

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

**APPLICATION OF HILCORP ENERGY  
COMPANY FOR DOWNHOLE  
COMMINGLING IN ITS GRAMBLING C 3B  
WELL, SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO.** \_\_\_\_\_

**APPLICATION**

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby files this application with the Oil Conservation Division for approval to downhole commingle production from the Basin-Dakota Gas Pool (Pool Code 71599) and Blanco-Mesaverde Gas Pool (Pool Code 72319) with production from the Basin-Fruitland Coal Gas Pool (Pool Code 71629) within the wellbore of its **Grambling C 3B Well** (API 30-045-33131). In support of this application, Hilcorp states:

1. Hilcorp is the operator of the **Grambling C 3B Well** (API 30-045-33131), which is at a standard location 1,800 feet from the south line and 660 feet from the east line (Unit I) in Section 12, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico. The well is currently simultaneously dedicated to standard 296-acre, more or less, spacing units within the Basin-Dakota and Blanco-Mesaverde Pools comprised of the E/2 of said Section 12.
2. Hilcorp proposes to re-complete the well within the Fruitland formation and simultaneously dedicate it to a standard 296-acre, more or less, spacing unit in the Basin-Fruitland Coal Gas Pool (Pool Code 71629) comprised of the E/2 of said Section 12.
3. The ownership of the mineral estate is identical between the existing spacing unit within the Basin-Dakota and Blanco-Mesaverde Pools and the proposed Basin-Fruitland Coal Gas

spacing unit. Accordingly, notification of this application and hearing is not required. *See* 19.15.4.12(A)(6) NMAC.

4. Applicant filed an application on Form C-107-A seeking administrative approval to downhole commingle. *See* Exhibit A, attached. The Division informed Hilcorp that the application must be heard before a Division Examiner at a hearing pursuant to 19.15.12.11(C)(1)(d) NMAC.

5. In accordance with Division regulation 19.15.12.11 NMAC, Hilcorp will establish at hearing the following criteria necessary for approval:

- a. the fluids from each pool proposed for downhole commingling are compatible and combining the fluids will not damage the pools;
- b. downhole commingling will not jeopardize the efficiency of present or future secondary recovery operations in the pools to be commingled;
- c. downhole commingling will not result in shut-in or flowing wellbore pressures in excess of any commingled pool's fracture parting pressure;
- d. downhole commingling will not result in the permanent loss of reserves due to cross-flow in the well bore;
- e. allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well;
- f. downhole commingling will not reduce the value of the total remaining production; and
- g. correlative rights will not be violated;

6. Applicant proposes that gas production from the commingled pools be allocated using a subtraction method to be proposed at the hearing in this matter, and that production of

condensate be allocated only to the Dakota and Mesaverde formations using the existing allocation.

7. Approval is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Hilcorp Energy Company requests that this application be set before an Examiner of the Oil Conservation Division on November 14, 2019, and, after notice and hearing as required by law, that the Division enter an order granting this Application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, NM 87504

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

**ATTORNEYS FOR HILCORP ENERGY COMPANY**

**Case No. \_\_\_\_\_:** **Application of Hilcorp Energy Company for Downhole Commingling in its Grambling C 3B Well, San Juan County, New Mexico.** Pursuant to 19.15.12.11 NMAC, applicant seeks an order authorizing it to downhole commingle production from the Basin-Dakota Gas Pool (Pool Code 71599) and Blanco-Mesaverde Gas Pool (Pool Code 72319) with production from the Basin-Fruitland Coal Gas Pool (Pool Code 71629) within the wellbore of its **Grambling C 3B Well** (API 30-045-33131) which is at a standard location 1,800 feet from the south line and 660 feet from the east line (Unit I) in Section 12, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico. The Grambling C 3B Well is currently simultaneously dedicated to standard 296-acre, more or less, spacing units within the Basin-Dakota and Blanco-Mesaverde Pools comprised of the E/2 of said Section 12. Hilcorp proposes to re-complete the well within the Fruitland formation and simultaneously dedicate it to a standard 296-acre, more or less, spacing unit in the Basin-Fruitland Coal Gas Pool (Pool Code 71629) comprised of the E/2 of said Section 12. Said area is approximately 9 miles east, of Aztec, NM.

