

RECEIVED: 05/21/2019	REVIEWER: MAM	TYPE: DHC	APP NO: pMAM1914239915
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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:** San Juan 29-5 Unit 55F **API:** 30-039-29335  
**Pool:** Gobernador Pictured Cliffs **Pool Code:** 77440

**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.**

**Nick Kunze**

Print or Type Name

Signature

Date

(713)209-2400

Phone Number

nkunze@hilcorp.com

e-mail Address

5/22/19

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

Form C-107A  
Revised August 1, 2011

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

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

San Juan 29-5 Unit 55F Unit L – Sec. 18 – T29N – R05W Rio Arriba  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 372171 Property Code 318837 API No. 30-039-29335 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Gobernador Pictured Cliffs	Blanco Mesaverde	Basin Dakota
Pool Code	77440	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3534' – 3607'	5335' – 5810'	7872' – 7888'
Method of Production (Flowing or Artificial Lift)	New Zone	Plunger	Plunger
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)	982 psi	551 psi	2471 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1190 BTU	1150 BTU	1020 BTU
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: N/A  Rates:	Date: 2/2019  Rates: 4 bo, 1132 mcf, 9 bw	Date: 2/2019  Rates: 357 mcf, 10 bw
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: R-10770

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 TITLE Operations Manager DATE 5/22/2019

TYPE OR PRINT NAME Nick Kunze TELEPHONE NO. (713) 209-2400

E-MAIL ADDRESS nkunze@hilcorp.com



**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 252404

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-039-29335	2. Pool Code 77440	3. Pool Name GOVERNADOR PICTURED CLIFFS (GAS)
4. Property Code 318837	5. Property Name SAN JUAN 29 5 UNIT	6. Well No. 055F
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6598

**10. Surface Location**

UL - Lot L	Section 18	Township 29N	Range 05W	Lot Idn	Feet From 2460	N/S Line S	Feet From 1050	E/W Line W	County RIO ARRIBA
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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 W/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>Tammy Jones</i>  Title: Operations/Regulatory Technician - Sr.  Date: 5/17/2018</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: Jason C. Edwards  Date of Survey: 9/13/2004  Certificate Number: 15269</p>
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District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer 00, Artesia, NM 88211-0719

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30039-29335</b>		*Pool Code <b>72319 \ 71599</b>	*Pool Name <b>BLANCO MESAVERDE \ BASIN DAKOTA</b>
*Property Code <b>31325</b>	*Property Name <b>SAN JUAN 29-5 UNIT</b>		*Well Number <b>55F</b>
*OGRID No. <b>217817</b>	*Operator Name <b>CONOCOPHILLIPS COMPANY</b>		*Elevation <b>6598'</b>

<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
L	18	29N	5W		2460	SOUTH	1050	WEST	RIO ARriba

<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					<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.
	320.0 Acres - W/2 (MV)								
	320.0 Acres - W/2 (DK)								

