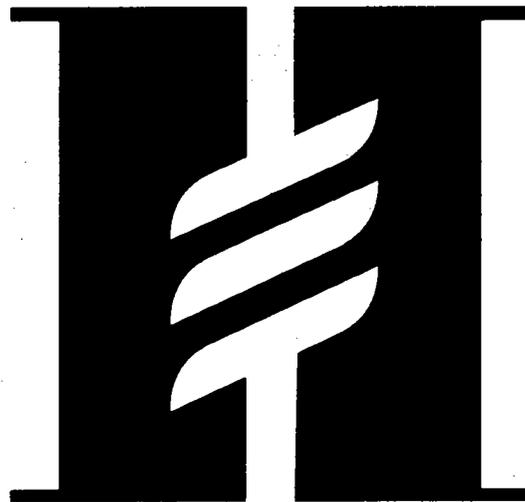


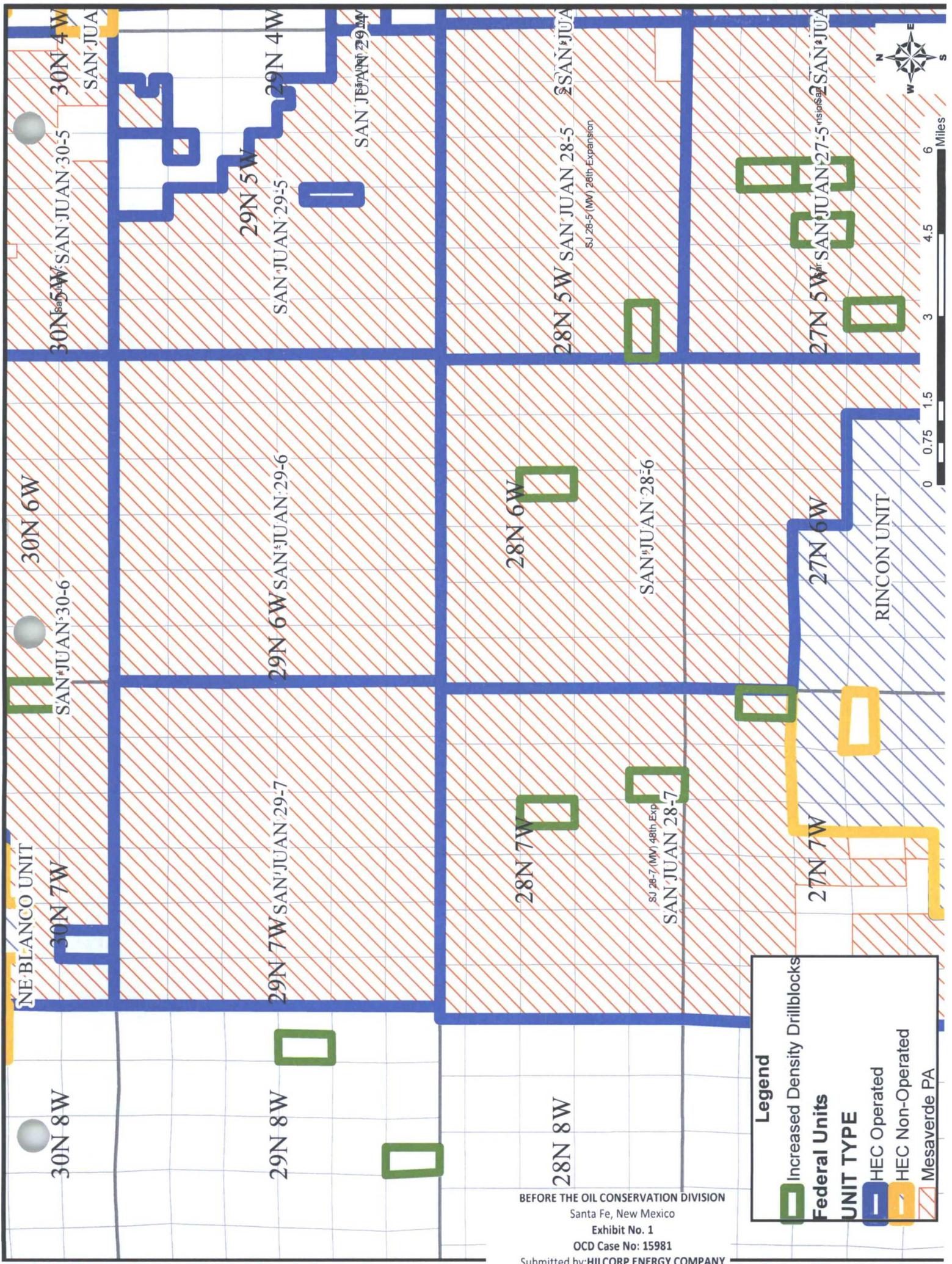
**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 8, 2018**

CASE No. 15981

SAN JUAN 28-7 UNIT 159 WELL

RIO ARRIBA COUNTY, NEW MEXICO





BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 1
 OCD Case No: 15981
 Submitted by: HILCORP ENERGY COMPANY
 Hearing Date: February 8, 2018

Legend

- Increased Density Drillblocks
- Federal Units
- UNIT TYPE
 - HEC Operated
 - HEC Non-Operated
 - Mesaverde PA

