

NSL-_____

Revised March 23, 2017

RECEIVED: 08/21/18	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1823543656
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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 APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Hilcorp Energy Company OGRID Number: 372171
Well Name: Bruington Gas Com C 1R API: 30-045-33532
Pool: Blanco Mesaverde Pool Code: 72319

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
A. Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
B. Check one only for [I] or [II]
[I] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
B. ☐ Royalty, overriding royalty owners, revenue owners
C. ☐ Application requires published notice
D. ☐ Notification and/or concurrent approval by SLO
E. ☐ Notification and/or concurrent approval by BLM
F. ☐ Surface owner
G. ☐ For all of the above, proof of notification or publication is attached, and/or,
H. ☒ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Rob Carlson

Print or Type Name

08/16/2018

Date

832-839-4596

Phone Number

Signature

rcarlson@hilcorp.com

e-mail Address



August 16, 2018
Sent Overnight UPS

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Mr. Leonard Lowe

Re: Unorthodox Well Location for Blanco-Mesaverde
Bruington Gas Com C 1R (API: 30-045-33532)
SHL/BHL: Unit D (NW/NW), 770' FNL & 495' FWL,
Proration Unit: W/2 (318.47) Section 21, T30N, R11W, San Juan County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.4.12.A.2 and 19.15.15.13, Hilcorp Energy Company ("Hilcorp") requests administrative approval of an unorthodox gas well location for the Bruington Gas Com C 1R (the "Well") as to the Blanco-Mesaverde Gas Pool (72319). The Well was originally drilled to the Basin-Dakota (71599) in 2006. Hilcorp intends to recomple the Well to Mesaverde and subsequently downhole commingle the two formations.

Mesaverde production in the subject Well will be dedicated to a 318.47 acre gas spacing and proration unit comprised of the W/2 Section 21, T30N, R11W.

The Blanco-Mesaverde Gas Pool is currently governed by Division Rule 19.19.15.10 which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit, nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary, or in the case of a horizontal well, no closer than 660 feet to the outer boundary of the producing area.

As evidenced by administrative order NSL-5354 approved 3/21/2006 related to the existing Basin-Dakota completion, the subject Well's location is considered unorthodox since the location is less than 660' from the outer boundary of the producing area; therefore, by default in terms of recompleting this wellbore, the subject Blanco-Mesaverde recomple is also considered unorthodox.

This unorthodox location, as to the Blanco-Mesaverde, is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance.

The spacing unit encroached upon by this unorthodox location comprises the N/2 Section 20, T30N, R11W. Hilcorp is the operator and 100% working interest owner within this spacing unit; therefore, no notice is required.

A notice of intent to recomple into the Blanco Mesaverde pool will be filed with the Aztec OCD district office. Attached are C-102's for both formations and a plat identifying the subject proration unit/wells and proration unit/wells encroached upon. For questions, please contact me at the email/number below.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rob Carlson', is written over a horizontal line.

Rob Carlson
Landman

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Erazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33532	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 22597	5. Property Name BRUINGTON GAS COM C	6. Well No. 001R
7. OGRID No. 167067	8. Operator Name XTO ENERGY, INC.	9. Elevation 5722

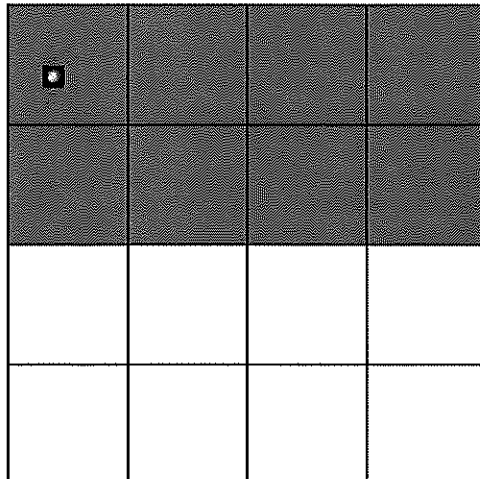
10. Surface Location

UL - Lot D	Section 21	Township 30N	Range 11W	Lot Idn	Feet From 770	N/S Line N	Feet From 495	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Holly Perkins

