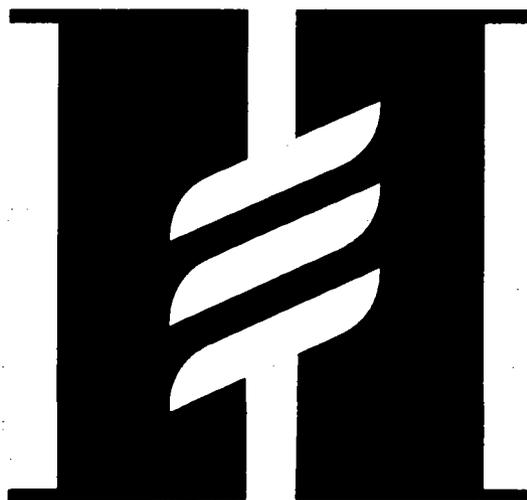


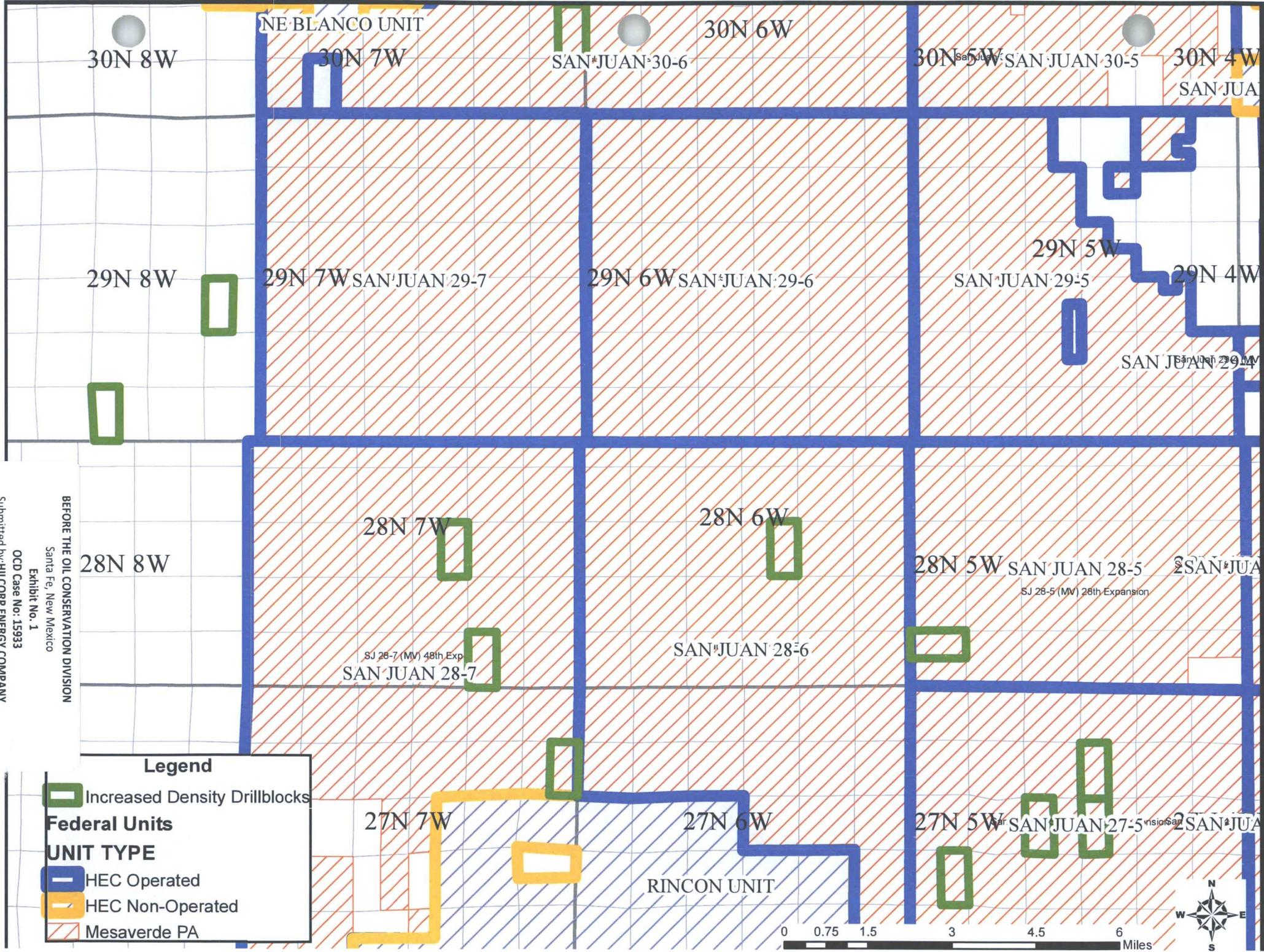
**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 8, 2018**