009

010

011

016

015

014

021

N 7W

SJ 28-7 (MV) 48th Exp

SAN JUAN 28 7 UNIT 159G
300393026200

SAN JUAN 28 7 UNIT 76
300390738400

SAN JUAN 28 7 UNIT 159
300392038400

022

023

SAN JUAN 28-7

SAN JUAN 28 7 UNIT 159E
300392663300

SAN JUAN 28 7 UNIT 159M
300392557200

028

027

026

Legend

★ SJ 28-7 Unit 159 Drillblock Wells

▭ SJ 28-7 Unit 159 Drillblock

▭ SJ 28-7 Unit 159 Offset

Federal Units

UNIT TYPE

▭ HEC Operated

▭ HEC Non-Operated

▭ Mesaverde PA

All Offsets are
Operated by
Hilcorp Energy
Company

034

035

0 0.125 0.25 0.5 0.75



BA	Name	Address	City	State	Zip Code	Type	Date Delivered
1144493	BOFB LTD	2104 WINTER SUNDAY WAY	ARLINGTON	TX	76012	WIO	2/1/2018
1139445	CAROLEE SIMMONS SMITH	6704 ASHBROOK DR	FORT WORTH	TX	76132-1140	WIO	1/24/2018
1142889	CAROLYN BEAMON TILLEY	5225 PRESTON HAVEN	DALLAS	TX	75229	WIO	1/22/2018
1146418	CB LIFELINE PARTNERSHIP	5225 PRESTON HAVEN DR	DALLAS	TX	75229	WIO	1/22/2018
1139541	CLAUDIA MARCIA LUNDELL GILMER	1102 S AUSTIN AVE	GEORGETOWN	TX	78628	WIO	1/29/2018
1144189	D J SIMMONS CO LTD PARTNERSHIP	PO BOX 1469	FARMINGTON	NM	87499	WIO	1/25/2018
1138927	DUGAN PRODUCTION CORP	PO BOX 420	FARMINGTON	NM	87499	WIO	1/26/2018
1141665	HOLLY BISHOP	4008 INWOOD ROAD	FORT WORTH	TX	76109	WIO	1/22/2018
1125552	JAMES R BEAMON	2603 AUGUSTA STE 1050	HOUSTON	TX	77057-5640	WIO	1/23/2018
1139444	JUNE SIMMONS LIVELY	3529 BELLAIRE DR N	FORT WORTH	TX	76109-2110	WIO	1/24/2018
1139409	LINDA JEANNE LUNDELL LINDSEY	PO BOX 631565	NACOGDOCHES	TX	75963	WIO	1/29/2018
1147116	ROBERT E BEAMON III	2603 AUGUSTA DR STE 1050	HOUSTON	TX	77057-5797	WIO	1/23/2018
1126167	ROBERT WALTER LUNDELL	2450 FONDREN STE 304	HOUSTON	TX	77063-2318	WIO	1/22/2018
1126258	SHARON BEAMON BURNS	122 ESTRADA REDONDA	SANTA FE	NM	87506-7933	WIO	2/1/2018
1126294	SUSAN BEAMON PORTER	319 KNIPP FOREST	HOUSTON	TX	77024-5030	WIO	1/23/2018
1139567	W G PEAVY OIL COMPANY	221 WOODCREST DR	RICHARDSON	TX	75080-2038	WIO	1/22/2018

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 2

OCD Case No: 15981

Submitted by: HILCORP ENERGY COMPANY

Hearing Date: February 8, 2018

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[SELECTION & PRINTING](#)

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[TRACKING & DIGITAL SIGNATURES](#)

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Contact:	<input type="text"/>	Company:	<input type="text"/>
Address:	<input type="text"/>	Address 2:	<input type="text"/>
City:	<input type="text"/>	State:	<input type="text"/>
Zip:	<input type="text"/>	AddresseeCode:	<input type="text"/>
AddresseeCode2:	<input type="text"/>	FileNumber:	<input type="text"/>
Certified Number:	<input type="text"/>	Sender Contact:	Brenda Guzman <input type="button" value="v"/>
Delivery Result:	All Records - Mailed <input checked="" type="checkbox"/>	Sender Contact (Text):	<input type="text"/>
View Archives		Retrieve Certified Mail Article History	

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901754163864 Request Signature via Email	Brenda Guzman	. ACTON ENERGY LP, 508 W WALL ST #500, MIDLAND, TX, 79701	1/19/2018	Delivered, Front Desk/Reception January 22, 2018 Signature Pending
92148969009997901754163871	Brenda Guzman	. BOFB LTD, 2104 WINTER SUNDAY WAY, ARLINGTON, TX, 76012	1/19/2018	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901754163888 Request Signature via Email	Brenda Guzman	. BOLIN RESOURCES LP, 2525 KELL BLVD SUITE 510, WICHITA FALLS, TX, 76308	1/19/2018	Delivered, Front Desk/Reception January 23, 2018 Signature Pending
92148969009997901754163895	Brenda Guzman	. BP AMERICA PRODUCTION COMPANY ATTN: CRAIG FERGUSON, 737 N ELDRIDGE PARKWAY, HOUSTON, TX, 77079	1/19/2018	In Transit to Destination January 23, 2018 Signature Pending
92148969009997901754163901 Request Signature via Email	Brenda Guzman	. C W BOLIN PROPERTIES LTD, 4331 GLENWOOD AVE, DALLAS, TX, 75205-4320	1/19/2018	Delivered, Left with Individual January 25, 2018 Signature Pending
92148969009997901754163918 Request Signature via Email	Brenda Guzman	. CAROLEE SIMMONS SMITH, 6704 ASHBROOK DR, FORT WORTH, TX, 76132-1140	1/19/2018	Delivered, Left with Individual January 24, 2018 Signature Pending
92148969009997901754163925 Request Signature via Email	Brenda Guzman	. CAROLYN BEAMON TILLEY, 5225 PRESTON HAVEN, DALLAS, TX, 75229	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754163932 Request Signature via Email	Brenda Guzman	. CB LIFELINE PARTNERSHIP ATTN: CAROLYN BEAMON TILLEY, 5225 PRESTON HAVEN DR, DALLAS, TX, 75229	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754163949 Request Signature via Email	Brenda Guzman	. CHAPPELL FAMILY TR UTA JUNE 4 98, BUDDIE G CHAPPELL SURVIVING TTEE PO BOX 71579, PHOENIX, AZ, 85050-1010	1/19/2018	Delivered January 27, 2018 Signature Pending
92148969009997901754163956 Request Signature via Email	Brenda Guzman	. CHARLES W GAY, 163 LEHMAN DR, KERRVILLE, TX, 78028	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754163963 Request Signature via Email	Brenda Guzman	. CLAUDIA MARCIA LUNDELL GILMER, 1102 S AUSTIN AVE, GEORGETOWN, TX, 78628	1/19/2018	Delivered, Left with Individual January 29, 2018 Signature Pending
92148969009997901754163970 Request Signature via Email	Brenda Guzman	. CROSS TIMBERS ENERGY LLC, 400 W 7TH STREET, FT WORTH, TX, 76102	1/19/2018	Delivered, To Mail Room January 22, 2018 Signature Pending
92148969009997901754163987 Request Signature via Email	Brenda Guzman	. D J SIMMONS CO LTD PARTNERSHIP, PO BOX 1469, FARMINGTON, NM, 87499	1/19/2018	Delivered January 25, 2018 Signature Pending
92148969009997901754163994 Request Signature via Email	Brenda Guzman	. DAVID PIERCE and MAXINE PIERCE REV TR, DAVID PIERCE and MAXINE PIERCE TTEES PO BOX 4140, FARMINGTON, NM, 87499-4140	1/19/2018	Delivered, Individual Picked Up at Postal Facility January 24, 2018 Signature Pending

