

**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 NOS. 20432-20439**

**HILCORP'S CONSOLIDATED PRE-HEARING STATEMENT**

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby submits this Consolidated Pre-Hearing Statement for the above referenced eight cases scheduled for hearing before the Division Examiners on May 2, 2019.

**APPEARANCES**

**APPLICANT**

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**ATTORNEYS**

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**STATEMENT OF THE CASE**

The well density requirements in the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool currently state as follows:

**I. ACREAGE AND WELL LOCATION REQUIREMENTS**

**A. Standard GPU (Gas Proration Unit):** A standard GPU in the Blanco-

Mesaverde Pool shall be 320 acres (more or less) comprising any two contiguous quarter sections of a single section that is a legal subdivision of the U. S. Public Land Surveys.

**B. Well density:**

(1) Up to four (4) wells may be drilled on a standard GPU, as follows:

(a) the FIRST OPTIONAL INFILL WELL drilled on a GPU shall be located in the quarter section not containing the INITIAL Mesaverde well;

(b) the SECOND OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section not containing a Mesaverde well and within a quarter section not containing more than one (1) Mesaverde well;

(c) the THIRD OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section not containing a Mesaverde well and within a quarter section not containing more than one (1) Mesaverde well;

(d) at the discretion of the operator, the second or third optional infill well may be drilled prior to the drilling of the first optional infill well;

(e) no more than two wells shall be located within either quarter section in a GPU; and

(f) any deviation from the above-described well density requirements shall be authorized only after hearing.

In these seven consolidated cases, Hilcorp seeks approval under Rule I(B)(1)(f) for the Division to enter an order granting an exception to the well density requirements as follows:

- In **Case No. 20432**, Hilcorp requests that the Division enter an order granting an exception to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-5 Unit 45 Well** (API No. 30-039-20063) in Unit G of the N/2 of Section 36, Township 28 North, Range 5 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, with three wells in the same quarter section.
- In **Case No. 20433**, Hilcorp requests that the Division enter an order granting an exception to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-6 Unit 125 Well** (API No. 30-039-20060) in Unit H of the E/2 of



Section 21, Township 28 North, Range 6 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, with three wells in the same quarter section.

- In **Case No. 20434**, Hilcorp requests that the Division enter an order granting an exception to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-6 Unit 142 Well** (API No. 30-039-20146) with a surface location in Unit L within the W/2 of Section 21, Township 28 North, Range 6 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, with three wells in the same quarter section.
- In **Case No. 20435**, Hilcorp requests that the Division enter an order granting an exception to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-6 Unit 168E Well** (API No. 30-039-30043) in Unit L of the W/2 of Section 14, Township 27 North, Range 6 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, with three wells in the same quarter section.
- In **Case No 20436**, Hilcorp requests that the Division enter an order granting an exception to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-6 Unit 181 Well** (API No. 30-039-20668) in Unit H of the E/2 of E/2 of Section 14, Township 27 North, Range 6 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, with three wells in the same quarter section.
- In **Case No. 20437**, Hilcorp requests that the Division enter an order granting an exception to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-7 Unit 158 Well** (API No. 30-039-20381) in Unit B of the E/2 of Section 23, Township 28 North, Range 7 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, with three wells in the same quarter section.
- In **Case No. 20438**, Hilcorp requests that the Division enter an order granting an exception to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-7 Unit 225 Well** (API No. 30-039-20864) in Unit A of the E/2 of Section 34, Township 28 North, Range 7 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, with three wells in the same quarter section.
- In **Case No. 20439**, Hilcorp requests that the Division enter an order granting an exception to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-7 Unit 247E Well** (API No. 30-039-27015) in Unit J of the S/2 of Section 11, Township 28 North, Range 7 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, with three wells in the same quarter section.

## APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chuck Creekmore and/or Rob Carlson, and/or Brad Pearson, Landman	Approx. 15	Approx. 3 for each case
Michelle Sivadon or Tyler Teykl, Reservoir Engineer	Approx. 20	Approx. 6 for each case

## PROCEDURAL MATTERS

In the interest of administrative efficiency, Hilcorp requests that (a) these matters be consolidated for purposes of presenting evidence, and (b) the Examiners take administrative notice of the testimony and Division findings in the prior cases resulting in Division Orders R-14553 through R-14563. Also, in the interest of administrative efficiency, Hilcorp respectfully requests that, if no other parties enter an appearance, it be permitted to present these consolidated cases by affidavit.

Respectfully submitted,

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