

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING NOVEMBER 15, 2018**

**CASE No. 20097**

*BMV - MORRIS GAS COM C 1E SD 2*

*SAN JUAN COUNTY, NEW MEXICO*



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

**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,  
SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO. 20097**

**AFFIDAVIT OF BRAD PEARSON IN SUPPORT OF CASE NO. 20097**

I, Brad Pearson, being of lawful age and duly sworn, declare as follows:

1. My name is Brad Pearson. I work for Hilcorp Energy Company ("Hilcorp") as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Hilcorp in this case, and I am familiar with the status of the lands in the subject areas.
4. None of the affected parties in this case has indicated opposition, and therefore I do not expect any opposition at the hearing.
5. 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 wells in the same standard 320-acre, more or less, spacing and proration unit.

6. The Blanco-Mesaverde Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled. The Special Rules therefore limit the number of wells in a spacing unit to four and the number of wells in a half section within a spacing unit to two. The Special Rules also provide that well density exceptions can be approved only after notice and hearing.

7. Hilcorp is the operator of a standard 320-acre spacing and proration unit in the Blanco-Mesaverde Gas Pool comprised of the S/2 of Section 26, Township 29 North, Range 10 West, San Juan County, New Mexico, in which the following wells are currently completed and producing:

- a. Morris Gas Com C 1 Y Well (API No. 30-045-34738), Sec. 26, T29N, R10W (Unit N);
- b. Abrams L 1 Well (API No. 30-045-25670), Sec. 26, T29N, R10W (Unit M); and
- c. Abrams L 1A Well (API No. 30-045-25616), Sec. 26, T29N, R10W (Unit I).

8. Hilcorp proposes to simultaneously dedicate and produce the following well within the same standard spacing and proration unit, at the following location:

- a. **Morris Gas Com C 1E Well** (API No. 30-045-23567), Sec. 26, T29N, R10W (Unit I).

9. This will be the second well within the same quarter-quarter section within the same spacing unit, exceeding well density limits imposed by the Special Rules.

10. 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 **Morris Gas Com C 1E Well** (API No. 30-045-23567) within the S/2 of Section 26, Township 29 North, Range 10 West, permitting the total number of wells dedicated and producing within the same quarter-quarter section (Unit I) to two wells in the same spacing unit.

11. The proposed simultaneous dedication of the **Morris Gas Com C 1E Well**, which is currently producing in the Dakota formation, within the Blanco-Mesaverde is part of Hilcorp's strategy to use existing wells completed in other zones to economically target development of incremental Mesaverde gas reserves in areas where there is not adequate gas drainage.

12. The Division has pre-approved downhole commingling the Dakota formation with the Blanco-Mesaverde Gas Pool.

13. Pursuant to the Special Rules and Division precedent, Hilcorp provided notice to all Division-designated operators in offsetting 320-acre spacing units. Where Hilcorp is the operator, Hilcorp identified all working interest owners in offsetting spacing units as affected parties requiring notice. In some offsetting spacing units, Hilcorp owns 100% of the working interest, in which case there are no affected parties to notice. I provided a list of all affected parties requiring notice to Holland & Hart LLP.

14. Exhibit A-1 is an overview map identifying the location of the subject Blanco-Mesaverde Gas Pool spacing unit, identified by the red cross-hatching, within the S/2 of Section 26, Township 29 North, Range 10 West, to which the **Morris Gas Com C 1E Well** will be simultaneously dedicated.

15. Exhibit A-1 also identifies the locations of the existing Mesaverde wells as gray circles, as well as the **Morris Gas Com C 1E Well** as a gray triangle.

16. Exhibit A-1 also depicts the notice area, depicted in a red dashed line surrounding the subject spacing unit, comprised of the offsetting spacing units. In this case, Hilcorp is the operator of the offsetting spacing units within the notice area. The only interest owners requiring notice are: EVKO Development Company, A Partnership, c/o Leslie Wiener.

17. To the best of my knowledge, the addresses used to provide notice are valid and correct addresses which have been recently used by Hilcorp and at which mail has been received by the notice parties.

18. Exhibit A-2 is a copy of the administrative application that was filed with the Division seeking the requested approvals. The Division notified Hilcorp that the requested exceptions required a hearing under the Special Rules. Accordingly, Hilcorp is requesting this exception after notice and hearing.

19. Exhibits A-1 and A-2 were prepared by me or under my direction and supervision.

FURTHER AFFIANT SAYETH NAUGHT.

Bradley W. Pearson  
Brad Pearson

STATE OF TEXAS                     )  
   )  
COUNTY OF HARRIS                     )

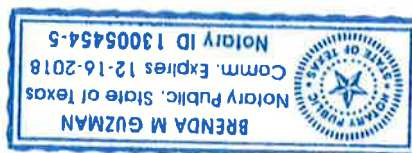
SUBSCRIBED and SWORN to before me this 14<sup>th</sup> day of November ~~14~~,  
2018 by Brad Pearson.

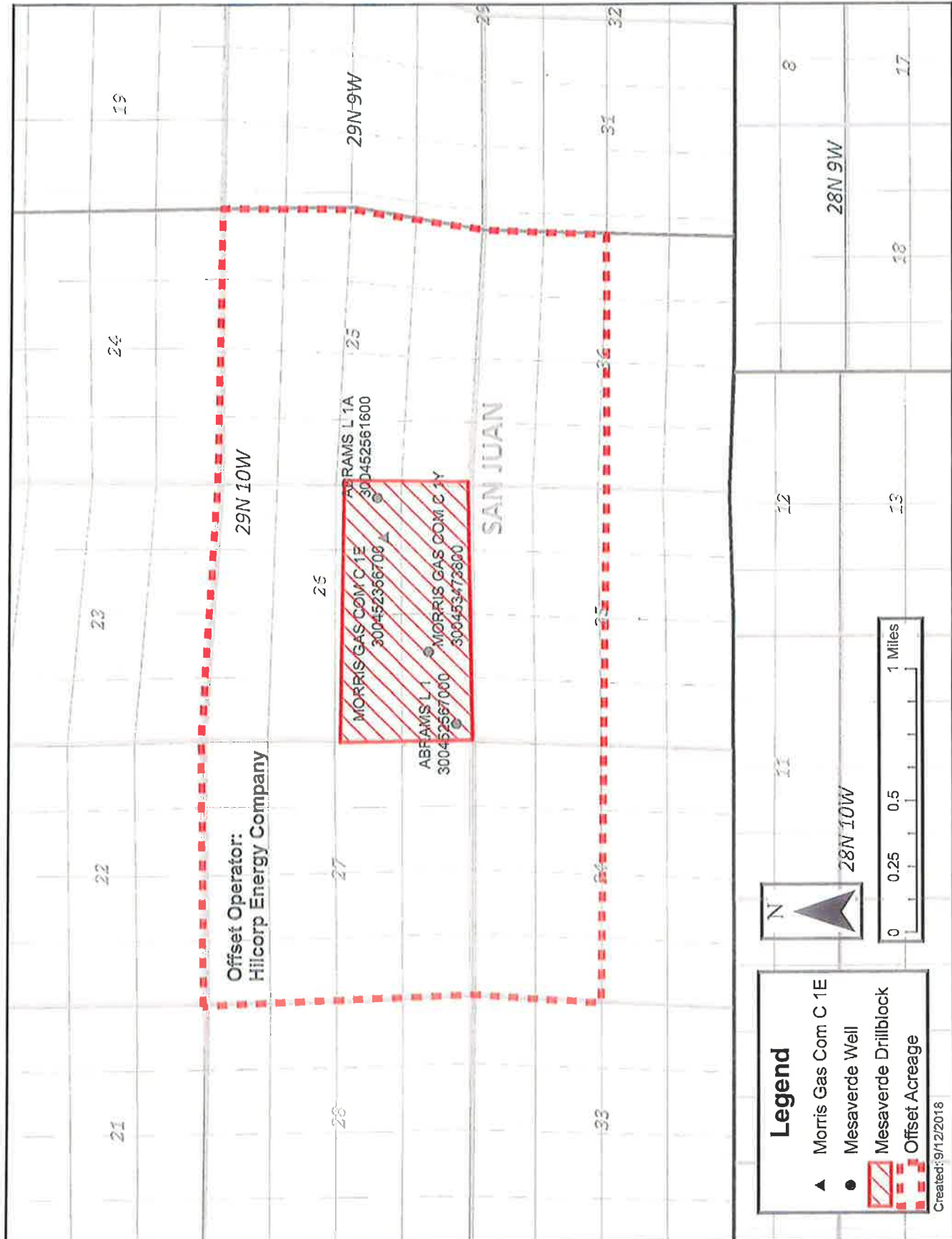
[Signature]  
NOTARY PUBLIC

My Commission Expires:

December 14, 2018

11644331\_1





BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-1

Submitted by: Hilcorp Energy Company

Hearing Date: November 15, 2018

Case # 20097

EXHIBIT A-1

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OGD 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> <u>HILCORP ENERGY COMPANY</u>	<b>OGRID Number:</b> <u>372171</u>
<b>Well Name:</b> <u>MORRIS GAS COM C IE</u>	<b>API:</b> <u>30-045-07998</u> <b>2356</b>
<b>Pool:</b> <u>BLANCO MESAVERDE</u>	<b>Pool Code:</b> <u>72319</u>

**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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OGD 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

Signature

9-26-2018

Date

713-289-2793

Phone Number

bpearson@hilcorp.com

e-mail Address

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Exhibit No. A-2

Submitted by: **Hilcorp Energy Company**

Hearing Date: November 15, 2018

Case # 20097

**EXHIBIT A-2**



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  
Morris Gas Com C 1E  
API: 30-045-~~07998~~ 2356  
SHL: T29N-R10W: Section 26 UL 1  
BHL: T29N-R10W: Section 26 UL 1  
San Juan County, New Mexico

Dear Ms. Riley:

Hilcorp Energy Company respectfully requests authorization to simultaneously dedicate the Morris Gas Com C 1E (API: 3004523567) well to an existing standard 320 acre gas spacing and proration unit ("GPU") in the Blanco Mesaverde Gas Pool (72319) comprising the S/2 of Section 26, Township 29 North, Range 10 West, San Juan County, New Mexico. The GPU is currently dedicated to the following described wells:

MORRIS GAS COM C 1Y	API: 3004534738	UL N: T29N-R10W: Sec. 26
ABRAMS L 1	API: 3004525670	UL M: T29N-R10W: Sec. 26
ABRAMS L 1A	API: 3004525616	UL I: T29N-R10W: Sec. 26

The Morris Gas Com C 1E has a surface location in Unit I of Section 26, Township 29 North, Range 10 West, San Juan County, New Mexico. Completion of this well at that location within the 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 Morris Gas Com C 1E is currently completed in the Basin Dakota pool. The Morris Gas Com C 1Y is currently completed in the Armenta Gallup, Otero Chacra, Basin Dakota and Blanco Mesaverde pool as a commingled well. The Abrams L 1 is currently completed in the Armenta Gallup and Blanco Mesaverde pool as a commingled well. The Abrams L 1A is currently completed in the Armenta Gallup and Blanco Mesaverde pool as a commingled well. The Morris Gas Com C 1Y, Abrams L 1 and Abrams L 1A wells are all currently dedicated to to an existing 320 acre gas spacing unit comprising the S/2 of Section 26 in the Blanco Mesaverde Gas Pool.

