

RECEIVED: 05/01/2018	REVIEWER: MAm	TYPE: DHC	APP NO: PMAM1812157057
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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 29-7 Unit 80B **API:** 30-039-27021
Pool: Blanco Pictured Cliffs **Pool Code:** 72359

**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.

Kandis Roland

Print or Type Name

Kandis Roland
 Signature

4/27/2018

Date

505-324-5149

Phone Number

kroland@hilcorp.com

e-mail Address

Hilcorp Energy Company
Operator

PO Box 4700, Farmington NM 87499
Address

SAN JUAN 29-7 UNIT
Lease

80B
Well No.

UNIT E-9-29N-07W
Unit Letter-Section-Township-Range

Rio Arriba
County

OGRID No. 372171 Property Code 318713 API No. 30-039-27021 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO PICTURED CLIFFS	BLANCO MESAVERDE	BASIN DAKOTA
Pool Code	72359	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2930' – 3070' estimated	3948' – 5358'	7210' – 7414'
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)	997 psi	705 psi	3172 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1000	BTU 1000	BTU 1000
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: N/A	Date: Feb 2018 Rates: 4374 mcf 15 bbls oil 16 bbls water	Date: Feb 2018 Rates: 897 mcf 3 bbls oil 15 bbls 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?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☒
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-10697 – DHC exemption to notify interest owners

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 Kandis Roland

TITLE Operations/Regulatory Technician DATE 4/27/18

TYPE OR PRINT NAME Kandis Roland

TELEPHONE NO. (505) 324-5149

E-MAIL ADDRESS kroland@hilcorp.com

District I1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720District II811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720District III1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170District IV1220 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

Permit 251652

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-27021	2. Pool Code 72359	3. Pool Name BLANCO PICTURED CLIFFS (GAS)
4. Property Code 318713	5. Property Name SAN JUAN 29 7 UNIT	6. Well No. 080B
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6136

10. Surface Location

UL - Lot E	Section 9	Township 29N	Range 07W	Lot Idn	Feet From 1540	N/S Line N	Feet From 1065	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 NONSTANDARD 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>Kanahj Kolaud</i> Title: Operations/Regulatory Technician Date: 4/27/18</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: Roy A Rush Date of Survey: 7/25/2001 Certificate Number: 8894</p>		

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. 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

¹ API Number 30-039- 29021	² Pool Code 72319/71599	³ Pool Name Blanco Mesaverde/Basin Dakota
⁴ Property Code 7465	⁵ Property Name SAN JUAN 29-7 UNIT	⁶ Well Number 80B
⁷ GRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS INC.	⁹ Elevation 6136

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
E	9	29-N	7-W		1540	NORTH	1065	WEST	RIO ARriba

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 MV-W/320 DK-W/320	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