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:** Grambling C 3B**API:** 3004533131**Pool:** Basin Fruitland Coal / Blanco Mesaverde / Basin Dakota**Pool Code:** 71629/72319/71599

**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.**

Thomas Jacques

Print or Type Name

8/26/2019

Date

832.839.4582

Phone Number

tjacques@hilcorp.com

e-mail Address

Signature

**EXHIBIT A**

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 S. First St., Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☐ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☐ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 Road 3100, Aztec, NM 87410  
Operator Address

Grambling C #003B I 12-30N-10W San Juan  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 318534 API No. 3004533131 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL	BLANCO-MESAVERDE	BASIN DAKOTA
Pool Code	71629	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2765'-2977'	3998'-5568'	7341'-7538'
Method of Production (Flowing or Artificial Lift)	New Zone	Plunger Lift	Plunger Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	150 psi	200 psi	200 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1000 BTU	1000 BTU	1000 BTU
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A  Rates:	Date: 6/2019  Rates: 0 BO, 2303 MCF, 14 BW	Date: 6/2019  Rates: 0 BO, 1135 MCF, 15 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas  Will be supplied upon completion	Oil Gas  Will be supplied upon completion	Oil Gas  Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands  
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOC Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Amanda Walker TITLE Operations/Regulatory Technician Sr. DATE 8/26/2019

TYPE OR PRINT NAME Amanda Walker TELEPHONE NO. (505)324.5122

E-MAIL ADDRESS mwalker@hilcorp.com

EXHIBIT A

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

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

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

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088  
2005 JUN 1 PM 12 06

☐ AMENDED REPORT

RECEIVED  
WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045 33131		*Pool Code 72319/71599	*Pool Name Blanco Mesaverde/Basin Dakota
*Property Code 7056	*Property Name GRAMBLING C		*Well Number 3B
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP		*Elevation 6287'

<sup>10</sup> Surface Location

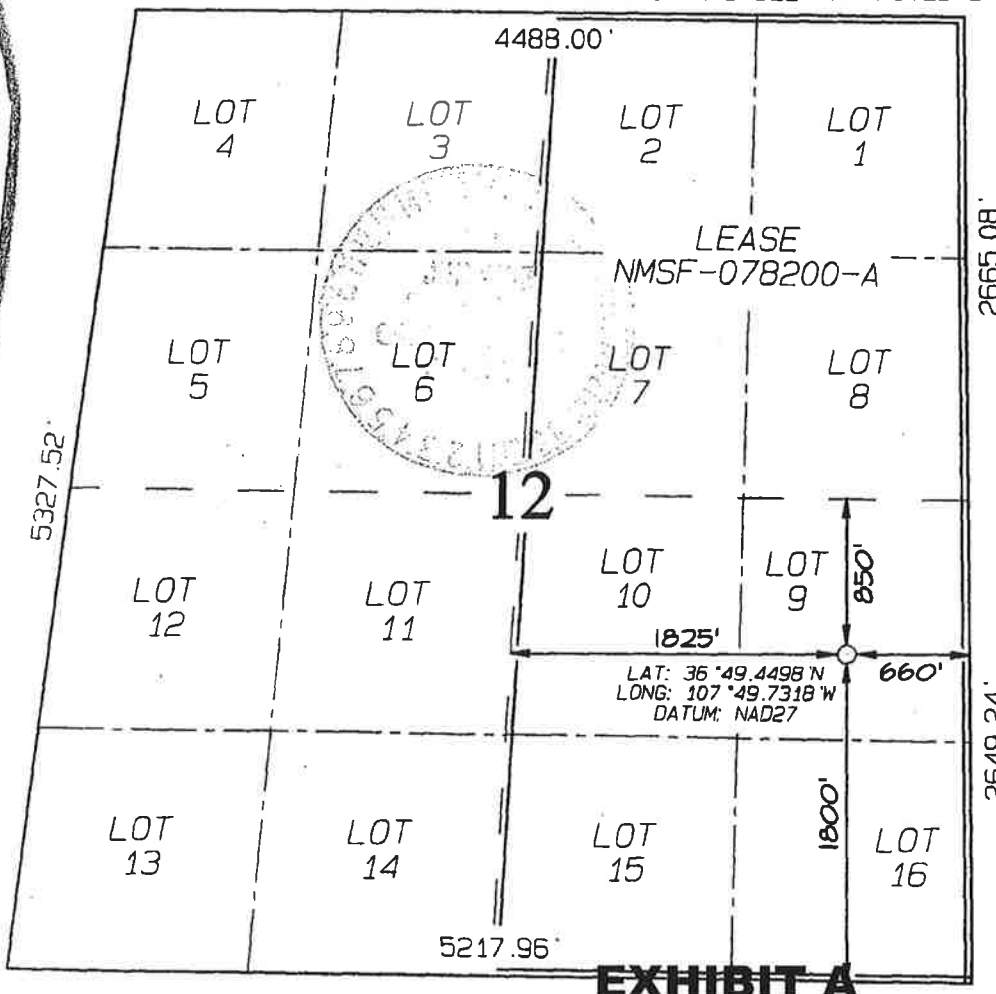
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	12	30N	10W		1800	SOUTH	660	EAST	SAN JUAN