92148969009997901754164007 Request Signature via Email	Brenda Guzman	, DIRK VANHORN REEMTSMA, 556 CRESTWOOD DR, OCEANSIDE, CA, 92058	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164014 Request Signature via Email	Brenda Guzman	, DUGAN PRODUCTION CORP, PO BOX 420, FARMINGTON, NM, 87499	1/19/2018	Delivered January 26, 2018 Signature Pending
92148969009997901754164021	Brenda Guzman	, EMIL MOSBACHER III, PO BOX 201678, HOUSTON, TX, 77216-1678	1/19/2018	In Transit to Destination February 1, 2018 Signature Pending
92148969009997901754164038 Request Signature via Email	Brenda Guzman	, ENDURING RESOURCES IV LLC, 511 16TH STREET, SUITE 700, DENVER, CO, 80202	1/19/2018	Delivered, Front Desk/Reception January 25, 2018 Signature Pending
92148969009997901754164045 Request Signature via Email	Brenda Guzman	, HARCO LIMITED PARTNERSHIP, PO BOX 3716, ROSWELL, NM, 88202-3716	1/19/2018	Delivered January 22, 2018 Signature Pending
92148969009997901754164052 Request Signature via Email	Brenda Guzman	, HARRINGTON ENERGY RESOURCES LP, A NM LP HARRINGTON SAN JUAN LLC GP PO BOX 219119, KANSAS CITY, MO, 64131	1/19/2018	Delivered January 22, 2018 Signature Pending
92148969009997901754164069 Request Signature via Email	Brenda Guzman	, HARRINGTON SOUTHWEST ENERGY LP, A NM LP HARRINGTON SAN JUAN LLC GP PO BOX 219119, KANSAS CITY, MO, 64131	1/19/2018	Delivered January 22, 2018 Signature Pending
92148969009997901754164076 Request Signature via Email	Brenda Guzman	, HENRY G ROBELDO, 6797 CAMINO ROJO, SANTA FE, NM, 87507	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164083 Request Signature via Email	Brenda Guzman	, HOLLY BISHOP, 4008 INWOOD ROAD, FORT WORTH, TX, 76109	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164090 Request Signature via Email	Brenda Guzman	, JandM RAYMOND LTD, RAYMOND and SONS I LLC GEN PARTNER 163 LEHMAN DR, KERRVILLE, TX, 78028	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164106	Brenda Guzman	, JABCO LLP, PO BOX 840738, DALLAS, TX, 75284-0738	1/19/2018	In Transit to Destination January 23, 2018 Signature Pending
92148969009997901754164113 Request Signature via Email	Brenda Guzman	, JAMES R BEAMON, 2603 AUGUSTA STE 1050, HOUSTON, TX, 77057-5640	1/19/2018	Delivered, Front Desk/Reception January 23, 2018 Signature Pending
92148969009997901754164120 Request Signature via Email	Brenda Guzman	, JANE M ESTATE LLC, 712 MAIN STREET STE 2200, HOUSTON, TX, 77002	1/19/2018	Delivered, To Agent January 22, 2018 Signature Pending
92148969009997901754164137 Request Signature via Email	Brenda Guzman	, JUNE SIMMONS LIVELY, 3529 BELLAIRE DR N, FORT WORTH, TX, 76109-2110	1/19/2018	Delivered, Left with Individual January 24, 2018 Signature Pending
92148969009997901754164144	Brenda Guzman	, LANCE REEMTSMA, 2601 GRANT ST, BERKELEY, CA 94703	1/19/2018	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901754164151 Request Signature via Email	Brenda Guzman	, LANGDON D HARRISON REVOC TRUST B, JACQUELINE M HARRISON SUCC TRUSTEE PO DRAWER 2188, ROSWELL, NM, 88202	1/19/2018	Delivered January 22, 2018 Signature Pending
92148969009997901754164168 Request Signature via Email	Brenda Guzman	, LINDA JEANNE LUNDELL LINDSEY, PO BOX 631565, NACOGDOCHES, TX, 75963	1/19/2018	Delivered January 29, 2018 Signature Pending
92148969009997901754164175 Request Signature via Email	Brenda Guzman	, LORRAYN GAY HACKER, 163 LEHMAN DR, KERRVILLE, TX, 78028	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164182 Request Signature via Email	Brenda Guzman	, MAR OIL and GAS CORPORATION, PO BOX 5155, SANTA FE, NM, 87502	1/19/2018	Delivered January 31, 2018 Signature Pending
92148969009997901754164199 Request Signature via Email	Brenda Guzman	, MOSBACHER USA, 712 MAIN STREET SUITE 2200, HOUSTON, TX, 77002	1/19/2018	Delivered, To Agent January 22, 2018 Signature Pending
92148969009997901754164205 Request Signature via Email	Brenda Guzman	, NAVATEX ENERGY LP, PO DRAWER 2188, ROSWELL, NM, 88202	1/19/2018	Delivered January 23, 2018 Signature Pending
92148969009997901754164212 Request Signature via Email	Brenda Guzman	, OMIMEX PETROLEUM, 7950 JOHN T WHITE ROAD, FORT WORTH, TX, 76120	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164229 Request Signature via Email	Brenda Guzman	, PROVIDENCE MINERALS LLC, 16400 NORTH DALLAS PKWY STE 400, DALLAS, TX, 75248	1/19/2018	Delivered, Left with Individual January 23, 2018 Signature Pending
92148969009997901754164236 Request Signature via Email	Brenda Guzman	, R L BOLIN PROPERTIES LTD, 4245 KEMP BLVD #316, WICHITA FALLS, TX, 76308	1/19/2018	Delivered, Front Desk/Reception January 23, 2018 Signature Pending
92148969009997901754164243 Request Signature via Email	Brenda Guzman	, RIO ARIBAGAS LTD, 4925 GREENVILLE AVE STE 900, DALLAS, TX, 75206	1/19/2018	Delivered, Front Desk/Reception January 23, 2018 Signature Pending
	Brenda Guzman		1/19/2018	Delivered, Front Desk/Reception

