

Case 20095

Revised March 23, 2017

RECEIVED: 10/01/2018	REVIEWER: M Am	TYPE: SD	APP NO: p14 AM 18274 58745
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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> FOGLESON GAS COM 1R	<b>API:</b> 30-045-30275
<b>Pool:</b> BLANCO MESAVERDE	<b>Pool Code:</b> 72319

**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**

- ☐ 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.**

Bradley W. Pearson - Landman

Print or Type Name

*Bradley W. Pearson*

Signature

9-26-2018

Date

713-289-2793

Phone Number

bpearson@hilcorp.com

e-mail Address



September 25, 2018

New Mexico Oil Conservation Division  
Attn: Heather Riley  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Application for Simultaneous Dedication  
Fogleson Gas Com 1R  
API: 30-045-30275  
SHL: T30N-R11W: Section 26 UL I  
BHL: T30N-R11W: Section 26 UL I  
San Juan County, New Mexico

Dear Ms. Riley:

Hilcorp Energy Company respectfully requests authorization to simultaneously dedicate the Fogleson Gas Com 1R to an existing standard 318.44 acre gas spacing and proration unit ("GPU") in the Blanco Mesaverde pool (72319) comprising the S/2 of Section 26, Township 30 North, Range 11 West, San Juan County, New Mexico. The GPU is currently dedicated to the following described wells:

PAYNE COM 1A NW/SE API: 3004529912 UL I: T30N-R11W: Sec. 26  
PAYNE COM 1 NW/SE SW API: 3004509149 UL L: T30N-R11W: Sec. 26

Completion of the Fogleson Gas Com 1R within Unit I of this GPU conflicts with the prescribed well location requirements provided in the applicable Blanco Mesaverde Gas Pool Special Pool Rules I.B, which governs the locations of infill wells. The special rules provide, however, that the Division Director may administratively grant exceptions to infill well locations upon application with the Division and notice, by certified mail-return receipt requested, to affected parties.

The Fogleson Gas Com 1R is currently completed in the Basin Dakota pool. The Payne Com 1A is currently completed in the Blanco Mesaverde pool as a single completion. The Payne Com 1 is currently completed in the Blanco Mesaverde pool as a single completion. Completion of the Fogleson Gas Com 1R well in this GPU will constitute the second well in the same quarter-quarter section in violation of the well location requirements of the special rules.

The proposed completion of the Blanco Mesaverde pool within the Fogleson Gas Com 1R will increase the gas recovery from the Mesaverde formation within the S/2 of Section 26, thereby preventing waste.

Attached hereto for each well is a copy of Division Form C-102 for these wells that show the surface and bottom hole locations of each well. In addition, also enclosed is a map of the offset operators of all offsetting spacing units. Hilcorp Energy Company is the operator of all offsetting spacing units and owns 100% working interest in all offsetting spacing units with the exception of the W/2 of Section 26. Hilcorp has mailed, via USPS Certified Mail, Notice to the Affected Parties that this application has been submitted. A copy of the Notice to the Affected Parties is also attached.



In summary, administrative approval of the application is permitted under the special rules for the Blanco Mesaverde Gas Pool and will afford Hilcorp Energy Company the opportunity to recover additional gas reserves from the pool in the S/2 of Section 26 that may otherwise not be recovered by the existing wells, thereby preventing waste, and not violating correlative rights. Hilcorp's proposed simultaneous dedication of these wells does not exceed the well density requirements imposed by the special rules.

If you have any questions or need additional information, please contact me at 713-289-2793 or [bpearson@hilcorp.com](mailto:bpearson@hilcorp.com).

Sincerely,

A handwritten signature in black ink that reads 'Bradley W. Pearson'.