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres  
MV/DK 296 E/2

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



## 17 OPERATOR CERTIFICATION

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

Frances Bond

Signature \_\_\_\_\_

Frances Bond

Printed Name \_\_\_\_\_

Regulatory Specialist

Title

3-29-05

Date \_\_\_\_\_

**<sup>18</sup> 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.

Date of Survey: MARCH 7, 2005

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269

**EXHIBIT A**

**District I**1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720**District II**811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720**District III**1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-33131	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 318534	5. Property Name GRAMBLING C	6. Well No. 003B
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6287

**10. Surface Location**

UL - Lot I	Section 12	Township 30N	Range 10W	Lot Idn 9	Feet From 1800	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 296.00				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**

	<p 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>Amanda Walker</i>  Title: Operations / Regulatory Tech Sr.  Date: 8/26/2019</p>
	<p 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: Jason Edwards  Date of Survey: 3/7/2005  Certificate Number: 15269</p>

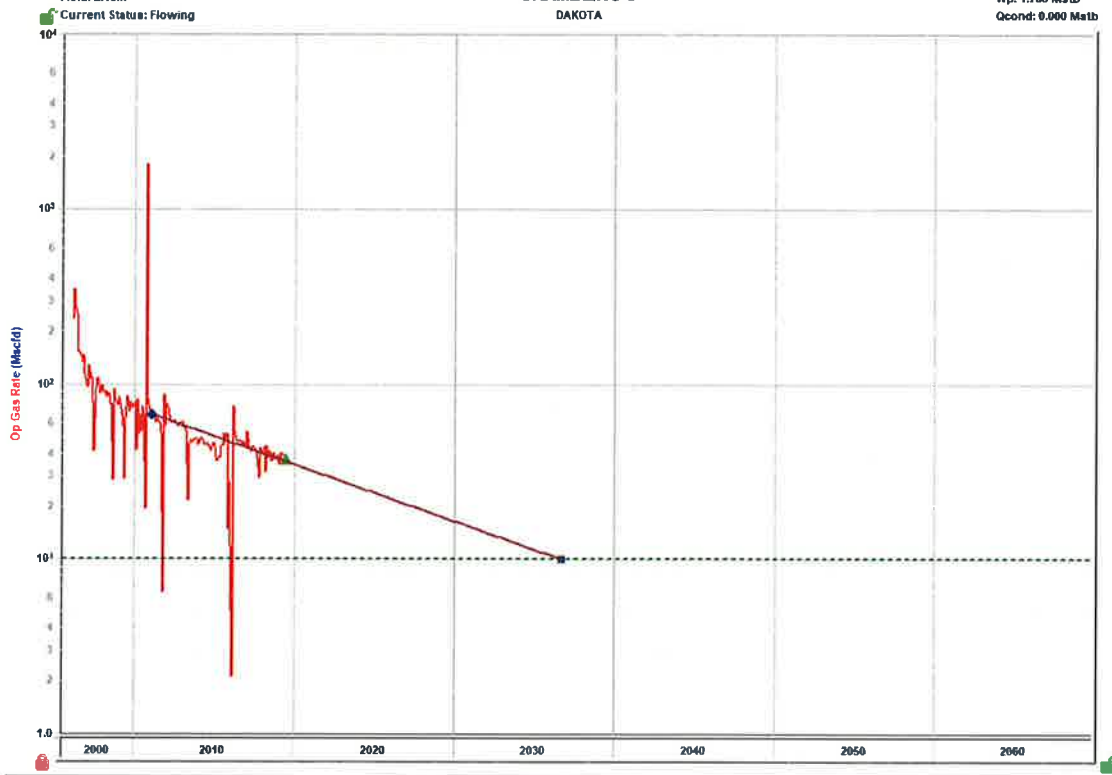
**EXHIBIT A**

## Grambling C #3B Basin Dakota Forecast

Company:  
On Stream: 02/01/2006  
Field: BASIN

GRAMBLING C  
DAKOTA

Gp: 313 MMscf  
Np: 1.293 Mstb  
Wp: 1.766 Matb  
Qcond: 0.000 Matb

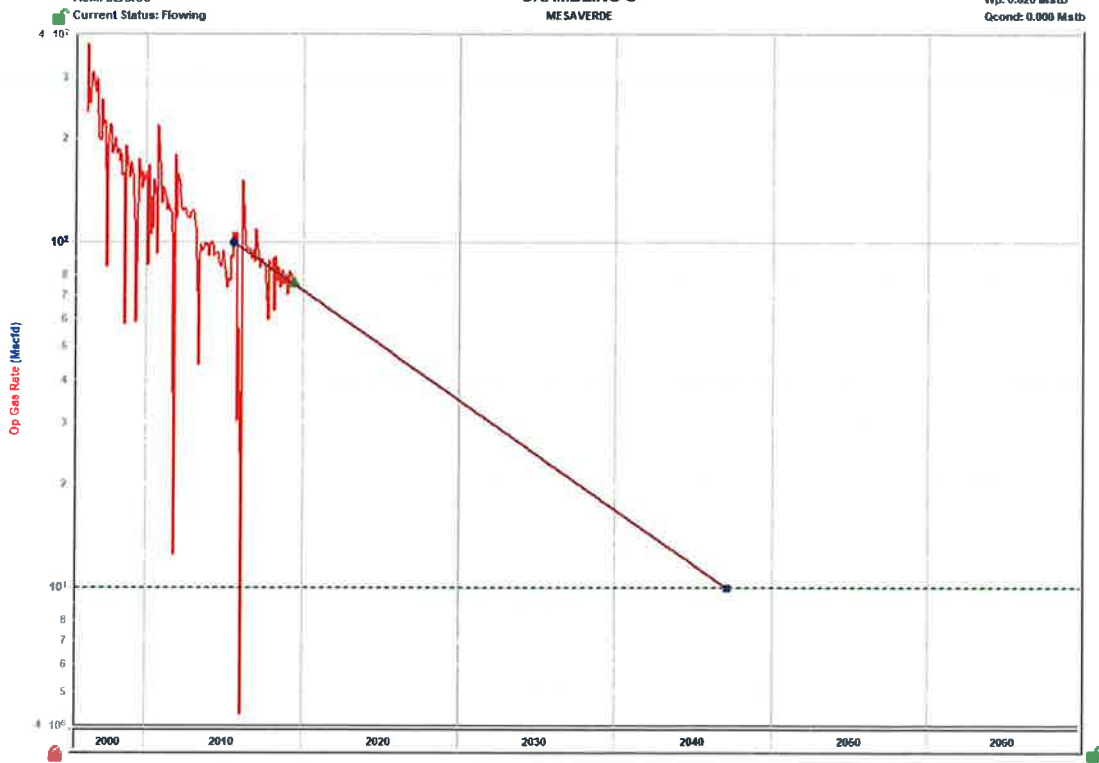


## Grambling C #3B Blanco-Mesaverde Forecast

Company:  
On Stream: 02/01/2006  
Field: BLANCO

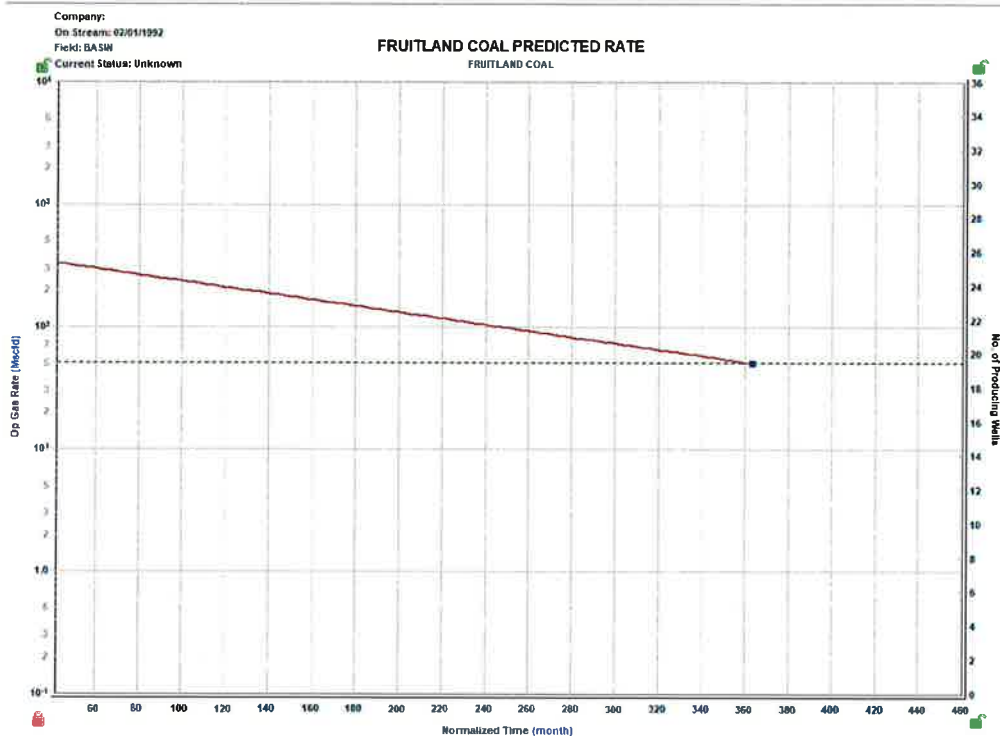
GRAMBLING C  
MESAVERDE

Gp: 606 MMscf  
Np: 0.105 Mstb  
Wp: 0.620 Matb  
Qcond: 0.000 Matb



**EXHIBIT A**

## Grambling C #3B Predicted Basin Fruitland Coal Forecast



The Grambling C #3B predicted Basin Fruitland Coal rate is based on type well and volumetric analysis of offset Basin Fruitland Coal producers. The reservoir fluids of the commingled completions are compatible.

**JUSTIFICATION OF ALLOCATION:** Hilcorp requests that production for the downhole commingle be allocated using the subtraction method. The base formations are the Blanco Mesaverde and the Basin Dakota, and the added formation to be commingled is the Basin Fruitland Coal. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast. The Basin Fruitland Coal will not produce oil. All oil produced will be allocated to the Blanco-Mesaverde and Basin Dakota using the current allocation formula.

## Historical Production

**Basin Dakota**

	Oil (BBLS)	Gas (MCF)	Water (BBLS)
Jan-19	0	1076	15
Feb-19	40	1457	14
Mar-19	11	1257	15
Apr-19	11	1177	15
May-19	25	1147	15
Jun-19	0	1135	15

**Blanco Mesaverde**

	Oil (BBLS)	Gas (MCF)	Water (BBLS)
Jan-19	0	2186	15
Feb-19	0	2085	13
Mar-19	0	2551	15
Apr-19	0	2389	14
May-19	0	2329	15
Jun-19	0	2303	14

### Discussion of Pressures

Reservoir	Bottom Hole Pressure
Basin Fruitland Coal	150 psi
Blanco-Mesaverde	200 psi
Basin Dakota	200 psi