92148969009997901754164250 Request Signature via Email		, RIO ARRIBA LIMITED PARTNERSHIP, 3270 N COLORADO ST SUITE 101, CHANDLER, AZ, 85225-1165		January 23, 2018 Signature Pending
92148969009997901754164267 Request Signature via Email	Brenda Guzman	, ROBERT E BEAMON III, 2603 AUGUSTA DR STE 1050, HOUSTON, TX, 77057-5797	1/19/2018	Delivered, Front Desk/Reception January 23, 2018 Signature Pending
92148969009997901754164274 Request Signature via Email	Brenda Guzman	, ROBERT E GALL ESTATE, ROBERT L GALL and MARYELLEN TASCH CO-EXEC 100 MELROSE AVE STE 205, GREENWICH, CT, 06830	1/19/2018	Delivered, Left with Individual January 23, 2018 Signature Pending
92148969009997901754164281 Request Signature via Email	Brenda Guzman	, ROBERT MORRISON ESTATE, 4091 JAY COX RD, AVON, OH, 44011	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164298 Request Signature via Email	Brenda Guzman	, ROBERT UMBACH CANCER FOUNDATION, ZIA DATA SEARCH CORP AGENT PO BOX 2188, ROSWELL, NM, 88202-2188	1/19/2018	Delivered January 22, 2018 Signature Pending
92148969009997901754164304 Request Signature via Email	Brenda Guzman	, ROBERT WALTER LUNDELL, 2450 FONDREN STE 304, HOUSTON, TX, 77063-2318	1/19/2018	Delivered, To Mail Room January 22, 2018 Signature Pending
92148969009997901754164311 Request Signature via Email	Brenda Guzman	, ROY G and OPAL BARTON SR REV TR, ROY G BARTON JR TRUSTEE 1919 NORTH TURNER, HOBBS, NM, 88240-2712	1/19/2018	Delivered, Left with Individual January 24, 2018 Signature Pending
92148969009997901754164328 Request Signature via Email	Brenda Guzman	, RUTH ZIMMERMAN TRUST, XAN WILLIAMS TRUSTEE 1513 HERITAGE PL, MCPHERSON, KS, 67460	1/19/2018	Delivered, Left with Individual January 24, 2018 Signature Pending
92148969009997901754164335	Brenda Guzman	, SHARON BEAMON BURNS, 122 ESTRADA REDONDA, SANTA FE, NM, 87506-7933	1/19/2018	In Transit to Destination January 24, 2018 Signature Pending
92148969009997901754164342 Request Signature via Email	Brenda Guzman	, SUSAN BEAMON PORTER, 319 KNIPP FOREST, HOUSTON, TX, 77024-5030	1/19/2018	Delivered, Left with Individual January 23, 2018 Signature Pending
92148969009997901754164359 Request Signature via Email	Brenda Guzman	, T H MCELVAJN OIL and GAS LLLP, 1050 17TH ST SUITE 2500, DENVER, CO, 80265-2080	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164366 Request Signature via Email	Brenda Guzman	, TAMACAM LLC, JAMES M RAYMOND AFENT and AIF 163 LEHMAN DR, KERRVILLE, TX, 78208	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164373 Request Signature via Email	Brenda Guzman	, TEMPE LIMITED PARTNERSHIP, 101 EAST WESTFIELD BLVD, INDIANAPOLIS, IN, 46220	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164380 Request Signature via Email	Brenda Guzman	, THOMAS P TINNIN, 2303 CANDELARIA RD NW, ALBUQUERQUE, NM, 87107	1/19/2018	Delivered January 26, 2018 Signature Pending
92148969009997901754164397	Brenda Guzman	, TIERRA POBRE LLC, PO BOX 1847, CORRALES, NM, 87048	1/19/2018	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901754164403 Request Signature via Email	Brenda Guzman	, TINMIL A NM LLC, 1331 PARK AVE. SW UNIT 1403, ALBUQUERQUE, NM, 87102	1/19/2018	Delivered, Left with Individual January 25, 2018 Signature Pending
92148969009997901754164410 Request Signature via Email	Brenda Guzman	, W G PEAVY OIL COMPANY, 221 WOODCREST DR, RICHARDSON, TX, 75080-2038	1/19/2018	Delivered, Left with Individual January 22, 2018 Signature Pending
92148969009997901754164427 Request Signature via Email	Brenda Guzman	, WPC OIL and GAS LP, 4040 NORTH CENTRAL EXPWY SUITE 750 LB #6, DALLAS, TX, 75204	1/19/2018	Delivered, To Mail Room January 22, 2018 Signature Pending



February 2, 2018

Dear Customer:

The following is the proof-of-delivery for tracking number **771374608617**.

