

# Initial Application Part I

Received: 06/18/2019

*This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete*

RECEIVED: <b>06/18/2019</b>	REVIEWER: <b>MAM</b>	TYPE: <b>DHC</b>	APP NO: <b>pMAM1917029385</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:** UTE INDIANS A 27 **API:** 30-045-29863  
**Pool:** UTE DOME DAKOTA / UTE DOME MORRISON **Pool Code:** 86720 / 97039

**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

**SWD-5004**

- 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

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.**

Joey Becker  
 Print or Type Name

6/18/2019  
 Date

505.324.5110  
 Phone Number

JOEY W BECKER  
 Signature

jobecker@hilcorp.com  
 e-mail Address

## McMillan, Michael, EMNRD

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**From:** Mandi Walker <mwalker@hilcorp.com>  
**Sent:** Tuesday, June 18, 2019 3:49 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Pickford, Katherine, EMNRD; Powell, Brandon, EMNRD; Vermersch, Amy H, EMNRD  
**Subject:** [EXT] Ute Indians A 27 - 30-045-29863  
**Attachments:** Ute Indians A #27 C-107A\_Packet.pdf

Michael,

Attached please find the C-107A Application for the above mentioned well. Kate and Amy brought it to our attention today that the previous operator had not filed a DHC for these 2 zones. We have perf'd the well, but have not turned it to production, as we found this out today. We will wait to turn the well on pending your approval.

Please let me know if you need anything further for your review.

Thank you,

*Mandi Walker*

*SJ North Operations/Regulatory Technician*

*Hilcorp Energy Company*

*505.324.5122*

*[mwalker@hilcorp.com](mailto:mwalker@hilcorp.com)*

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While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised August 1, 2011

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

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

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company Operator 382 Road 3100, Aztec, NM 87410 Address

Ute Indians Lease A #27 Well No. I 02, 31N, 14W Unit Letter-Section-Township-Range San Juan County

OGRID No. 372171 Property Code 86720 / 97039 API No. 3004529863 Lease Type:  Federal  State  Fee

Table with 4 columns: DATA ELEMENT, UPPER ZONE, INTERMEDIATE ZONE, LOWER ZONE. Rows include Pool Name, Pool Code, Top and Bottom of Pay Section, Method of Production, Bottomhole Pressure, Oil Gravity or Gas BTU, Producing, Shut-In or New Zone, Date and Oil/Gas/Water Rates of Last Production, and Fixed Allocation Percentage.

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 commoditized 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 [Signature] TITLE Operations/Regulatory Technician Sr. DATE 6/18/2019

TYPE OR PRINT NAME Amanda Walker TELEPHONE NO. (505) 324.5122

E-MAIL ADDRESS mwalker@hilcorp.com

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT  AMENDED REPORT

* API Number 30-045-29863		* Pool Code 97039		* Pool Name UTE DOME MORRISON	
* Property Code		* Property Name UTE INDIANS A			* Well Number 27
* OGRID No. 167067		* Operator Name XTO Energy, Inc.			* Elevation 6100'