CASE No. 15933

SAN JUAN 27-5 UNIT 113F WELL

RIO ARRIBA COUNTY, NEW MEXICO





BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 1
 OCD Case No: 15933
 Submitted by: HILCORP ENERGY COMPANY
 Hearing Date: February 8, 2018

032

SAN JUAN 28-5

033

SJ 28-5 (MV) 28th Expansion 28N 5W

034

035

All Offsets are Operated by Hilcorp Energy Company

005

004

003

002

008

San Juan 27-5 Unit (MV) 30th Expansion

SAN JUAN 27 5 UNIT 113B
300392580900

SAN JUAN 27 5 UNIT 113E
300392263800

SAN JUAN 27 5 UNIT 113F
300393049500

010

27N 5W

011

009

SAN JUAN 27 5 UNIT 113A
300392390700

SAN JUAN 27 5 UNIT 113C
300392581300

SAN JUAN 27-5

017

Legend

016

015

014

★ SJ 27-5 Unit 113F Drillblock Wells

▭ SJ 27-5 Unit 113F Drillblock

▭ SJ 27-5 Unit 113F Offset

Federal Units

UNIT TYPE

▭ HEC Operated

▭ HEC Non-Operated

▭ Mesaverde PA

021

022



BA	Name	Address	City	State	Zip Code	Type	Date Delivered
1068249	BP AMERICA PRODUCTION COMPANY	PO BOX 696518	SAN ANTONIO	TX	78269	WIO	1/8/2018
36099387	CHAPPELL FAMILY TR UTA JUNE 4 98	BUDDIE G CHAPPELL SURVIVING TTEE PO BOX 71579	PHOENIX	AZ	85050-101	WIO	1/27/2018
36094283	CHARLES W GAY	PO BOX 291445	KERRVILLE	TX	78029-144	WIO	1/8/2018
36091789	DUGAN PRODUCTION CORP	PO BOX 420	FARMINGTON	NM	87499	WIO	1/11/2018
36095655	HARCO LIMITED PARTNERSHIP	PO BOX 3716	ROSWELL	NM	88202-371	WIO	1/9/2018
36094098	HARRINGTON ENERGY RESOURCES LP	A NM LP HARRINGTON SAN JUAN LLC GP PO BOX 219119	KANSAS CITY	MO	64131	WIO	1/7/2018
36094188	J&M RAYMOND LTD	RAYMOND & SONS I LLC GEN PARTNER PO BOX 291445	KERRVILLE	TX	78029-144	WIO	1/8/2018
1245507	JABCO LLP	PO BOX 840738	DALLAS	TX	75284-073	WIO	1/22/2018
36099607	LANGDON D HARRISON REVOC TRUST B	JACQUELINE M HARRISON SUCC TRUSTEE PO DRAWER 2188	ROSWELL	NM	88202	WIO	1/8/2018
36094173	LORRAYN GAY HACKER	PO BOX 291445	KERRVILLE	TX	78029-144	WIO	1/8/2018
36098636	MAR OIL & GAS CORPORATION	PO BOX 5155	SANTA FE	NM	87502	WIO	1/16/2018
36098739	NAVATEX ENERGY LP	PO DRAWER 2188	ROSWELL	NM	88202	WIO	1/8/2018
36091889	OMIMEX PETROLEUM	7950 JOHN T WHITE ROAD	FORT WORTH	TX	76120	WIO	1/8/2018
1039561	PROVIDENCE MINERALS LLC	16400 NORTH DALLAS PKWY STE 400	DALLAS	TX	75248	WIO	1/8/2018
36101674	RIO ARIBAGAS LTD	4925 GREENVILLE AVE STE 900	DALLAS	TX	75206	WIO	1/8/2018
36101675	RIO ARRIBA LIMITED PARTNERSHIP	3270 N COLORADO ST SUITE 101	CHANDLER	AZ	85225-116	WIO	1/8/2018
1035644	ROY G & OPAL BARTON SR REV TR	ROY G BARTON JR TRUSTEE 1919 NORTH TURNER	HOBBS	NM	88240-271	WIO	1/8/2018
36094255	RUTH ZIMMERMAN TRUST	XAN WILLIAMS TRUSTEE 1513 HERITAGE PL	MCPHERSON	KS	67460	WIO	1/8/2018
36094097	T H MCELVAIN OIL & GAS LLLP	1050 17TH ST SUITE 2500	DENVER	CO	80265-208	WIO	1/10/2018
36094107	TAMACAM LLC	JAMES M RAYMOND AFENT & AIF PO BOX 291445	KERRVILLE	TX	78029-144	WIO	1/8/2018
36096266	TEMPE LIMITED PARTNERSHIP	101 EAST WESTFIELD BLVD	INDIANAPOLIS	IN	46220	WIO	1/9/2018
36097700	THOMAS P TINNIN	2303 CANDELARIA RD NW	ALBUQUERQUE	NM	87107	WIO	1/10/2018
36101782	TIERRA POBRE LLC	PO BOX 1847	CORRALES	NM	87048	WIO	1/8/2018
36097699	TINMIL A NM LLC	500 MARQUETTE NW STE 1300	ALBUQUERQUE	NM	87102	WIO	1/18/2018