Delivery Information:

Status:	Delivered	Delivered to:	Residence
Signed for by:	Signature not required	Delivery location:	2104 WINTER SUNDAY WAY ARLINGTON, TX 76012
Service type:	FedEx Standard Overnight	Delivery date:	Feb 1, 2018 16:06
Special Handling:	Deliver Weekday Residential Delivery		

NO SIGNATURE REQUIRED

Proof-of-delivery details appear below; however, no signature is available for this FedEx Express shipment because a signature was not required.

Shipping Information:

Tracking number:	771374608617	Ship date:	Jan 31, 2018
		Weight:	0.5 lbs/0.2 kg

Recipient:

Attn: Mary Jeanne Banks
BOFB LTD
2104 Winter Sunday Way
ARLINGTON, TX 76012 US

Shipper:

Brenda Guzman
Hilcorp Energy Company
1111 Travis
8th floor
Houston, TX 77002 US

Thank you for choosing FedEx.



February 2, 2018

Dear Customer:

The following is the proof-of-delivery for tracking number **771374855125**.

Delivery Information:

Status:	Delivered	Delivered to:	Residence
Signed for by:	Signature not required	Delivery location:	122 ESTRADA REDONDA SANTA FE, NM 87506
Service type:	FedEx Standard Overnight	Delivery date:	Feb 1, 2018 10:50
Special Handling:	Deliver Weekday Residential Delivery		

NO SIGNATURE REQUIRED

Proof-of-delivery details appear below; however, no signature is available for this FedEx Express shipment because a signature was not required.

Shipping Information:

Tracking number:	771374855125	Ship date:	Jan 31, 2018
		Weight:	0.5 lbs/0.2 kg

Recipient:
SHARON BEAMON BURNS
122 ESTRADA REDONDA
SANTA FE, NM 87506 US

Shipper:
Brenda Guzman
Hilcorp Energy Company
1111 Travis
8th floor
Houston, TX 77002 US
020818 NMOCD Hearing

Reference

Thank you for choosing FedEx.



January 19, 2018

VIA CERTIFIED MAIL - CERTIFIED RECEIPT REQUESTED

TO: ALL WORKING INTEREST OWNERS

Re: Applications 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(s) with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on February 8, 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 Wyn McCubbin by phone at (713) 757-7125, by email at wmccubbin@hilcorp.com or Brad Pearson at (713) 289-2793, by email at bpearson@hilcorp.com.

Sincerely,

A handwritten signature in cursive script that reads 'Wyn McCubbin'.

Wyn McCubbin, CPL
Senior Landman – San Juan Basin Asset Team

**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,
RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 15981

APPLICATION

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby files this application with the Oil Conservation Division for an order for an exception to the well density requirements of the Blanco-Mesaverde Gas Pool (72319), Rio Arriba 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 well 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 E/2 of Section 22, Township 28 North, Range 7 West, Rio Arriba County, New Mexico, in which the following four wells are currently completed and producing:

- a. San Juan 28-7 Unit 159G Well (API No. 30-039-30262), Sec. 22, T28N, R7W
(Unit B);

Affidavit of Publication

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

Said area is located ap-
proximately 25 miles east
of Bloomfield, NM.
(Published January 25,
2018)

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 February 8, 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 January 29, 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 cases and notice to the public.

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

TO: ALL OFFSET OWNERS AND POOLED PARTIES, INCLUDING: BOFB LTD; CAROLEE SIMMONS SMITH, HER HEIRS AND DEVISEES; CAROLYN BEAMON TILLEY, HER HEIRS AND DEVISEES; CB LIFELINE PARTNERSHIP; CLAUDIA MAR-

s Bill

ie at \$ 102.20

mes at _____

fidavit \$ 5.00

bttotal \$ 107.20

Tax \$ 9.58

Total \$ 116.78

State of New Mexico
County of Rio Arriba

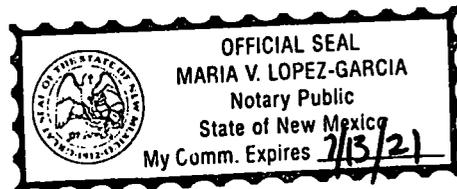
I, Robert Trapp, being first duly sworn, declare and say I am the publisher of the Rio Grande SUN, a weekly newspaper published in the English language and having a general circulation in the County of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish legal notices and 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 25 day of January, 2018 and the last publication on the 25 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 25 day of Jan. A.D. 2018

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



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 3
OCD Case No: 15981
Submitted by: HILCORP ENERGY COMPANY
Hearing Date: February 8, 2018