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

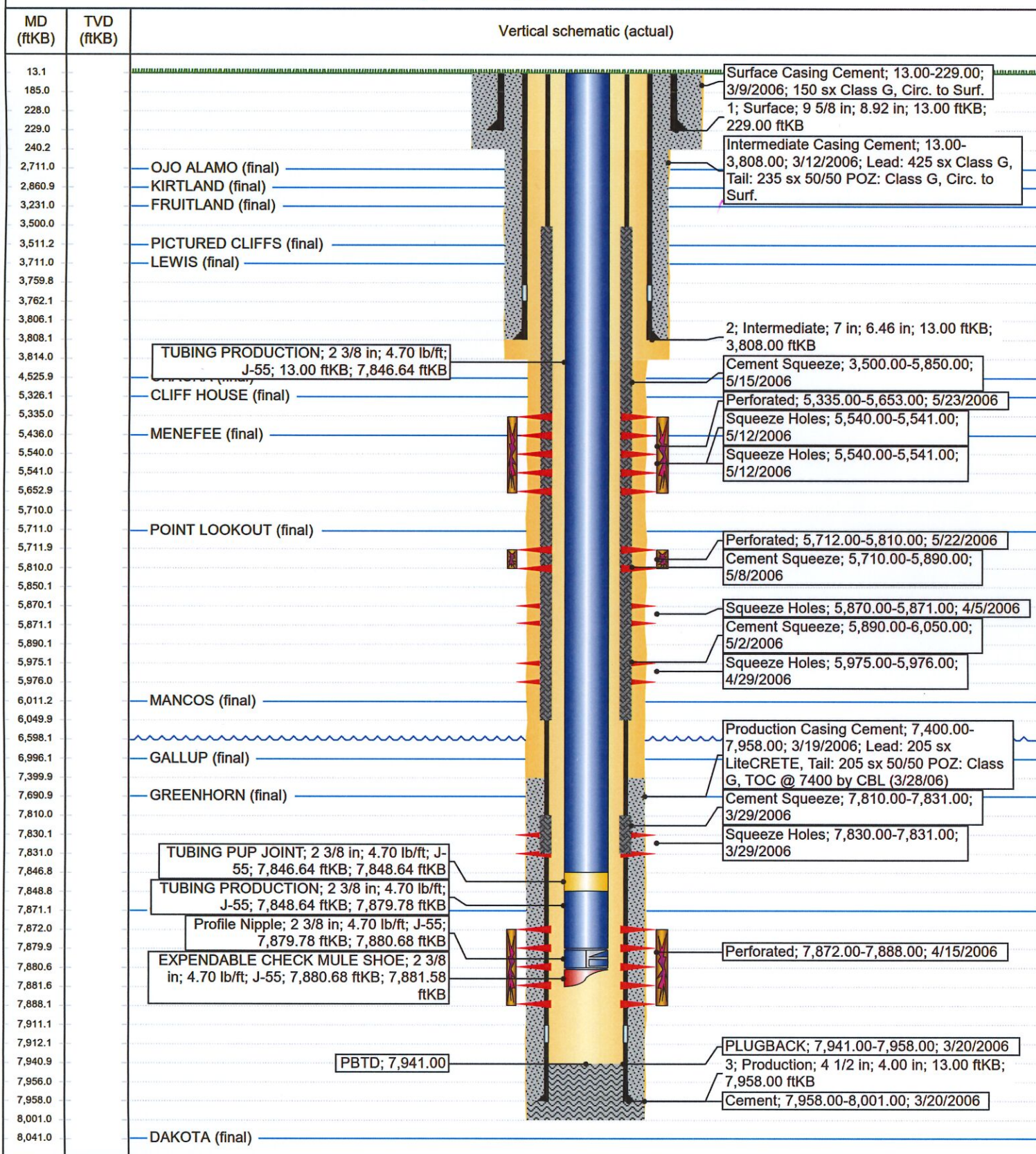
<div><p>16</p><p>5282.64'</p><p>X</p><p>LEASE SF-078277</p><p>5280.00'</p><p>1050'</p><p>2460'</p><p>X</p><p>5280.00'</p><p>LAT: 36°43.5098' N LONG: 107°24.2158' W DATUM: NAD27</p><p>18</p></div>	<div><p><b>17 OPERATOR CERTIFICATION</b></p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p><p><i>Vicki Westby (pj)</i></p><p>Signature</p><p>Vicki R. Westby</p><p>Printed Name</p><p>Sr. Analyst</p><p>Title</p><p>11/3/04</p><p>Date</p></div>
	<div><p><b>18 SURVEYOR CERTIFICATION</b></p><p>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</p><p>Survey Date: SEPTEMBER 13, 2004</p><p>Signature and Seal of Professional Surveyor</p><div><p>JASON C. EDWARDS</p><p>NEW MEXICO</p><p>15269</p><p>REGISTERED PROFESSIONAL SURVEYOR</p></div><p><i>JASON C. EDWARDS</i></p><p>Certificate Number 15269</p></div>



Well Name: **SAN JUAN 29-5 UNIT #55F**

API / UWI 3003929335	Surface Legal Location 018-029N-005W-L	Field Name MV/DK COM	Route 1205	State/Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,598.00	Original KB/RT Elevation (ft) 6,611.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