The proposed completion of the Blanco Mesaverde pool within the Morris Gas Com C 1E 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 36. 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 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)

**District I**  
1626 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
611 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone: (605) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone: (605) 470-3470 Fax: (605) 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 255731

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30 016-73507	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321872	5. Property Name MORRIS GAS COM C	6. Well No. 001E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5556

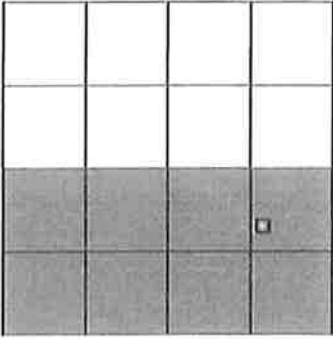
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
1	26	29N	10W		1740	S	1150	E	SAN JUAN

**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. Jo'nt or Infr		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>Kandis Roland</i>  Title: Operations/Regulatory Technician  Date: 8/8/2018</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 Jr.  Date of Survey: 3/7/1979  Certificate Number: 3950</p>
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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

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

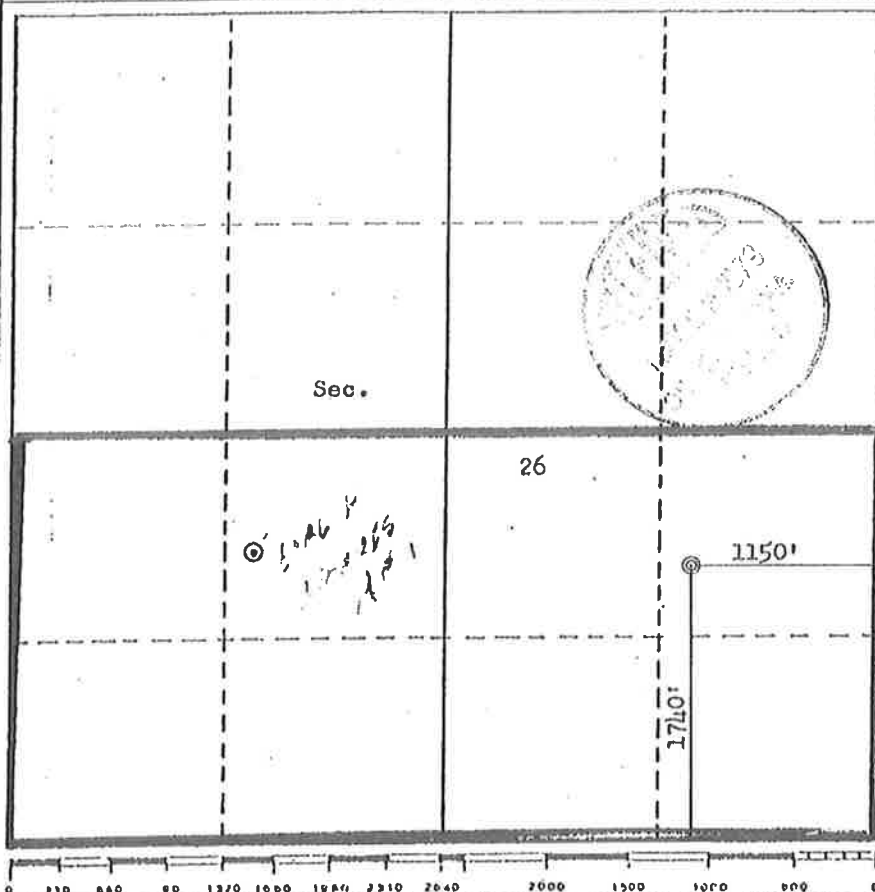
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>MORRIS GAS COM "C"</b>		Well No. <b>1E</b>
Unit Letter <b>I</b>	Section <b>26</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well:					
<b>1740</b>	feet from the	<b>South</b>	line and	<b>1150</b>	feet from the
					<b>East</b>
Ground Level Elev. <b>5556</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin Dakota</b>		Dedicated Acres <b>320</b>

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 Division.



CERTIFICATION

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

*B. E. Fackrell*

Name  
**B. E. FACKRELL**

Position  
**DISTRICT ENGINEER**

Company  
**AMOCO PRODUCTION COMPANY**

Date  
**MAY 10, 1979**

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  
**MAY 1979**  
Registered Professional Engineer  
under New Mexico Laws  
**3950**  
Certified  
**DAWERR, JR.**  
**3950**

**District I**

1625 N. Church Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

**District II**

1301 W. Grand Ave., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720

**District III**

1000 Rio Bravo 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  
Pamphlet 76160

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34738	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 23074	5. Property Name MORRIS GAS COM C	6. Well No. 001Y
7. OORID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5546

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	26	29N	10W		850	S	1785	W	SAN JUAN

**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		13. Joint or well		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**

	<b>OPERATOR CERTIFICATION</b>			
	<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>			
	E-Signed By: Cheryl Moore Title: Production Accounting Supervisor Date: 6/6/2008			
	<b>SURVEYOR CERTIFICATION</b>			
<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>				
Surveyed By: Roy Rush Date of Survey: 6/5/2008 Certificate Number: 8894				

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone (505) 393-6161 Fax (505) 393-0720

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**

**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
Penk 76460

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34738	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 23074	5. Property Name MORRIS GAS COM C	6. Well No. 001Y
7. OGRD No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5546

**10. Surface Location**

UL - Lot N	Section 26	Township 29N	Range 10W	Lot 1/4 10W	Feet From 850	N/S Line S	Feet From 1785	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 1/4	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Job or Drill	14. Consolidation Code	15. Order No.						

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	<b>OPERATOR CERTIFICATION</b> <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>  E-Signed By: Cheryl Moore Title: Production Accounting Supervisor Date: 6/6/2008	
	<b>SURVEYOR CERTIFICATION</b> <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>  Surveyed By: Roy Rush Date of Survey: 6/5/2008 Certificate Number: 8894	

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**

**Oil Conservation Division**

**1220 S. St Francis Dr.**

**Santa Fe, NM 87505**

Form C-102  
Permit 76460

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34738	2. Pool Code 2290	3. Pool Name ARMENTA-GALLUP (O)
4. Property Code 23074	5. Property Name MORRIS GAS COM C	6. Well No. 001Y
7. OORRD No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5546

**10. Surface Location**

UL - Lot N	Section 26	Township 29N	Range 10W	Lot 1/4 10W	Feet From 850	1/4 S Line S	Feet From 1785	E/W Line W	County SAN JUAN
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**11. Bottom Hole Location If Different From Surface**

UL - Lot N	Section 26	Township 29N	Range 10W	Lot 1/4 10W	Feet From 850	1/4 S Line S	Feet From 1785	E/W Line W	County SAN JUAN
12. Dedicated Acres 40.00	13. Job or Well	14. Consolidation Code	15. Order No.						

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	<b>OPERATOR CERTIFICATION</b>		
	<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: Cheryl Moore Title: Production Accounting Supervisor Date: 6/6/2008</p>		
	<b>SURVEYOR CERTIFICATION</b>		
	<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: Roy Rush Date of Survey: 6/5/2008 Certificate Number: 8894</p>		

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**District III**  
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**District IV**  
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
Pamph 76460

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34738	2. Pool Code 82329	3. Pool Name OTERO CHACRA (GAS)
4. Property Code 23074	5. Property Name MORRIS GAS COM C	6. Well No. 001Y
7. OGRID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5546

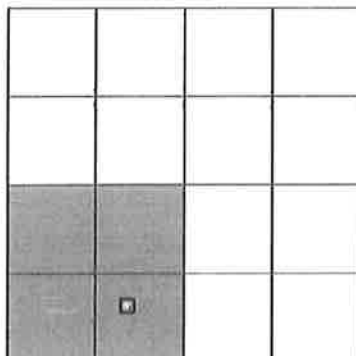
**10. Surface Location**

UL - Lot N	Section 26	Township 29N	Range 10W	Lot Eln	Feet From 850	N/S Line S	Feet From 1785	E/W Line W	County SAN JUAN
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-------------------	---------------	--------------------

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Eln	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00	13. John 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**



**OPERATOR CERTIFICATION**

*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.*

E-Signed By: Cheryl Moore  
Title: Production Accounting Supervisor  
Date: 6/6/2008

**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.*

Surveyed By: Roy Rush  
Date of Survey: 6/5/2008  
Certificate Number: 8894

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

**OIL CONSERVATION DIVISION**  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

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

Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>ABRAMS "LD"</b>		Well No. <b>1</b>
Unit Letter <b>4</b>	Section <b>26</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>330</b> feet from the <b>West</b> line					
Ground Level Elev: <b>5543</b>	Producing Formation <b>Gallup</b>		Pool <b>Armenta Gallup</b>		Dedicated Acreage: <b>40</b> Acres

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

		<p><b>RECEIVED</b> APR 20 1983 OIL CON. DIV. DIST. 3</p>	
Sec.			
		26	
<p>330'</p> <p>330'</p>			

**CERTIFICATION**

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

*Dale H. Shoemaker*

Name

**Dale H. Shoemaker**

Position

**District Engineer**

Company

**Amoco Production Company**

Date

**April 14, 1983**

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 5, 1983**

Registered Professional Engineer and Land Surveyor.