The pressures provided are the near wellbore shut in bottom hole pressures of the Blanco-Mesaverde and the Basin Dakota. The near wellbore shut in bottom hole pressure is much lower than the far field stabilized reservoir pressure calculated with moving domain material balance due to the low permeability of the reservoirs. Based on pressure transient analysis performed in the San Juan Basin, it would take 7-25 years for shut in bottom hole pressures to build up to the calculated far-field reservoir pressure. Our observation is that even for areas of high static reservoir pressure, the low permeability of the reservoir rock results in rapid depletion of the near-fracture region quickly enough that the wells are unable produce without the aid of a plunger. Given low permeability and low wellbore flowing pressure in the Basin Dakota, Blanco-Mesaverde and Basin Fruitland Coal, loss of reserves due to cross-flow is not an issue during producing or shut-in periods. Given the low shut-in bottom hole pressures, commingling the Basin Dakota, Blanco-Mesaverde and Basin Fruitland Coal in this well will not result in shut-in or flowing wellbore pressures in excess of any commingled pool's fracture parting pressure.

*John Brown* 8/12/19  
John Brown

Hilcorp San Juan Reservoir Engineer



August 26, 2019

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Attn: Michael McMillan

Re: C-107-A (Downhole Commingle)  
GRAMBLING C #003B  
API: 30-045-33131  
T30N-R10W-Section 12, Unit Letter: I  
San Juan County, NM

Mr. McMillan:

Concerning Hilcorp Energy Company's C-107-A application to downhole commingle production in the subject well, this letter serves to confirm the following:

- **All working, royalty and overriding royalty interests are identical** between the Blanco Mesaverde (72319), Basin Dakota (71599) and Basin Fruitland Coal (71629) in the spacing unit dedicated to these formations; being the E/2 of Township 30 North, Range 10 West, Section 12. Therefore, no notice to interest owners is required.
- The spacing unit is comprised of a federal lease. Therefore, pursuant to Subsection C.(1) of 19.15.12.11 NMAC, a copy of the C-107-A has been sent to the BLM as of the date of this letter.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at the email or number provided below.

Regards,

Hilcorp Energy Company

A handwritten signature in blue ink, appearing to read 'R. Carlson'.

Robert T. Carlson  
Landman  
(832) 839-4596  
[rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on page 2**5. Lease Serial No.  
NMSF078200A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
GRAMBLING C 3B9. API Well No.  
30-045-3313110. Field and Pool or Exploratory Area  
BASIN FRUITLAND COAL11. County or Parish, State  
SAN JUAN COUNTY, NM

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE2. Name of Operator  
HILCORP ENERGY COMPANYContact: AMANDA WALKER  
E-Mail: mwalker@hilcorp.com3a. Address  
1111 TRAVIS ST.  
HOUSTON, TX 770023b. Phone No. (include area code)  
Ph: 505-324-5122

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 12 T30N R10W Mer NMP NESE 1800FSL 660FEL

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Hilcorp Energy Company requests permission to recomplete the subject well in the Fruitland Coal and downhole commingle with the existing Mesaverde/Dakota. Please see the attached procedure, wellbore diagram, plat and gas capture plan. A closed loop system will be used. Interim reclamation will be performed after surface disturbing activities using the following attached plan.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #480416 verified by the BLM Well Information System  
For HILCORP ENERGY COMPANY, sent to the Farmington**

Name (Printed/Typed) AMANDA WALKER

Title OPERATIONS REGULATORY TECH

Signature (Electronic Submission)