## Vertical, Original Hole, 5/22/2019 7:28:26 AM

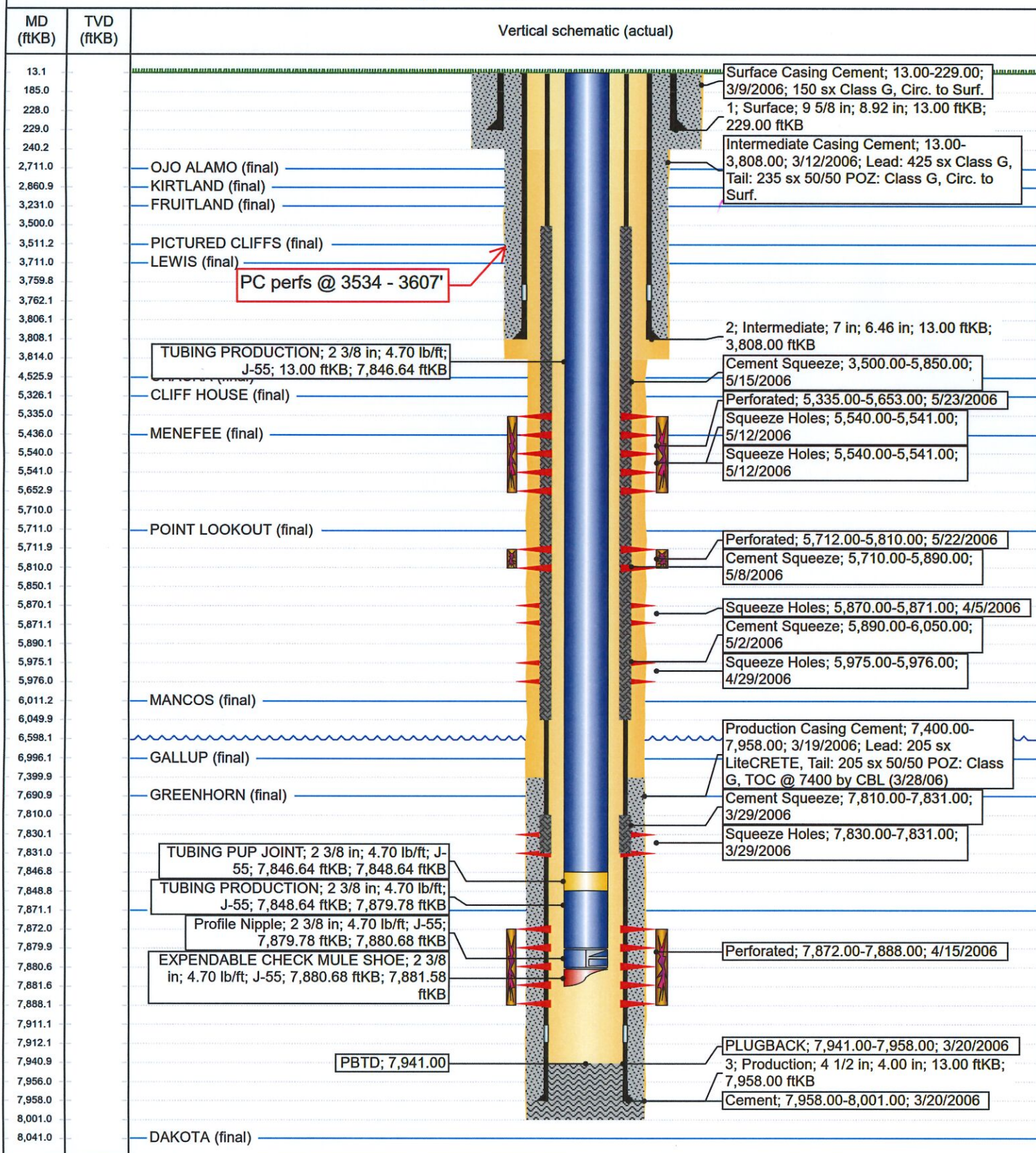




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