Signature

REVIEWER:

LRL

PE: N5

APP NO: 1804637696

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau – 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPL	ICATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE REGULATIONS WHICH REQUIRE PROCESSING	
KEOSE/ (IIO) IO THIOTHE GOILE I NO SECONO	
Applicant: Hilcorp Energy Company	OGRID Number: <u>372171</u>
Vell Name: Blanco Wash Federal 2	API: <u>30-045-07090</u>
ool: Blanco Mesaverde	Pool Code: <u>72319</u>
SUBMIT ACCURATE AND COMPLETE INFORMATION I	DECILIBED TO BROCESS THE TYPE OF ARRIVATION
INDICATED	RELOW
TYPE OF APPLICATION: Check those which apply A. Location – Spacing Unit – Simultaneous Dedi	for[A] NSL-352-A
B. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC DTB PLC PC [11] Injection – Disposal – Pressure Increase – WFX PMX SWD IPI 2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders	EOR PPR FOR OCD ONLY
B. Royalty, overriding royalty owners, revenued. C. Application requires published notice D. Notification and/or concurrent approval E. Notification and/or concurrent approval F. Surface owner G. For all of the above, proof of notification H. No notice required	by SLO by BLM Content Complete
3) CERTIFICATION: I hereby certify that the information administrative approval is accurate and complet understand that no action will be taken on this approval in the Division.	e to the best of my knowledge. I also
Note: Statement must be completed by an individ	ual with managerial and/or supervisory capacity.
Kandis Roland	2/9/18 Date
Print or Type Name	505-324-5149
	Phone Number
Vandin Koland	kroland@hilcorp.com

e-mail Address

Hilcorp Energy Company

PO Box 4700 Farmington, NM 87499

> February 9, 2018 Sent Overnight UPS

New Mexico Oil Conservation Division - NSL Examiner 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re:

Blanco Wash Federal 2 – NSL application for Mesaverde Pool Unit A (NE/NE), 400' FNL & 860' FEL, Sec. 34, T28N, R9W API – 30-045-07090

Dear Sir:

Hilcorp Energy Company is requesting administrative approval for a non-standard gas well location in the Blanco Mesaverde Pool.

The Blanco Wash Federal 2 was originally drilled as a Dakota in 1965. We are currently proposing to recomplete this well adding the Mesaverd formation. This well will then be a MV/DK commingled well.

The Dakota and Mesaverde pools at this location is considered NSL since the location is less than 660' from the boundary liner per Rule 104. Dakota was and was approved for non-standard location on 5/13/1965, administrative order NSL-352.

Production from the Basin Dakota and Blanco Mesaverde are included in the 320.00 acre gas spacing unit N/2 Section 34, T28N, R9W.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following to help with your decision process:

- 1. 9 Section Plat showing wells in the area
- 2. Offset Operator plat for Section 34 T28N, R9W
- 3. Topo and aerial maps showing the location of the well

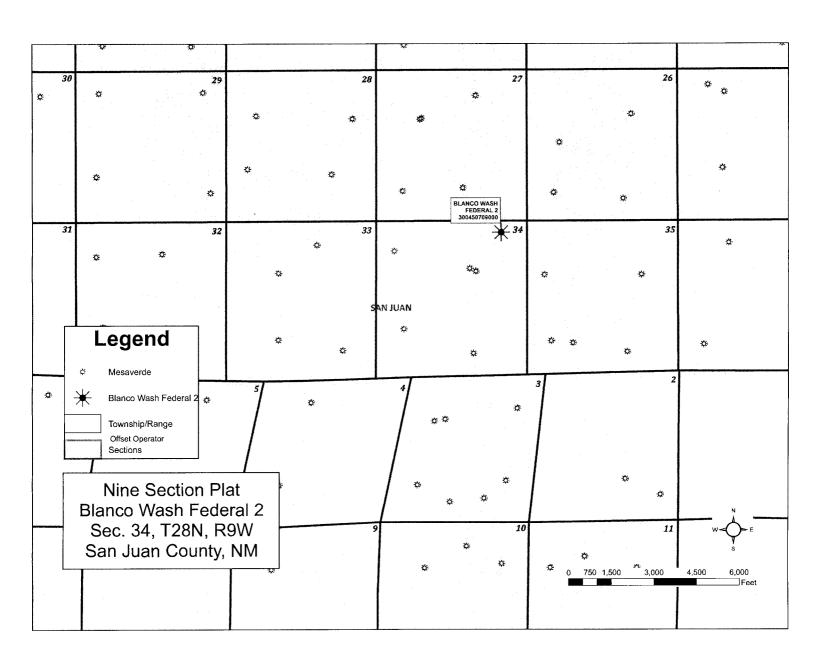
A notice of intent to recomplete into the Mesaverde pool has been filed with the Aztec OCD and BLM district offices.

