

**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. 20891

**APPLICATION OF HILCORP ENERGY
COMPANY FOR DOWNHOLE
COMMINGLING IN ITS LAMBE 003M
WELL, SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 20892

**APPLICATION OF HILCORP ENERGY
COMPANY FOR DOWNHOLE
COMMINGLING IN ITS SHEETS 004E
WELL, SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 20893

HILCORP'S CONSOLIDATED PREHEARING STATEMENT

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby submits this Pre-Hearing Statement for the above referenced case set for hearing before a Division Examiner on November 14, 2019.

APPEARANCES

APPLICANT

Hilcorp Energy Company
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Houston, Texas 77002

ATTORNEYS

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STATEMENT OF THE CASE

Hilcorp seeks authority to downhole commingle, as follows:

In **Case No. 20892**, Hilcorp seeks authority 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). It 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. 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. 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.

In **Case No. 20892**, Hilcorp seeks authority 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 **Lambe 003M Well** (API 30-045-33680). It is at a standard location 1,110 feet from the south line and 1,885 feet from the east line (Lot 15) in Section 21, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico. The well is currently simultaneously dedicated to standard 310-acre, more or less, spacing units within the Basin-Dakota and Blanco-Mesaverde Pools comprised of the E/2 of Section 21. Hilcorp proposes to re-complete the well within the Fruitland formation and simultaneously dedicate it to a standard 310-acre, more or less, spacing unit in the Basin-Fruitland Coal Gas Pool (Pool Code 71629) comprised of the E/2 of said Section 21. 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.

In **Case No. 20892**, Hilcorp seeks authority to downhole commingle production from the Basin-Dakota Gas Pool (Pool Code 71599) with production from the Basin-Fruitland Coal Gas Pool (Pool Code 71629) within the wellbore of its **Sheets 004E Well** (API 30-045-33892). It is at a standard location 1,525 feet from the south line and 815 feet from the west line (Unit L) in Section 28, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico. The Sheets 004E Well is currently dedicated to a 318-acre, more or less, standard spacing unit within the Basin-Dakota Pool comprised of the S/2 of said Section 28. Hilcorp proposes to re-complete the well within the Fruitland formation and simultaneously dedicate it to a standard 318-acre

spacing unit in the Basin-Fruitland Coal Gas Pool (Pool Code 71629) comprised of the S/2 of said Section 28. 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 to the Dakota formation.

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

APPLICANT'S PROPOSED EVIDENCE

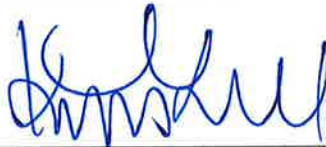
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Robert Carlson, Landman	Approx. 15 minutes	Approx. 4
John Brown, Reservoir Engineer	Approx. 40 minutes	Approx. 20

PROCEDURAL MATTERS

Hilcorp requests that these cases be consolidated for purposes of presenting evidence and testimony at hearing.

Respectfully submitted,

HOLLAND & HART LLP



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