*Fred B. Kerr Jr.*  
**Fred B. Kerr Jr.**

Certificate No.

**EXHIBIT A-2**



**District I**  
1025 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-8181 Fax: (575) 393-0720  
**District II**  
611 S. First St., Artesia, NM 88210  
Phone: (575) 748-1203 Fax: (575) 748-8720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone: (505) 334-8170 Fax: (505) 334-8170  
**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 267265

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-25870	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321709	5. Property Name ADRAMS L	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6543

**10. Surface Location**

UL - Lot M	Section 28	Township 29N	Range 10W	Lot Idn	Feet From 330	N/S Line S	Feet From 330	E/W Line W	County SAN JUAN
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	--------------------

**11. Bottom Hole Location If Different From Surface**

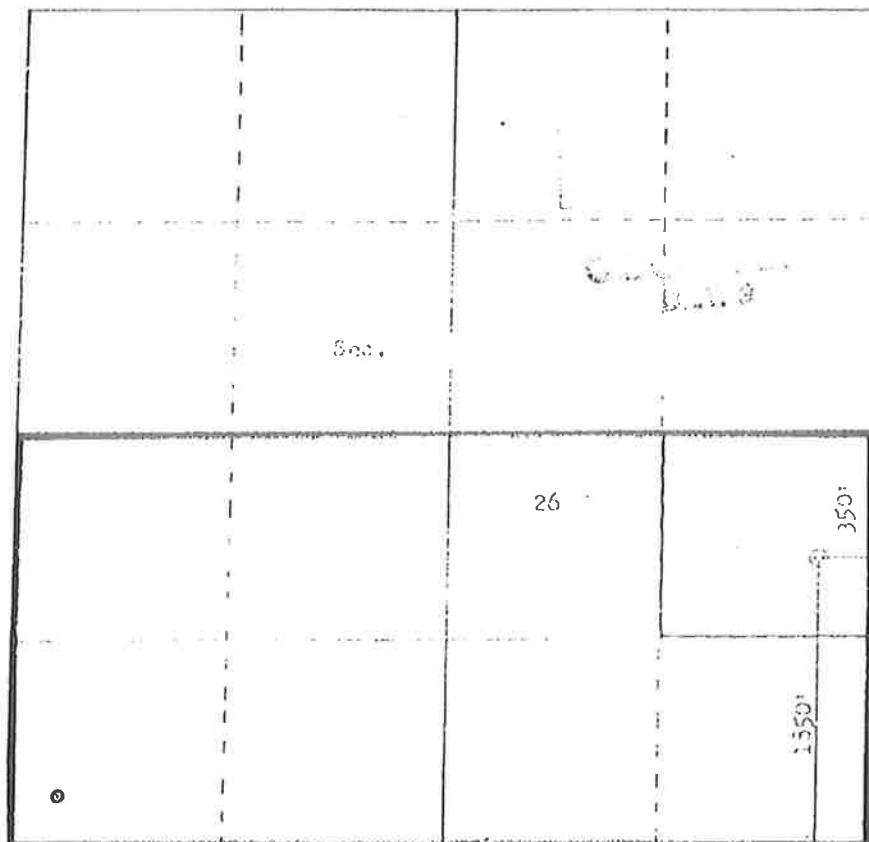
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill		14. Consolidation Code		15. Order No.				

**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**

	<b>OPERATOR CERTIFICATION</b>			
	<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>			
	E-Signed By: <i>Christine Brock</i> Title: Operations / Regulatory Tech Date: 9/12/2010			
	<b>SURVEYOR CERTIFICATION</b>			
<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>				
Surveyed By: Fred B. Kerr Date of Survey: 4/5/1983 Certificate Number: 3950				

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

Company <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>ABRAMS "B"</b>		Well No. <b>1A</b>
Unit Letter <b>1</b>	Section <b>26</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well:					
<b>1350</b>	feet from the <b>South</b>	line and	<b>350</b>	feet from the <b>East</b>	line
Ground Level Elev. <b>555h</b>	Producing Formation <b>Mesaverde</b>	Pool <b>Blanco Mesaverde</b>	Dedicated Acreage: <b>320</b>		Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					



Scale: 1"=1000'

CERTIFICATION

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

*Dale H. Shoemaker*

Name  
**DALE H. SHOEMAKER**

Position  
**DISTRICT ENGINEER**

Company  
**AMOCO PRODUCTION COMPANY**

Date  
**MARCH 15, 1983**

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  
**February 24, 1983**

Registered Professional Engineer and Land Surveyor

*Fred B. Kerr Jr.*  
**Fred B. Kerr Jr.**

Commission Exp. 12-31-83  
**3950**

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-78

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

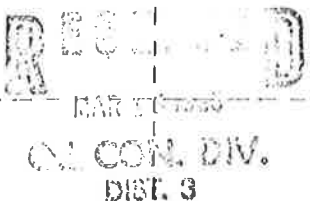
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>ABRAMS "K"</b>		Well No. <b>1</b>
Unit Letter <b>I</b>	Section <b>26</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1850</b> feet from the <b>South</b> line and <b>350</b> feet from the <b>East</b> line					
Ground Level Elev: <b>5554</b>	Producing Formation <b>Gallup</b>	Pool <b>ARMENTA GALLUP</b>	Dedicated Acreage: <b>40</b> Acres		

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.

Sec.			
26		350'	
		1850'	

Scale: 1"=1000'

CERTIFICATION

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

*Dale H. Shoemaker*

Name  
**DALE H. SHOEMAKER**

Position  
**DISTRICT ENGINEER**

Company  
**AMOCO PRODUCTION COMPANY**

Date  
**MARCH 15, 1983**

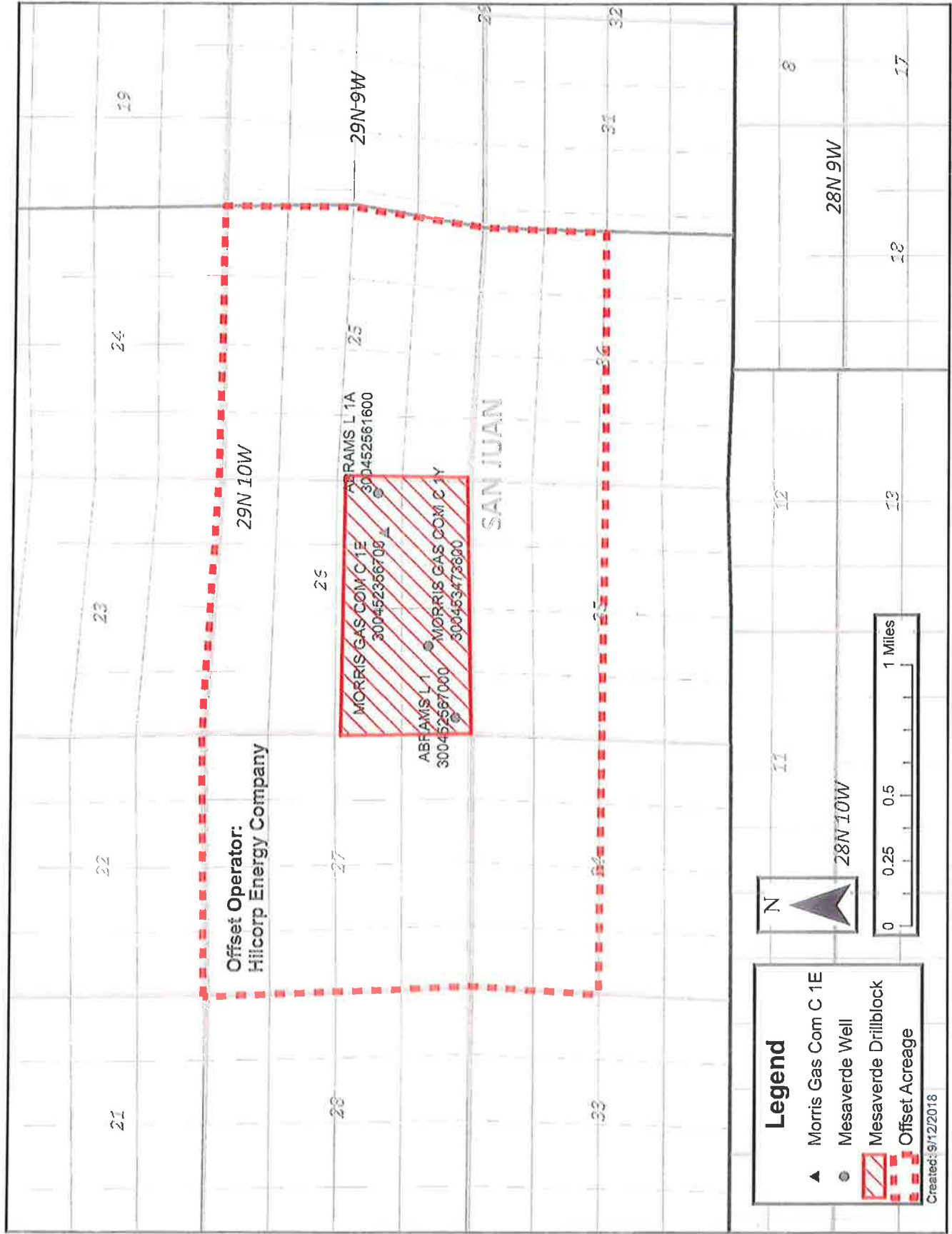
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**February 24, 1983**