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 2

OCD Case No: 15933

Submitted by: HILCORP ENERGY COMPANY

Hearing Date: February 8, 2018

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Zip:	<input type="text"/>	AddresseeCode:	<input type="text"/>
AddresseeCode2:	<input type="text"/>	FileNumber:	<input type="text"/>
Certified Number:	<input type="text"/>	Sender Contact:	<input type="text" value="Brad Pearson"/> <input type="button" value="v"/>
Delivery Result:	<input type="text" value="All Records - Mailed"/> <input checked="" type="checkbox"/>	Sender Contact (Text):	<input type="text"/>
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Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901753660418 Request Signature via Email	Brad Pearson	ROY G and OPAL BARTON SR REV TR, ROY G BARTON JR TRUSTEE 1919 NORTH TURNER, HOBBS, NM, 88240-2712	1/5/2018	Delivered, Left with Individual January 8, 2018 Signature Pending
92148969009997901753660425 Request Signature via Email	Brad Pearson	PROVIDENCE MINERALS LLC, 16400 NORTH DALLAS PKWY STE 400, DALLAS, TX, 75248	1/5/2018	Delivered, Left with Individual January 8, 2018 Signature Pending
92148969009997901753660432 Request Signature via Email	Brad Pearson	BP AMERICA PRODUCTION COMPANY, PO BOX 698518, SAN ANTONIO, TX, 78269	1/5/2018	Delivered, Individual Picked Up at Postal Facility January 8, 2018 Signature Pending
92148969009997901753660449	Brad Pearson	JABCO LLP, PO BOX 840738, DALLAS, TX, 75284-0738	1/5/2018	In Transit to Destination January 9, 2018 Signature Pending
92148969009997901753660456 Request Signature via Email	Brad Pearson	DUGAN PRODUCTION CORP, PO BOX 420, FARMINGTON, NM, 87499	1/5/2018	Delivered, Individual Picked Up at Post Office January 11, 2018 Signature Pending
92148969009997901753660463 Request Signature via Email	Brad Pearson	OMIMEX PETROLEUM, 7950 JOHN T WHITE ROAD, FORT WORTH, TX, 76120	1/5/2018	Delivered, Left with Individual January 8, 2018 Signature Pending
92148969009997901753660470 Request Signature via Email	Brad Pearson	T H MCELVAIN OIL and GAS LLLP, 1050 17TH ST SUITE 2500, DENVER, CO, 80265-2080	1/5/2018	Delivered, Left with Individual January 10, 2018 Signature Pending
92148969009997901753660487 Request Signature via Email	Brad Pearson	HARRINGTON ENERGY RESOURCES LP, A NM LP HARRINGTON SAN JUAN LLC GP PO BOX 219119, KANSAS CITY, MO, 64131	1/5/2018	Delivered January 7, 2018 Signature Pending
92148969009997901753660494 Request Signature via Email	Brad Pearson	TAMACAM LLC, JAMES M RAYMOND AFENT and AIF PO BOX 291445, KERRVILLE, TX, 78029-1445	1/5/2018	Delivered January 8, 2018 Signature Pending
92148969009997901753660500 Request Signature via Email	Brad Pearson	LORRAYN GAY HACKER, PO BOX 291445, KERRVILLE, TX, 78029-1445	1/5/2018	Delivered January 8, 2018 Signature Pending
92148969009997901753660517 Request Signature via Email	Brad Pearson	JandM RAYMOND LTD, RAYMOND and SONS I LLC GEN PARTNER PO BOX 291445, KERRVILLE, TX, 78029-1445	1/5/2018	Delivered January 8, 2018 Signature Pending
92148969009997901753660524 Request Signature via Email	Brad Pearson	RUTH ZIMMERMAN TRUST, XAN WILLIAMS TRUSTEE 1513 HERITAGE PL, MCPHERSON, KS, 67460	1/5/2018	Delivered, Left with Individual January 8, 2018 Signature Pending
92148969009997901753660531 Request Signature via Email	Brad Pearson	CHARLES W GAY, PO BOX 291445, KERRVILLE, TX, 78029-1445	1/5/2018	Delivered January 8, 2018 Signature Pending
92148969009997901753660548 Request Signature via Email	Brad Pearson	HARCO LIMITED PARTNERSHIP, PO BOX 3716, ROSWELL, NM, 88202-3716	1/5/2018	Delivered January 9, 2018 Signature Pending
	Brad Pearson		1/5/2018	