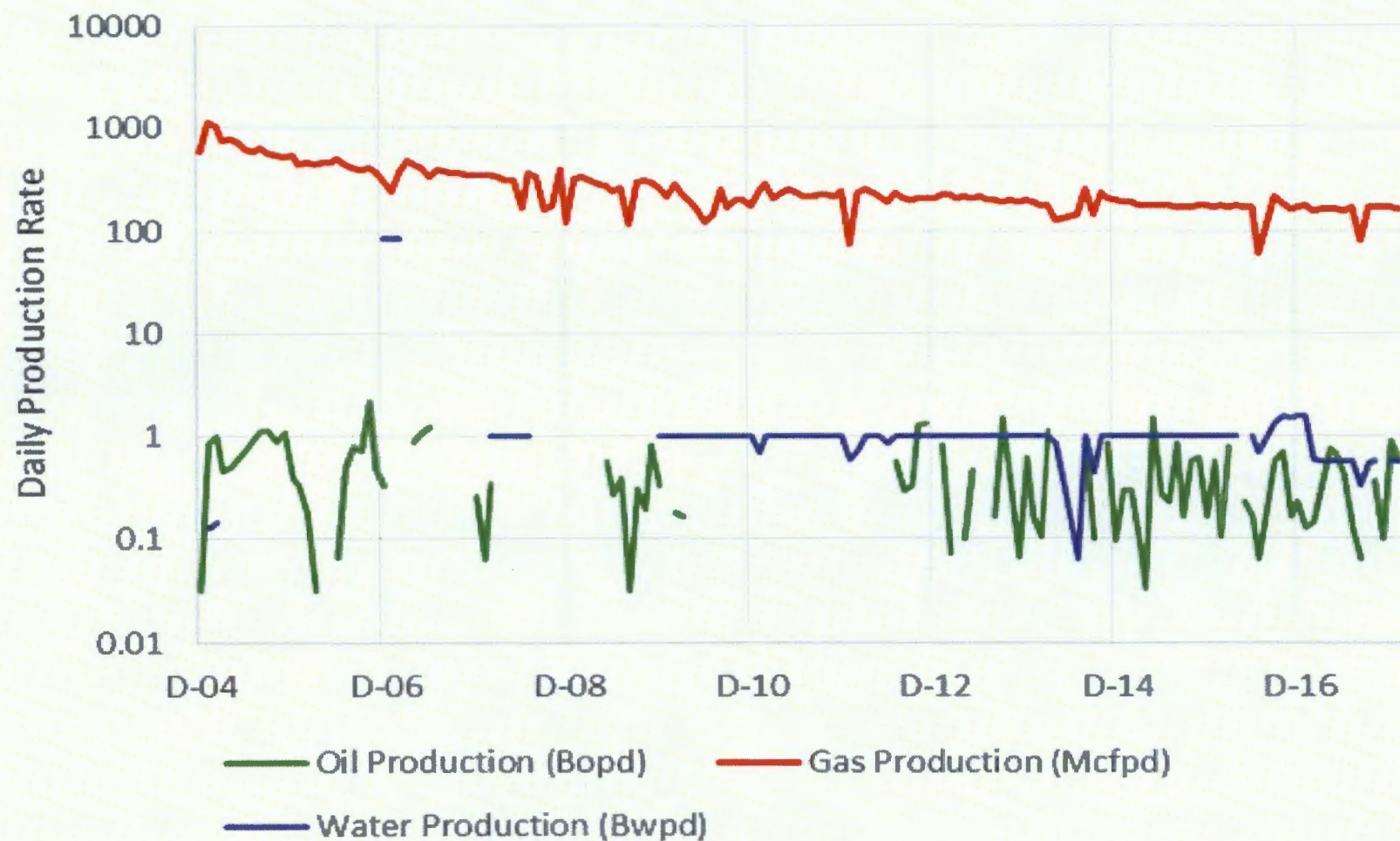
16

<p>16</p> <p>CALC'D CORNER</p> <p>N 89°43' W 5287.9'(R)</p> <p>CANDELARIA, PABLO, ET UX</p> <p>1540'</p> <p>220'</p> <p>1065'</p> <p>257'</p> <p>1100'</p> <p>LAT: 36°44.6' N. LONG: 107°34.9' W.</p> <p>9</p> <p>FD 2 1/2" GLO 1914 BRASS CAP</p> <p>NMSF-078423</p>	<p>17</p> <p>FD 2 1/2" GLO 1914 BRASS CAP</p> <p>OPERATOR CERTIFICATION</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>Peggy Cole</i> Signature</p> <p>Peggy Cole Printed Name</p> <p>Regulatory Supervisor</p> <p>Title</p> <p>12-26-01 Date</p>
	<p>18</p> <p>SURVEYOR CERTIFICATION</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>7-25-01 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>ROY A. CUSH REGISTERED PROFESSIONAL LAND SURVEYOR NEW MEXICO 88894 Certificate Number</p>

