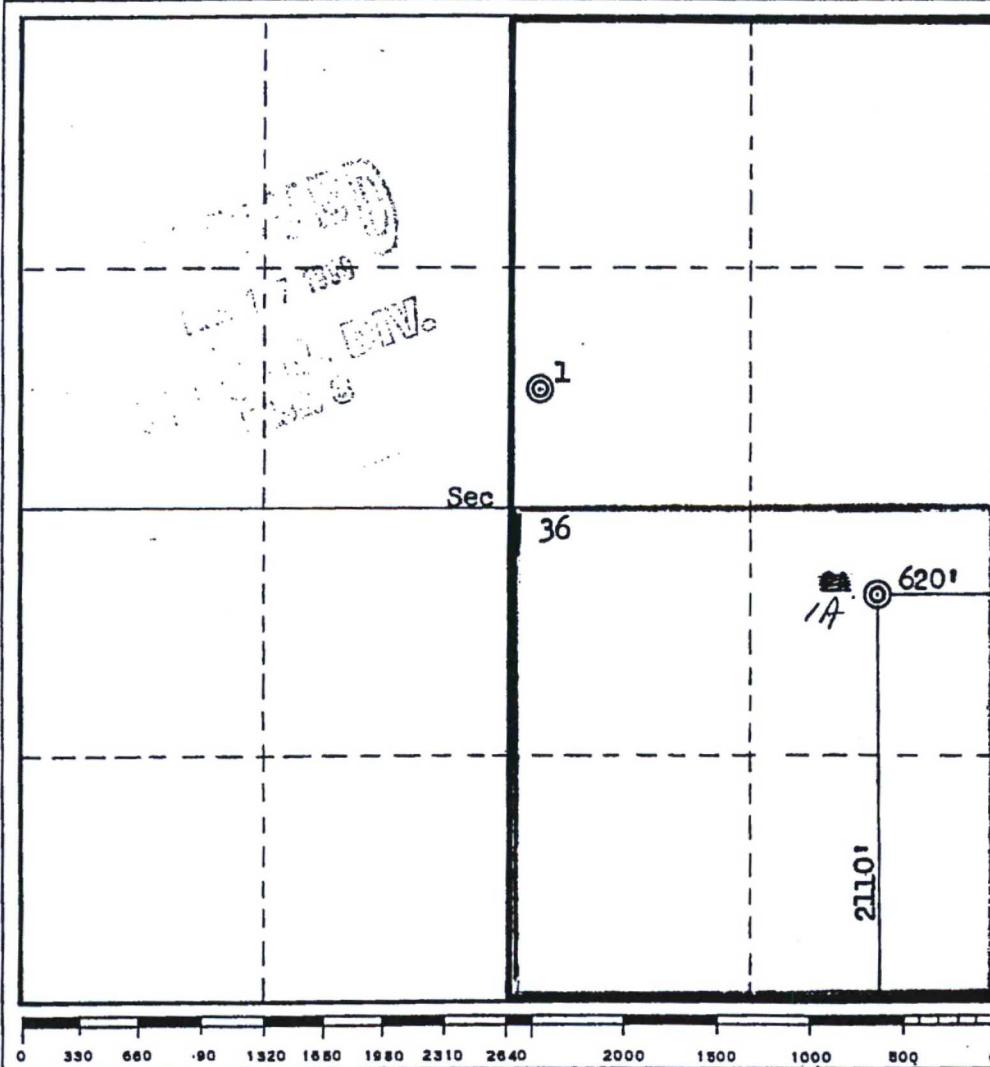
Operator <b>Aztec Oil &amp; Gas Company</b>			Lease <b>Koch State</b>		Well No. <b>1-A</b>
Unit Letter <b>I</b>	Section <b>36</b>	Township <b>29N</b>	Range <b>9W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>2110</b> feet from the <b>South</b> line and <b>620</b> feet from the <b>East</b> line					
Ground Level Elev. <b>5710</b>	Producing Formation <b>Mesa Verde-PC</b>	Pool <b>Blanco - Aztec</b>	Dedicated Acreage: <b>320</b> Acres <i>16c</i>		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.



