

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

MAR 29 2018 PM03:05

**APPLICATION OF HILCORP ENERGY  
COMPANY FOR AN EXCEPTION TO THE  
WELL DENSITY REQUIREMENTS OF THE  
SPECIAL RULES AND REGULATIONS FOR  
THE BLANCO-MESAVERDE GAS POOL,  
RIO ARriba COUNTY, NEW MEXICO.**

**CASE NO. 16055**

**HILCORP'S PREHEARING STATEMENT**

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Hilcorp Energy Company  
1111 Travis St.  
Houston, Texas 77002

**ATTORNEYS**

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**STATEMENT OF THE CASE**

Hilcorp seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool to permit it to complete and simultaneously produce five Mesaverde gas well in the same standard spacing and proration unit, and three wells in the same quarter section.

Hilcorp is the operator of a standard 320-acre, more or less, spacing and proration unit in the Blanco-Mesaverde Gas Pool comprised of the E/2 of Section 20, Township 28 North, Range 6 West, Rio Arriba County, New Mexico, in which the following four wells are currently completed and producing:

- a. San Juan 28-6 Unit 44 Well (API No. 30-039-07392) Sec. 20, T28N, R6W (Unit B);
- b. San Juan 28-6 Unit 44A Well (API No. 30-039-21874), Sec. 20, T28N, R6W (Unit J);
- c. San Juan 28-6 Unit 127M Well (API No. 30-039-27815), Sec. 20, T28N, R6W, with a surface location in Unit J and a bottom hole location in Unit I; and
- d. San Juan 28-6 Unit 127N Well (API No. 30-039-30774), Sec. 20, T28N, R6W, with a surface location in Unit J and a bottom hole location in Unit G.

Hilcorp now proposes to simultaneously dedicate and produce the following fifth well within the same standard spacing and proration unit, at the following location: **San Juan 28-6 Unit 127** (API No. 30-039-20069), Sec. 20, T28N, R6W (Unit H).

Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule 1.B of the Special Rules and Regulations of the Blanco-Mesaverde Pool to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-6 Unit 127** (API No. 30-039-20069) within the E/2 of Section 20, Township 28 North, Range 6 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, and the number of wells within a quarter section to three.

## **APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Chuck Creekmore – Landman	Approx. 10	Approx. 5
Andrew Sparks – Geologist (if necessary)	Approx. 15	Approx. 8
Michelle Sivadon – Reservoir Engineer	Approx. 20	Approx. 5

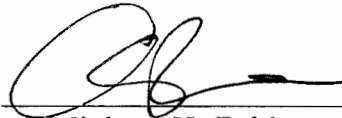
## **PROCEDURAL MATTERS**

For administrative efficiency and ease of presentation, Hilcorp respectfully requests that the following cases be consolidated for purposes of presenting evidence and testimony:

- 16053, 16055, 16056.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR HILCORP ENERGY COMPANY**