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Date Jo

By [Signature]

io Grande SUN

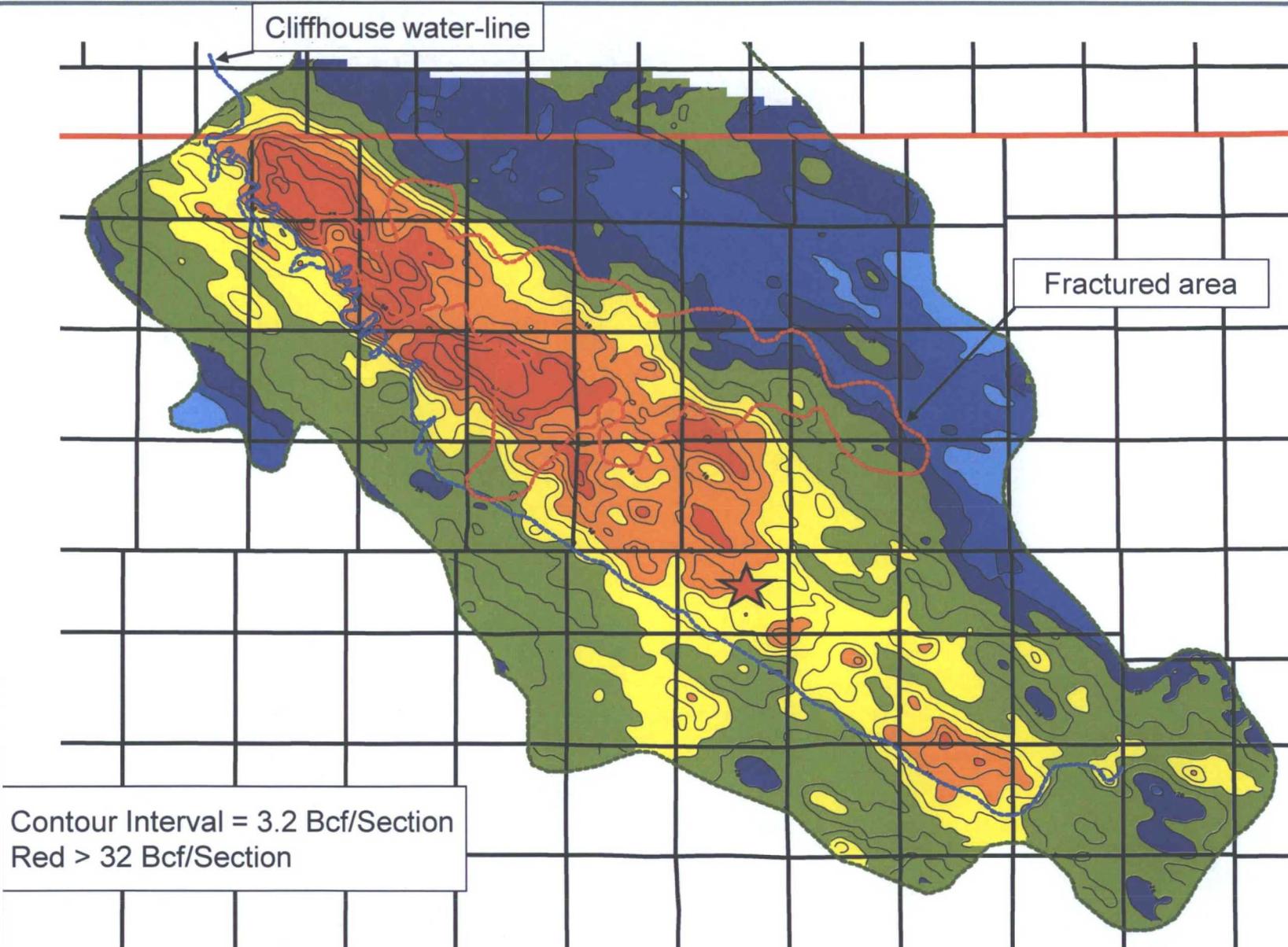
2018

**PARTIES, INCLUDING:
BOFB LTD; CAROLEE
SIMMONS SMITH, HER
HEIRS AND DEVISEES;
CAROLYN BEAMON
TILLEY, HER HEIRS
AND DEVISEES; CB
LIFELINE PARTNER-
SHIP; CLAUDIA MAR-
CIA LUNDELL GILMER,
HER HEIRS AND DE-
VISEES; D J SIMMONS
CO LTD PARTNERSHIP;
DUGAN PRODUCTION
CORP; HOLLY BISHOP,
HER HEIRS AND DE-
VISEES; JAMES R.
BEAMON, HIS HEIRS
AND DEVISEES; JUNE
SIMMONS LIVELY, HER
HEIRS AND DEVISEES;
LINDA JEANNE LUN-
DELL LINDSEY, HER
HEIRS AND DEVISEES;
ROBERT E. BEAMON,
III, HIS HEIRS AND DE-
VISEES; ROBERT WAL-
TER LUNDELL, HIS
HEIRS AND DEVISEES;
SHARON BEAMON
BURNS, HER HEIRS
AND DEVISEES; SUSAN
BEAMON PORTER, HER
HEIRS AND DEVISEES;
W G PEAVY OIL COM-
PANY.**

**Case No. 15981: Appli-
cation of Hilcorp Energy
Company for an Excep-
tion to the Well Density
Requirements of the
Special Rules and Reg-
ulations of the Blanco-
Mesaverde Gas Pool,
Rio Arriba County, New
Mexico. Applicant in the
above-styled cause seeks
an order for an exception
to the well density re-
quirements of Rule 1.B of
the Special Rules and
Regulations for the
Blanco-Mesaverde Gas
Pool (72319), Rio Arriba
County, New Mexico, to
permit it to complete and
simultaneously produce
five Mesaverde gas wells
in the same standard spa-
cing and proration unit,
and three wells in the
same quarter section. Hil-
corp further seeks ap-
proval for the proposed
location of the San Juan
28-7 Unit 159 Well (API
No. 30-039-20384) in the
Mesaverde formation with
a surface location within
the E/2 of Section 22,
Township 28 North,
Range 7 West, NMPM,
Rio Arriba County, New
Mexico, and authoriza-
tion to simultaneously
complete and produce the
San Juan 28-7 Unit 159
Well from the Blanco-
Mesaverde Gas Pool.**