92148969009997901753660555 Request Signature via Email		TEMPE LIMITED PARTNERSHIP, 101 EAST WESTFIELD BLVD, INDIANAPOLIS, IN, 46220		Delivered, Left with Individual January 9, 2018 Signature Pending
92148969009997901753660562 Request Signature via Email	Brad Pearson	TINMIL A NM LLC, 500 MARQUETTE NW STE 1300, ALBUQUERQUE, NM, 87102	1/5/2018	Delivered, PO Box January 18, 2018 Signature Pending
92148969009997901753660579 Request Signature via Email	Brad Pearson	THOMAS P TINNIN, 2808 CANDELARIA RD NW, ALBUQUERQUE, NM, 87107	1/5/2018	Delivered January 10, 2018 Signature Pending
92148969009997901753660586 Request Signature via Email	Brad Pearson	MAR OIL and GAS CORPORATION, PO BOX 5165, SANTA FE, NM, 87502	1/5/2018	Delivered January 16, 2018 Signature Pending
92148969009997901753660593 Request Signature via Email	Brad Pearson	NAVATEX ENERGY LP, PO DRAWER 2188, ROSWELL, NM, 88202	1/5/2018	Delivered January 8, 2018 Signature Pending
92148969009997901753660609 Request Signature via Email	Brad Pearson	CHAPPELL FAMILY TR UTA JUNE 4 98, BUDDIE G CHAPPELL SURVIVING TTEE PO BOX 71579, PHOENIX, AZ, 85050-1010	1/5/2018	Delivered January 27, 2018 Signature Pending
92148969009997901753660616 Request Signature via Email	Brad Pearson	LANGDON D HARRISON REVOC TRUST B, JACQUELINE M HARRISON SUCC TRUSTEE PO DRAWER 2188, ROSWELL, NM, 88202	1/5/2018	Delivered January 8, 2018 Signature Pending
92148969009997901753660623 Request Signature via Email	Brad Pearson	RIO ARIBAGAS LTD, 4925 GREENVILLE AVE STE 900, DALLAS, TX, 75206	1/5/2018	Delivered, Left with Individual January 8, 2018 Signature Pending
92148969009997901753660630 Request Signature via Email	Brad Pearson	RIO ARRIBA LIMITED PARTNERSHIP, 3270 N COLORADO ST SUITE 101, CHANDLER, AZ, 85225-1165	1/5/2018	Delivered, Front Desk/Reception January 8, 2018 Signature Pending
92148969009997901753660647 Request Signature via Email	Brad Pearson	TIERRA POBRE LLC, PO BOX 1847, CORRALES, NM, 87048	1/5/2018	Delivered January 8, 2018 Signature Pending



HILCORP ENERGY COMPANY
AUTHORITY FOR EXPENDITURE

P.O. Box 41228
Houston, Texas 77208-1218
(713) 209-2400 Fax (713) 209-2420

Original AFE

AFE Number:	1724349	AFE Date:	12/21/07	
License/Well Name:	San Juan 27-5 (Blanco MV)	Current Reservoir:		
Property Number:	30.1044.1180.01	Current PBD:	N/A	
Internal Field Name:	San Juan Area B	Proposed Reservoir:		
Regulatory Field Name:		County/State:	Rio Arriba, NM	
Work to be Performed:	Stimulate the Mesa Verde formation and commingle the production with the Dulole.			
Capital Project				
Type:	Capital Workover - Op	Engineer:	Clayton Hamilton	
Project Summary 1724349				
	Original AFE Cost	Supplement Cost	Total Cost	Not to Hilcorp \$1,750,000%
2310 - Intangible Completion	485,280	0	485,280	380,413
2400 - Equipment	30,582	0	30,582	25,011
Total Costs:	495,862	0	495,862	405,424

HILCORP ENERGY COMPANY APPROVALS

PARTICIPANT APPROVAL

Approval costs on this form are estimates only and approval of this authorization is not extant to the actual costs incurred in conducting the work authorized, whether more or less than herein set out.

Bank of America, N.A., in its Fiduciary Capacity
Agent for JABCO LLP

For: _____
By: _____
Title: _____
Date: 1/22/18

Elect to Participate. **Vice President**

Elect to NOT Participate.



January 5, 2018

VIA CERTIFIED MAIL - CERTIFIED RECEIPT REQUESTED

TO: ALL WORKING INTEREST OWNERS AND OFFSET WORKING INTEREST OWNERS

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, Rio Arriba County, New Mexico.

Ladies & Gentlemen:

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on January 25, 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 four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should 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 Chuck Creekmore at (832) 839-4601 or Brad Pearson at (713) 289-2793.

Sincerely,

A handwritten signature in cursive script that reads 'Charles E. Creekmore'.