Registered Professional Engineer  
and Land Surveyor

*Fred B. Kerr Jr.*  
**Fred B. Kerr Jr.**

Certificate No. **3950**





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 Morris Gas Com C 1E, Morris Gas Com C 1Y, Abrams L 1 and Abrams L 1A to the South-half of Section 26, Township 29 North, Range 10 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 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)

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901765887047	Brenda Guzman	EVKO DEVELOPMENT COMPANY, A PARTNERSHIP C/O LESLIE WIENER 10 STARBOARD COURT, MILL VALLEY, CA, 94941 Code: Morris Gas Com C 1E SD Application	9/26/2018	Signature Pending

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

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

**CASE NO. 20097**

**AFFIDAVIT**

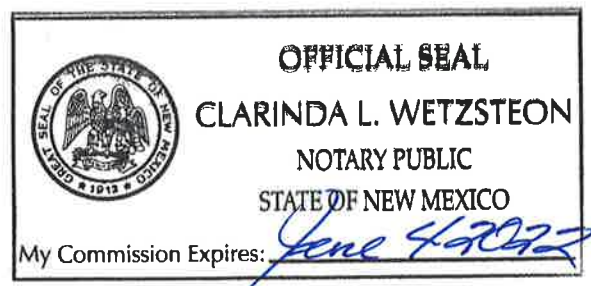
STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE    )

Adam G. Rankin, attorney in fact and authorized representative of **HILCORP  
ENERGY COMPANY** the Applicant herein, being first duly sworn, upon oath, states that the  
above-referenced Applications have been provided under the notice letters and proof of receipts  
attached hereto.



Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 12th day of November, 2018 by Adam G.  
Rankin.

  
Notary Public

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Hilcorp Energy Company  
Hearing Date: November 15, 2018  
Case # 20097



**Adam G. Rankin**  
**Associate**

**Phone** (505) 988-4421

**Fax** (505) 983-6043

[agrankin@hollandhart.com](mailto:agrankin@hollandhart.com)

October 26, 2018

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: AFFECTED PARTIES**

**Re: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.**

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. As a Division-designated operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on November 15, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Brad Pearson at (713) 289-2793.

Sincerely,

Adam G. Rankin

**ATTORNEY FOR HILCORP ENERGY COMPANY**



	A	B	E	F	G	H	I	J	K
	MailClass	TrackingNo	ToCompany/Name	ToName	DeliveryAddress	AddressLine2	City	State	Zip
1	Certified with Return Receipt (Signature)	9414810898765020659228		HILCORP ENERGY COMPANY	1111 TRAVIS		HOUSTON	TX	77002
2	Certified with Return Receipt (Signature)	9414810898765020659235	DBA LEE ANN OIL CO	PATRICIA A ADAMS	11920 OAK BRANCH DR		AUSTIN	TX	78737
3	Certified with Return Receipt (Signature)	9414810898765020659242		CANFIELD OIL & GAS PROPERTIES	PO BOX 69		DRIPPING SPRINGS	TX	78620
4	Certified with Return Receipt (Signature)	9414810898765020659259	WILLIAM HAROLD MOUNCE & EDUARDO SOTO POA'S	WILLIAM J MOUNCE	600 SUNLAND PARK DR STE 6-300		EL PASO	TX	79912
5	Certified with Return Receipt (Signature)	9414810898765020659266		HILCORP ENERGY COMPANY	1111 TRAVIS		HOUSTON	TX	77002
6	Certified with Return Receipt (Signature)	9414810898765020659273		DEANNA MIZEL	PO BOX 52553		TULSA	OK	74152
7	Certified with Return Receipt (Signature)	9414810898765020659280	LARRY & STEVEN MIZEL TTE	MIZEL RESOURCES A TRUST	4350 S MONACO ST 5TH FL	CARRIE DELIMA & CHESTON MIZEL SPL TTES	DENVER	CO	80237
8	Certified with Return Receipt (Signature)	9414810898765020659297	DANIEL & MYRNA RAFFKIND TRUSTEES	RAFFKIND REVOCABLE TRUST	3800 DANBURY		AMARILLO	TX	79109
9	Certified with Return Receipt (Signature)	9414810898765020659303		JUDY ZWEIBACK	8914 FARNAM CT		OMAHA	NE	68114
10	Certified with Return Receipt (Signature)	9414810898765020659310		HILCORP ENERGY COMPANY	1111 TRAVIS		HOUSTON	TX	77002
11	Certified with Return Receipt (Signature)	9414810898765020659327	A PARTNERSHIP	EVKO DEVELOPMENT COMPANY	10 STARBOARD COURT	C/O LESLIE WIENER	MILL VALLEY	CA	94941
12	Certified with Return Receipt (Signature)								

	N	R	U
1	MailDate	ERR_SigDate	USPS_Status
2	10/26/2018	10/30/2018	Your item was delivered to an individual at the address at 12:32 pm on October 29, 2018 in HOUSTON, TX 77002.
3	10/26/2018	10/30/2018	Your item was delivered to an individual at the address at 1:24 pm on October 29, 2018 in AUSTIN, TX 78737.
4	10/26/2018	11/07/2018	Your item was delivered to the front desk, reception area, or mail room at 8:46 am on November 5, 2018 in DRIPPING SPRINGS, TX 78620.
5	10/26/2018	10/30/2018	Your item was delivered to the front desk, reception area, or mail room at 1:23 pm on October 29, 2018 in EL PASO, TX 79912.
6	10/26/2018	11/02/2018	Your item was delivered to an individual at the address at 12:05 pm on November 1, 2018 in HOUSTON, TX 77002.
7	10/26/2018	10/30/2018	Your item was delivered at 12:32 pm on October 29, 2018 in TULSA, OK 74114.
8	10/26/2018	10/30/2018	Your item was delivered to the front desk, reception area, or mail room at 12:23 pm on October 29, 2018 in DENVER, CO 80237.
9	10/26/2018		Your item is being held at the AMARILLO, TX 79109 post office at 8:28 am on November 1, 2018. This is at the request of the customer.
10	10/26/2018	11/01/2018	Your item was delivered to an individual at the address at 11:57 am on October 31, 2018 in OMAHA, NE 68114.
11	10/26/2018	11/02/2018	Your item was delivered to an individual at the address at 12:05 pm on November 1, 2018 in HOUSTON, TX 77002.
12	10/26/2018	10/31/2018	Your item was delivered to an individual at the address at 12:31 pm on October 30, 2018 in MILL VALLEY, CA 94941.

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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:** MORRIS GAS COM C 1E**API:** 30-045-07998 23567**Pool:** BLANCO MESAVERDE**Pool Code:** 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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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

Signature

Date

9-26-2018

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  
Morris Gas Com C 1E  
API: 30-045-~~07998~~ 23567  
SHL: T29N-R10W: Section 26 UL 1  
BHL: T29N-R10W: Section 26 UL 1  
San Juan County, New Mexico

Dear Ms. Riley:

Hilcorp Energy Company respectfully requests authorization to simultaneously dedicate the Morris Gas Com C 1E (API: 3004523567) well to an existing standard 320 acre gas spacing and proration unit ("GPU") in the Blanco Mesaverde Gas Pool (72319) comprising the S/2 of Section 26, Township 29 North, Range 10 West, San Juan County, New Mexico. The GPU is currently dedicated to the following described wells:

MORRIS GAS COM C 1Y	API: 3004534738	UL N: T29N-R10W: Sec. 26
ABRAMS L 1	API: 3004525670	UL M: T29N-R10W: Sec. 26
ABRAMS L 1A	API: 3004525616	UL I: T29N-R10W: Sec. 26

The Morris Gas Com C 1E has a surface location in Unit 1 of Section 26, Township 29 North, Range 10 West, San Juan County, New Mexico. Completion of this well at that location within the 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 Morris Gas Com C 1E is currently completed in the Basin Dakota pool. The Morris Gas Com C 1Y is currently completed in the Armenta Gallup, Otero Chacra, Basin Dakota and Blanco Mesaverde pool as a commingled well. The Abrams L 1 is currently completed in the Armenta Gallup and Blanco Mesaverde pool as a commingled well. The Abrams L 1A is currently completed in the Armenta Gallup and Blanco Mesaverde pool as a commingled well. The Morris Gas Com C 1Y, Abrams L 1 and Abrams L 1A wells are all currently dedicated to to an existing 320 acre gas spacing unit comprising the S/2 of Section 26 in the Blanco Mesaverde Gas Pool.

The proposed completion of the Blanco Mesaverde pool within the Morris Gas Com C 1E 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 36. 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 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)

**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 Bravos 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 255734

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30 015-23567	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321872	5. Property Name MORRIS GAS COM C	6. Well No. 001E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6556

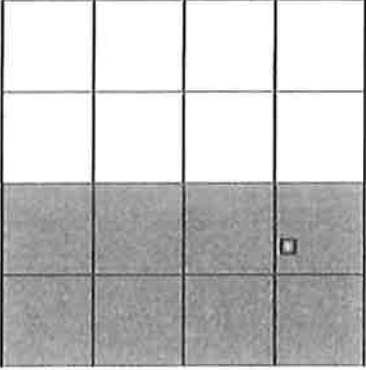
**10. Surface Location**

UL - Lot I	Section 26	Township 29N	Range 10W	Lot Idn	Feet From 1740	N/S Line S	Feet From 1150	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. Jo'nt or Infil	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>Landois Bland</i>          Title: Operations/Regulatory Technician          Date: 8/8/2018</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: <b>Fred B. Kerr Jr.</b>          Date of Survey: <b>3/7/1979</b>          Certificate Number: <b>3950</b></p>
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All distances must be from the outer boundaries of the Section.