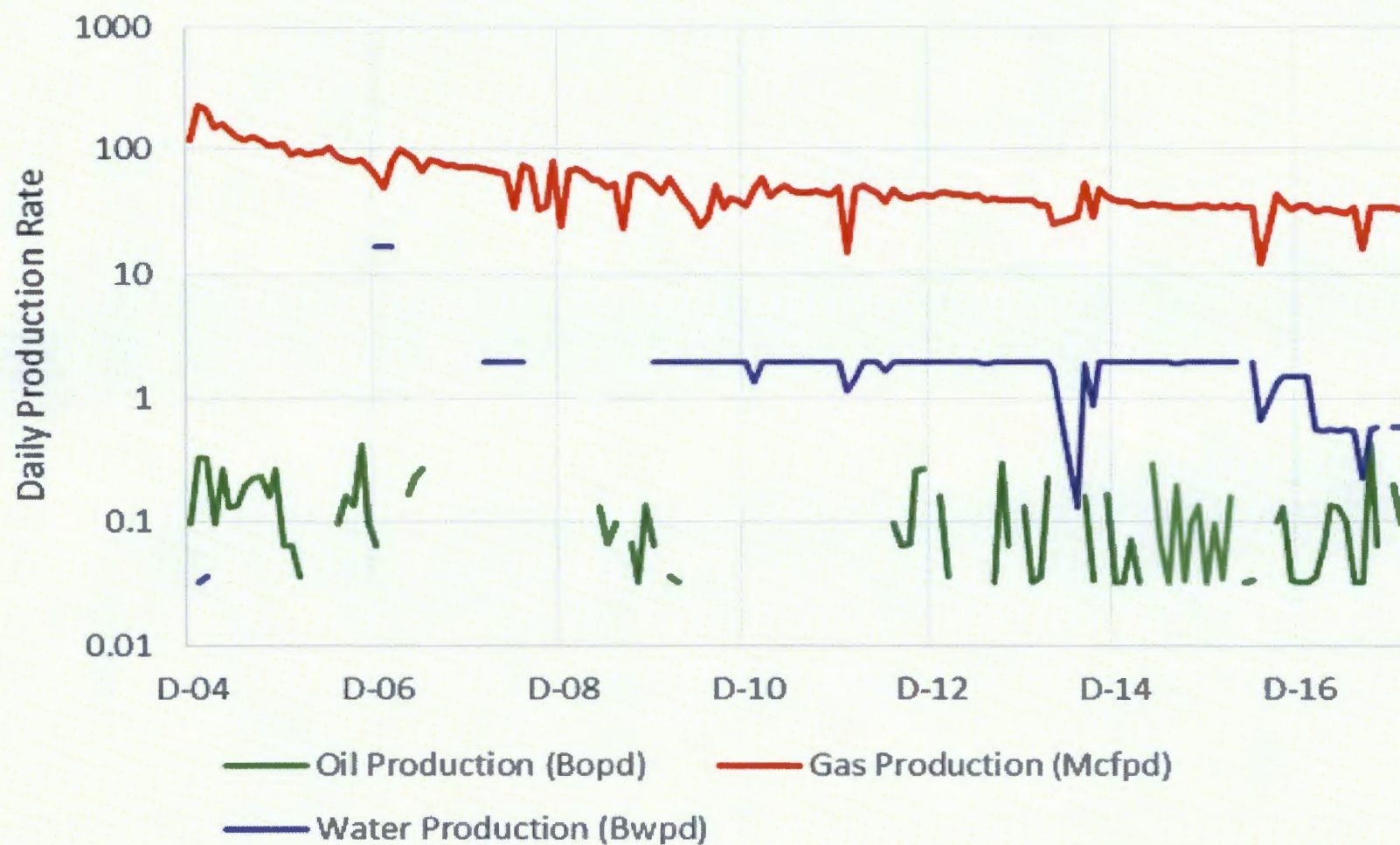
San Juan 29-7 Unit 80B – Production Allocation Method