Chuck Creekmore
Division Landman – San Juan Basin
Hilcorp Energy Company
1111 Travis
Houston, TX 77002
ccreekmore@hilcorp.com

**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 FOR THE BLANCO-
MESAVERDE GAS POOL, RIO ARRIBA
COUNTY, NEW MEXICO.**

CASE NO. 15933

AMENDED APPLICATION

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby files this amended application with the Oil Conservation Division for an order for an exception to the well density requirements of the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico. Specifically, 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 320-acre spacing and proration unit, and three wells in the same quarter section. In support of this application, Hilcorp states:

1. Hilcorp is the operator of a standard 320-acre, more or less, spacing and proration unit in the Blanco-Mesaverde Gas Pool comprised of the W/2 of Section 10, Township 27 North, Range 5 West, Rio Arriba County, New Mexico, in which the following four wells are currently completed and producing:

- a. San Juan 27-5 Unit 113B Well (API No. 30-039-25809), Sec. 10, T27N, R5W
(Unit D);

Affidavit of Publication

State of New Mexico
County of Rio Arriba

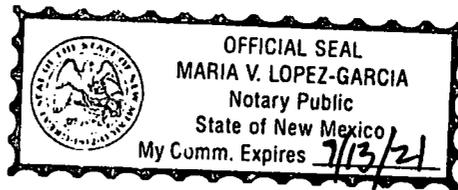
I, Robert Trapp, being first duly sworn, declare and say I am the publisher of the Rio Grande SUN, a weekly newspaper published in the English language and having a general circulation in the County of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937. The publication, a copy of which is hereto attached, was published in said paper once each week for

1 consecutive weeks and on the same day of each week in the regular issue of the paper during the time of publication and the notice was published in the newspaper proper, and not in any supplement. The first publication being on the 11 day of January, 2018 and the last publication on the 11 day of January 2018 payment for said advertisement has been duly made, or assessed as court costs. The undersigned has personal knowledge of the matters and things set forth in this affidavit.

Robert Trapp
Publisher

Subscribed and sworn to before me this 11 day of Jan A.D. 2018

Maria V. Lopez-Garcia
Maria V. Lopez-Garcia Notary Public
My commission expires 13 July 2021



five Mesaverde gas wells in the same standard 320-acre spacing and proration unit, and three within the same quarter section. Hilcorp further seeks approval for the proposed location of the San Juan 27-5 Unit 113F Well (API No. 30-039-30495) in the Mesaverde formation with a proposed bottom-hole location in Unit F of the W/2 of Section 10, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and authorization to simultaneously complete and produce the San Juan 27-5 Unit 113F Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 25 miles east of Bloomfield, NM. (Published January 11, 2018)

fidavit \$ 5.00
total \$ 109.30
Tax \$ 9.77
Total \$ 119.07

Rio Grande SUN

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 January 25, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint 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 January 15, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson for 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 cases and notice to the public.

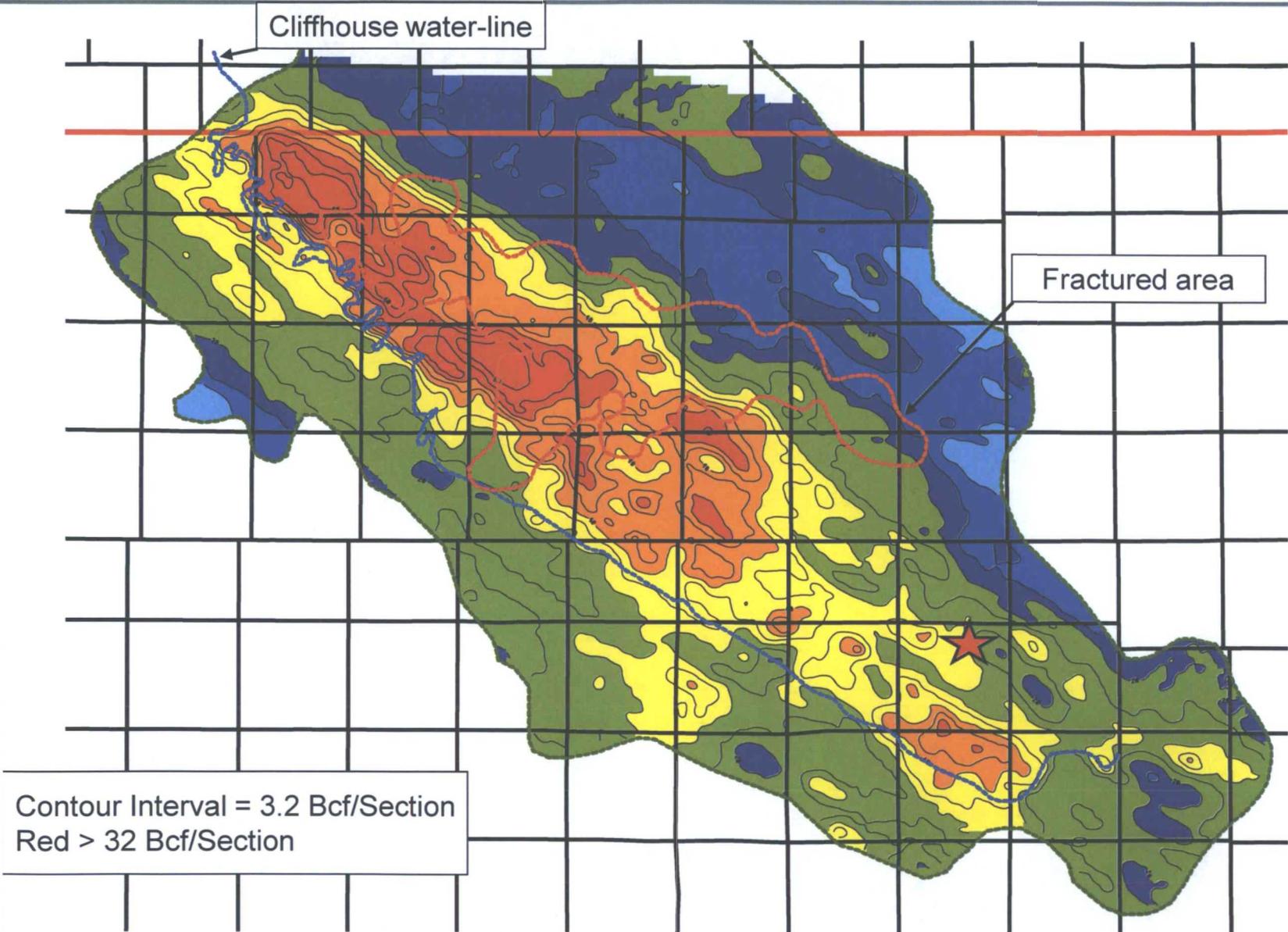
NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