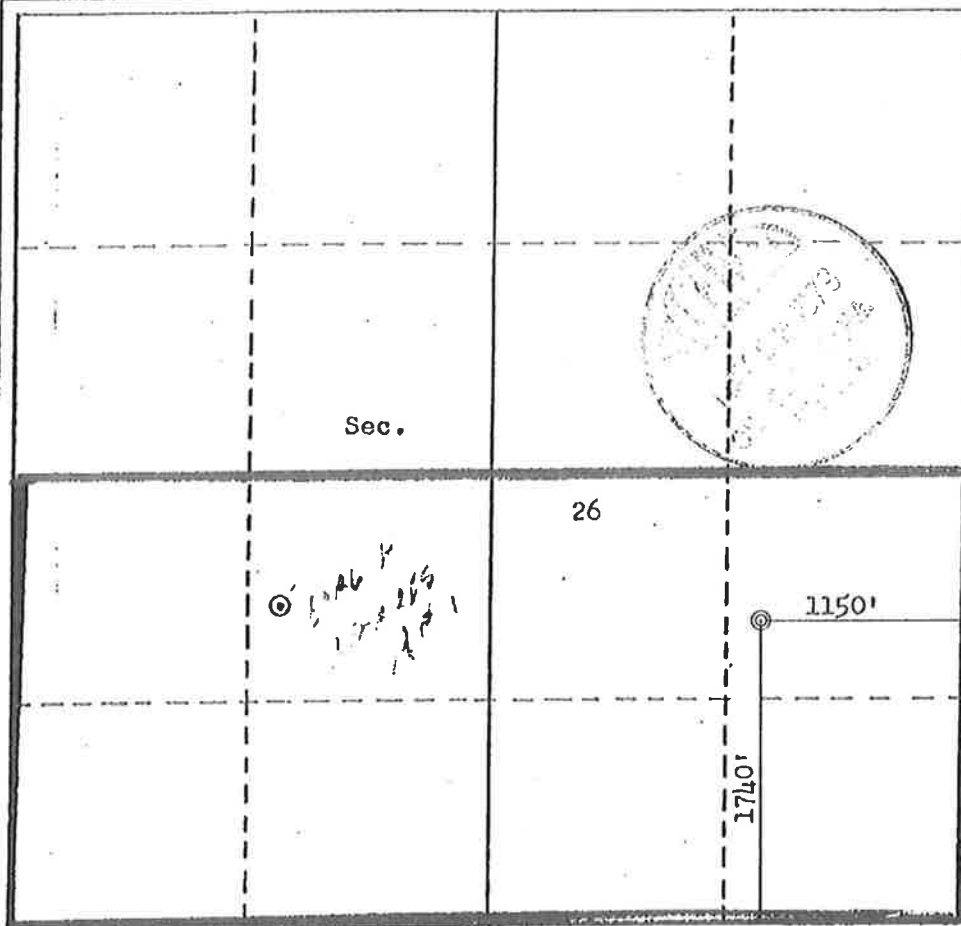
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>MORRIS GAS COM "C"</b>		Well No. <b>1E</b>
Unit Letter <b>I</b>	Section <b>26</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well:					
<b>1740</b> feet from the <b>South</b> line and <b>1150</b> feet from the <b>East</b> line					
Ground Level Elev. <b>5556</b>	Producing Formation <b>Dakota</b>	Pool <b>Basin Dakota</b>		Dedicated Acreage <b>320</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Division.



CERTIFICATION

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

*B. E. Fackrell*

Name  
**B. E. FACKRELL**

Position  
**DISTRICT ENGINEER**

Company  
**AMOCO PRODUCTION COMPANY**

Date  
**MAY 10, 1979**

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  
**May 1979**  
Registered Professional Engineer  
and of Land Surveyors  
*Frederick W. Merr, Jr.*  
Certificate No. **3950**

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

**District II**

1301 W. Grand Ave., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 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  
Pamph 76160

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34738	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 23074	5. Property Name MORRIS GAS COM C	6. Well No. 001Y
7. OORID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5546

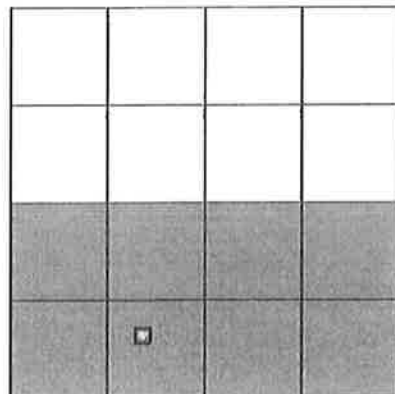
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot 1/4	Feet From	N/S Line	Feet From	E/W Line	County
N	26	29N	10W		850	S	1785	W	SAN JUAN

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot 1/4	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Job# or Drill	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**

**OPERATOR CERTIFICATION**

*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.*

E-Signed By: Cheryl Moore

Title: Production Accounting Supervisor

Date: 6/6/2008

**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.*

Surveyed By: Roy Rush

Date of Survey: 6/5/2008

Certificate Number: 8894



**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

**District II**

1301 W. Grand Ave., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720

**District III**

1000 Rio Bravo 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**

Form C-102  
Permit 76460

**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34738	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 23074	5. Property Name MORRIS GAS COM C	6. Well No. 001Y
7. OUID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5546

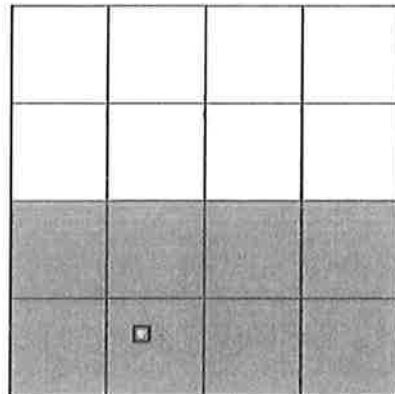
**10. Surface Location**

UL - Lot N	Section 26	Township 29N	Range 10W	Lot Idn	Feet From 850	N/S Line S	Feet From 1785	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 320.00	13. John or Infill	14. Consolidation Code	15. Order No.						

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Title: Production Accounting Supervisor

Date: 6/6/2008

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Surveyed By: Roy Rush

Date of Survey: 6/5/2008

Certificate Number: 8894

**District I**  
1625 H. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720

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1301 W. Grand Ave., Artesia, NM 88210  
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**District IV**  
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Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**

Form C-102  
Permit 76460

**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34738	2. Pool Code 2290	3. Pool Name ARMENTA-GALLUP (O)
4. Property Code 23074	5. Property Name MORRIS GAS COM C	6. Well No. 001Y
7. GRID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5546

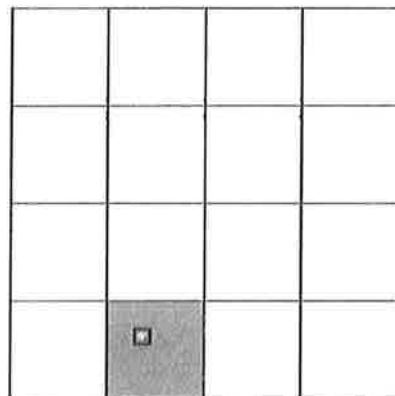
**10. Surface Location**

UL - Lot N	Section 26	Township 29N	Range 10W	Lot 1/4	Feet From 850	N/S Line S	Feet From 1785	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 1/4	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. John or drill	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**



**OPERATOR CERTIFICATION**

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E-Signed By: Cheryl Moore  
Title: Production Accounting Supervisor  
Date: 6/6/2008

**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.*

Surveyed By: Roy Rush  
Date of Survey: 6/5/2008  
Certificate Number: 8894

**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

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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  
Permit 76460

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34738	2. Pool Code 82329	3. Pool Name OTERO CHACRA (GAS)
4. Property Code 23074	5. Property Name MORRIS GAS COM C	6. Well No. 001Y
7. OUID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5546

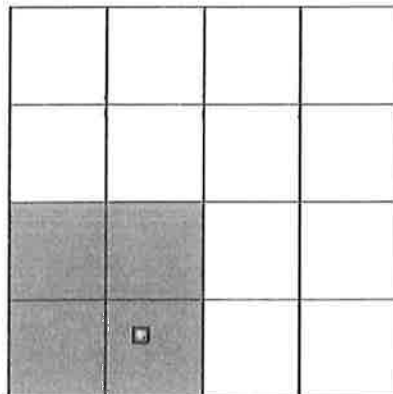
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot 1/4	Feet From	N/S Line	Feet From	E/W Line	County
N	26	29N	10W		850	S	1785	W	SAN JUAN

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot 1/4	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00	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**

**OPERATOR CERTIFICATION**

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E-Signed By: Cheryl Moore  
Title: Production Accounting Supervisor  
Date: 6/6/2008

**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.*

Surveyed By: Roy Rush  
Date of Survey: 6/5/2008  
Certificate Number: 8894

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

Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>ABRAMS "L"</b>		Well No. <b>1</b>
Unit Letter <b>4</b>	Section <b>26</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>330</b> feet from the <b>West</b> line					
Ground Level Elev. <b>5543</b>	Producing Formation <b>Gallup</b>		Pool <b>Armenta Gallup</b>		Dedicated Acreage: <b>40</b> Acres

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.

		<p style="text-align: center;"><b>RECEIVED</b> APR 20 1983 OIL CON. DIV. DIST. 3</p>	

CERTIFICATION

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

*Dale H. Shoemaker*

Name

Dale H. Shoemaker

Position

District Engineer

Company

Amoco Production Company

Date

April 14, 1983

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 5, 1983

Registered Professional Engineer and Land Surveyor.

*Fred B. Kerr Jr.*  
Fred B. Kerr Jr.

Certificate No.