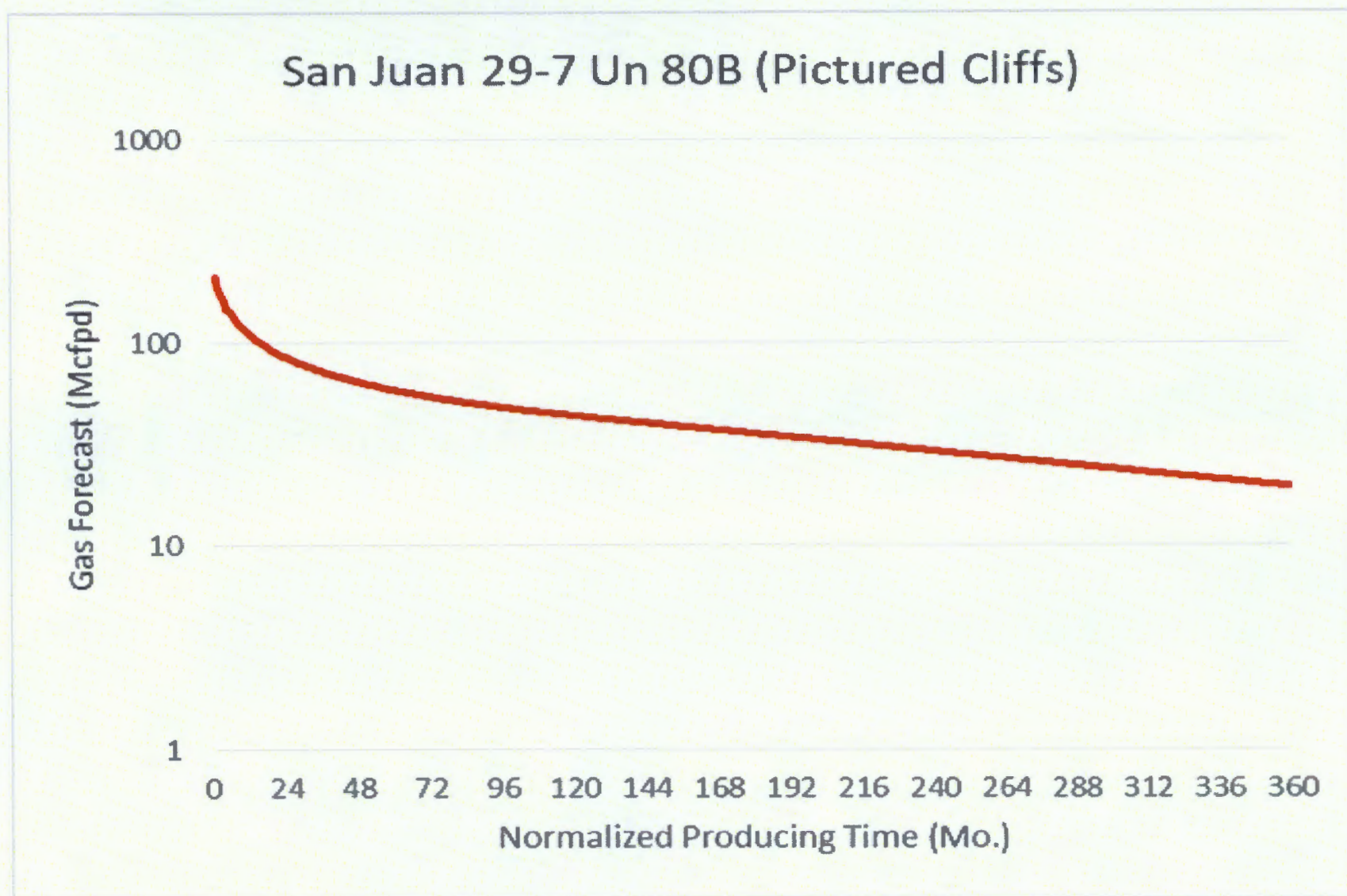
Production for the downhole commingle will be allocated using the subtraction method in agreement with the BLM. The base formation is the Mesaverde and Dakota the added formation to be commingled is the Pictured Cliffs. The subtraction method applies an average monthly production forecast to the base 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.

San Juan 29-7 Un 80B (Mesaverde)



San Juan 29-7 Un 80B (Dakota)