Title: Administrator

Date: 1/16/2006

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: John Vukonich

Date of Survey: 12/1/2005

Certificate Number: 14831

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011

Permit 254743

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33532	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 319138	5. Property Name BRUINGTON GAS COM C	6. Well No. 001R
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5722

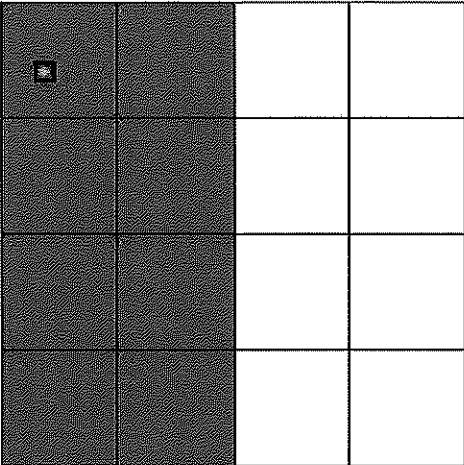
10. Surface Location

UL - Lot D	Section 21	Township 30N	Range 11W	Lot Idn	Feet From 770	N/S Line N	Feet From 495	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 318.47	13. Joint or Infill			14. Consolidation Code			15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>Priscilla Shorty</i> Title: Operations Regulatory Technician - Sr. Date: 07/16/2018</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: John Vukonich Date of Survey: 12/1/2005 Certificate Number: 14831</p>
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17