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6181 Fax:(575) 393-0720

**District II**  
411 S. First St., Artesia, NM 88210  
Phone:(575) 740-1283 Fax:(575) 740-0720

**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 257255

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-25670	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321709	5. Property Name ABRAMS L	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5543

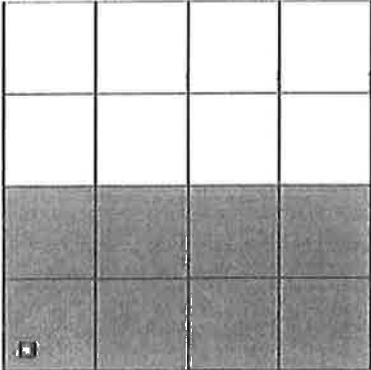
**10. Surface Location**

UL - Lot M	Section 26	Township 28N	Range 10W	Lot Idn	Feet From 330	N/S Line S	Feet From 330	EW 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	EW Line	County
12. Dedicated Acres 320.00			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**

	<b>OPERATOR CERTIFICATION</b> <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>  E-Signed By: <i>Christine Brock</i> Title: Operations / Regulatory Tech Date: 9/12/2010
	<b>SURVEYOR CERTIFICATION</b> <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>  Surveyed By: Fred B. Kerr Date of Survey: 4/5/1983 Certificate Number: 3950

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

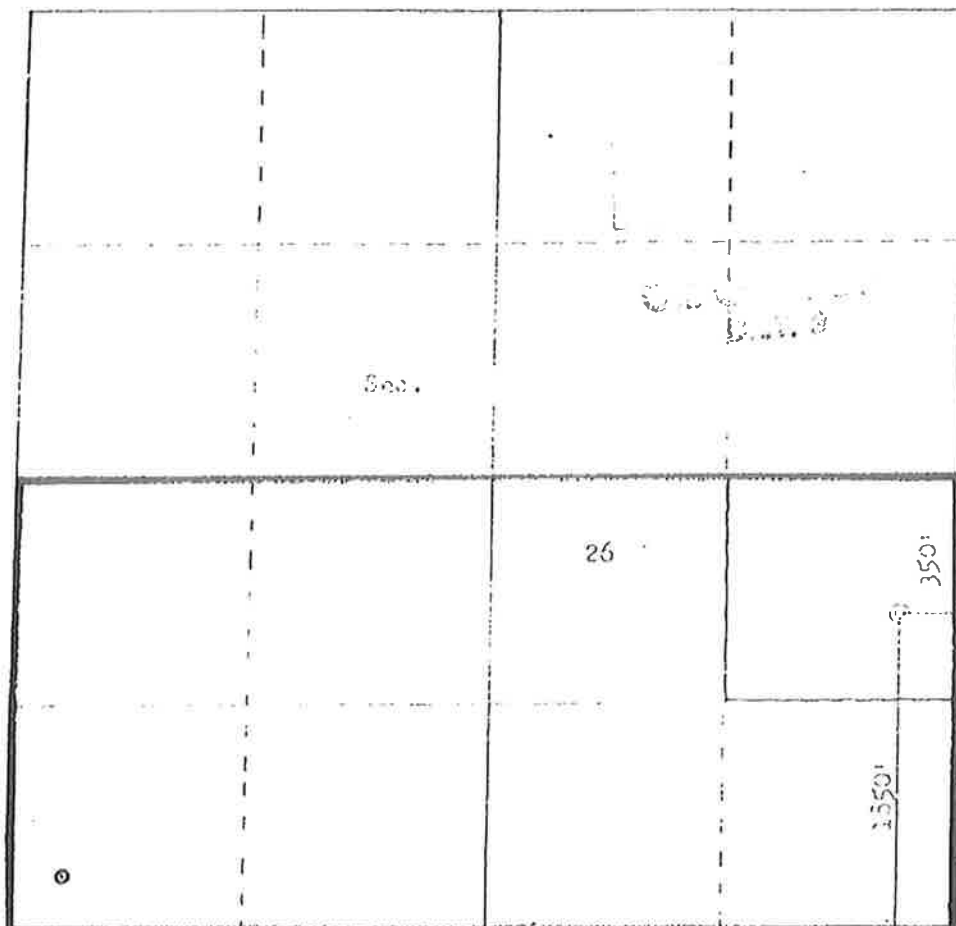
Company <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>ABRAMS "B"</b>		Well No. <b>1 A</b>
Unit/Letter <b>E</b>	Section <b>26</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1350</b> feet from the <b>South</b> line and <b>350</b> feet from the <b>East</b> line					
Ground Level Elev. <b>5554</b>	Producing Formation <b>Mesaverde</b>		Pool <b>Blanco Mesaverde</b>		Dedicated Acreage: <b>320</b> Acres

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.



Scale: 1"=1000'

#### CERTIFICATION

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

*Dale H. Shoemaker*

Name  
**DALE H. SHOEMAKER**

Position  
**DISTRICT ENGINEER**

Company  
**AMOCO PRODUCTION COMPANY**

Date  
**MARCH 15, 1983**

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  
**February 24, 1983**

Registered Professional Engineer  
and Land Surveyor

*Fred B. Kern Jr.*  
**Fred B. Kern Jr.**

Commission Expires  
**3750**

## OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088  
SANTA FE, NEW MEXICO 87501Form C-107  
Revised 10-1-78

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

Operator: AMOCO PRODUCTION COMPANY			Lease: ABRAMS "K"		Well No. 1
Unit Letter I	Section 26	Township 29N	Range 10W	County San Juan	
Actual Footage Location of Well: 1850 feet from the South line and 350 feet from the East line					
Ground Level Elev: 5554	Producing Formation Gallup	Pool ARMENTA GALLUP	Dedicated Acreage: 40 Acres		

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.

Sec.			
26			

Scale: 1"=1000'

## CERTIFICATION

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

*Dale H. Shoemaker*

Name

DALE H. SHOEMAKER

Position

DISTRICT ENGINEER

Company

AMOCO PRODUCTION COMPANY

Date

MARCH 15, 1983

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

February 24, 1983

Registered Professional Engineer  
and Land Surveyor

*Fred B. Kery Jr.*  
Fred B. Kery Jr.

Certificate No.

3950



**Legend**

- ▲ Morris Gas Com C 1E
- Mesaverde Well
- Mesaverde Drillblock
- Offset Acreage



28N 10W







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 Morris Gas Com C 1E, Morris Gas Com C 1Y, Abrams L 1 and Abrams L 1A to the South-half of Section 26, Township 29 North, Range 10 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
92148969009997901765687047	Brenda Guzman	, EVKO DEVELOPMENT COMPANY, A PARTNERSHIP C/O LESLIE WIENER 10 STARBOARD COURT, MILL VALLEY, CA, 94941 Code: Morris Gas Com C 1E SD Application	9/26/2018	Signature Pending

# THE DAILY TIMES

## AFFIDAVIT OF PUBLICATION

Ad No.  
0001266650

HOLLAND AND HART  
PO BOX 2208  
SANTA FE, NM 87504

I, being duly sworn say: **THE DAILY TIMES**, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said **DAILY TIMES**, a daily newspaper duly qualified for the purpose within the State of New Mexico for publication and appeared in the internet at The Daily Times web site on the following day(s):

10/30/18

Kem Chen  
Legal Clerk

Subscribed and sworn before me this  
15th of November 2018.

Kazoua Yang  
State of WI, County of Brown  
NOTARY PUBLIC

11/9/22  
My Commission Expires



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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on November 15, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by November 5, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: ALL WORKING INTEREST OWNERS IN THE  
SUBJECT SPACING UNIT AND OFFSETTING OP-  
ERATORS OR LEASED MINERAL INTEREST  
OWNERS, INCLUDING: EVKO DEVELOPMENT  
COMPANY, A PARTNERSHIP, C/O LESLIE WIE-  
NER.**

**CASE 20097: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule 1.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce the Morris Gas Com C 1E Well (API No. 30-045-23567) in the same quarter-quarter section as the Abrams L 1A well (API No. 30-045-25616) and within the same 320-acre, more or less, spacing and proration unit as the Morris Gas Com C 1Y (API No. 30-045-34738) and the Abrams L 1 Well (API No. 30-045-25670). Hilcorp further seeks approval for the proposed location of the Morris Gas Com C 1E Well (API No. 30-045-23567) in the Mesaverde formation with a surface location in Unit I of the S/2 of Section 26, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Morris Gas Com C 1E Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 7 miles east of Bloomfield, NM.

Legal No. 1266647 published in The Daily Times on October 30, 2018



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

**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,  
SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO. 20097**

**AFFIDAVIT OF KEVIN LAFFERTY IN SUPPORT OF CASE NO. 20097**

I, Kevin Lafferty, being of lawful age and duly sworn, declare as follows:

1. My name is Kevin Lafferty. I work for Hilcorp Energy Company ("Hilcorp") as a reservoir engineer.

2. I have not previously testified before the New Mexico Oil Conservation Division.

3. I graduated from Texas A&M University in 2014 with a Bachelor of Science degree in petroleum engineering. While in school, I interned for Hilcorp Energy Company in 2011 and 2012. In the summer of 2013, I worked for ExxonMobil Development Company implementing a multiple downhole hydraulic model in extended reach wells to evaluate the effects on simulated production profiles and to determine the magnitude of error of a single node approximation. In 2014, I started work at Hilcorp as an operations engineer working in east Louisiana managing operations and logistics for workovers, recompletions, initial completions and monitoring daily production for optimization. In 2016, I began work for Hilcorp as a reservoir engineer, also in Louisiana, identifying through volumetric analyses and other methods development and recompletion opportunities. In August 2017, I moved over to Hilcorp's South San Juan Basin asset team where I have identified more than 120 recomplete opportunities. I also

help design Hilcorp's nitrogen foam frac jobs for recompletions, and work with our operations engineer to optimize daily production, as well as manage workover operations. My curriculum vitae is attached as Exhibit C-1.

4. I am familiar with the application filed by Hilcorp in this case and have conducted an engineering study of the subject area and of the Blanco-Mesaverde Gas Pool.