<sup>10</sup> Surface Location

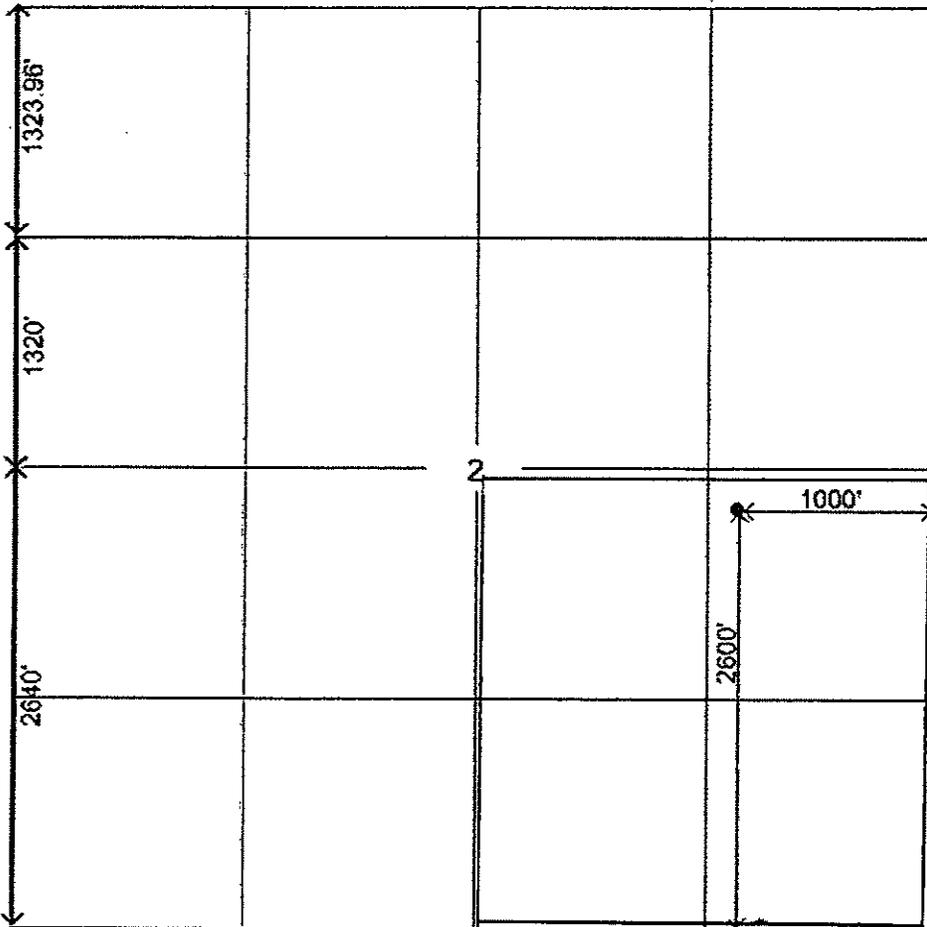
11. or lot no.	Section	Township	Range	Lot 14a	Feet from the	North/South line	Feet from the	East/West line	County
1	02	31N	14W		2600	SOUTH	1000	EAST	SAN JUAN

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

11. or lot no.	Section	Township	Range	Lot 14a	Feet from the	North/South line	Feet from the	East/West line	County

* Dedicated Acres 16.0	* Joint or InHH	* 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



OPERATOR CERTIFICATION

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

Signature

HOLLY C. PERKINS

Printed Name

REGULATORY COMPLIANCE TECH

Title

8/1/2005

Date

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.

10/22/1998

Date of Survey

ORIGINAL SIGNED BY

NEALE C. EDWARDS

Certificate Number

6857

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, 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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-29863		*Pool Code 86720	*Pool Name UTE DOME DAKOTA
*Property Code 22645	*Property Name UTE INDIANS A		*Well Number 27
*OGRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 6100'

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
I	2	31N	14W		2600	SOUTH	1000	EAST	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

