

RECEIVED: 10/12/18	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1828558572
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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

<b>Applicant:</b> <u>HILCORP ENERGY COMPANY</u>	<b>OGRID Number:</b> <u>372171</u>
<b>Well Name:</b> <u>GARCIA GAS COM B1E</u>	<b>API:</b> <u>30-045-24649</u>
<b>Pool:</b> <u>BLANCO MESAVERDE</u>	<b>Pool Code:</b> <u>72319</u>

### 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.**

Bradley W. Pearson - Landman

Print or Type Name

Bradley W. Pearson

Signature

10/12/18

Date

713-289-2793

Phone Number

bpearson@hilcorp.com

e-mail Address



October 12, 2018  
Sent via FedEx

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

RE: Unorthodox Well Location Application for Blanco-Mesaverde Pool  
Garcia Gas Com B 1E (API: 30-045-24649)  
SHL/BHL: Unit M (SW/SW), 790' FSL & 590' FWL  
Proration Unit: S/2 Section 21, T29N, R10W, 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 Garcia Gas Com B 1E (the "Well") as to the Blanco-Mesaverde Gas Pool (72319). The Well was originally drilled to the Basin-Dakota (71599) in 1981. Hilcorp intends to recomplete the Well to the Mesaverde and subsequently downhole commingle the two formations.

Mesaverde production in the subject Well will be dedicated to a 320 acre standard gas spacing and proration unit comprised of the S/2 Section 21, T29N, R10W.

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-1275 approved 10/30/1980 related to the existing Basin-Dakota completion, the subject Well's location is considered unorthodox since the location is less than 660 feet from the outer boundary of the spacing unit; therefore, by default in terms of recompleting this wellbore, the subject Blanco-Mesaverde recompletion is 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 up by this unorthodox location comprises the S/2 Section 20, T29N, R10W. Hilcorp is the operator and 100% working interest owner within this spacing unit; therefore, no notice is required.

A notice of intent to recomplete 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 cursive script that reads 'Bradley W. Pearson'.

Brad Pearson  
Landman

## OIL CONSERVATION DIVISION

P. O. BOX 2088

Form C-102  
Revised 10-1-78

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87501

All distances must be from the outer boundaries of the Section.

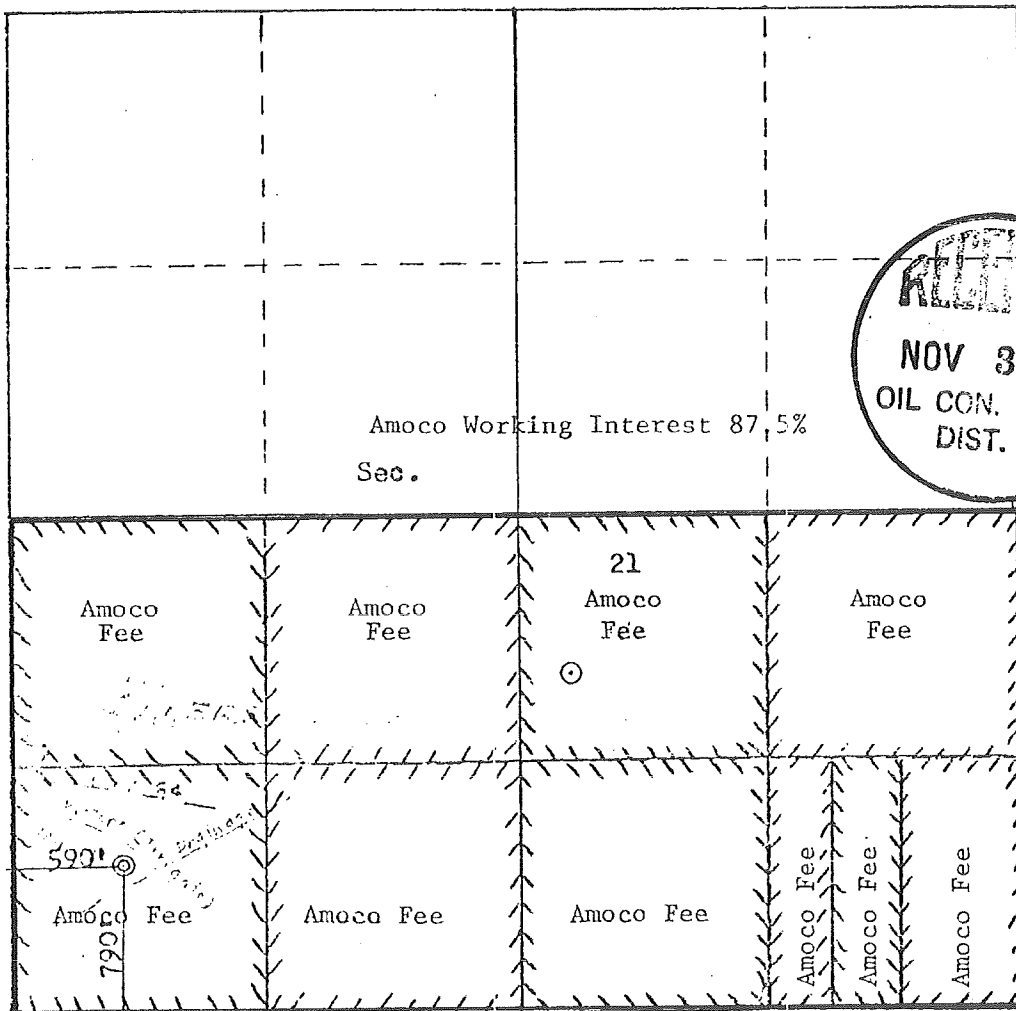
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>GARCIA GAS COM "B"</b>		Well No. <b>1E</b>
Unit Letter <b>M</b>	Section <b>21</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>790</b> feet from the <b>South</b> line and <b>590</b> feet from the <b>West</b> line					
Ground Level Elev: <b>5471</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin Dakota</b>		Dedicated Acreage: <b>320</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



