

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

APPLICATION OF HILCORP ENERGY  
COMPANY FOR AUTHORITY TO  
DOWNHOLE COMMINGLE EXISTING  
PRODUCTION FROM THE BASIN DAKOTA  
POOL WITH THE BLANCO-MESAVERDE IN  
THE SAM COOLEY NO. 1 WELL (API NO.  
30-045-09671), LOCATED IN UNIT L,  
SECTION 9, TOWNSHIP 30 NORTH,  
RANGE 11 WEST, NMPM, SAN JUAN  
COUNTY, NEW MEXICO.

CASE NO. 20425

APPLICATION

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby files this application with the Oil Conservation Division for an order authorizing it to downhole commingle existing production from the Basin Dakota Pool (71599) with production from the Blanco-Mesaverde Pool (72319) in the **Sam Cooley No. 1 Well** (API No. 30-045-09671), located in Unit L, Section 9, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico. In support, Hilcorp states the following:

1. Pursuant to Division Rule 19.15.12.11(E) NMAC, downhole commingling between the Basin Dakota and Blanco-Mesaverde pools has been pre-approved.
2. Under that Rule, operators seeking to downhole commingling pre-approved pools are nevertheless required to file Form C-103 with the district office. Hilcorp filed an administratively complete Form C-103 on July 3, 2018. See C-103, attached as **Exhibit A**. The Form C-103 submitted by Hilcorp and attached hereto contains all the information necessary to approve this application.

3. In addition to requiring submission of Form C-103, the Rule requires operators to provide notice “in those instances where the ownership or percentages between the pools to be commingled is not identical[.]” 19.15.12.11(C)(2)(f) NMAC. Hilcorp provided personal notice and constructive notice by publication to unlocatable owners. *See **Exhibit B.***

4. Hilcorp received a single protest within the twenty-day protest period.

5. Pursuant to 19.15.4.12(E) NMAC, where an administrative application has been protested, the application should be set for hearing.

6. The granting of this application will avoid the drilling of unnecessary wells, will prevent waste, will protect correlative rights, and will not reduce the value of the production.

WHEREFORE, Hilcorp requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2019, and, after notice and hearing as required by law, the Division enter an order approving this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin  
Julia Broggi  
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jbroggi@hollandhart.com

**ATTORNEYS FOR HILCORP ENERGY COMPANY**

CASE 20425:

**Application of Hilcorp Energy Company for Authority to Downhole Commingle Existing Production from the Basin Dakota Pool with the Blanco-Mesaverde Pool in the Sam Cooley No. 1 Well (API No. 30-045-09671) Located in Unit L, Section 9, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order authorizing it to downhole commingle existing production from the Basin Dakota Pool (71599) with production from the Blanco-Mesaverde Pool (72319) in the **Sam Cooley No. 1 Well** (API No. 30-045-09671), located in Unit L, Section 9, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico. The subject well is located approximately 1/2-mile west of Aztec, N.M.

Submit 1 Copy To Appropriate District  
Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-09671
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator HILCORP ENERGY COMPANY		6. State Oil & Gas Lease No.
3. Address of Operator 382 Road 3100, Aztec, NM 87410		7. Lease Name or Unit Agreement Name Sam Cooley
4. Well Location Unit Letter <u>L</u> <u>1865</u> feet from the <u>South</u> line and <u>1310</u> feet from the <u>West</u> line Section <u>09</u> Township <u>30N</u> Range <u>11W</u> NMPM County <u>San Juan</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5582' GR		9. OGRID Number 372171
		10. Pool name or Wildcat Mesaverde

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

It is intended to recomplete the subject well in the Blanco Mesaverde (pool 72319) and downhole commingle the existing Basin Dakota (pool 71599) with the Mesaverde. The production will be commingled per Oil Conservation Division Order Number 11363. Allocation and methodology will be provided after the well is completed. Commingling will not reduce the value of the production.

Proposed perforations are: MV - 4000' - 4560'; DK - 6453' - 6656' **These perforations are in TVD.**

**This notice is being provided to you by certified mail as an interest owner per Order Number 11363. Please notify Hilcorp Energy Company within twenty (20) days if you have objections.**

Spud Date:

Rig Release Date:

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

SIGNATURE \_\_\_\_\_ TITLE Operations / Regulatory Technician DATE 7/3/2018

Type or print name Amanda Walker E-mail address: mwalker@hilcorp.com PHONE: 505-324-5122  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any):