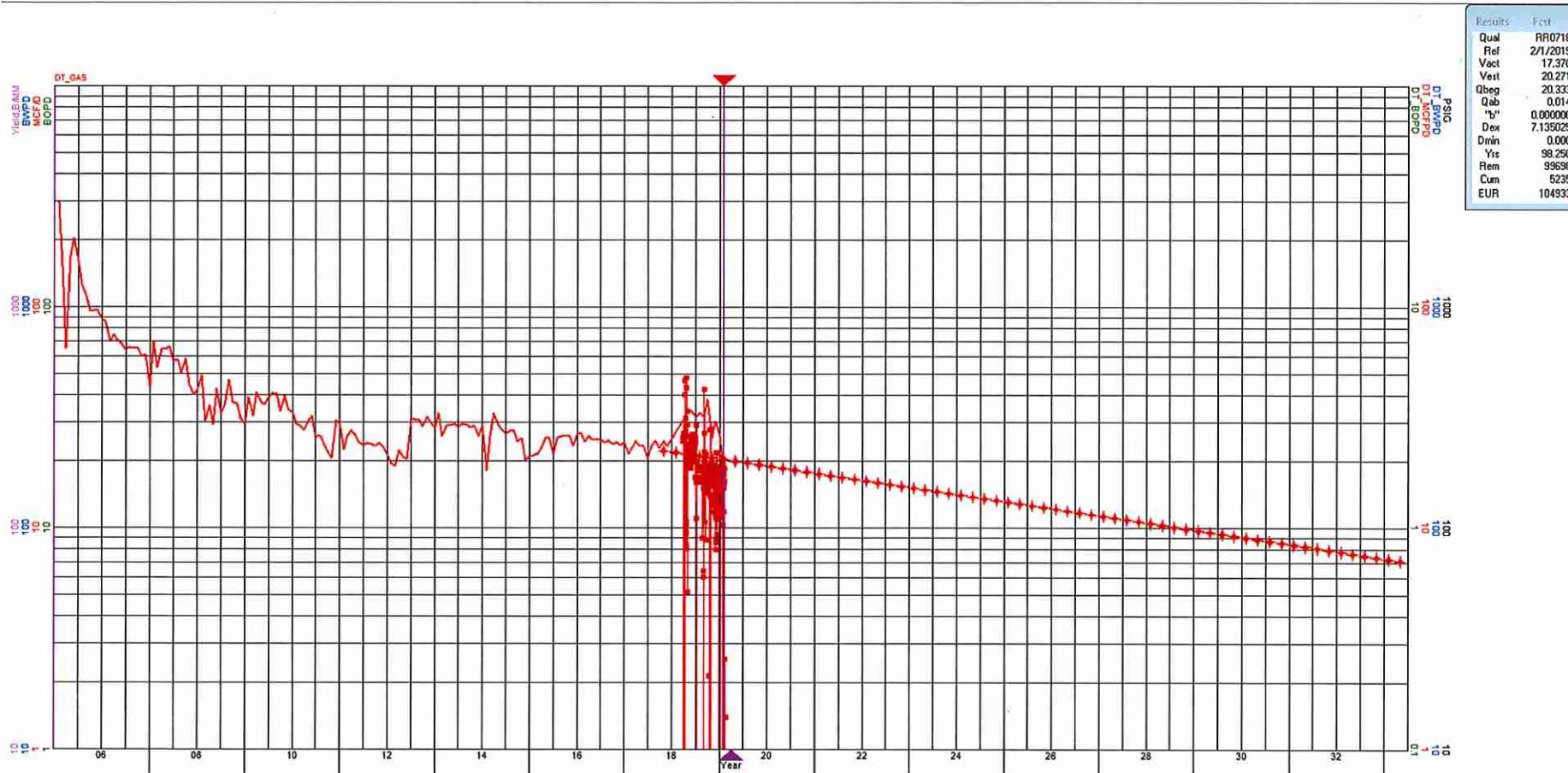
12 Dedicated Acres 160 AC.	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