5. As with Hilcorp's prior applications for well density exceptions in the Blanco-Mesaverde Gas Pool, I used a decline curve analysis of existing wells to estimate ultimate recoveries for the subject spacing unit under the existing well density. I then compared the estimated ultimate gas recoveries against log-derived volumetric calculations for the original gas in place with the cumulative gas production in the spacing unit. Using this approach, we identified areas, including the subject spacing unit, that have substantial remaining gas in place and lower-than-expected gas recoveries where additional well bores or well completions are necessary to adequately drain remaining gas reserves.

6. Exhibit C-2 contains information relating to the subject spacing unit and the **Morris Gas Com C 1E Well** (API No. 30-045-23567), Sec. 26, T29N, R10W (Unit I), which is the well Hilcorp proposes for simultaneous dedication within the Blanco-Mesaverde Gas Pool in this application. It is currently producing within the Dakota formation. It will be the second Mesaverde completion in the quarter-quarter section in the spacing unit. I anticipate that it will help drain the southeast-quarter section along the edge of spacing unit.

7. The first page of Exhibit C-3 is a basin-wide map reflecting Hilcorp's calculations for original gas in place across the Blanco-Mesaverde Gas Pool. The warmer colors represent areas where there is more original gas in place. The cooler colors indicate areas where there is

less original gas in place. The red star indicates the location of the subject well in an area where we calculate moderately high volumes of original gas in place.

8. The second page of Exhibit C-3 is a map of cumulative gas production to date from the Blanco-Mesaverde Gas Pool. Warmer colors indicate areas of higher volumes of gas production. Cooler colors indicate areas where there has been less gas production. The red star reflects the location of the subject well where there is relatively low cumulative gas production to date.

9. The third page of Exhibit C-3 is a map depicting calculated remaining gas in place, which is determined by subtracting cumulative production from the original gas in place. The cooler colors indicate areas where there is relatively less remaining gas in place. The warmer colors reflect areas where there is relatively more remaining gas in place. The red star identifies the location of the subject well in an area where we calculate that there is relatively considerable remaining gas in place and relatively low gas recoveries under the existing well density.

10. Exhibit C-4 is a table that supports this volumetric analysis. The first column titled "Volumetric OGIP" reflects the calculated volumetric original gas in place on a quarter section, section, and nine-section area basis around the subject spacing unit. The column titled "Section Equivalent OGIP" shows the estimated gas in place to show that the estimates are consistent across the area. The column titled "CTD/RF%" shows the cumulative gas production to date on a quarter section, section, and nine-section area basis and the calculated recovery factor. The column titled "Remaining GIP" shows the estimated remaining gas in place on a quarter section, section, and nine-section area basis. The last column titled "EUR/RF%" shows the estimated ultimate gas recovery and recovery factor calculated on a quarter section, section, and nine-section area basis.

11. I would expect recovery factors of approximately 70-80% in a gas pool of this type. The low recovery factors in Exhibit C-4 indicate that that is area is not being sufficiently drained by the existing wells in the subject spacing unit under the existing well density and that additional well bores, or completions, are necessary to adequately drain the Blanco-Mesaverde Gas Pool in this area.

12. Approval of Hilcorp's application is therefore necessary to drain unrecovered gas reserves that will otherwise be left in place under the existing well density.

13. In my opinion, granting this application will not impair the Blanco-Mesaverde Gas Pool, and will be in the interest of conservation, the prevention of waste and will protect correlative rights.

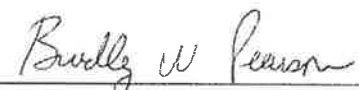
14. Exhibits C-1 through C-4 were prepared by me or under my direction and supervision.

FURTHER AFFIANT SAYETH NAUGHT.

  
Kevin Lafferty

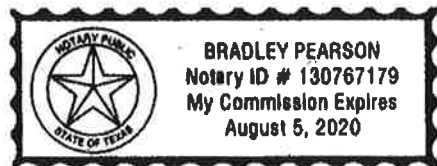
STATE OF TEXAS                     )  
  )  
COUNTY OF Harris                     )

SUBSCRIBED and SWORN to before me this 14th day of November 14, 2018 by Kevin Lafferty.

  
NOTARY PUBLIC

My Commission Expires:

August 5, 2020  
11646391\_1





6223 Yarwell Dr  
Houston, TX 77096

# Kevin Lafferty

kdlaftery10@gmail.com  
(281) 795 7880

## Education:

**Texas A&M University**, College Station, Texas  
Bachelor of Science in Petroleum Engineering

May 2014  
GPA: 4.00

## Experience:

### Hilcorp Energy Company

*Reservoir Engineer II* – San Juan South Asset Team

August 2017 – Present

- Identified 127 recompleteness opportunities throughout the San Juan Basin with potential reserves of 90 NBCFE
- Enabled San Juan reservoir engineers to quickly evaluate recompleteness opportunities by creating excel based models to analyze infill and vintage effects on EUR's, perform type well analysis on offset producers, and run economic sensitivities on multiple decline profiles and other economic inputs
- Executed 4 recompleteness since Hilcorp's acquisition in August with an additional 25 scheduled for 2018
- Helped design 2 to 3 stage nitrogen foam frac jobs for each of these recompleteness and currently working to improve frac performance by testing different fluid systems, proppant types, and concentrations
- Simultaneously assisted as an operations engineer to monitor and optimize daily production of 51 MMcfpd and manage workover operations including tubing replacements, rod and pump repairs, and fishing

*Reservoir Engineer II* – East Louisiana Asset Team

January 2016 – August 2017

- Worked with geologist to analyze 2 large, legacy, highly faulted salt dome oil fields. Reservoirs consisted primarily of highly permeable sandstones with varying drive mechanisms
- Added 2.3 NMMBOE of reserves in those fields which were originally discovered in the 1940s
- Identified, evaluated, and executed 7 development drill wells and 24 recompleteness opportunities with initial production rates of 5,900 NBOEPD by completing well histories, economic evaluations, volumetric analysis, material balance, and log analysis

*Operations Engineer I* – East Louisiana Asset Team

July 2014 – January 2016

- Managed operations and logistics for workovers, recompleteness, initial completions, and P&As including various slick line work, electric line logging, perforating and through tubing recompleteness, coiled tubing cleanouts and acidizing, fishing operations, tubing conveyed perforating, gravel pack operations
- Monitored daily production and well tests totaling 15,000 NBOEPD across 6 main fields and identified uplift through gas lift optimization and workover potential
- Reduced operating cost by 15% by negotiating with vendors, closely monitoring invoices, identifying efficiencies between fields, right-sizing compression, and enabling operators to easily track their PO costs

### ExxonMobil Development Company

*Reservoir Engineering Intern* – Sakhalin Group

Summer 2013

- Implemented a multiple downhole node hydraulic model in extended reach wells to evaluate the effects on simulated production profiles and determine the magnitude of error of a single node approximation

### Hilcorp Energy Company

*Field Intern II* – Central Texas Asset Team

Summer 2012

*Field Intern I* – Terrebonne Bay Asset Team

Summer 2011

## Skills/Training:

Aries, OFM, PROSPER, MBAL, Petra, Harmony, Completion/Workover Training, Interactive Petrophysics Training, Cobb Waterflood Training, Rose Risk Analysis Software, Integration of Rocks Logs and Test Data

## Organizations/Awards:

- Society of Petroleum Engineers
- Summa Cum Laude
- Gus Archie Memorial Scholarship
- Eagle Scout