## CERTIFICATION

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

*W. L. Peterson*  
Name  
**W. L. PETERSON**  
Position  
**DISTRICT ENGINEER**  
Company  
**AMOCO PRODUCTION COMPANY**  
Date  
**SEPTEMBER 15, 1980**

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 knowledge and belief.

Date Surveyed  
**September 12, 1980**  
Registered Professional Engineer and Land Surveyor  
*Fred B. Kerr Jr.*  
**Fred B. Kerr Jr.**  
Certificate No. **1000**

**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 257019

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-24649	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321673	5. Property Name GARCIA GAS COM B	6. Well No. 001E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5471

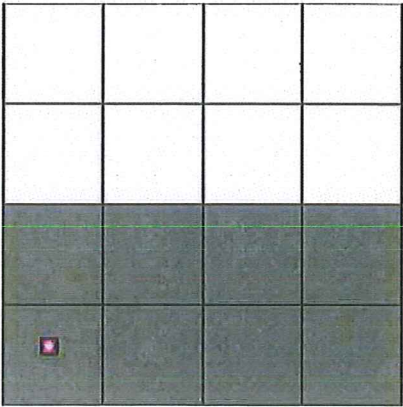
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	21	29N	10W		790	S	590	W	SAN JUAN

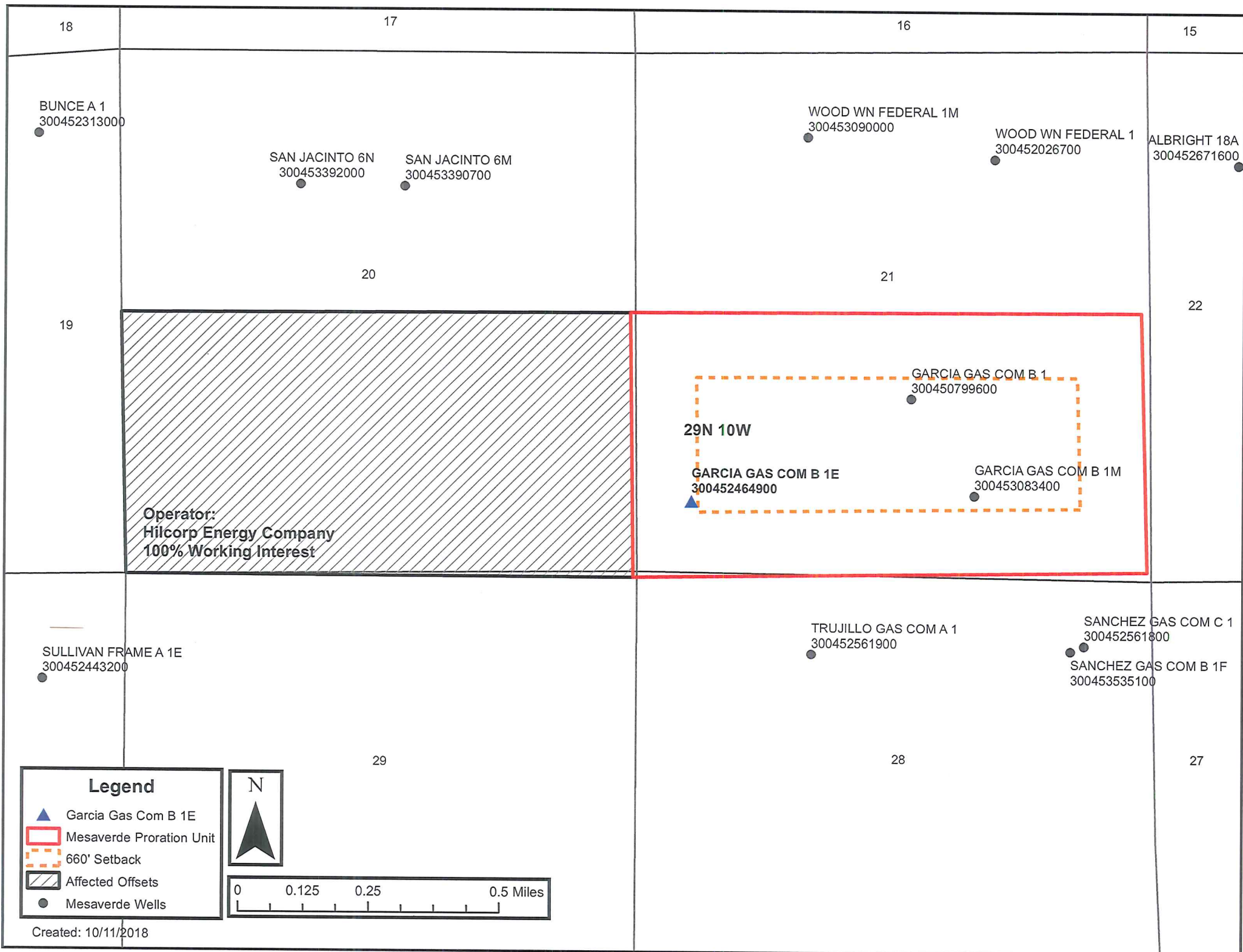
**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00 - S/2			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;"><b>OPERATOR CERTIFICATION</b></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>Cherylene Weston</i>          Title: Cherylene Weston, Operations/Regulatory Tech-Sr.          Date: 09-06-2018</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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: FRED B KERR, JR.          Date of Survey: 9/15/1980          Certificate Number: 3950</p>
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## **Lowe, Leonard, EMNRD**

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**From:** Brenda Guzman <bguzman@hilcorp.com>  