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

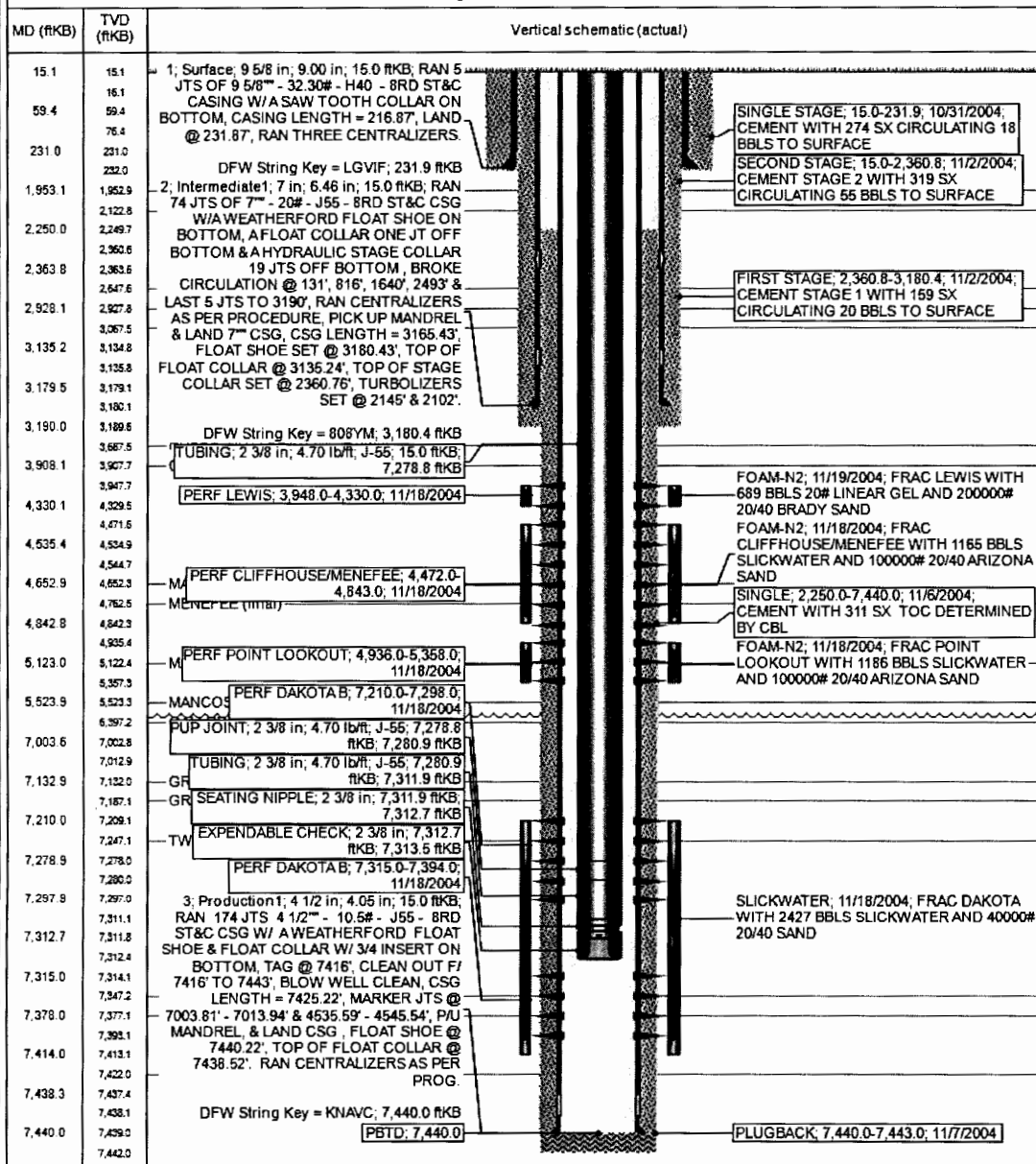


Current Schematic

Well Name: SAN JUAN 29-7 UNIT #80B

API / UWI 3003927021	Surface Legal Location 009-029N-007W-E	Field Name BLANCOMESAVERDE, PROPRATED GAS	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,136.00	Original KBRT Elevation (ft) 6,151.00	KB-Ground Distance (ft) 15.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

VERTICAL, Original Hole, 4/23/2018 3:29:20 PM



Well Name: SAN JUAN 29-7 UNIT #80B

API / UWI 3003927021	Surface Logal Location 009-029N-007W-E	Field Name BLANCONES/VERDE (PROVATED ONE)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,136.00	Original K&B RT Elevation (ft) 6,151.00	K&B Ground Distance (ft) 16.00	K&B Casing Range Distance (ft)	K&B Tying Range Distance (ft)	

VERTICAL, Original Hole, 4/23/2018 3:29:20 PM