Date 08/26/2019

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*****EXHIBIT A**





HILCORP ENERGY COMPANY  
GRAMBLING C 3B  
FRUITLAND COAL RECOMPLETION SUNDRY

GRAMBLING C 3B - CURRENT WELLBORE SCHEMATIC

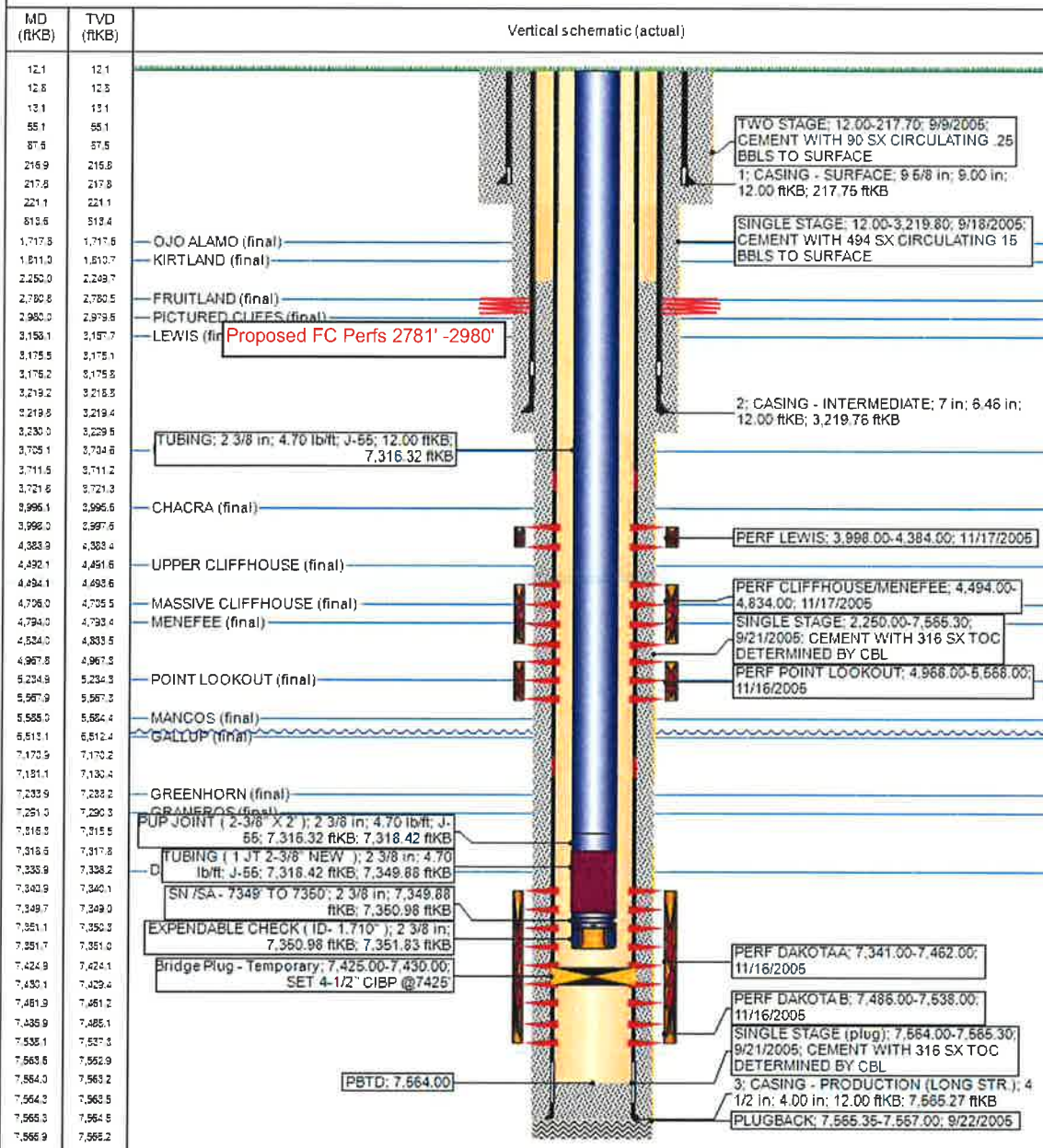


Proposed Schematic

Well Name: GRAMBLING C #3B

API/LWN 3004533131	Surface Legal Location 012-030N-010W-1	Field Name BLANCO MESAVERDE (PRORATED GAS)	Route 0410	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,287.00	Original KB-BT Elevation (ft) 6,299.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Flange Distance (ft)	

Original Hole, 8/22/2019 12:58:47 PM



www.peloton.com

Page 1/1

Report Printed: 8/22/2019

EXHIBIT A