CERTIFICATION

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

Name *Joe C. Harmon*  
Position  
District Superintendent  
Company  
Aztec Oil & Gas Company  
Date  
May 1, 1975

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  
April 29, 1975  
Registered Professional Engineer and/or Land Surveyor  
*Fred B. Harris Jr.*  
Certificate No.  
3950

**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 250806

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-21787	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 319185	5. Property Name KOCH STATE COM	6. Well No. 001A
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5710

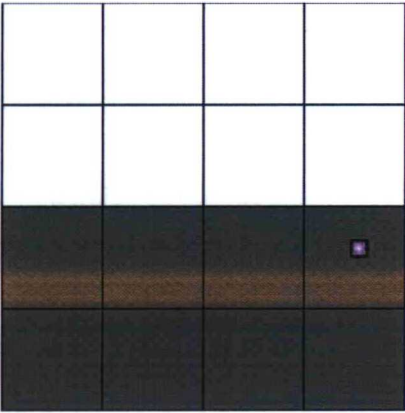
**10. Surface Location**

UL - Lot I	Section 36	Township 29N	Range 09W	Lot Idn	Feet From 2110	N/S Line S	Feet From 620	E/W Line E	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 320.00 S/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 style="text-align: center;"><b>OPERATOR CERTIFICATION</b></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: <i>Christine Brock</i>          Title: Operations/Regulatory Tech - Sr.          Date: 4/6/2018</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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: Fred B. Kerr          Date of Survey: 4/29/1975          Certificate Number: 3950</p>
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**Brenda Guzman**

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**From:** TrackingUpdates@fedex.com  
**Sent:** Wednesday, April 11, 2018 9:39 AM  
**To:** Brenda Guzman  
**Subject:** FedEx Shipment 771964584265 Delivered

## Your package has been delivered

Tracking # 771964584265

Ship date:  
**Tue, 4/10/2018**

**Hilcorp Energy**  
Hilcorp Energy Company  
Houston, TX 77002  
US

Delivery date:  
**Wed, 4/11/2018 9:33 am**

**Craig T. Ferguson**  
BP America Production  
Company  
737 N. Eldridge Parkway, E3-  
12.173B  
HOUSTON, TX 77079  
US



### Shipment Facts

Our records indicate that the following package has been delivered.

<b>Tracking number:</b>	<u><b>771964584265</b></u>
<b>Status:</b>	Delivered: 04/11/2018 09:33 AM Signed for By: J.BURUCA
<b>Reference:</b>	NSL FC Pool KOCH ST COM1A
<b>Signed for by:</b>	J.BURUCA
<b>Delivery location:</b>	HOUSTON, TX
<b>Delivered to:</b>	Receptionist/Front Desk
<b>Service type:</b>	FedEx Standard Overnight
<b>Packaging type:</b>	FedEx Envelope
<b>Number of pieces:</b>	1
<b>Weight:</b>	0.50 lb.
<b>Special handling/Services:</b>	Deliver Weekday
<b>Standard transit:</b>	4/11/2018 by 3:00 pm





*Wmf  
4/10/18*

April 10, 2018

BP America Production Co.  
Attn: Craig Ferguson  
737 N. Eldridge Parkway  
Houston, TX 77079

RE: Non-Standard Location ("NSL") Application for Basin Fruitland Coal Pool  
Koch State Com 1A (API# 30-045-21787)  
Unit I (NESE), 2110' FSL & 620' FEL, Sec. 36, T29N, R9W  
San Juan County, NM

To Whom It May Concern,

Hilcorp Energy Company, ("HEC"), as operator for Hilcorp San Juan, L.P., intends to recomplete the Koch State Com 1A (API 30-045-21787) (the "Subject Well") in the Fruitland Coal. Each of the formations, including the Mesaverde, Pictured Cliffs and Fruitland Coal pools, at this location is considered NSL since the location is less than 660' from the boundary line per NMOCD Rule 104.

Attached you will find a copy of Hilcorp's NSL application to the NMOCD. According to NMOCD Rule 104.E (4), please be advised that BP America Production Co. has a twenty (20) day time frame from the date this notice is received to notify NMOCD in writing that you have an objection. If the 20 day waiting period expires the NMOCD will conclude that your company has no objection to the NSL.

If you are so inclined, please sign the attached waiver and return it to my attention either by mail at the address shown below or by email at [wmccubbin@hilcorp.com](mailto:wmccubbin@hilcorp.com). If you should have any questions concerning this application, please feel free to call me at 713-757-7125.

Sincerely,

*Wyn McCubbin*

Wyn McCubbin, CPL  
Senior Landman – San Juan Basin  
Hilcorp San Juan, L.P.,  
By: Hilcorp Energy Company,  
its general partner

bmg  
Enclosures

PO Box 61229, Houston, TX 77208-1229 1111 Travis Street Houston, TX 77002  
Phone: 713/209-2400 Fax 713/209-2420 [hilcorp.com](http://hilcorp.com)

C 174139



April 10, 2018  
Koch State Com 1A NSL  
April 10, 2018

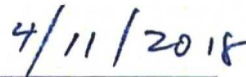
Waiver to NSL – Koch State Com 1A (API# 30-045-21787)

BP America Production Company does not object to Hillcorp Energy Company recompleting the Koch State Com 1A at the current non-standard location Unit I (NESE), 2110' FSL & 620' FEL, Sec. 36, T29N, R9W in San Juan County, New Mexico.



