

**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 FULCHER KUTZ-PICTURED CLIFFS
GAS POOL, SAN JUAN COUNTY, NEW
MEXICO.**

JUN 07 2018 PM03:09

CASE NO. 16222

HILCORP'S PREHEARING STATEMENT

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby submits this Consolidated Pre-Hearing Statement for the above referenced matters scheduled for hearing before the Division Examiners on June 14, 2018.

APPEARANCES

APPLICANT

Hilcorp Energy Company
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Houston, Texas 77002

ATTORNEYS

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STATEMENT OF THE CASE

Hilcorp is the operator of a standard 160-acre, more or less, spacing and proration unit, comprised of the NW/4 of Section 23, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico, which is currently dedicated to the J C Gordon C 1 Well (API No. 30-045-13237) and is producing from the Fulcher Kutz-Pictured Cliffs Gas Pool. The Fulcher Kutz-Pictured Cliffs Gas Pool is governed by Special Rules and Regulations, which provide for 160-acre spacing and proration units. *See* Order No. R-1670, effective April 13, 1960.

Hilcorp is also the operator of the **J C Gordon D 3E Well** (API No. 30-045-24726), which has a surface and bottom hole location 450 feet from the north line, 1580 feet from the west line (Unit C) of Section 23, Township 27 North, Range 10 West, and is currently producing from the Basin Dakota Pool. Hilcorp now proposes to recomplete the **J C Gordon D 3E Well** in the Fulcher Kutz-Pictured Cliffs Gas Pool and dedicate and the well to said spacing and proration unit currently dedicated to the J C Gordon C 1 Well (API No. 30-045-13237).

Hilcorp, therefore, requests that the Division enter an order granting an exception to the well density requirements of the Fulcher Kutz-Pictured Cliffs Gas Pool to authorize Hilcorp to recomplete the **J C Gordon D 3E Well** in the Fulcher Kutz-Pictured Cliffs Gas Pool, permitting the total number of wells dedicated and producing within said spacing and proration unit to two.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Wyn McCubbin, Landman	Approx. 20	Approx. 5
Eddie Pippin, Geology	Approx. 20	Approx. 8
James Osborn, Reservoir Engineer	Approx. 20	Approx. 8

PROCEDURAL MATTERS

Hilcorp respectfully requests that Case Nos. 16222 through 16227 be consolidated for purposes of presenting testimony at hearing.

Respectfully submitted,

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