16

Pepsi Way

BRUINGTON GAS COM C1R

3004533532



S Main Ave

5700

Highway 544

Sunny Dr

5800 ft

550

Falcon Blf

Road 3119

21

20

ON 11W

SAN JUAN

Bison Trl

Aztec

Kelly Way

5900 ft

Topographical Map Legend



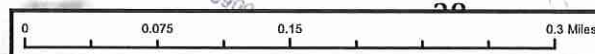
Bruington Gas Com C1R



Mesaverde Proration Unit



660' Setback



BRUINGTON GAS COM C1R

3004533532

**Aerial Map
Legend**



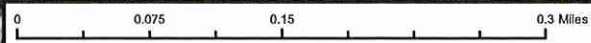
Bruington Gas Com C 1R



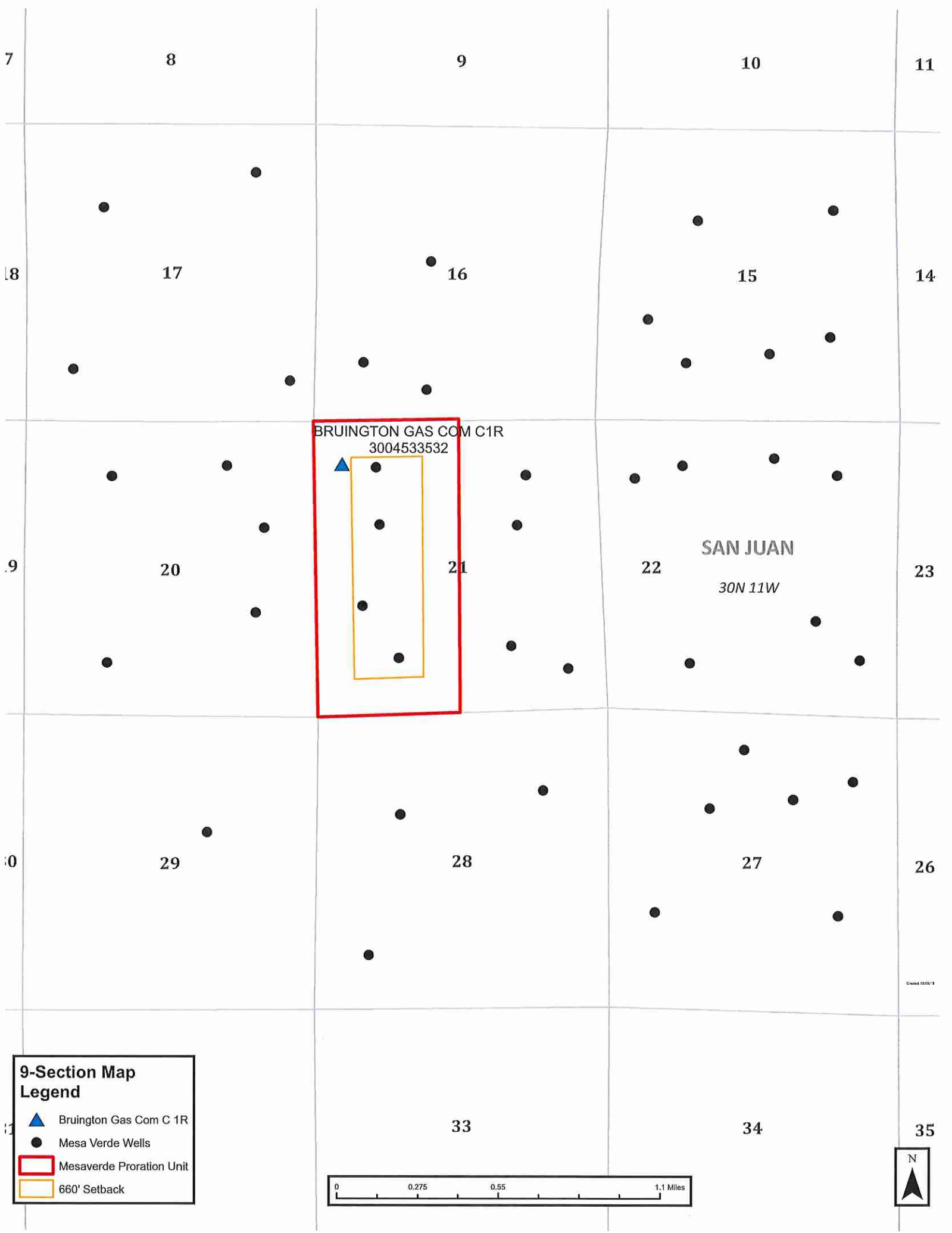
Mesaverde Proration Unit







660' Setback

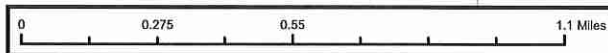


Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS,
USDA, USGS, AeroGRID, IGN, and the GIS User Community



**9-Section Map
Legend**

-  Bruington Gas Com C 1R
-  Mesa Verde Wells
-  Mesaverde Proration Unit
-  660' Setback



18

17

16

19

ON 11W

20


SAN JUAN


21


29


28


Legend

 Brington Gas Com C 1R

 Mesaverde Proration Unit

 660' Setback

 Affected Offsets

 Mesaverde Wells

BRUINGTON GAS COM C1R

3004533532



CARLE

3004509400

CARLE

3004509395

CARLE

3004530369

FIFIELD

3004526625

FRAME

3004534815

FIFIELD

3004529438





TO: New Mexico Oil Conservation Division
ATTN: Leonard Lowe
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FROM: Hilcorp Energy Company
382 Road 3100
Aztec NM 87410
Priscilla Shorty
505-324-5188

From: Priscilla Shorty
To: [Lowe, Leonard, EMNRD](#)
Cc: [Rob Carlson](#); [Dani Papetti](#); [Mandi Walker](#)
Subject: BRUINGTON GAS COM C 1R NSL Packet
Date: Tuesday, August 21, 2018 8:24:26 AM
Attachments: [Bruington Gas Com C 1R NSL Packet 08.20.18.pdf](#)
Importance: High

Mr. Lowe,

Please see attached NSL packet for the Bruington Gas Com C 1R. The hard copy has been overnighted to you. Please let us know if you have any questions.

Priscilla A. Shorty

San Juan North Regulatory Technician

Hilcorp Energy Company

505-324-5188

pshorty@hilcorp.com

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, August 31, 2018 12:33 PM
To: 'rcarlson@hilcorp.com'
Cc: Perrin, Charlie, EMNRD; Vermersch, Amy H, EMNRD; Pickford, Katherine, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'dmankiew@blm.gov'
Subject: NSL-7755_Hilcorp Energy Company_Bruington Gas Com Well No. 1R_SEC 21 30N 11W

Mister Rob Carlson,

The following Administrative Order has been issued.

NSL-7755

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/>