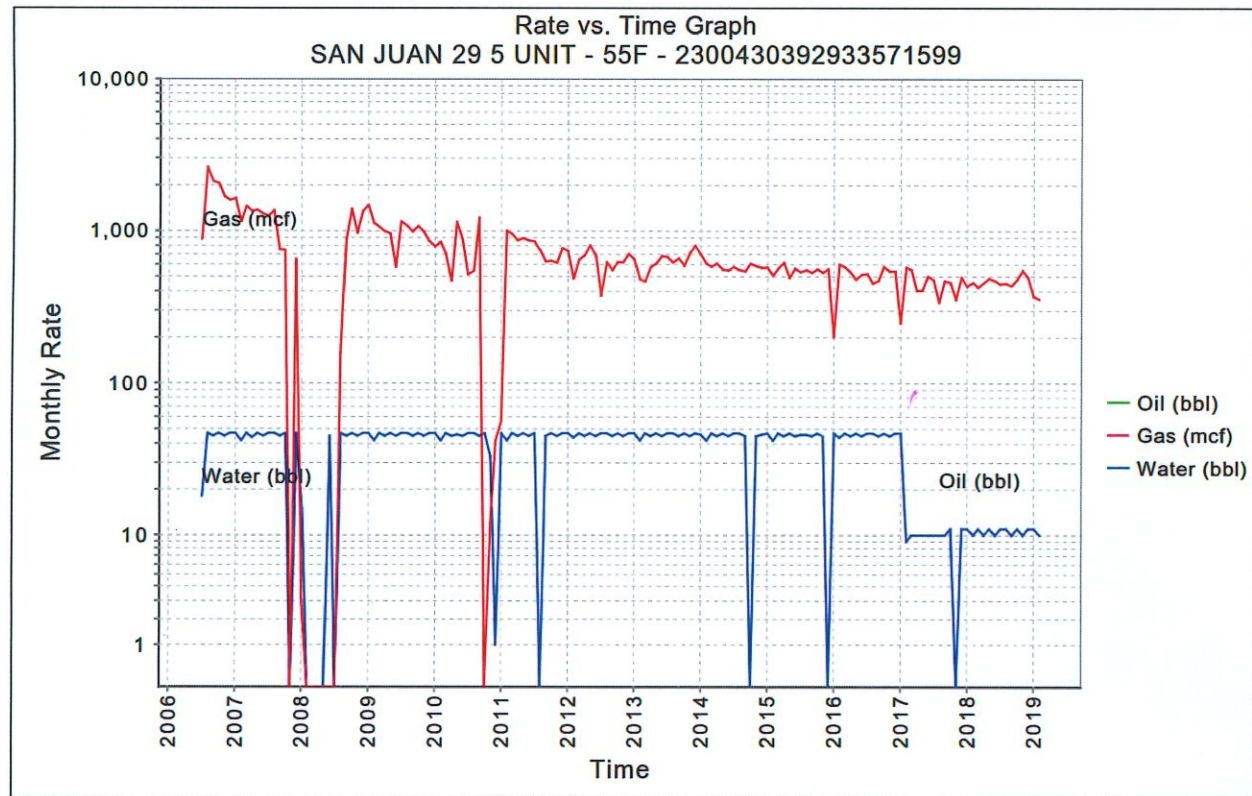
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## Vertical, Original Hole, 5/22/2019 7:28:26 AM