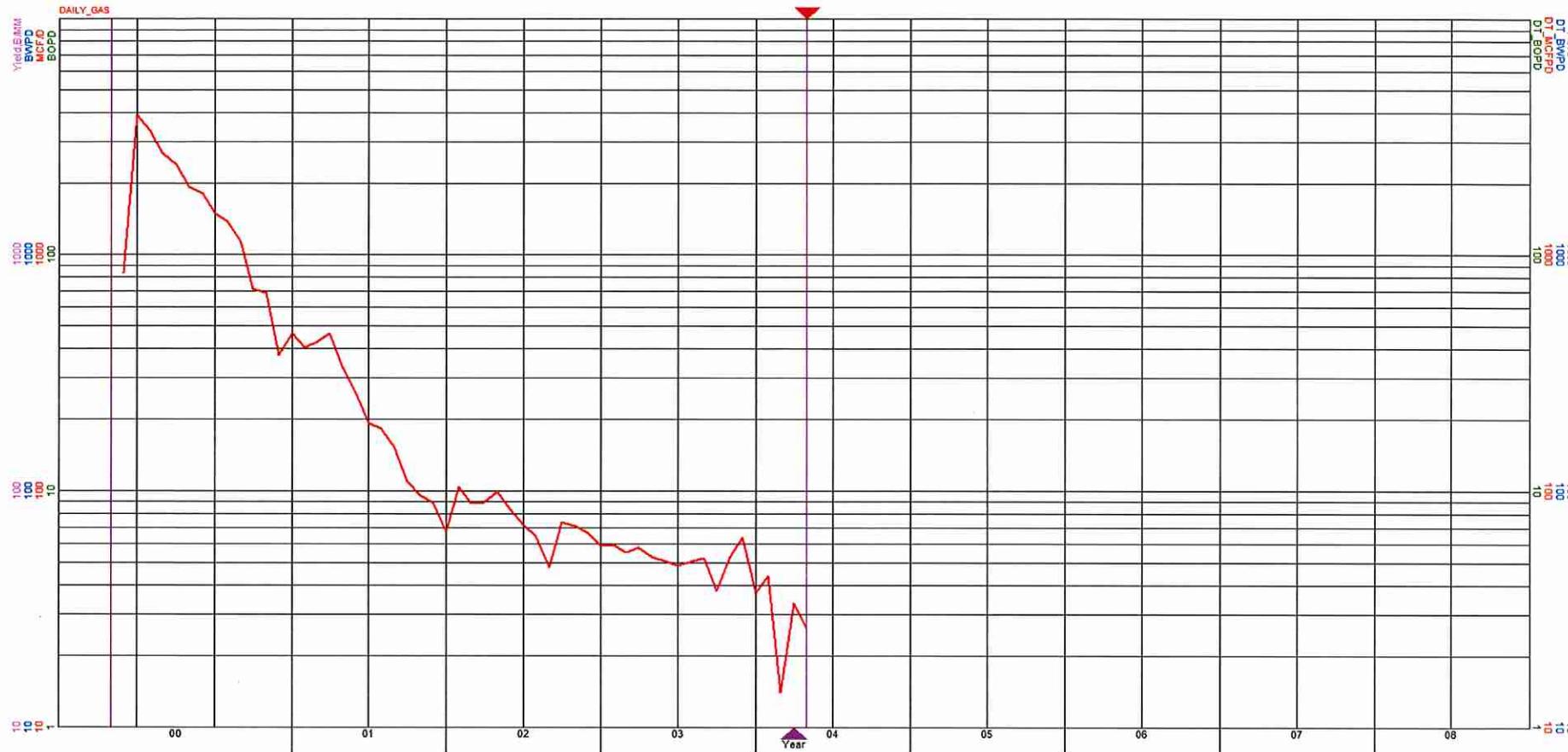
16 1323.96' 1320.00' 2640.00'	4	3	2	1	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: <i>Gary L. Markestad</i> Printed Name: Gary L. Markestad Title: Vice-President / Production Date: _____

