

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

**APPLICATION OF HILCORP ENERGY
COMPANY FOR DOWNHOLE
COMMINGLING IN ITS
SAN JUAN 30-6 UNIT #8A WELL,
RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 24420

HILCORP'S PREHEARING STATEMENT

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Hilcorp Energy Company
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ATTORNEYS

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STATEMENT OF THE CASE

Hilcorp seeks an order authorizing it to downhole commingle production from the Basin Fruitland Coal Gas Pool (Pool Code 71629) with the Blanco-Mesaverde Gas Pool (Pool Code 72319) within the wellbore of its San Juan 30-6 Unit #8A Well (API 30-039-21701).

Hilcorp is the operator of the **San Juan 30-6 Unit #8A Well** (API 30-039-21701), which is located 640 feet from the north line and 800 feet from the west line (Unit C) in irregular Section 31, Township 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. The well is currently dedicated to non-standard 211.32-acre, more or less, spacing unit within the Blanco-Mesaverde Pool comprised of the W/2 of said irregular Section 31.

Hilcorp proposes to re-complete the well within the Fruitland formation and simultaneously dedicate it to a non-standard 211.32-acre, more or less, spacing unit in the Basin-Fruitland Coal Gas Pool (Pool Code 71629) comprised of the W/2 of said irregular Section 31. The ownership of the mineral estate is not identical between the existing spacing unit within the Blanco-Mesaverde Pool and the proposed Basin-Fruitland Coal Gas spacing unit. All interest owners were notified by certified mail, return-receipt requested. Following notification, two interest owners protested.

In accordance with Division regulation 19.15.12.11 NMAC, Hilcorp will establish the criteria necessary for approval. Hilcorp proposes gas production from the commingled pools be allocated using a subtraction method described in the application. Oil production will be allocated based on average formation yields derived from offset wells and will be set at a fixed rate for four years, as described in the application.

Approval is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Robert Carlson, Landman	Self-Affirmed Statement	Approx. 3
Shane Smith, Petroleum Engineer	Self-Affirmed Statement	Approx. 3

PROCEDURAL MATTERS

If the parties who objected to the administrative application do not appear at the hearing in this proceeding, Hilcorp intends dismiss the application for hearing and request the Division review and approve the underlying administrative application.

Respectfully submitted,

HOLLAND & HART LLP



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State of New Mexico
Energy, Minerals and Natural Resources
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QUESTIONS

Action 342325

QUESTIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 342325
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.