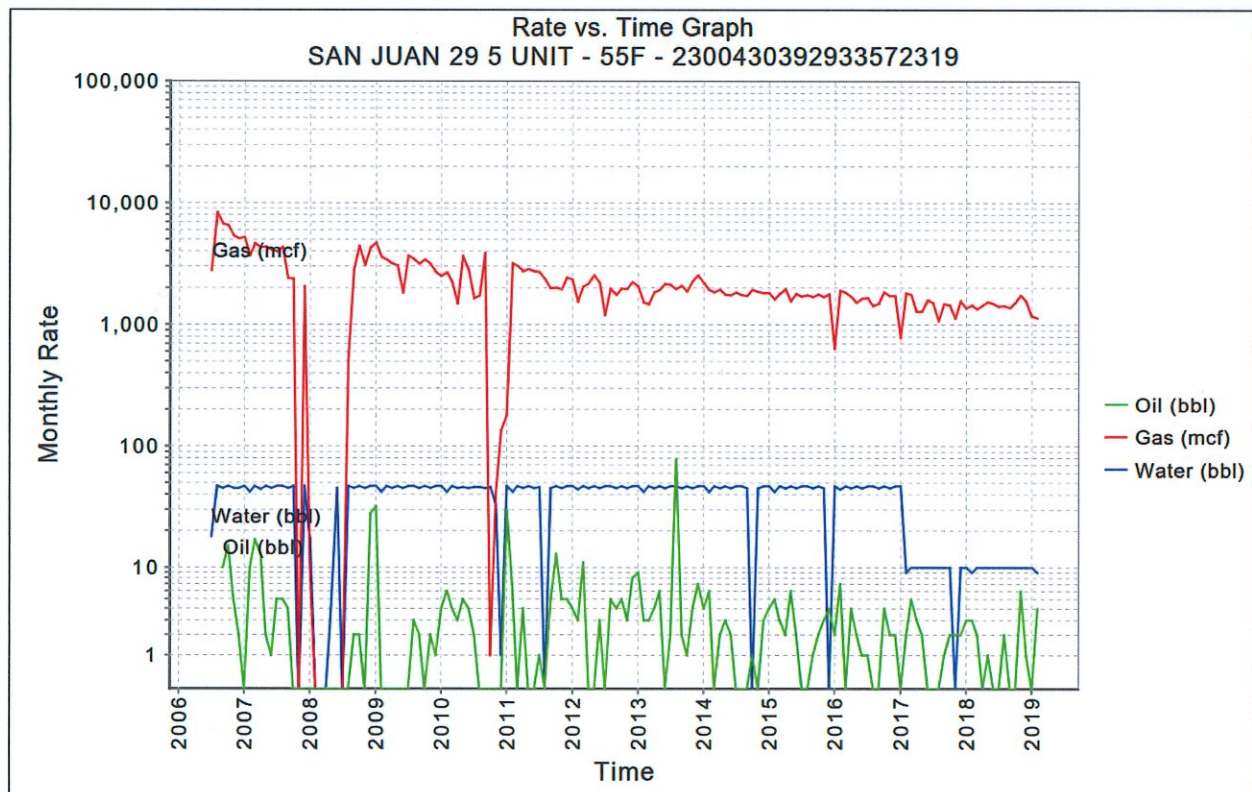




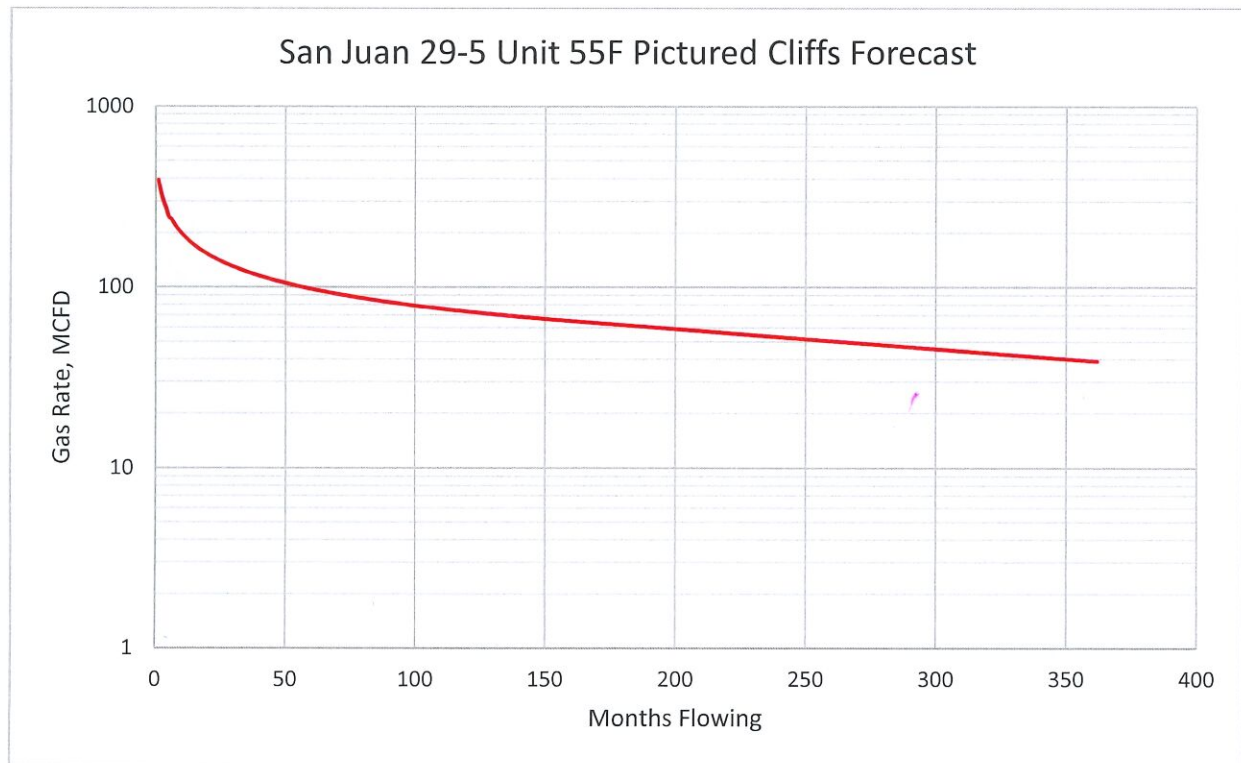
SAN JUAN 29-5 UNIT 55F – HISTORICAL DAKOTA PRODUCTION:



SAN JUAN 29-5 UNIT 55F – HISTORICAL MESAVERDE PRODUCTION:



# SAN JUAN 29-5 UNIT 55F – PICTURED CLIFFS PRODUCTION FORECAST



The forecast for Pictured Cliffs production has been generated using a typical well production profile of PC gas production in the surrounding production trend.



## SAN JUAN 29-5 UNIT 55F – PRODUCTION ALLOCATION METHOD

Production for the downhole commingle will be allocated using the subtraction method in agreement with the BLM. The base formations are the Dakota and Mesaverde, and 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 4<sup>th</sup> 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.