Brad Pearson  
San Juan Basin Landman  
Hilcorp San Juan, L.P.  
By: Hilcorp Energy Company  
its general partner

Enclosure(s)

District I1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720District II811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720District III1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170District IV1220 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**

Permit 255725

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-30275	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321756	5. Property Name FOGLESON GAS COM	6. Well No. 001R
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5933

**10. Surface Location**

UL - Lot I	Section 26	Township 30N	Range 11W	Lot Idn	Feet From 1980	N/S Line S	Feet From 660	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 318.44 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 NONSTANDARD 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>Kandis Bland</i>  Title: Operations/Regulatory Technician  Date: 8/8/18</p>		
	<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: Neale C. Edwards  Date of Survey: 3/20/2000  Certificate Number: 6857</p>		





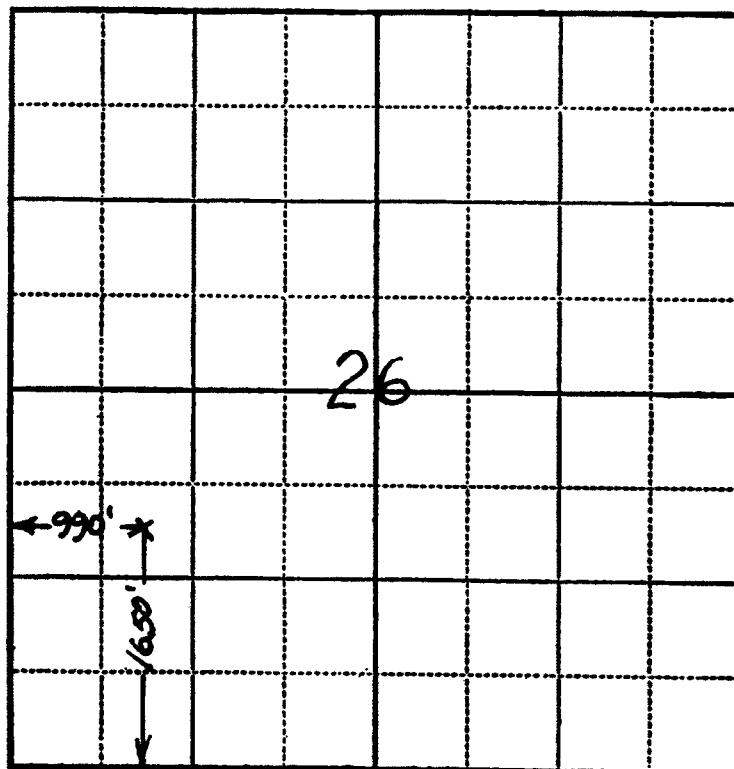
Company Nelson and Edward Morris, Ltd and A.M. Lloyd

Lease Payne Well No. 1

Sec. 26 T. 30 N., R. 11 W., N.M.P.M.

Location 1650' from the S. line & 990' from the W. line

San Juan County New Mexico



Scale—4 inches equals 1 mile.

REMARKS:

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:

*[Signature]*  
Registered Professional  
Engineer and Land Surveyor.

Farmington, New Mexico

Surveyed on the day of October 14th of , 1950

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

District II  
PO Drawer 00, Artesia, NM 88211-0719

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

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

State of New Mexico.  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045 29912		Pool Code 72319	Pool Name Blanco Mesaverde
Property Code 7379 23506	Property Name PAYNE COM		Well Number 1A
GRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		Elevation 5919'

#### 10 Surface Location

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
J	26	30N	11W		1860	SOUTH	1430	EAST	SAN JUAN

#### 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres S/320.00		Joint or Infill		Consolidation Code		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

5324.88'	5265.48'		1	
	26		2	
NMSF-079962		1430'		
NMSF-078144		2655.84'		
4	5	6	7	
2603.70'	2604.36'			

#### 17 OPERATOR CERTIFICATION

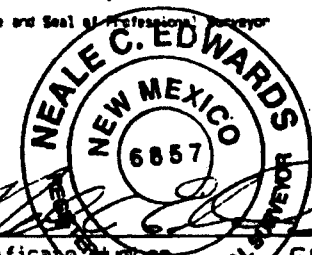
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
Peggy Bradfield  
Printed Name  
Regulatory Administrator  
Title  
Date