**RECEIVED**  
MAR - 5 1999  
OIL CON. DIV.  
DIST. 3

# Ute Indians A #27 Ute Dome Dakota Production Curve

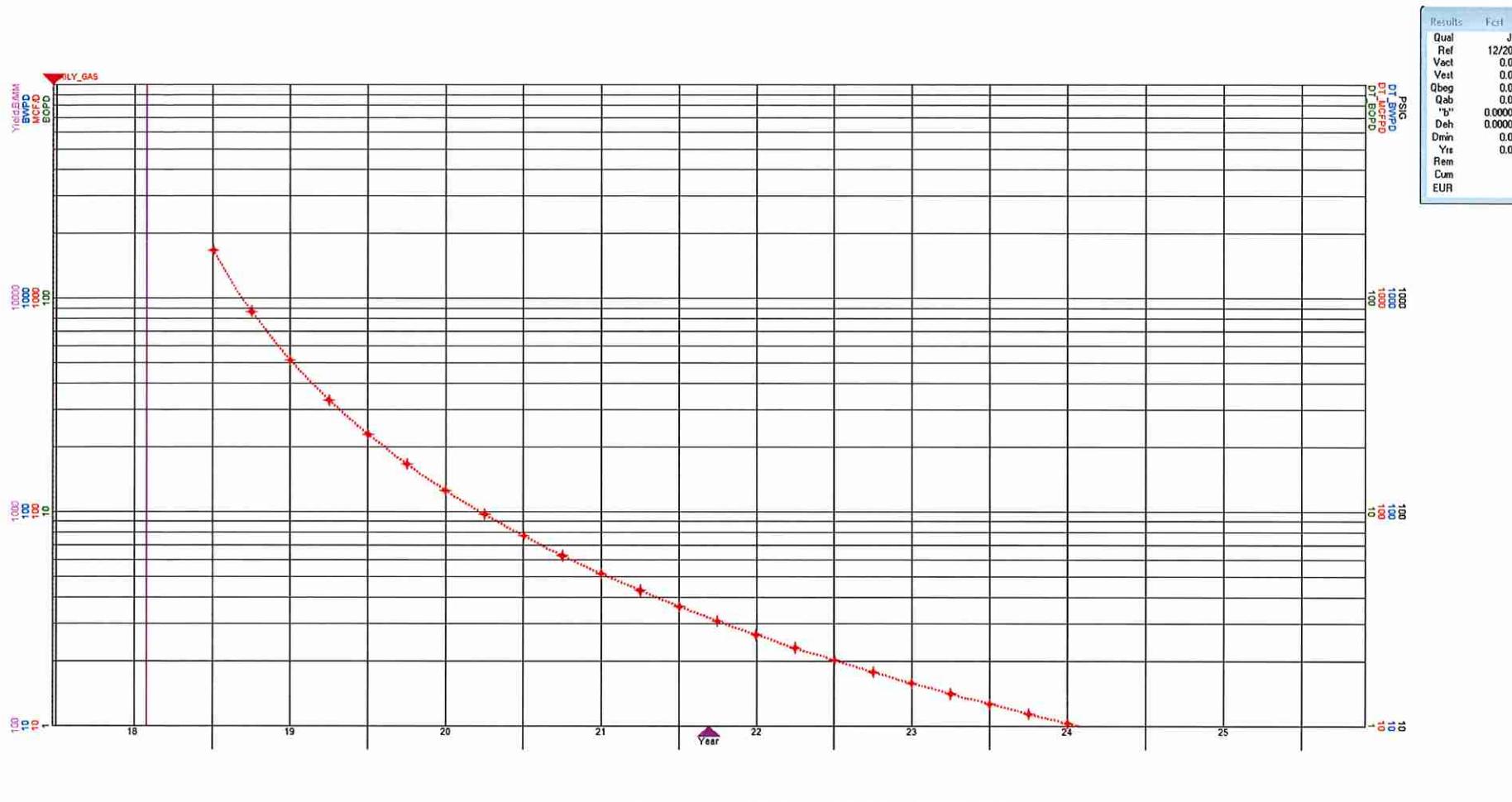


# Ute Indians A #27 Ute Dome Morrison Historical Production Curve



- Ute Dome Morrison perfs from 2580'-2592' went off production due to pressure depletion. No production is expected from perfs from 2580'-2592' after plug drill out because they have been depleted.

# Ute Indians A #27 Ute Dome Morrison Estimated Production Curve



- Expected production from proposed Ute Dome Morrison perfs from 2606'-2622'
- Expected production profile based on historical Ute Dome Morrison producer type well.