**Sent:** Friday, October 12, 2018 10:32 AM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Brad Pearson  
**Subject:** [EXT] Garcia Gas Com 1E (API: 30-045-24649) NSL Application  
**Attachments:** Garcia Gas Com B 1E NSL App Packet.pdf

Good morning Mr. Lowe,

Attached is a NSL application for the subject well. Hilcorp is the offset operator and has 100% WI so notice is not required. Please contact Brad Pearson, cc'd in this email, if you have any questions or concerns. I will send the hard copy via FedEx to your attention.

Regards,

**Brenda Guzman**  
**Land Tech – San Juan South**  
**Hilcorp Energy Company**  
1111 Travis  
Houston, Texas 77002  
Main: (713) 209-2400  
Direct: (832) 839-4574  
Email: [bguzman@hilcorp.com](mailto:bguzman@hilcorp.com)

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*Hilcorp Energy Company's address is 1111 Travis St, Houston, TX 77002*

## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Monday, November 5, 2018 3:18 PM  
**To:** 'bpearson@hilcorp.com'  
**Cc:** Perrin, Charlie, EMNRD; Pickford, Katherine, EMNRD; Vermersch, Amy H, EMNRD; 'lisa@rwbyram.com'; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD  
**Subject:** APPROVED NSL-1275-A\_Hilcorp Energy Co.\_Garcia Gas Com B Well No. 001E\_SEC 21 29N 10W  
**Importance:** High

Mr. Bradley W. Pearson

The following administrative order has been issued and will soon be available on the Division's web site:  
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

### **NSL-1275-A**

Hilcorp Energy Company

API #: 30-045-24649

WELL: Garcia Gas Com B Well No. 001E

### **Leonard Lowe**

Engineering Bureau

**O**il Conservation **D**ivision

**E**nergy **M**inerals and **N**atural **R**esources **D**epartment

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](mailto:leonard.lowe@state.nm.us)

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