**EXHIBIT A**

## Order Confirmation

**Ad Order Number**

0001280831

**Customer**

HILCORP ENERGY

**Customer Account**

175291

**PO Number**

**Sales Rep.**

sbohland

**Customer Address**

382 RD 3100  
AZTEC NM 87410 USA

**Customer Phone**

505-324-5179

**Ordered By**

Ben Mitchell

**Order Taker**

sbohland

**Customer Fax**

**Customer EMail**

**Order Source**

**Payor Customer**

HILCORP ENERGY

**Payor Account**

175291

**Special Pricing**

None

**Tear Sheets**

0

**Proofs**

0

**Affidavits**

1

**Blind Box**

**Promo Type**

**Materials**

**Invoice Text**

**Ad Order Notes**

**Net Amount**

\$58.00

**Tax Amount**

\$4.79

**Total Amount**

\$62.79

**Payment Method**

**Payment Amount**

\$0.00

**Amount Due**

\$62.79

**Ad Number**

0001280831-01

**Ad Type**

CLS Legal liner

**Ad Size**

: 2.0 X 37 Li

**Color**

<NONE>

**Production Method**

AdBooker

**Production Notes**

**External Ad Number**

**Ad Attributes**

**Ad Released**

No

**Pick Up**

**WYSIWYG Content**

## Order Confirmation

<u>Ad Order Number</u> 0001280831	<u>Customer</u> HILCORP ENERGY	<u>Customer Account</u> 175291	<u>PO Number</u>  
<u>Sales Rep.</u> sbohland	<u>Customer Address</u> 382 RD 3100 AZTEC NM 87410 USA	<u>Customer Phone</u> 505-324-5179	<u>Ordered By</u> Ben Mitchell
<u>Order Taker</u> sbohland		<u>Customer Fax</u>  	<u>Customer EMail</u>  
<u>Order Source</u>	<u>Payor Customer</u> HILCORP ENERGY	<u>Payor Account</u> 175291	<u>Special Pricing</u> None

<u>Tear Sheets</u> 0	<u>Proofs</u> 0	<u>Affidavits</u> 1	<u>Blind Box</u>	<u>Promo Type</u>	<u>Materials</u>
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Invoice Text

Ad Order Notes

<u>Net Amount</u> \$58.00	<u>Tax Amount</u> \$4.79	<u>Total Amount</u> \$62.79	<u>Payment Method</u>	<u>Payment Amount</u> \$0.00	<u>Amount Due</u> \$62.79
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<u>Ad Number</u> 0001280831-01	<u>Ad Type</u> CLS Legal liner	<u>Ad Size</u> : 2.0 X 37 Li	<u>Color</u> <NONE>	<u>Production Method</u> AdBooker	<u>Production Notes</u>
<u>External Ad Number</u>	<u>Ad Attributes</u>		<u>Ad Released</u> No	<u>Pick Up</u>	

**Notice by Hilcorp Energy Company for Downhole Commingling, San Juan County, New Mexico.** Pursuant to Paragraph (2) of Subsection C of 19.15.12.11 NMAC, Hilcorp Energy Company, as Operator, has filed form C-103 with the New Mexico Energy, Minerals and Natural Resources Department - Oil Conservation Division (NMOCD) seeking administrative approval, as afforded by Order No. R-11363, to downhole commingle production the Blanco-Mesaverde Gas Pool (72319) with the Basin-Dakota Gas Pool (71599) in the Sam Cooley 1 Well (API No. 30-045-09671) situated in Unit L, Section 9, Township 30 North, Range 11 West, NMMPM, San Juan County, New Mexico. Proposed perforations depths include: 4000'-4560' (Mesaverde); 6453'-6656' (Dakota). Commingling will not reduce the value of the production. Allocation method to be determined upon completion of this project. This notice is intended for certain unlocatable royalty interest owners in the aforementioned well for which certified mail delivery is not possible. Should you (the interest owner for which this notice is intended) have an objection, you are required to respond within twenty (20) days from the date of this publication. Please mail your objection letter, referencing the well details above, to the following address: Hilcorp Energy Company, Attn: San Juan Land, 1111 Travis, Houston, TX 77002

Legal No. 1280831 published in The Daily Times on March 23, 2019.

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**Order Taker**

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**Customer Fax**

**Customer EMail**

**Order Source**

**Payor Customer**

HILCORP ENERGY

**Payor Account**

175291

**Special Pricing**

None

**Tear Sheets**

0

**Proofs**

0

**Affidavits**

1

**Blind Box**

**Promo Type**

**Materials**

**Invoice Text**

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**Net Amount**

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**Production Method**

AdBooker

**Production Notes**

**External Ad Number**

**Ad Attributes**

**Ad Released**

No

**Pick Up**

**Product Information**

**Run Schedule Invoice Text**

**Placement/Classification**

**Sort Text**

**Run Dates**

**Billing Code**

**# Inserts**

**Cost**

FM Daily-Times::

Legal -

01 03

3/23/2019

Expiration of Print

1

\$47.09

Notice by Hilcorp Energy Company for Downhc NOTICEBYHILCORPENENERGYCOMPANYFOR

FM Online::

Legal -

01 03

3/23/2019

Expiration of Print

1

\$8.12

Notice by Hilcorp Energy Company for Downhc NOTICEBYHILCORPENENERGYCOMPANYFOR