## Mandi Walker

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**From:** Scott Anderson  
**Sent:** Tuesday, June 18, 2019 3:26 PM  
**To:** Priscilla Shorty; Mandi Walker  
**Cc:** John Brown  
**Subject:** Ute Indians A 27 - C107A

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle on the Ute Indians A 27 be allocated using the subtraction method. The base formation is the Dakota and the added formation to be commingled is the Morrison. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production and subtracts that from the Estimated Production Curve of the commingled completion. Essentially, all production from this well exceeding the base formation forecast will be allocated to the new formation(s). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast. Oil production will be allocated based on average formation yields from offset wells.

Scott Anderson  
San Juan North – Operations Engineer  
Hilcorp Energy Company  
W: 713-289-2772  
C: 248-761-3965



June 18, 2019

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

Re: C-107-A (Downhole Commingle)  
Ute Indians A 027  
API: 30-045-29863  
T31N-R14W-Section 2, Unit Letter: I  
San Juan County, NM

Mr. McMillan:

Concerning Hilcorp Energy Company's C-107-A application to downhole commingle production in the subject well, this letter serves to confirm the following:

- All working, royalty and overriding royalty interests are identical between the Ute Dom Morrison (97039) and Ute Dome Dakota (86720) in the spacing unit dedicated to these formations; being the SE/4 of Township 31 North, Range 12 West, Section 5. Therefore, no notice to interest owners is required.
- The spacing unit is comprised of a tribal lease. Therefore, pursuant to Subsection C.(1) of 19.15.12.11 NMAC, a copy of the C-107-A has been sent to the BLM as of the date of this letter.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at the email or number provided below.

Regards,

Hilcorp Energy Company

A handwritten signature in blue ink, appearing to read 'Robert T. Carlson'.

Robert T. Carlson  
Landman  
(832) 839-4596  
[rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
ELECTRONIC REPORT

MAR 11 2019

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No. 142060462
6. If Indian, Allottee or Tribe Name UTE MOUNTAIN UTE
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. UTE INDIANS A 27
9. API Well No. 30-045-29863-00-S1
10. Field and Pool or Exploratory Area UTE DOME
11. County or Parish, State SAN JUAN COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator HILCORP ENERGY COMPANY Contact: AMANDA WALKER E-Mail: mwalker@hilcorp.com	3a. Address 1111 TRAVIS STREET HOUSTON, TX 77002	3b. Phone No. (include area code) Ph: 505-324-5122
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T31N R14W NESE 2600FSL 1000FEL			

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Hilcorp Energy Company requests permission to add pay to the subject well in the Morrison formation and downhole commingle with the existing Dakota per the attached procedure and current wellbore schematic. A DHC application will be filed and approved prior to commingling. A closed loop system will be used. All work will remain on the existing well pad.

NMOCD

MAR 21 2019

DISTRICT III

SEE ATTACHED  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #457649 verified by the BLM Well Information System For HILCORP ENERGY COMPANY, sent to the Durango Committed to AFMSS for processing by ASHLEY HITCHELL on 03/11/2019 (19ACH0179SE)	
Name (Printed/Typed) AMANDA WALKER	Title OPERATIONS REGULATORY TECH
Signature (Electronic Submission)	Date 03/11/2019

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>DAN RABINOWITZ</u>	Title <u>ACTING MINERALS STAFF CHIEF</u>	Date <u>03/18/2019</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>Durango</u>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

