

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

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**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. 16056

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
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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 320-acre, more or less,

spacing and proration unit, three wells in the same quarter section, and two wells in the same quarter-quarter section (Unit K).

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 W/2 of Section 23, Township 28 North, Range 7 West, Rio Arriba County, New Mexico, in which the following four wells are currently completed and producing:

- a. San Juan 28-7 Unit 25 Well (API No. 30-039-07365) Sec. 23, T28N, R7W (Unit K);
- b. San Juan 28-7 Unit 258M Well (API No. 30-039-25557), Sec. 23, T28N, R7W (Unit E);
- c. San Juan 28-7 Unit 258F Well (API No. 30-039-27260), Sec. 23, T28N, R7W (Unit M); and
- d. San Juan 28-7 Unit 258G Well (API No. 30-039-27249), Sec. 23, T28N, R7W (Unit F).

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 28-7 Unit 258** (API No. 30-039-21735), Sec. 23, T28N, R7W (Unit K).

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 28-7 Unit 258** (API No. 30-039-21735) within the W/2 of Section 23, Township 28 North, Range 7 West, permitting the total number of wells dedicated and producing within this spacing and proration

unit to five, the number of wells within a quarter section to three, and the number of wells in the same quarter-quarter section (Unit K) to two.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
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,

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