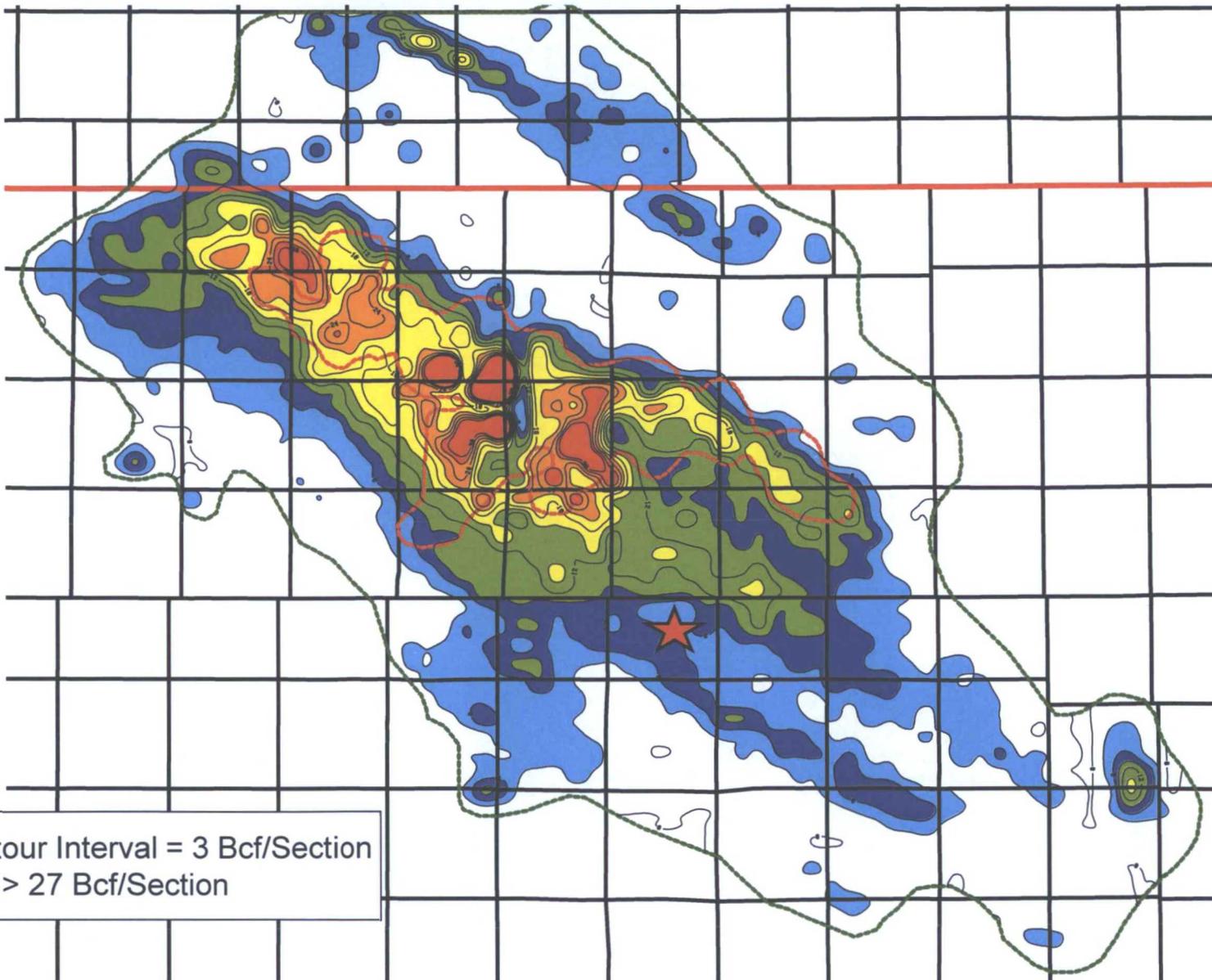


MV Original Gas-in-Place





MV Cumulative Gas Production

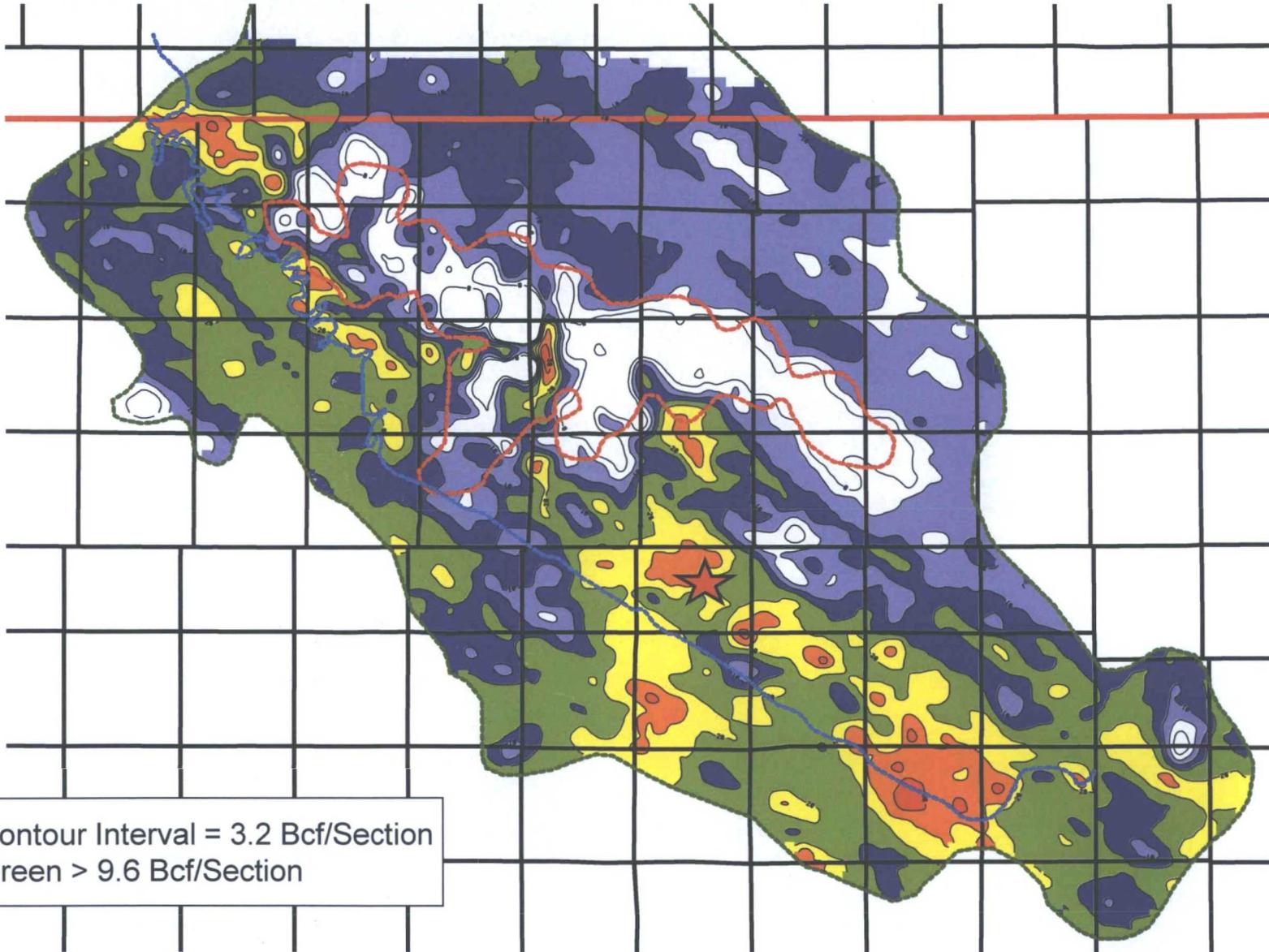


Contour Interval = 3 Bcf/Section
Red > 27 Bcf/Section

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 5
OCD Case No. 15981
Submitted by: HILCORP ENERGY COMPANY
Hearing Date: February 8, 2018



MV Remaining Gas

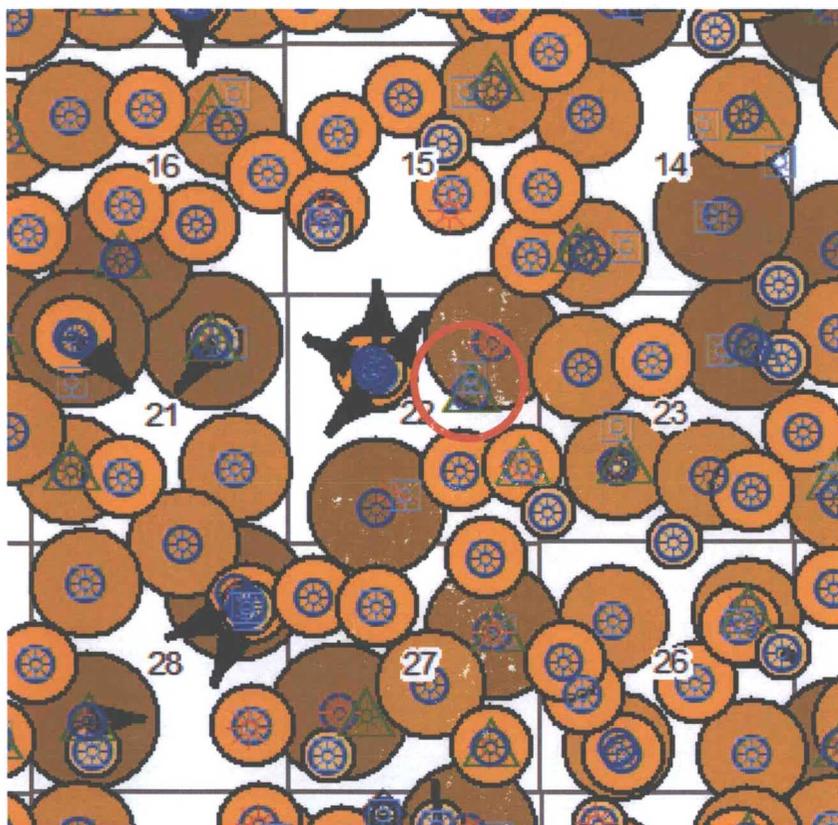


Contour Interval = 3.2 Bcf/Section
Green > 9.6 Bcf/Section

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
OCD Case No. 15981
Submitted by: HILCORP ENERGY COMPANY
Hearing Date: February 8, 2018



SAN JUAN 28-7 UNIT 159



- ▲ FRUITLAND COAL
- ◆ PICTURED CLIFFS
- ⊕ CHACRA
- MESAVERDE
- ⊕ MANCOS
- DAKOTA

Well Specifics

- NE22 28-7 3003920384 1971 drill
- 3rd MV completion in 1/4 section
- 900' from nearest offset
- Help drain area to south
- Complete entire MV in 2 stages
- Interior to 28-7 Unit boundaries



San Juan 28-7 Unit-159

Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	Remaining GIP	EUR / RF%
Qtr Section	5.9 Bcf	23.8 Bcf	2.4 Bcf / 41%	3.5 Bcf	3.0 Bcf / 51%
Section	27.0 Bcf	27.0 Bcf	9.9 Bcf / 37%	17.1 Bcf	14.8 Bcf / 55%
9 Section	240 Bcf	26.7 Bcf	85 Bcf / 35%	156 Bcf	121 Bcf / 50%

- Remaining Gas in Place in Quarter Section of 3.5 Bcf
- Cumulative Recovery Factor to Date 41% and 37% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 8

OGD Case No. 15981

Submitted by: HILCORP ENERGY COMPANY

Hearing Date: February 8, 2018