ALL OFFSET OWNERS AND POOLED PARTIES, INCLUDING:
ROY G. & OPAL BARON SR REV TR; PROVIDENCE MINERALS LLC; BP AMERICA PRODUCTION COMPANY; JABCO LLP; UGAN PRODUCTION LP; OMIMEX PETROLEUM; T H MCELVAIN L & GAS LLLP; HARRINGTON ENERGY RESOURCES LP; MACAM LLC; LORRYN GAY HACKER, HEIRS AND DEVEISEES; J&M RAYMOND LTD; RUTH ZIMMERMAN TRUST; CHARLES W. GAY, HIS HEIRS AND DEVEISEES; RCO LIMITED PARTNERSHIP; TEMPE LIMITED PARTNERSHIP; VMIL A NM LLC; OMAS P. TINNIN, HIS HEIRS AND DEVEISEES; RIO OIL & GAS CORPORATION; NAVATEX ENERGY LP; CHAPMAN FAMILY TRUST; LANGDON HARRISON REVOCABLE TRUST B; RIO ARRIBAS LTD; RIO ARRIBAS LIMITED PARTNERSHIP; TIERRA POBRE

Case No. 15933: Amended Application of Hilcorp Energy Company for an Exception to Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks order for an exception to well density requirements of Rule 1.B of Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to allow it to complete and simultaneously produce