Company agent

Attorney-in-fact



Date

## Brenda Guzman

**From:** TrackingUpdates@fedex.com  
**Sent:** Wednesday, April 11, 2018 1:15 PM  
**To:** Brenda Guzman  
**Subject:** FedEx Shipment 771964611744 Delivered

# Your package has been delivered

Tracking # 771964611744

Ship date:  
**Tue, 4/10/2018**

**Hilcorp Energy**  
Hilcorp Energy Company  
Houston, TX 77002  
US

Delivery date:  
**Wed, 4/11/2018 1:13 pm**

**Land Department**  
West Largo Corporation  
8801 S. Yale Ave, Ste 240  
TULSA, OK 74137  
US



## Shipment Facts

Our records indicate that the following package has been delivered.

**Tracking number:** **771964611744**

**Status:** Delivered: 04/11/2018 1:13 PM  
Signed for By: Signature not required

**Reference:** NSL FC Pool KOCH ST  
COM1A

**Signed for by:** Signature not required

**Delivery location:** TULSA, OK

**Delivered to:** Residence

**Service type:** FedEx Standard Overnight

**Packaging type:** FedEx Envelope

**Number of pieces:** 1

**Weight:** 0.50 lb.

**Special handling/Services:** Deliver Weekday  
Residential Delivery

**Standard transit:** 4/11/2018 by 3:00 pm





TO: New Mexico Oil Conservation Division  
NSL Examiner  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

FROM: Hilcorp Energy Company  
PO Box 4700  
Farmington, NM 87499  
Christine Brock  
505-324-5155

## **Lowe, Leonard, EMNRD**

---

**From:** Lowe, Leonard, EMNRD  
**Sent:** Monday, May 14, 2018 1:08 PM  
**To:** 'cbrock@hilcorp.com'  
**Cc:** Jones, William V, EMNRD; McMillan, Michael, EMNRD  
**Subject:** NSL Application for Koch State Com Well No. 1A

**Importance:** High

*T= 2:19 p.m. 5/14/18  
C.B. called & I informed her on  
what is needed.*

Ms. Christine Brock,

Good afternoon,

NSL Application for the above subject well. Questions.

What is your reason for your NSL request? A reason is needed for your review and potential approval.

According to your location of the well. You are encroaching the following:

N2 Section 36, 29N 9W who is the Operator in that area?

SE4 Section 25, 29N 9W, who is the Operator in that area?

NE4 Section 31, 28<sup>a</sup>N 8W, who is the Operator in that area?

If the operators located in the affected areas are not Hilcorp, then notice needs to be provided to the offset operators.

Currently your application does not show any notification of such. Please clarify.

### **Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>



Ms. Christine Brock,

Good afternoon,

NSL Application for the above subject well. Questions.

What is your reason for your NSL request? A reason is needed for your review and potential approval. **The Koch State Com 1A is an existing Blanco MV & Blanco PC. Hilcorp is currently proposing to recomplete this well adding the Basin Fruitland Coal formation (71629), which is unorthodox for the existing well location.**

According to your location of the well. You are encroaching the following:

N2 Section 36, 29N 9W who is the Operator in that area? **Hilcorp Energy Company**

SE4 Section 25, 29N 9W, who is the Operator in that area? **SE4 Section 35? – BP America (notice provided, received waiver)**

NE4 Section 31, 29N 8W, who is the Operator in that area? **West Largo Corporation (notice provided)**

If the operators located in the affected areas are not Hilcorp, then notice needs to be provided to the offset operators.

Currently your application does not show any notification of such. Please clarify.

**Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>

---

*Hilcorp Energy Company's address is 1111 Travis St, Houston, TX 77002*



*Rec'd  
4/10/18*

April 10, 2018

BP America Production Co.  
Attn: Craig Ferguson  
737 N. Eldridge Parkway  
Houston, TX 77079

RE: Non-Standard Location ("NSL") Application for Basin Fruitland Coal Pool  
Koch State Com 1A (API# 30-045-21787)  
Unit I (NESE), 2110' FSL & 620' FEL, Sec. 36, T29N, R9W  
San Juan County, NM

To Whom It May Concern,

Hilcorp Energy Company, ("HEC"), as operator for Hilcorp San Juan, L.P., intends to recomplete the Koch State Com 1A (API 30-045-21787) (the "Subject Well") in the Fruitland Coal. Each of the formations, including the Mesaverde, Pictured Cliffs and Fruitland Coal pools, at this location is considered NSL since the location is less than 660' from the boundary line per NMOCD Rule 104.

