

RECEIVED: <b>01/28/19</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL1902836864</b>
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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:** HUERFANITO UNIT 85M **API:** 30-045-35287  
**Pool:** BLANCO P.C. SOUTH **Pool Code:** 72439

**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

1/25/2019

Date

713-289-2793

Phone Number

bpearson@hilcorp.com

e-mail Address



January 25, 2019  
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 Pictured Cliffs  
Huerfanito Unit 85M (API: 30-045-35287)  
SHL/BHL: Unit C (NE/NW), 710' FNL & 1385' FWL  
Proration Unit: NW/160 Section 26, T27N, R9W, 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 Huerfanito Unit 85M (the "Well") as to the Blanco P.C. South (72439). The Well was originally drilled to the Basin Dakota (71599), Blanco Mesaverde (72319) and Basin Mancos (97232) in 2012. Hilcorp intends to recomple the Well to the Blanco P.C. South and subsequently downhole commingle the four formations.

Blanco P.C. South production in the subject Well will be dedicated to a 160 acre standard gas spacing and proration unit comprised of the NW/4 Section 26, T27N, R9W.

The Blanco P.C. South Gas Pool is currently governed by Special Pool Order No. R-565-C which provides for 160 acre gas spacing and proration units with wells to be located no closer than 790 feet to the outer boundary of the spacing unit.

The Well's location is less than 790 feet from the outer boundary of the spacing unit; therefore, by default in terms of recompleting this wellbore, the subject Blanco P.C. South recompletion is considered unorthodox.

This unorthodox location, as to the Blanco P.C. South, 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 SW/4 Section 23, T27N, R9W. Hilcorp is the operator and 100% working interest owner of the adjoining spacing unit; therefore, no notice is required.

A notice of intent to recomplete into the Blanco P.C. South pool will be filed with the Aztec OCD district office. Attached are C-102's for all four 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 that reads 'Bradley W. Pearson'.

Brad Pearson  
Landman

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1301 West Grand Avenue, Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

Form C-102 Revised  
July 16, 2010  
Submitted one copy to appropriate  
District Office

Farmington Field Office  
Bureau of Land Management

☒ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-35287	<sup>2</sup> Pool Code 71599/72319/97232	<sup>3</sup> Pool Name BASIN DAKOTA / BLANCO MESAVERDE/MANCOS	<sup>4</sup> BASIN MANCOS
<sup>5</sup> Property Code 7138	<sup>6</sup> Property Name HUERFANITO UNIT	<sup>7</sup> Well Number 85M	
<sup>8</sup> GRID No. 14538	<sup>9</sup> Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	<sup>10</sup> Elevation 6318'	

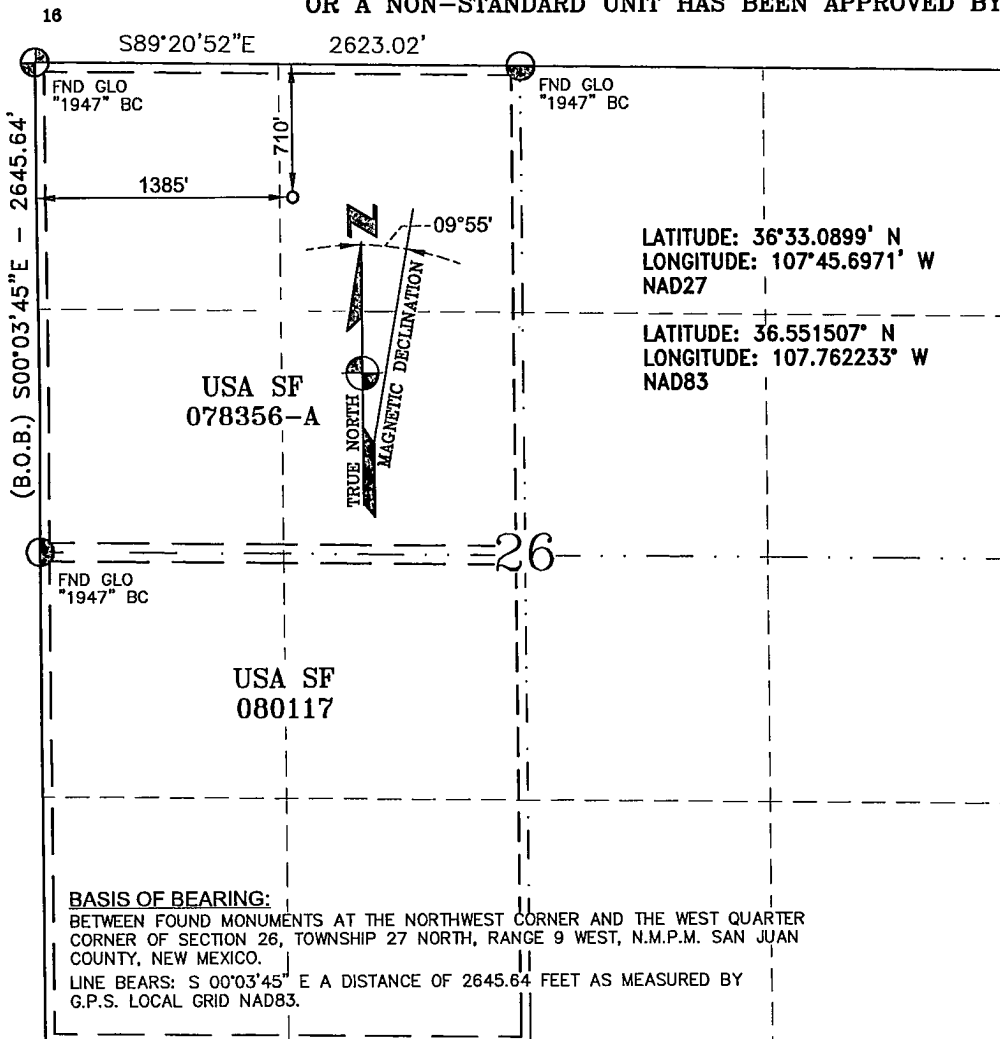
### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	26	27-N	9-W		710	NORTH	1385	WEST	SAN JUAN

### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres DK 320.00 ACRES W/2 MV 320.00 ACRES W/2			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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



### 17 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 or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Arleen Kellywood* 10/7/11  
Signature Date

Arleen Kellywood  
Printed Name

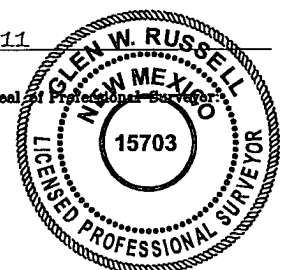
arleen.r.kellywood@conocophillips.com  
E-mail Address

### 18 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.

FEB. 9, 2011  
Date of Survey

Signature and Seal of Professional Surveyor



GLEN W. RUSSELL  
Certificate Number

15703

PC

**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 262463

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-35287	2. Pool Code 72439	3. Pool Name BLANCO P. C. SOUTH (PRORATED GAS)
4. Property Code 318576	5. Property Name HUERFANITO UNIT	6. Well No. 085M
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6318

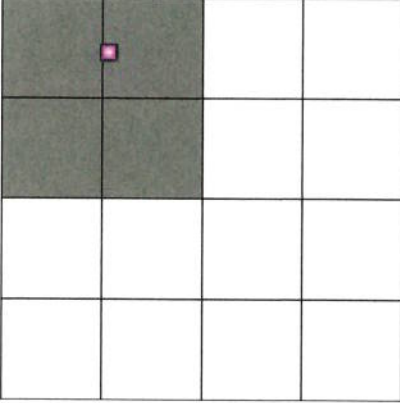
**10. Surface Location**

UL - Lot C	Section 26	Township 27N	Range 09W	Lot Idn	Feet From 710	N/S Line N	Feet From 1385	E/W Line W	County SAN JUAN
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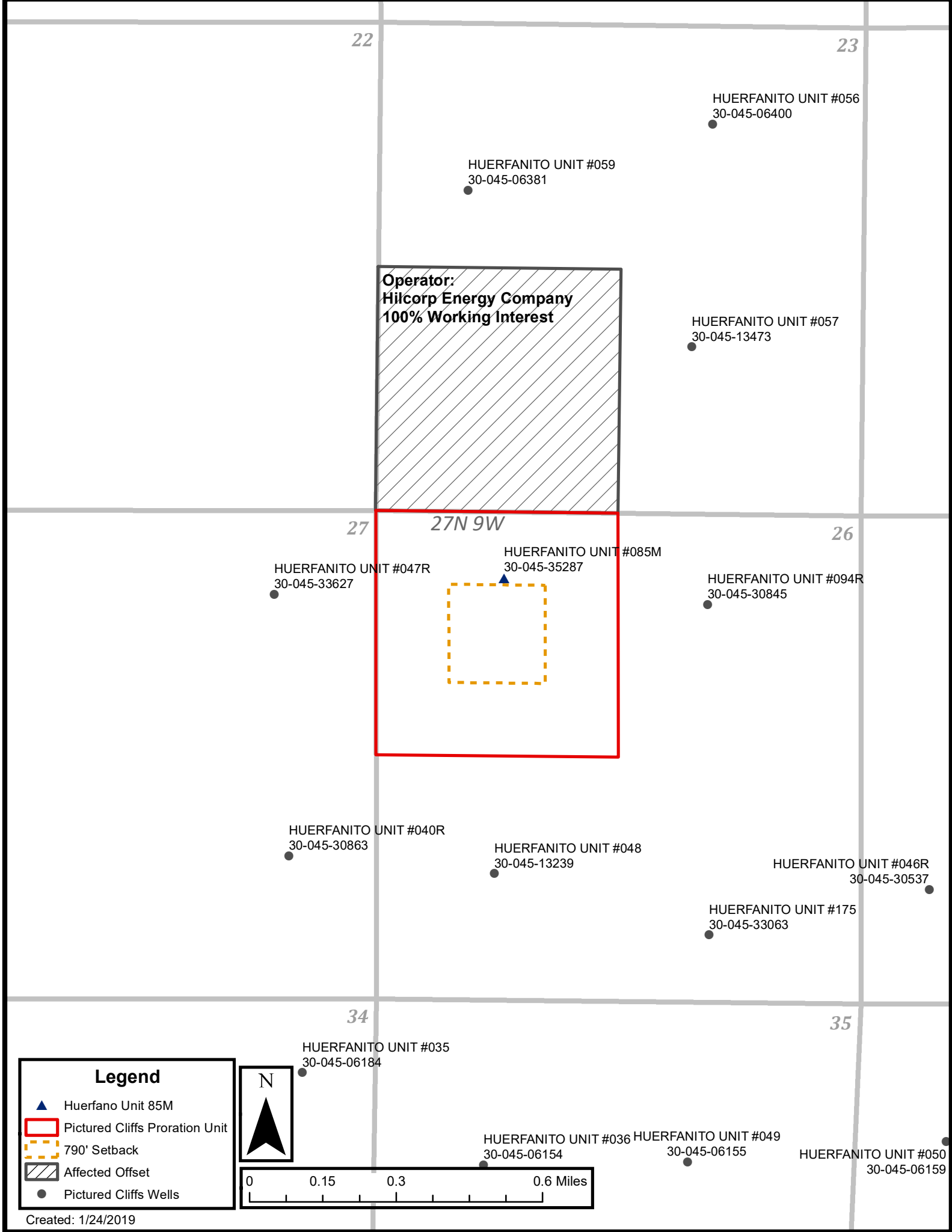
**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00 NW/4	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**

	Operation/Regulatory Tech Sr. 1/17/2019	<div style="text-align: center;"><b>OPERATOR CERTIFICATION</b></div> <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>Christine Brock</i>          Title: Operation/Regulatory Tech Sr.          Date: 1/17/2019</p> <hr/> <div style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></div> <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: Glen W. Russell          Date of Survey: 6/9/2010          Certificate Number: 15703</p>
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NW/4



22

23

HUERFANITO UNIT #056  
30-045-06400

HUERFANITO UNIT #059  
30-045-06381

Operator:  
Hilcorp Energy Company  
100% Working Interest

HUERFANITO UNIT #057  
30-045-13473

27

27N 9W

26

HUERFANITO UNIT #047R  
30-045-33627

HUERFANITO UNIT #085M  
30-045-35287

HUERFANITO UNIT #094R  
30-045-30845

HUERFANITO UNIT #040R  
30-045-30863

HUERFANITO UNIT #048  
30-045-13239

HUERFANITO UNIT #046R  
30-045-30537

HUERFANITO UNIT #175  
30-045-33063

34

35

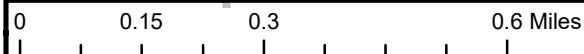
HUERFANITO UNIT #035  
30-045-06184

HUERFANITO UNIT #036 HUERFANITO UNIT #049  
30-045-06154 30-045-06155

HUERFANITO UNIT #050  
30-045-06159

### Legend

- Huerfano Unit 85M
- Pictured Cliffs Proration Unit
- 790' Setback
- Affected Offset
- Pictured Cliffs Wells



## **Lowe, Leonard, EMNRD**

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**From:** Brenda Guzman <bguzman@hilcorp.com>  
**Sent:** Monday, January 28, 2019 9:54 AM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Brad Pearson  
**Subject:** [EXT] Huerfanito Unit 85M (API: 30-045-35287) NSL Application  
**Attachments:** Huerfanito Unit 85M PC NSL Application.pdf

Good Morning Mr. Lowe,

Attached please find Hilcorp's Non-Standard Location Application for the Huerfanito Unit 85M (API: 30-045-35287) as to the Blanco P.C. South. Hilcorp is the offset operator and has 100% WI, therefore notice is not required. Please contact Brad Pearson, cc'd in this email, if you have any questions or concerns. A hard copy of this application will be sent 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)

## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Friday, February 1, 2019 10:20 AM  
**To:** 'bpearson@hilcorp.com'  
**Cc:** Powell, Brandon, EMNRD (Brandon.Powell@state.nm.us); Vermersch, Amy H, EMNRD; 'lisa@rwbyram.com'; Jones, William V, EMNRD; Dawson, Scott, EMNRD; Murphy, Kathleen A, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; 'jglover@blm.gov'  
**Subject:** APPROVED NSL-7825\_Hilcorp Energy Company\_Huerfanito Unit Well No. 85M\_SEC 26 27N 09W  
**Importance:** High

Mr. Bradley 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-7825**

Hilcorp Energy Company

API #: 30-045-35287

WELL: Huerfanito Unit Well No. 85M

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

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