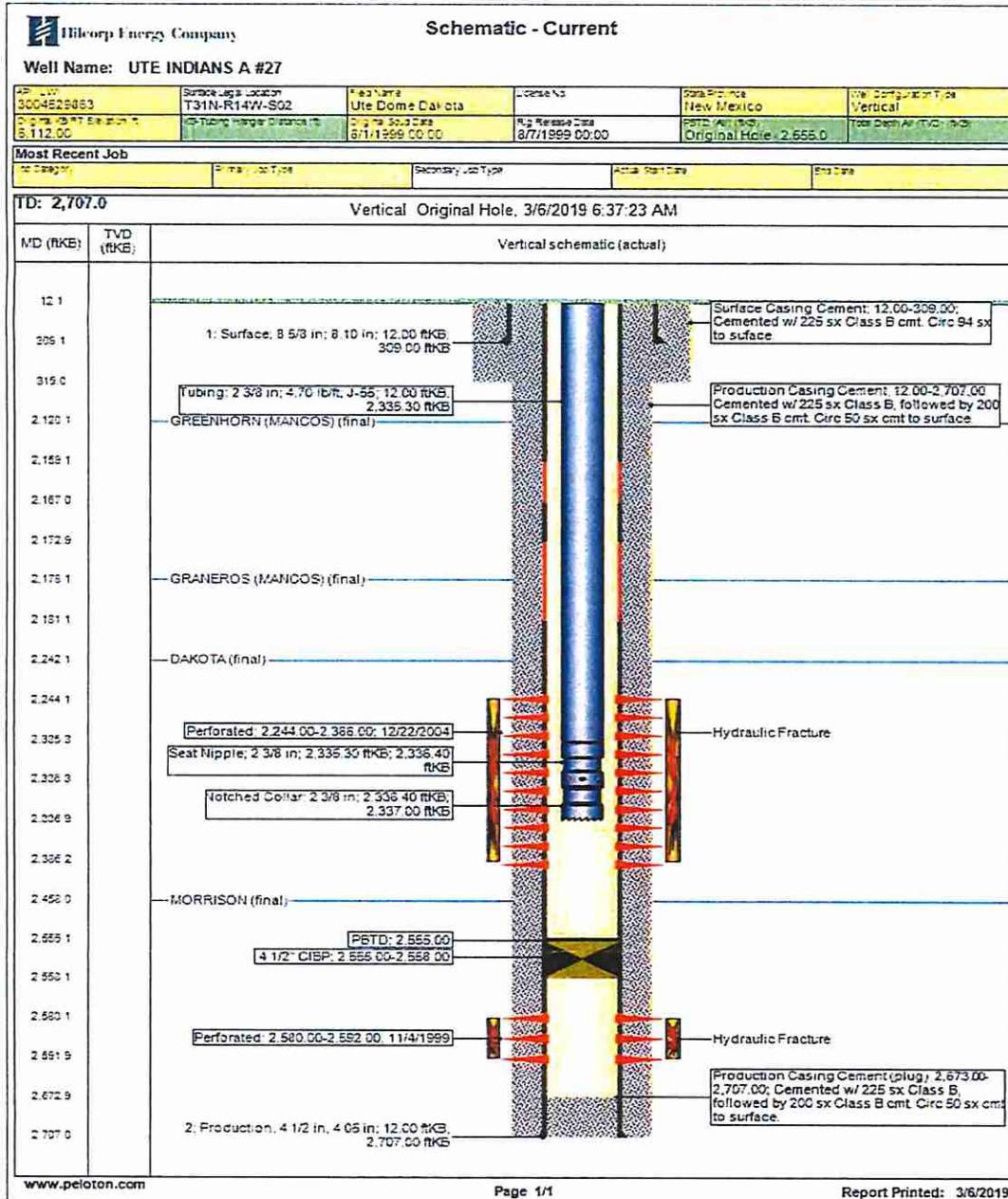
**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

NMOCD *AV*



**HILCORP ENERGY COMPANY**  
**UTE INDIANS A 27**  
**MORRISON R/C AND COMMINGLE WITH DK**

**UTE INDIANS A 27 - CURRENT WELLBORE SCHEMATIC**



**Well Name: UTE INDIANS A #27**

API / UWI 3004529863	Surface Legal Location T31N-R14W-S02	Field Name Ute Dome Dakota	Route 0200	State/Province New Mexico	Well Configuration Type Vertical
Ground Elevation (ft) 6,100.00	Original KB/RT Elevation (ft) 6,112.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 6/18/2019 3:30:00 PM