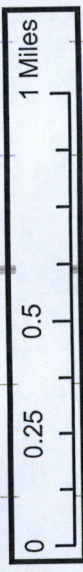
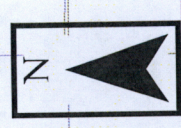
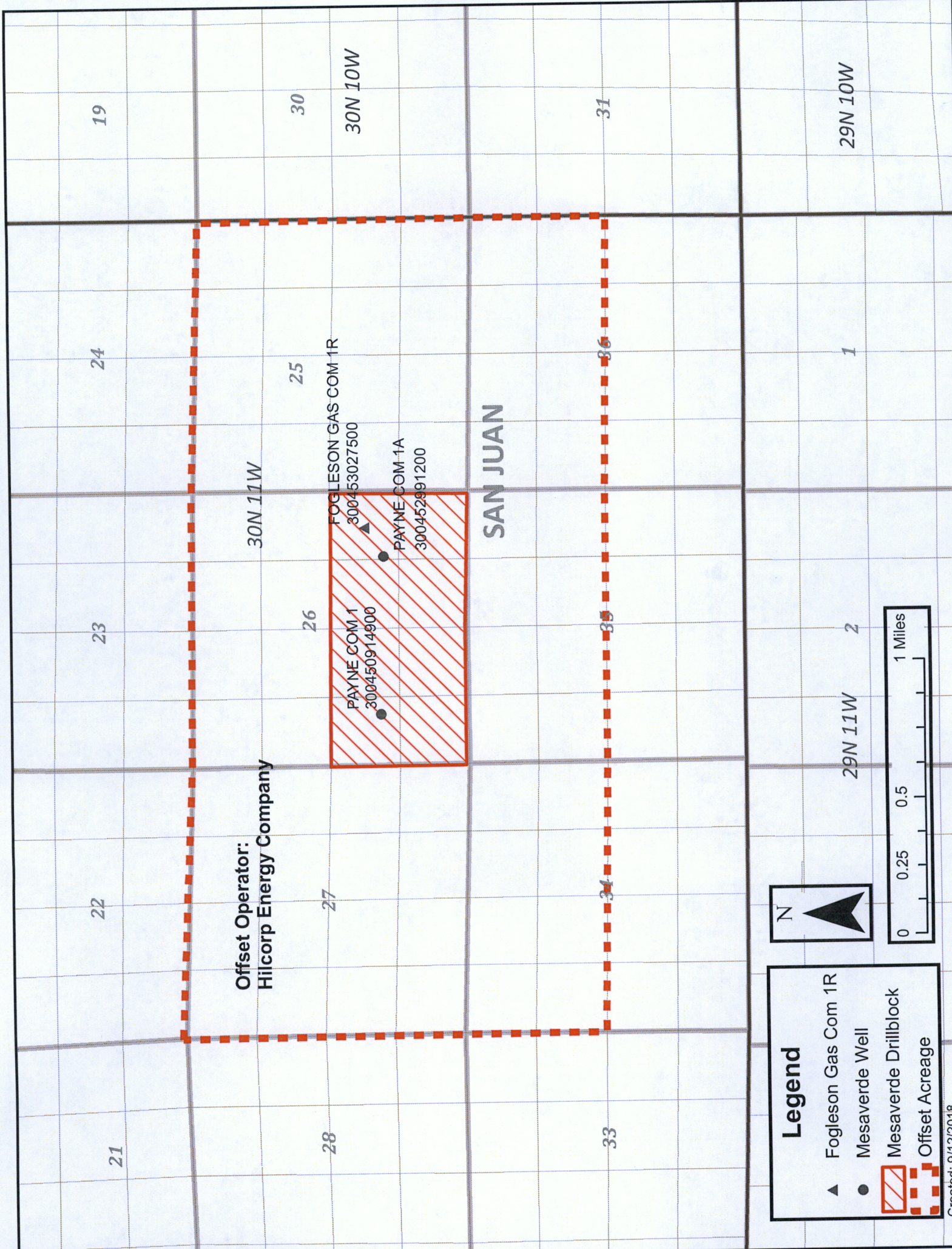
#### 18 SURVEYOR CERTIFICATION

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.