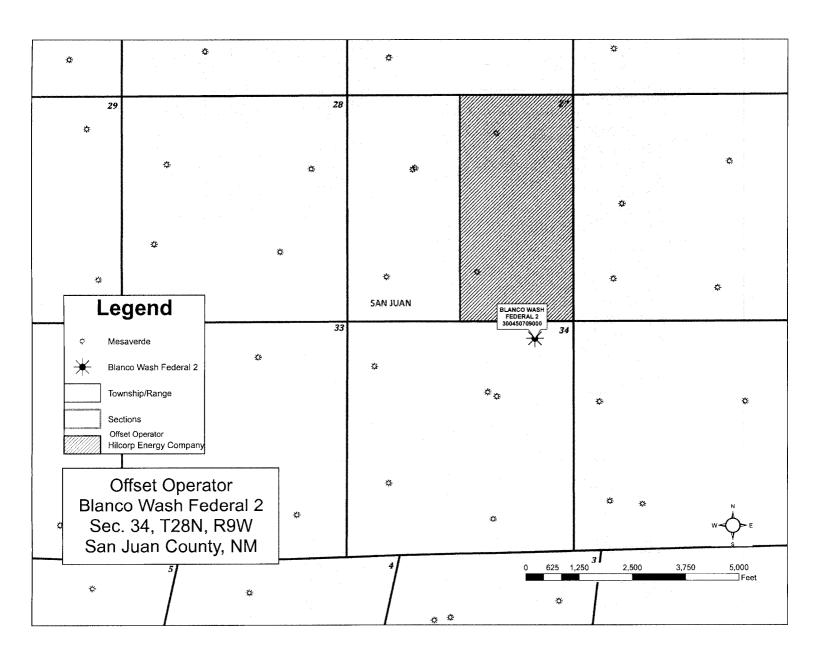
Hilcorp Energy Company is the offset operator of Section 27 and has 100% working interest therefore no notice to the Working Interest Owners was sent. Please let me know if you have any questions about this application by calling me at 505-324-5149.