Attached you will find a copy of Hilcorp's NSL application to the NMOCD. According to NMOCD Rule 104.E (4), please be advised that BP America Production Co. has a twenty (20) day time frame from the date this notice is received to notify NMOCD in writing that you have an objection. If the 20 day waiting period expires the NMOCD will conclude that your company has no objection to the NSL.

If you are so inclined, please sign the attached waiver and return it to my attention either by mail at the address shown below or by email at [wmccubbin@hilcorp.com](mailto:wmccubbin@hilcorp.com). If you should have any questions concerning this application, please feel free to call me at 713-757-7125.

Sincerely,

*Wyn McCubbin*

Wyn McCubbin, CPL  
Senior Landman - San Juan Basin  
Hilcorp San Juan, L.P.,  
By: Hilcorp Energy Company,  
its general partner

bmg  
Enclosures

C 174139



April 10, 2018  
Koch State Com 1A NSL  
April 10, 2018

Waiver to NSL – Koch State Com 1A (API# 30-045-21787)

BP America Production Company does not object to Hilcorp Energy Company recompleting the Koch State Com 1A at the current non-standard location Unit I (NESE), 2110' FSL & 620' FEL, Sec. 36, T29N, R9W in San Juan County, New Mexico.

Sharon W. Nester  
Company agent  
Attorney-in-fact

4/11/2018  
Date

## **Lowe, Leonard, EMNRD**

---

**From:** Christine Brock <cbrock@hilcorp.com>  
**Sent:** Monday, May 14, 2018 3:08 PM  
**To:** Lowe, Leonard, EMNRD  
**Subject:** FW: NSL Application for Koch State Com Well No. 1A  
**Attachments:** Koch State Com 1 Offset Operators.pdf; Koch State Com 1A Offset Operator NSL Notice West Largo.pdf; Koch State Com 1A Offset Operator NSL Notice BP.PDF; Koch State Com 1 FedEx West Largo.pdf; Koch State Com 1 FedEx BP America.pdf; Koch State Com 1A- BP Waiver.pdf

Mr. Lowe,

Thank you for your time this afternoon. Below in red hopefully answers all of your questions. We have also attached the notice sent to each operator. Please call me if you have any other questions or concerns.

Thank you,

*Christine Brock*

Hilcorp Energy Company  
San Juan South Regulatory  
Office: 505-324-5155  
cbrock@hilcorp.com

**From:** Brenda Guzman  
**Sent:** Monday, May 14, 2018 2:46 PM  
**To:** Christine Brock <cbrock@hilcorp.com>; Wyn McCubbin <wmccubbin@hilcorp.com>  
**Subject:** RE: NSL Application for Koch State Com Well No. 1A

Christine,

Please see Leonard's email below for my notes in red.

Thanks,

Brenda Guzman  
Land Tech – San Juan South  
Hilcorp Energy Company  
832-839-4574

**From:** Lowe, Leonard, EMNRD [<mailto:Leonard.Lowe@state.nm.us>]  
**Sent:** Monday, May 14, 2018 1:12 PM  
**To:** Christine Brock <[cbrock@hilcorp.com](mailto:cbrock@hilcorp.com)>  
**Subject:** RE: NSL Application for Koch State Com Well No. 1A  
**Importance:** High

correction



**From:** [Lowe, Leonard, EMNRD](#)  
**To:** ["cbrock@hilcorp.com"](mailto:cbrock@hilcorp.com)  
**Cc:** [Vermersch, Amy H, EMNRD](#); [Perrin, Charlie, EMNRD](#); [Pickford, Katherine, EMNRD](#); [Holm, Anchor E.; Martin, Ed; "jglover@blm.gov"; "dmankiew@blm.gov"; "lisa@rwbyram.com"; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; Goetze, Phillip, EMNRD](#)  
**Subject:** APPROVED NSL-7715\_Hilcorp Energy Company\_Koch State Com Well No. 1A \_SEC 36 29N 9W  
**Date:** Monday, May 21, 2018 11:34:00 AM  
**Importance:** High

---

**Ms. Christine Brock,**

The following administrative order has been issued and will soon be available on the Division's web site.

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

**Applicant: Hilcorp Energy Company [372171]**

**NSL-7715**

WELL: Koch State Com Well No. 1A [API #: 30-045-21787]

**Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>