FEBRUARY 23, 1999  
Date of Survey

Signature and Seal of Professional Surveyor  
  
Certificate Number 6857





**Legend**

- ▲ Fogleson Gas Com 1R
- Mesaverde Well
-  Mesaverde Drillblock
-  Offset Acreage





September 26, 2018

Transmitted Via  
Certified Mail - Return Receipt Requested

TO: **AFFECTED INTEREST OWNERS**

Re: Application of Hilcorp Energy Company for simultaneous dedication  
San Juan County, New Mexico

Ladies and Gentlemen,

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the Fogleson Gas Com 1R, Payne Com 1A and Payne Com 1 to the South-half of Section 26, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

As the owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty (20) days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application for a simultaneous dedication may be approved.

Sincerely,

A handwritten signature in cursive script that reads 'Bradley W. Pearson'.

Brad Pearson  
San Juan Basin Landman  
Hilcorp San Juan, L.P.  
By: Hilcorp Energy Company  
its general partner

Enclosure(s)

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901765669270	Brenda Guzman	, PATRICIA A ADAMS, DBA LEE ANN OIL CO 11920 OAK BRANCH DR, AUSTIN, TX, 78737 Code: Fogleson Gas Com 1R SD Application	9/26/2018	Signature Pending
92148969009997901765669287	Brenda Guzman	, CANFIELD OIL and GAS PROPERTIES INC, PO BOX 69, DRIPPING SPRINGS, TX, 78620 Code: Fogleson Gas Com 1R SD Application	9/26/2018	Signature Pending
92148969009997901765669294	Brenda Guzman	WILLIAM J MOUNCE, WILLIAM HAROLD MOUNCE and EDUARDO SOTO POAS, 600 SUNLAND PARK DR STE 6-300, EL PASO, TX, 79912 Code: Fogleson Gas Com 1R SD Application	9/26/2018	Signature Pending
92148969009997901765669300	Brenda Guzman	, BUREAU OF LAND MANAGEMENT, 6251 COLLEGE BLVD SUITE A, FARMINGTON, NM, 87402 Code: Fogleson Gas Com 1R SD Application	9/26/2018	Signature Pending



**McMillan, Michael, EMNRD**

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**From:** McMillan, Michael, EMNRD  
**Sent:** Monday, October 1, 2018 4:34 PM  
**To:** Brad Pearson  
**Subject:** Fogleson Gas Com Well No. 1R Administrative Simultaneous Dedication

Brad:

Your administrative application for the Fogleson Gas Com Well No. 1R cannot be approved administratively.

Special Pool rules for the Blanco Mesaverde does not allow two wells in the same quarter-quarter section.

These can only be approved at Hearing.

Thanks

Mike

Michael McMillan  
1220 South St. Francis  
Santa Fe, New Mexico  
505-476-3448  
Michael.mcmillan@state.nm.us

## **McMillan, Michael, EMNRD**

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**From:** McMillan, Michael, EMNRD  
**Sent:** Wednesday, October 17, 2018 2:15 PM  
**To:** rankin, Adam  
**Cc:** 'Brad Pearson'; Davidson, Florene, EMNRD; Brooks, David K, EMNRD; Jones, William V, EMNRD  
**Subject:** Fogelson Gas Com Well No. 1R, Maddox Gas Com c well No. 1E, and Morris Gas Com C Well No. 1E SD Applications

Adam and Brad:

Based on special pool rules for the Blanco-Mesaverde (Prorated Gas) Pool, your application for Simultaneous Dedication (increased well density) cannot be approved administratively, and will be cancelled October 17, 2018. Therefore, if HilCorp wishes to proceed with the application, it must go to Hearing.

Thanks

Mike

Michael McMillan  
1220 South St. Francis  
Santa Fe, New Mexico  
505-476-3448  
Michael.mcmillan@state.nm.us