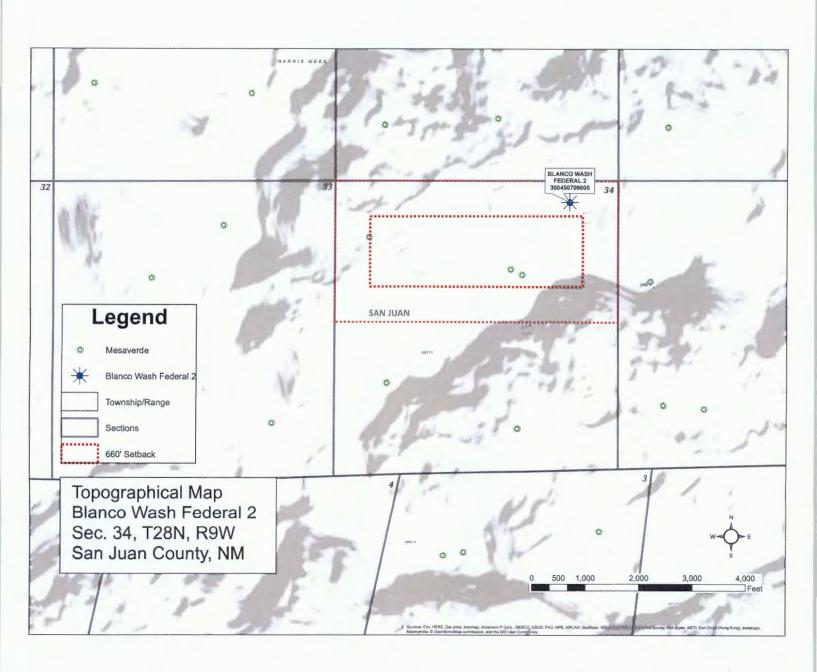
Respectfully,

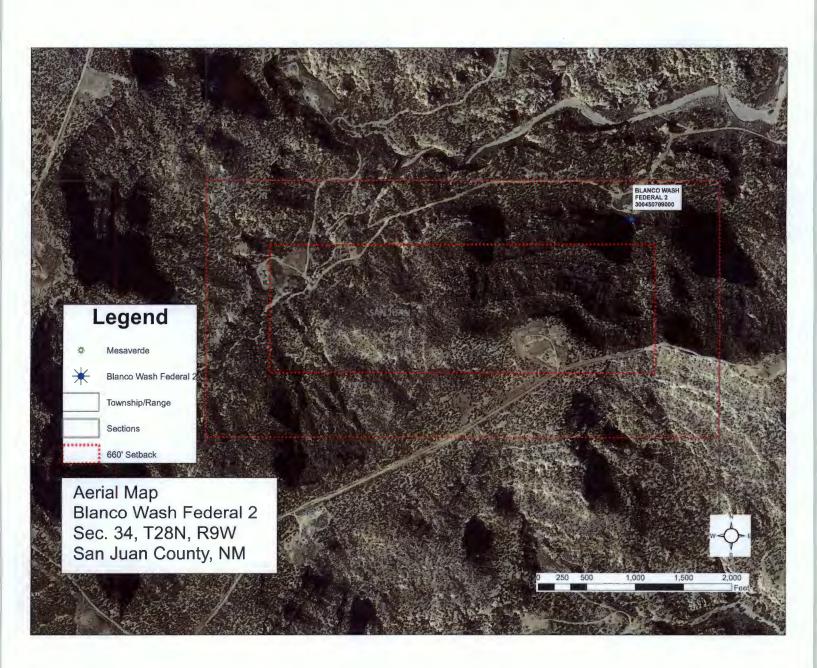
Kandis Roland

Operations/Regulatory Tech kroland@hilcorp.com









TO: New Mexico Oil Conservation Division

NSL Examiner

1220 South St. Francis Drive Santa Fe, New Mexico 87505

FROM: Hilcorp Energy Company

PO Box 4700

Farmington, NM 87499

Kandis Roland 505-324-5149 From: Lowe, Leonard, EMNRD

To: "kroland@hilcorp.com"

Cc: Perrin, Charlie, EMNRD; Vermersch, Amy H, EMNRD; Pickford, Katherine, EMNRD; Goetze, Phillip, EMNRD; Jones,

William V, EMNRD; McMillan, Michael, EMNRD; "lisa@rwbyram.com"; "jglover@blm.gov"; "dmankiew@blm.gov"

Subject: APPROVED NSL-352-A_Hilcorp Energy Company_Blanco Wash Federal Well No. 2_H_SEC 34 25S 35E

Date: Wednesday, February 28, 2018 4:00:00 PM

Attachments: NSL-352-A ORDER.pdf

Importance: High

Ms. Kandis Roland,

The following Administrative Order has been issued:

ORDER: NSL-352-A

OPERATOR: Hilcorp Energy Company

WELL: Blanco Wash Federal Well No. 2

API NO: **30-045-07090**

The Order will soon be available on the Division's web site: http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

Thank you!

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances

Santa Fe, New Mexico 87004 Office: 505-476-3492

Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/