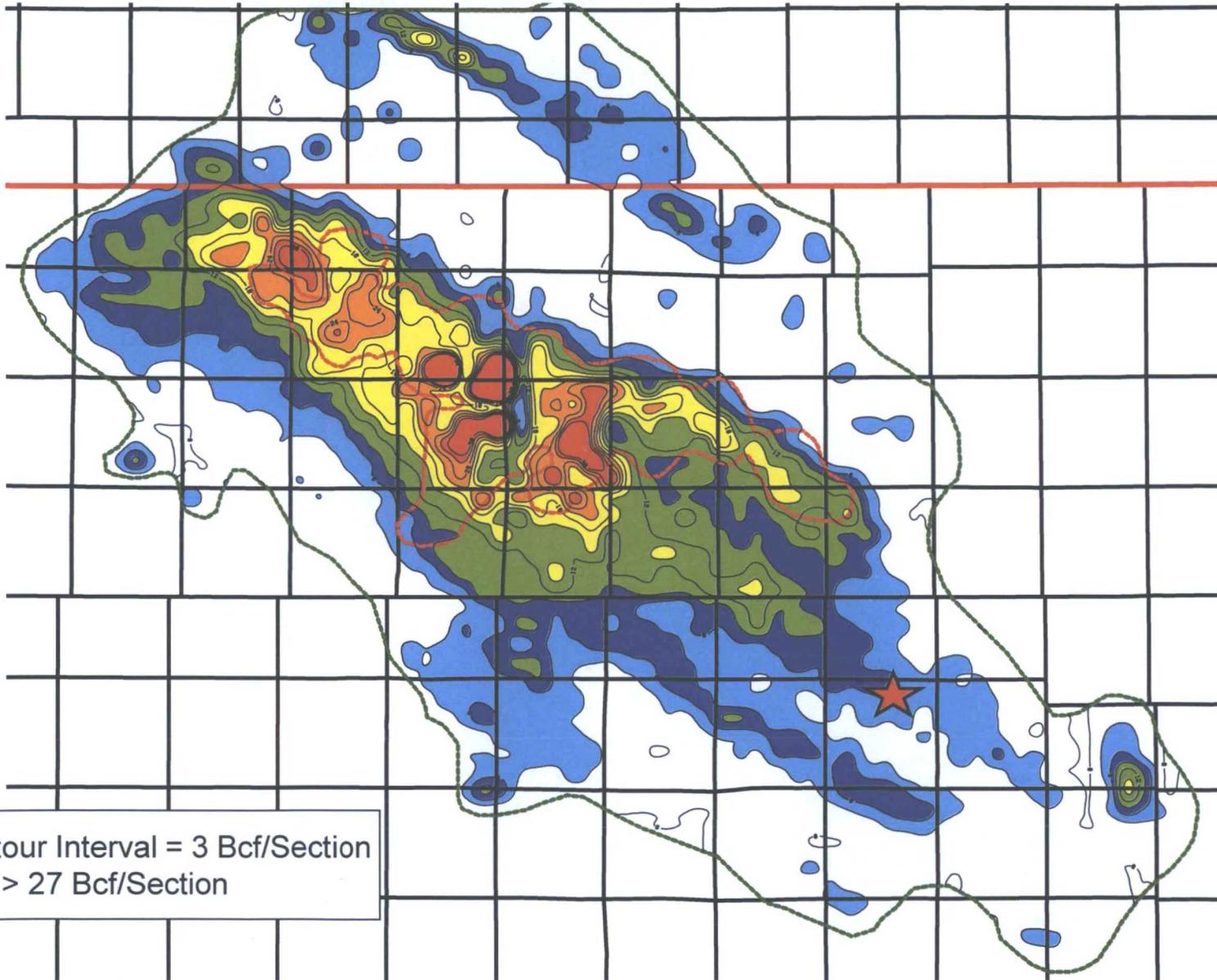
MV Original Gas-in-Place



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 4
OCD Case No: 15933
Submitted by: HILCORP ENERGY COMPANY
Hearing Date: February 8, 2018