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-1

Submitted by: Hilcorp Energy Company

Hearing Date: November 15, 2018

Case # 20097

**EXHIBIT C-1**

# Morris Gas Com C 1E

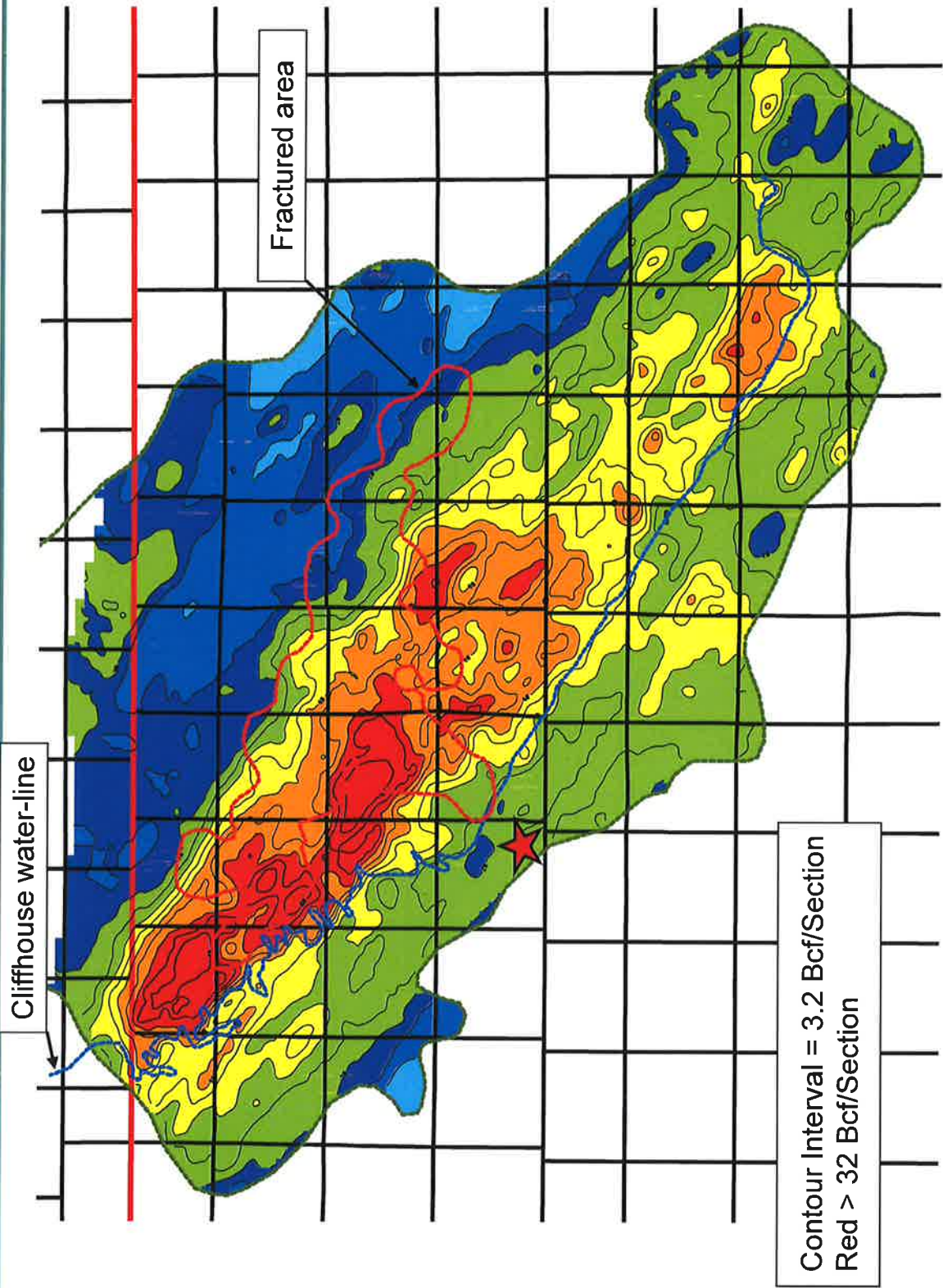


## Well Specifics

- SE26 29-10 3004523567 1979 drill
- 2nd MV completion in Unit I
- 800' from parent well
- Help drain area to the southwest
- Original locations pushed due to valuable Hammond Ditch area
- Complete MV in 1-2 stages



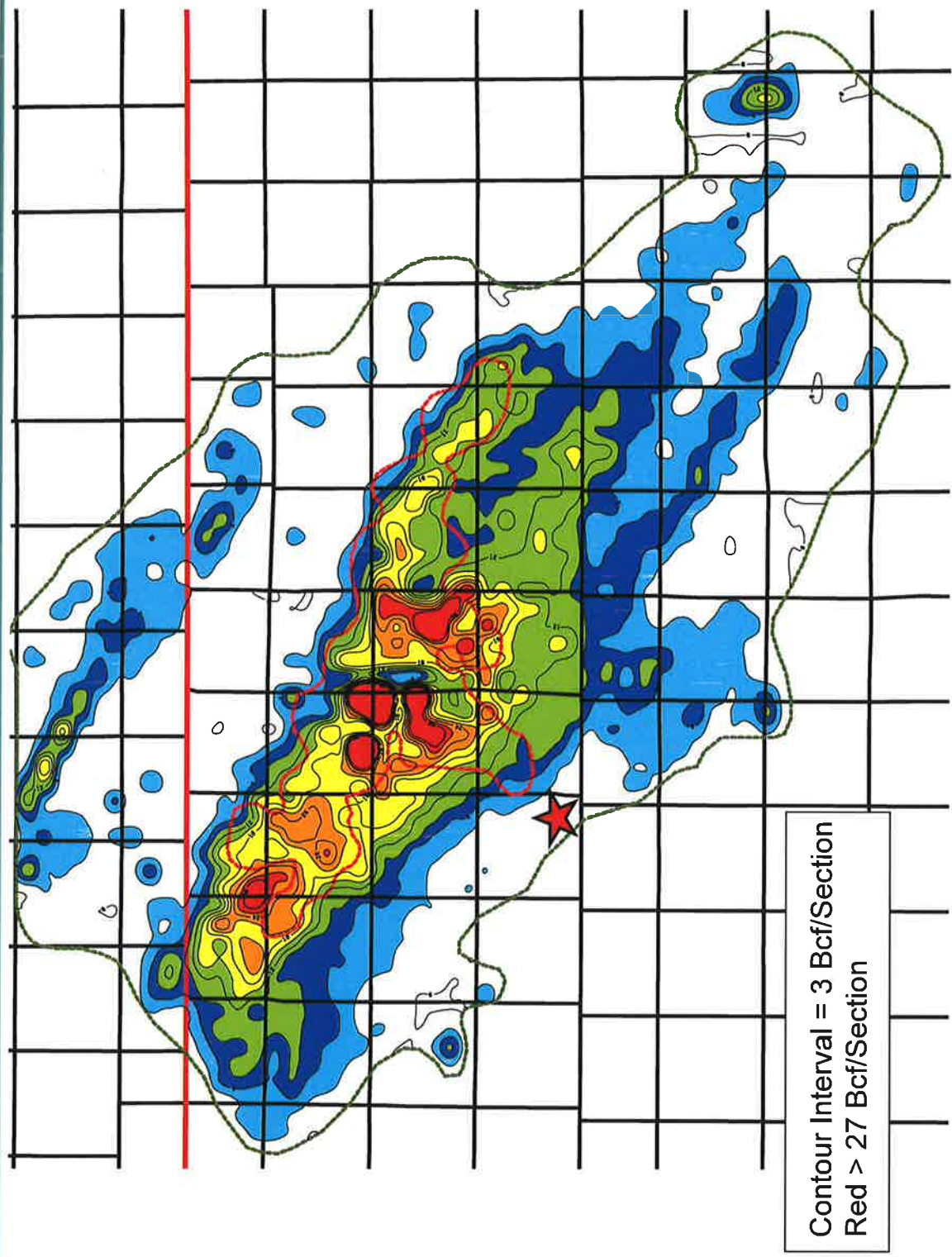
# MV Original Gas-in-Place



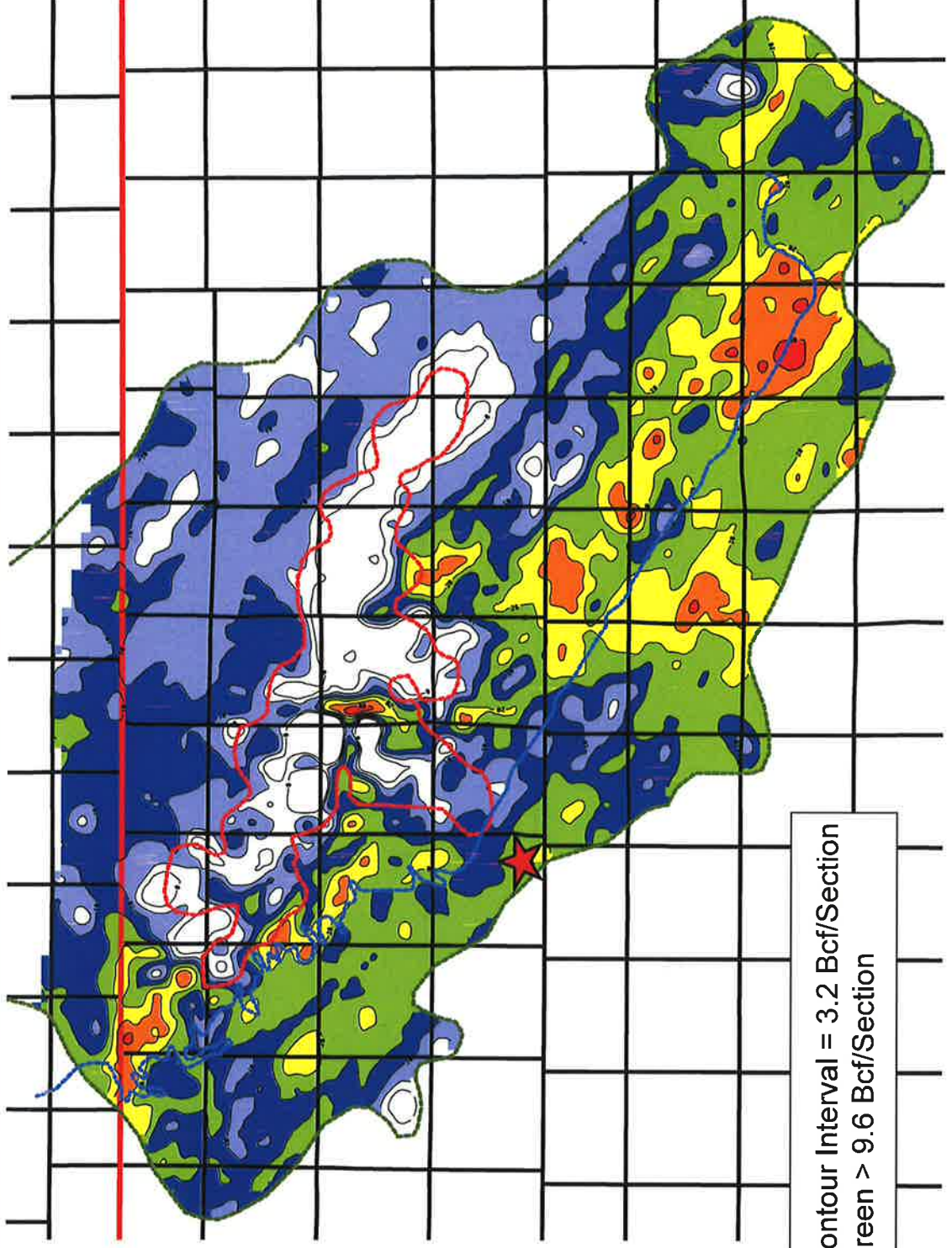




# MV Cumulative Gas Production



# MV Remaining Gas



Contour Interval = 3.2 Bcf/Section  
Green > 9.6 Bcf/Section

# Morris Gas Com C 1E



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	Remaining GIP	EUR / RF%
Qtr Section	7.3 Bcf	29.2 Bcf	1.0 Bcf / 13.4%	6.3 Bcf	1.3 Bcf / 17.1%
Section	30.0 Bcf	30.0 Bcf	3.1 Bcf / 10.3%	26.9 Bcf	4.1 Bcf / 13.8%
9 Section	255 Bcf	28.3 Bcf	27 Bcf / 10.8%	228 Bcf	42 Bcf / 16.3%

- Remaining Gas in Place in Quarter Section of 6.3 Bcf
- Cumulative Recovery Factor to Date 13.4% and 10.3% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore