

RECEIVED: 4/05/2014	REVIEWER: NAM	TYPE: DHC	APP NO: PMTM14036 46353
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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: Hodges 12E	API: 30-045-35229
Pool: Ballard Pictured Cliffs	Pool Code: 71439

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.

Christine Brock

Print or Type Name

Christine Brock
 Signature

Date

2/5/19

505-324-5155

Phone Number

cbrock@hilcorp.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☐ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 ROAD 3100, Aztec NM 87410
Operator Address
Hodges 12E UL M (SWSW) – Sec. 34, T26N, R08W San Juan
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 372171 Property Code 318796 API No. 30-045-35229 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BALLARD PICUTRED CLIFFS (GAS)	Basin Mancos (GAS)	BASIN DAKOTA (PRORATED GAS)
Pool Code	71439	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2352' – 2467' - Estimated	5920' – 6265'	6846' - 7024'
Method of Production (Flowing or Artificial Lift)	NEW ZONE	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	627 psi	524 psi	838 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1154	BTU 1252	BTU 1252
Producing, Shut-In or New Zone	NEW ZONE	PRODUCING	PRODUCING
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: 11/30/2018 Rates: 615 MCF – GAS 22 BBL – Oil 10 BBL - Water	Date: 11/30/2018 Rates: 964 MCF – GAS 33 BBL – Oil 10 BBL - Water
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐
NMOCD Reference Case No. applicable to this well: _____

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE Christine Brock TITLE Operation/Regulatory Tech DATE 2/5/19

TYPE OR PRINT NAME Christine Brock TELEPHONE NO. (505) 324-5155

E-MAIL ADDRESS cbrock@hilcorp.com

RECEIVED

JAN 10 2011

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

State of New Mexico
Energy, Minerals & Natural Resources-Department Field Office
Bureau of Land Management

Form C-102
Revised October 12, 2005

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

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-35229		*Pool Code 71599	*Pool Name BASIN DAKOTA
*Property Code 31768	*Property Name HODGES		*Well Number 12E
*OGRD No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6686'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	26N	8W		203'	SOUTH	91'	WEST	SAN JUAN

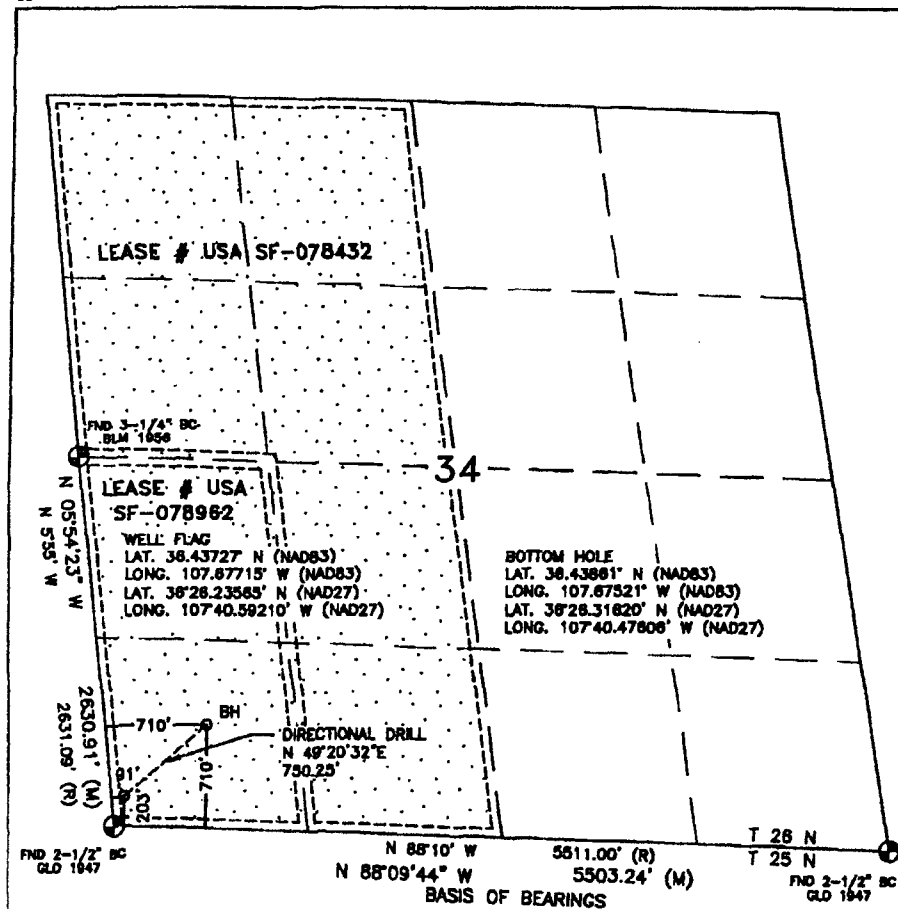
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	26N	8W		710'	SOUTH	710'	WEST	SAN JUAN

*Dedicated Acres 320.00 ACRES - W/2	*Joint or Infill	*Consolidation Code	*Order No.
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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

16



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 undivided 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 or a compulsory pooling order heretofore entered by the division.

Dollie L. Busse 4/19/10
Signature Date

Dollie L. Busse

Printed Name

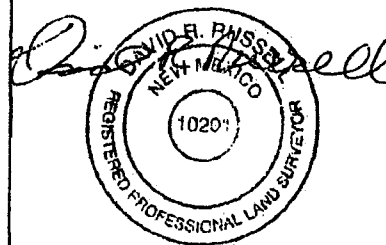
¹⁸ SURVEYOR CERTIFICATION

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.

MARCH 18, 2010

Date of Survey

Signature and Seal of Professional Surveyor:



DAVID RUSSELL

Certificate Number

10201

RCVD JUN 29 '12

OIL CONS. DIV.

DIST. 3

Form C-102

Revised October 12, 2005

DISTRICT I

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

1301 W. Grand Avenue, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

☐ AMENDED REPORT

DISTRICT III

1000 Rio Brancos Rd., Artesia, N.M. 87410

DISTRICT IV

1820 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35229		² Pool Code 97232 / 71599		³ Pool Name BASIN MANCOS / BASIN DAKOTA	
⁴ Property Code 31768		⁵ Property Name HODGES			⁶ Well Number 12E
⁷ GRID No. 217817		⁸ Operator Name CONOCOPHILLIPS COMPANY			⁹ Elevation 6686'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	26N	8W		203'	SOUTH	91'	WEST	SAN JUAN

¹¹ 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
M	34	26N	8W		714'	SOUTH	703'	WEST	SAN JUAN

¹² Dedicated Acres 320.00 ACRES - W/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16

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 undivided 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 or a regulatory planning order heretofore entered by the division.

Signature _____ Date _____

Marie F. Saramillo 6/27/12
Printed Name

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.

MARCH 18, 2010

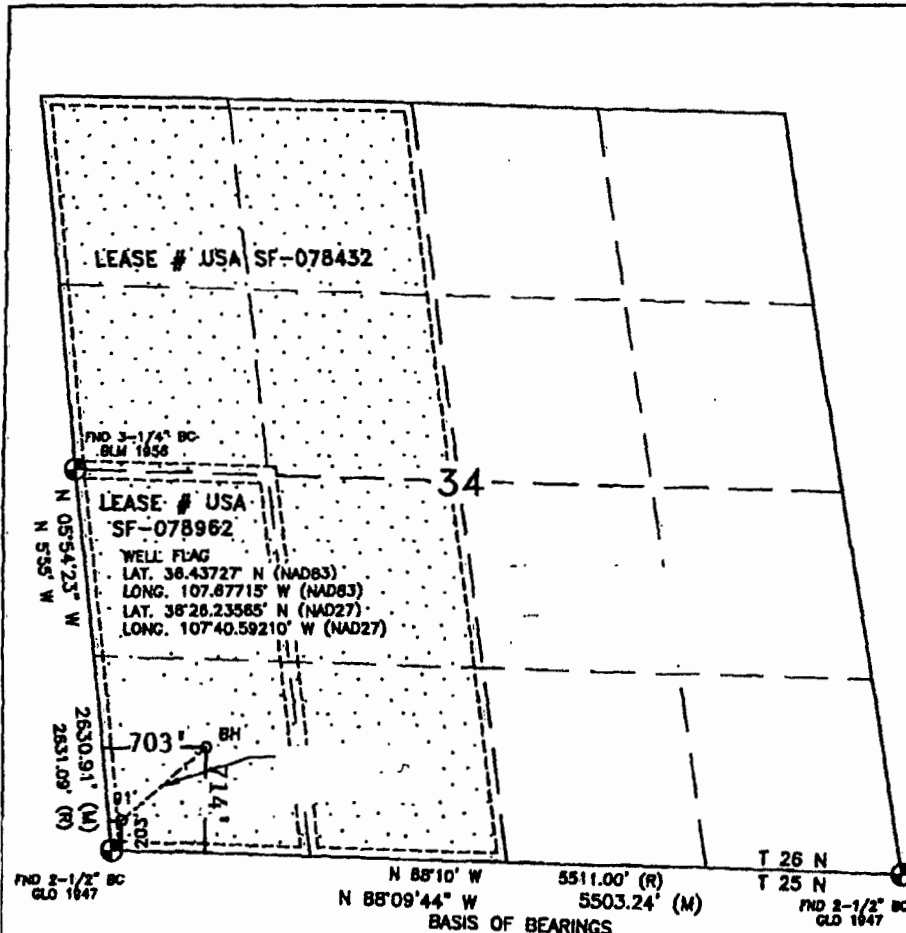
Date of Survey

Signature and Seal of Professional Surveyor:



DAVID RUSSELL

Certificate Number 10201



AV

TS

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 261993

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-35229	2. Pool Code 71439	3. Pool Name BALLARD PICTURED CLIFFS (GAS)
4. Property Code 318796	5. Property Name HODGES	6. Well No. 012E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6686

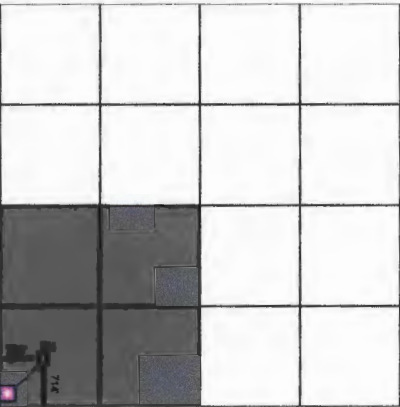
10. Surface Location

UL - Lot M	Section 34	Township 26N	Range 08W	Lot Idn	Feet From 203	N/S Line S	Feet From 91	E/W Line W	County SAN JUAN
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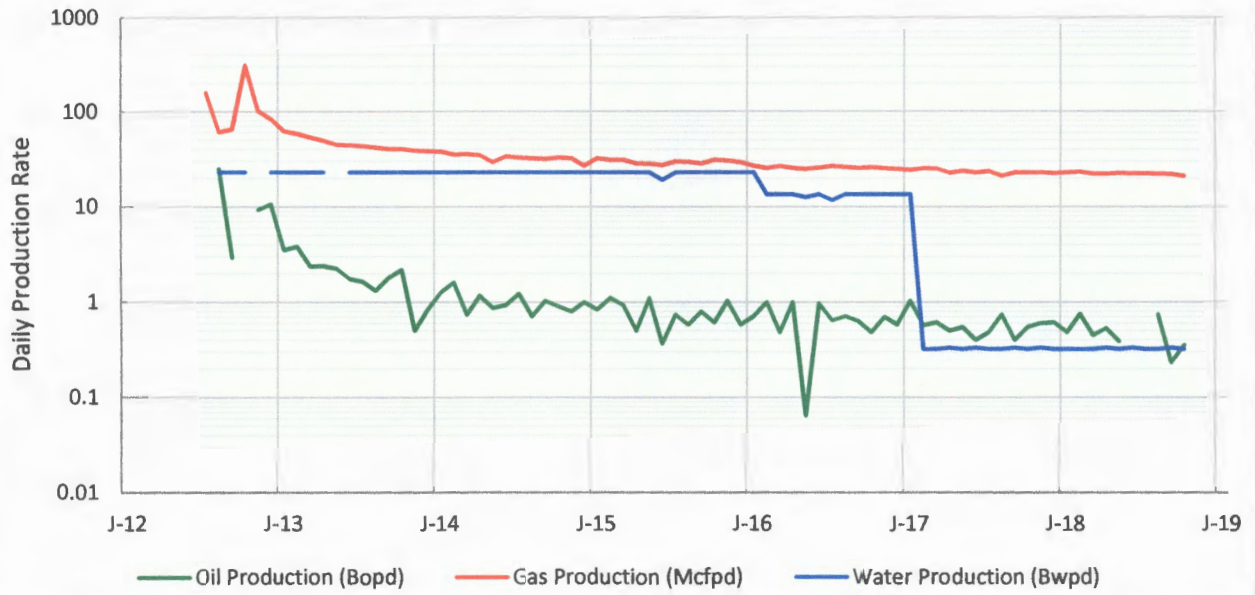
11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 34	Township 26N	Range 08W	Lot Idn	Feet From 714	N/S Line S	Feet From 703	E/W Line W	County SAN JUAN
12. Dedicated Acres 160.00 SW/4			13. Joint or Infill		14. Consolidation Code			15. Order No.	

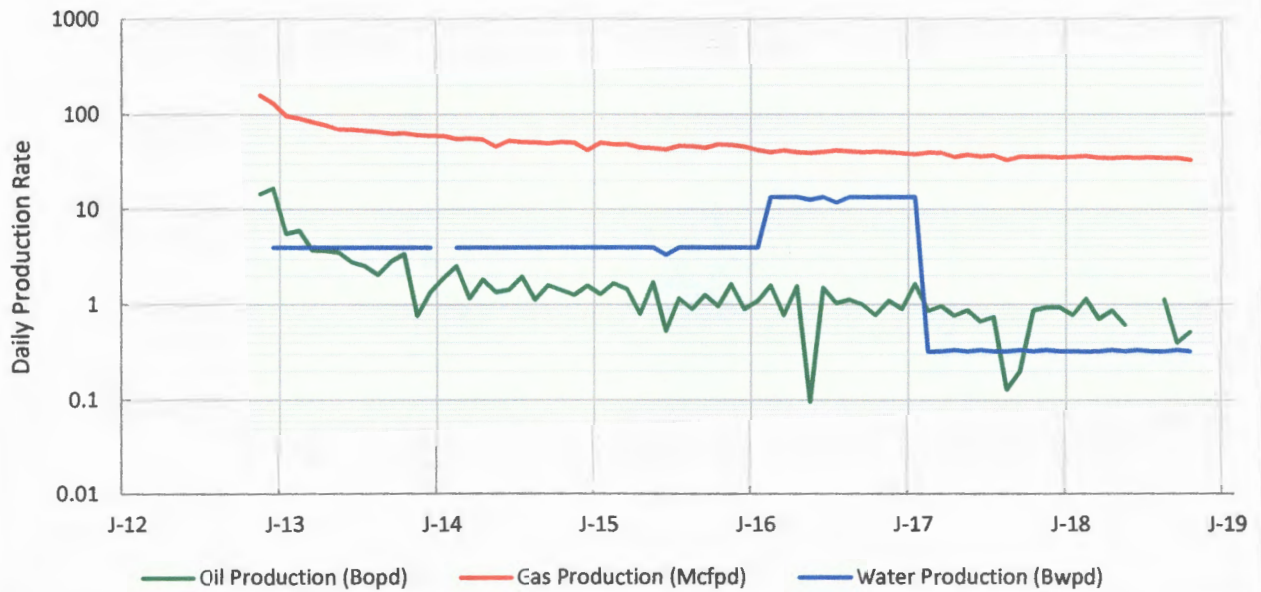
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

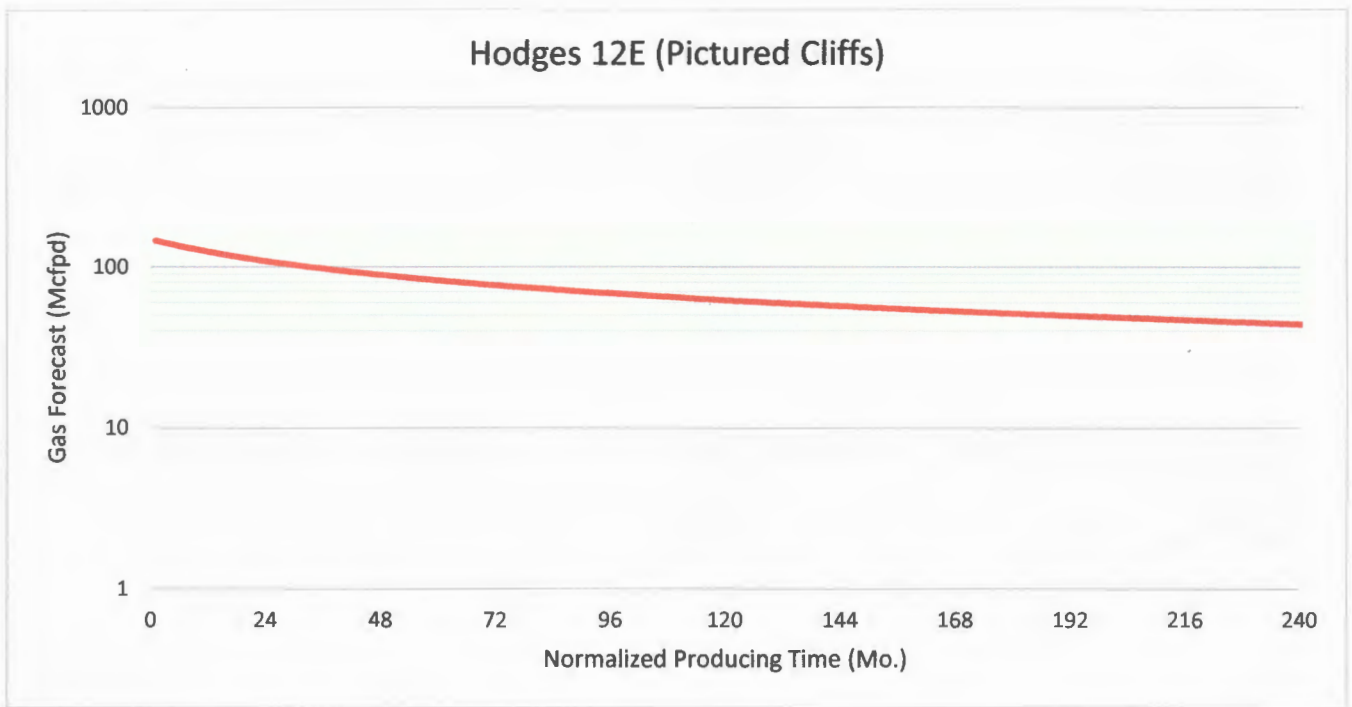
	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed 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>Lehustine Brock</i></p> <p>Title: Operation/Regulatory Tech Sr.</p> <p>Date: 1/9/2019</p>
	<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: David Russell</p> <p>Date of Survey: 3/18/2010</p> <p>Certificate Number: 10201</p>

Hodges 12E (Mancos)



Hodges 12E (Dakota)





The forecast for Pictured Cliffs production has been generated using a type curve of PC gas production in the surrounding production trend.

These zones are proposed to be commingled because the application of dual completions impedes the ability to produce the shallow zone without artificial lift and the deeper zones with reduced artificial lift efficiency. All horizons will require artificial lift due to low bottomhole pressure (BHP) and permeability.

To obtain the BHP of existing completions, the well was shut-in for XX hours and a casing fluid level and casing pressure were obtained to estimate SIBHP. This pressure is not intended to represent static reservoir pressure but rather BHP observed within the stated wellbore. The low BHP of the deeper zones does not allow for any adverse effects to the shallow zones. The low inflow and artificial lift application does not represent a risk of cross-flow from the new, shallow completion to the deeper zones.

Hodges 12E – Production Allocation Method

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formations are the Dakota and Mancos. The added formation to be commingled is the Pictured Cliffs. The subtraction method applies an average monthly production forecast to the base formations using historic production. All production from this well exceeding the forecast will be allocated to the new formation. After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation. Oil production will be allocated based on average formation yields from offset wells. All documentation will be submitted to the Aztec NMOCD office.



February 5, 2019

Subject well: Hodges 12E
API # 30-045-35229
San Juan County, New Mexico

In the subject well, Hilcorp plans to downhole commingle existing pay from the Basin Dakota and Basin Mancos formations with potential pay from Ballard Pictured Cliffs formation. As required by Subsection C of 19.15.12.11 New Mexico Administrative Code, we have enclosed a copy of the Commingling Application for your review. No action is required by you unless you object our commingling proposal.

If you do object, you will need to send notice to Hilcorp Energy Company, Attn: San Juan Basin Land Manager, 1111 Travis, Houston, TX 77002 within twenty (20) days from the date of this letter. Again, if you do not object to Hilcorp's downhole commingling plans, you **do not need** to sign or return any paperwork.

This letter represents a good faith effort to adhere with applicable notification requirements. However, if your ownership interest in the Subject Well has recently changed (i.e., new burdens created or you have sold or transferred your interest) please contact Hilcorp immediately to update your file.

Hilcorp appreciates this opportunity to enhance production from the Subject Well and we are thankful for your support.

Regards,

Christine Brock

Operations/Regulatory Technician
Hilcorp Energy Company
505-324-5155
Encl.

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901770206842	Brenda Guzman	, BLAYDEN LLC MILES BOLDRICK MANAGER, PO BOX 10471, MIDLAND, TX, 79702 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206859	Brenda Guzman	, CHIVOOIL LLC, PO BOX 3061, MIDLAND, TX, 79702 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206866	Brenda Guzman	, COLLINS PARTNERS LTD, 5000 BURNET ROAD, AUSTIN, TX, 78756 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206873	Brenda Guzman	, HANSON MCBRIDE PETROLEUM CO, PO BOX 1515, ROSWELL, NM, 88202-1515 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206880	Brenda Guzman	, JOHN WILLIAM BOCKMAN, PO BOX 68, STOCKDALE, TX, 78160 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206897	Brenda Guzman	, MARSHALL and WINSTON INC, PO BOX 50880, MIDLAND, TX, 79710-0880 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206903	Brenda Guzman	, OFFICE OF NATURAL RESOURCES REVENUE, LAKEWOOD ACCTG CENT ONSHORE P O BOX 25627, DENVER, CO, 80225-0627 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206910	Brenda Guzman	, PAUL DAVIS LTD, PO BOX 871, MIDLAND, TX, 79702 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206927	Brenda Guzman	, PAUL SLAYTON, PO BOX 2035, ROSWELL, NM, 88202-2035 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206934	Brenda Guzman	, WILLIAM S MARSHALL FAM TR WILLIAM S MARSHALL JR TRUSTEE, PO BOX 50880, MIDLAND, TX, 79710-0880 Code: Hodges 12E DHC	2/5/2019	Signature Pending
92148969009997901770206941	Brenda Guzman	, WINDOM ROYALTIES LLC, P O BOX 660082, DALLAS, TX, 75266-0082 Code: Hodges 12E DHC	2/5/2019	Signature Pending



Altitude 3004535229	Surface Layer Location 034-026N-008W-M	First Name MNCSDK.COM	Route 0809	State/Province NEW MEXICO	Web Configuration Type DEVIATED
Ground Elevation (ft) 6,688.00	Original GRTY Elevation (ft) 6,701.00				

[illegible]

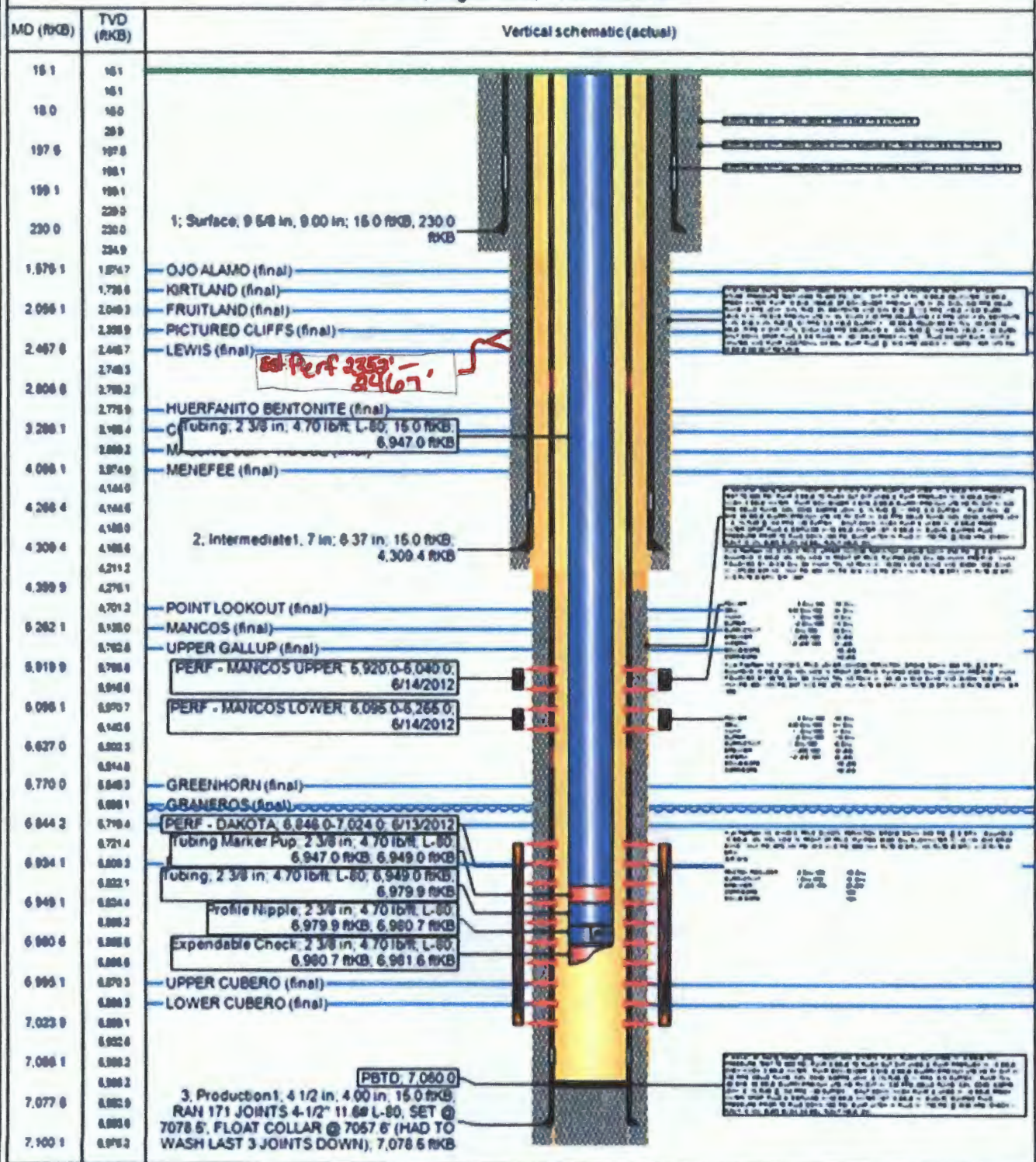


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Proposed

Well Name: HODGES #12E

Altitude 3004535229	Surface Leg Location 034-026N-006W-M	Field Name MNC50K.COM	Route 0909	State/Province NEW MEXICO	Web Configuration Type DEVIATED
Ground Elevation (ft) 6,688.00	Ground MSL Elevation (ft) 6,701.00				

DEVIATED, Original Hole, 1/8/2019 7:27:05 AM



TO: New Mexico Oil Conservation Division
Attn: Michael McMillan
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FROM: Hilcorp Energy Company
382 Road 3100
Aztec, NM 87410
Christine Brock
505-324-5155

Production Summary Report			
API: 30-045-35229			
HODGES #012E			
Year	Pool	Oil(BBLS)	Gas(MCF)
6/1/2018	(71599) BASIN DAKOTA (PRORATED GAS)	0	1047
7/1/2018	(71599) BASIN DAKOTA (PRORATED GAS)	0	1092
8/1/2018	(71599) BASIN DAKOTA (PRORATED GAS)	35	1075
9/1/2018	(71599) BASIN DAKOTA (PRORATED GAS)	12	1038
10/1/2018	(71599) BASIN DAKOTA (PRORATED GAS)	16	1024
11/1/2018	(71599) BASIN DAKOTA (PRORATED GAS)	33	964
Cum		4059	110778
6/1/2018	(97232) BASIN MANCOS	0	670
7/1/2018	(97232) BASIN MANCOS	0	697
8/1/2018	(97232) BASIN MANCOS	23	687
9/1/2018	(97232) BASIN MANCOS	7	664
10/1/2018	(97232) BASIN MANCOS	11	655
11/1/2018	(97232) BASIN MANCOS	22	615
Cum		3460	83212

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

JAMI BAILEY
Division Director
Oil Conservation Division



Administrative Order DHC-4538

Order Date: 4/4/2012

Application Reference Number: pTGW1206848402

CONOCOPHILLIPS COMPANY
3401 E. 30TH STREET,
FARMINGTON, NM 87402

Attention: Arleen Kellywood

HODGES Well No. 012E

API No: 30-045-35229

Unit M, Section 34, Township 26 North, Range 8 West, NMPM

San Juan County, New Mexico

Pool: BASIN DAKOTA (PRORATED GAS) Gas 71599

Names: BASIN MANCOS Gas 97232

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.


It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or workover.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.


JAMI BAILEY
Director

JB/wvj

cc: Oil Conservation Division – Aztec
Bureau of Land Management - Farmington