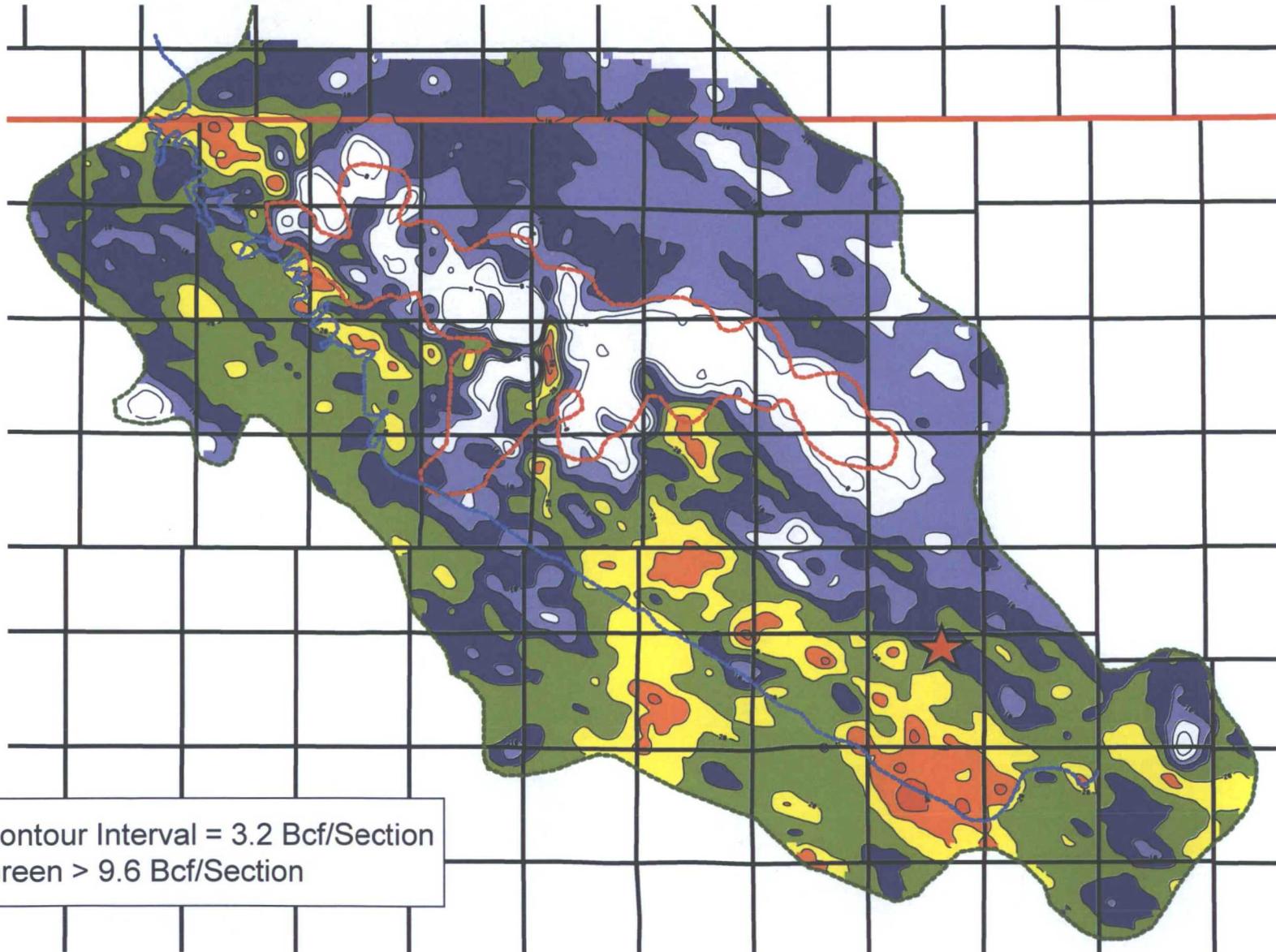
MV Cumulative Gas Production



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 5
OCD Case No.: 15933
Submitted by: HILCORP ENERGY COMPANY
Hearing Date: February 8, 2018



MV Remaining Gas



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 6

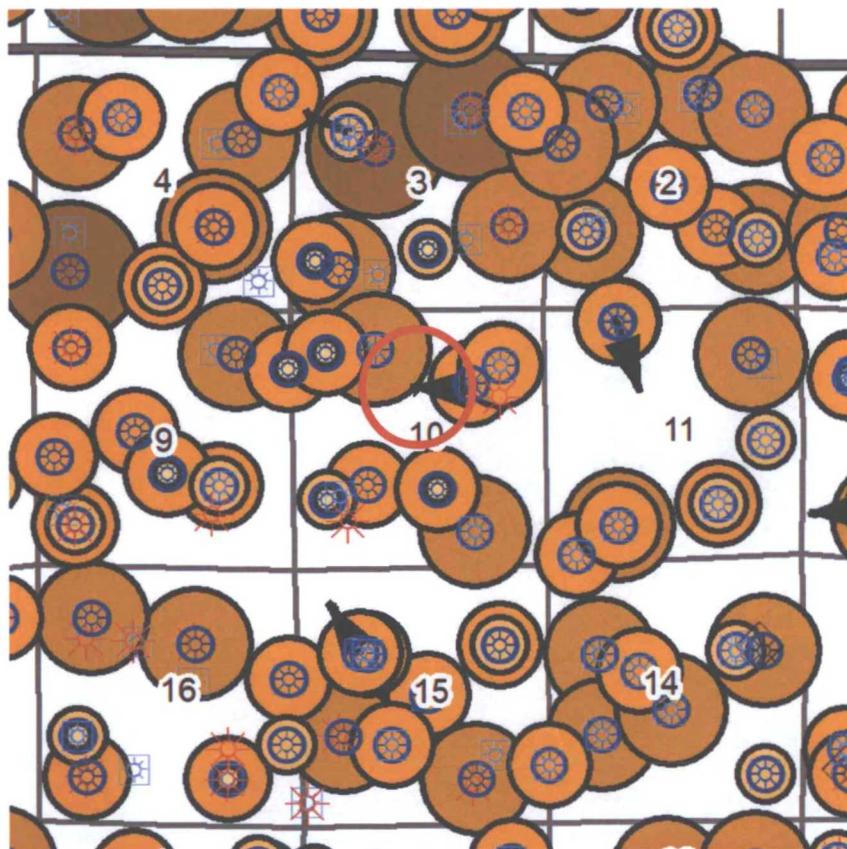
OCD Case No: 15933

Submitted by: HILCORP ENERGY COMPANY

Hearing Date: February 8, 2018



San Juan 27-5 Unit 113F



- ▲ FRUITLAND COAL
- ◆ PICTURED CLIFFS
- ⊗ CHACRA
- ⊙ MESAVERDE
- ⊛ MANCOS
- ⊞ DAKOTA

Well Specifics

- BHL NW10 27-5 3003930495 2008 drill
- 3rd MV completion in 1/4 section
- 1150' to nearest offset
- Help drain area to the south
- Complete entire MV with 2 stages
- Interior to Unit boundaries



San Juan 27-5 Unit 113F

Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	Remaining GIP	EUR / RF%
Qtr Section	4.7 Bcf	18.8 Bcf	2.1 Bcf / 45%	2.6 Bcf	2.8 Bcf / 60%
Section	20 Bcf	20 Bcf	8.1 Bcf / 41%	11.9 Bcf	10.5 Bcf / 53%
9 Section	180 Bcf	20 Bcf	77 Bcf / 43%	103 Bcf	114.5 Bcf / 64%

- Remaining Gas in Place in Quarter Section of 2.6 Bcf
- Cumulative Recovery Factor to Date 45% and 41% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore