

RECEIVED: <u>05/01/2018</u>	REVIEWER: <u>MAM</u>	TYPE: <u>DHC</u>	APP NO: <u>PMAM1812157264</u>
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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: <u>Hilcorp Energy Company</u>	OGRID Number: <u>372171</u>
Well Name: <u>San Juan 28-6 Unit 159</u>	API: <u>30-039-20380</u>
Pool: <u>Blanco P.C. South</u>	Pool Code: <u>72439</u>

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

4/30/2018

Date

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

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 PO BOX 4700, Farmington NM 87499
Operator Address
San Juan 28-6 Unit 159 UL N – Sec. 18, T28N, R06W Rio Arriba
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 372171 Property Code 318710 API No. 30-039-20380 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO P.C. SOUTH	BLANCO MESAVERDE (GAS)	BASIN DAKOTA
Pool Code	72439	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3384' – 3450' -Estimated	4358' – 5708'	7633' – 7838'
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)	1,010 psi	620 psi	2,486 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: Rates:	Date: 02/1/2018 Rates: 2189 MCF – GAS 0 BBL - WATER	Date: 02/1/2018 Rates: 1078 MCF - GAS 0 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: R-10696

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 4/30/2018

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

E-MAIL ADDRESS cbrock@hilcorp.com

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

EL PASO NATURAL GAS COMPANY

SAN JUAN 28-6 UNIT (SF-080430-E)

159

N 18 28-W 6-W RIO ARriba

800 SOUTH 1450 WEST

6609 DAKOTA DAKOTA 328.37

1. Outline the acreage indicated to the subject well by colored pencil or hatchure marks on the plat below.

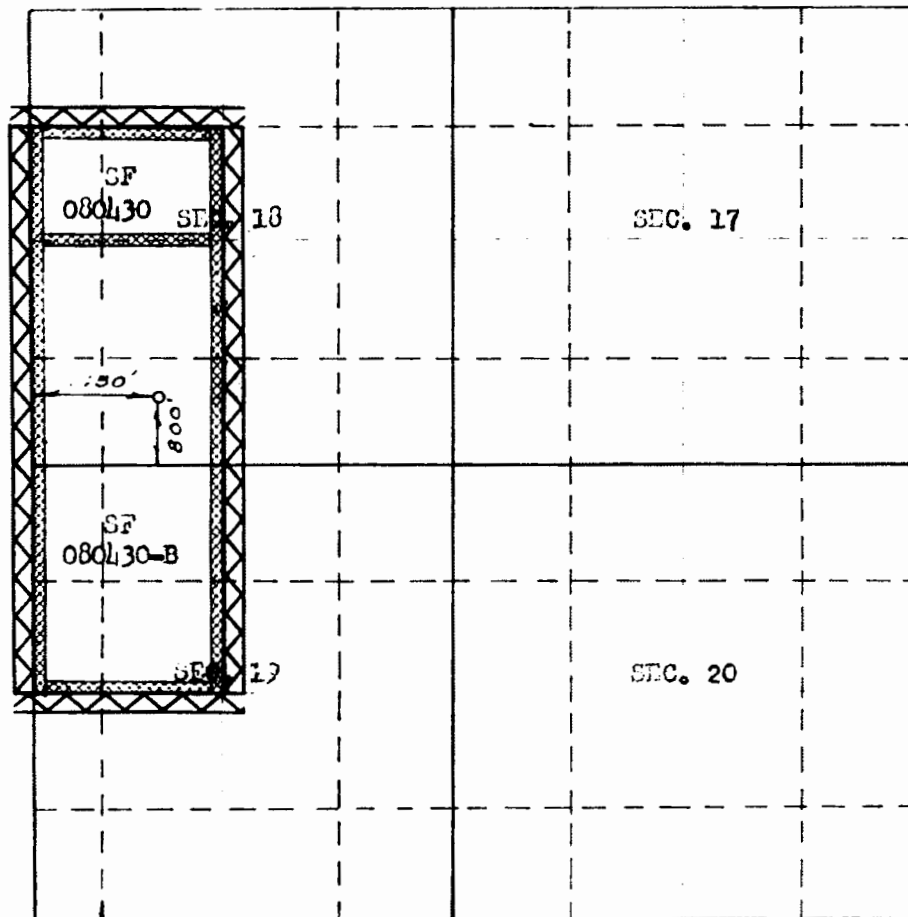
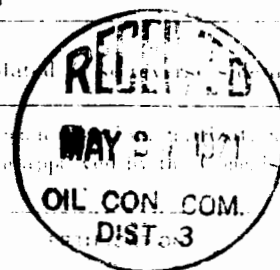
2. If one or more interests are dedicated to the well, outline each and identify the owner(s) thereof. It is to be noted that interests are to be indicated by owner(s) and not by acreage.

3. If more than one owner of different ownership is dedicated to the well, have the interests of all owners been indicated by common fraction(s) or undivided interest(s) for each owner(s)?

☒ Yes ☐ No If answer is "No" set forth in explanation **Unitization**

4. If more than one interest in the subject acreage has been actually been cons. dedicated to the well, list the owners and tract descriptions which have actually been cons. dedicated to the well.

5. If more than one interest in the subject acreage has been cons. dedicated to the well, but the owner(s) of such interest(s) has not been indicated by common fraction(s) or undivided interest(s) for each owner(s), list the owner(s) and tract descriptions which have been cons. dedicated to the well.



I hereby certify that the above plat is a true and correct copy of the original plat on file in the office of the New Mexico Oil Conservation Commission.

James H. Wood
Petroleum Engineer

El Paso Natural Gas Company

May 20, 1971

MARCH 13, 1971

David C. Kline
1760

SCALE: 1" = 2,000'

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102

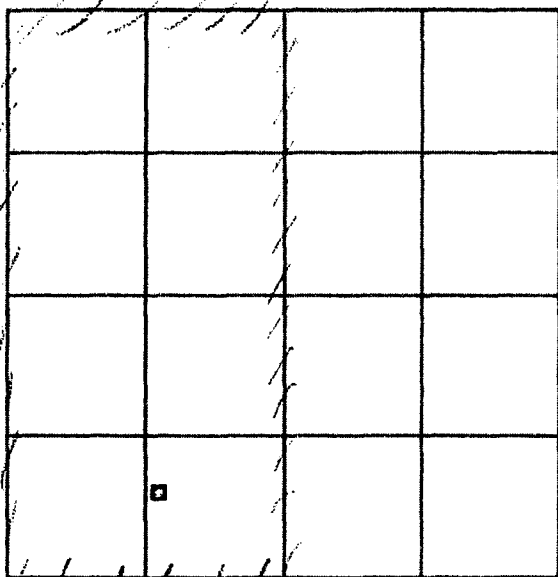
Permit 9087

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-20380	Pool Name BLANCO-MESAVERDE (PRORATED GAS)	Pool Code 72319
Property Code 7462	Property Name SAN JUAN 28 6 UNIT	Well No. 159
OGRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS CO	Elevation 6609

Surface And Bottom Hole Location

UL or Lot N	Section 18	Township 28N	Range 06W	Lot Idn	Feet From 800	N/S Line S	Feet From 1450	E/W Line W	County Rio Arriba
Dedicated Acres 262.84		Joint or Infill		Consolidation Code		Order No.			

**OPERATOR CERTIFICATION**

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

Electronically Signed By:

Title: **Regulatory Associate**Date: **3/31/05****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.

Surveyed By: **David Vilven**Date of Survey: **03/18/1971**Certificate Number: **1760**

District I1625 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) 476-3462Form C-102
August 1, 2011

Permit 251552

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-20380	2. Pool Code 72439	3. Pool Name BLANCO P. C. SOUTH (PRORATED GAS)
4. Property Code 318710	5. Property Name SAN JUAN 28 6 UNIT	6. Well No. 159
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6609

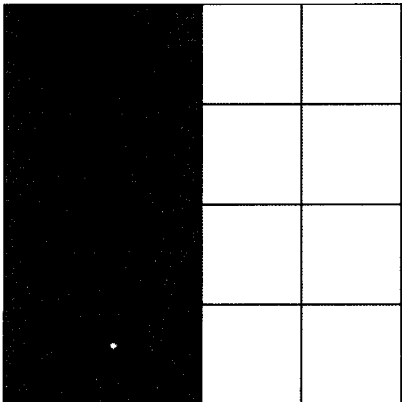
10. Surface Location

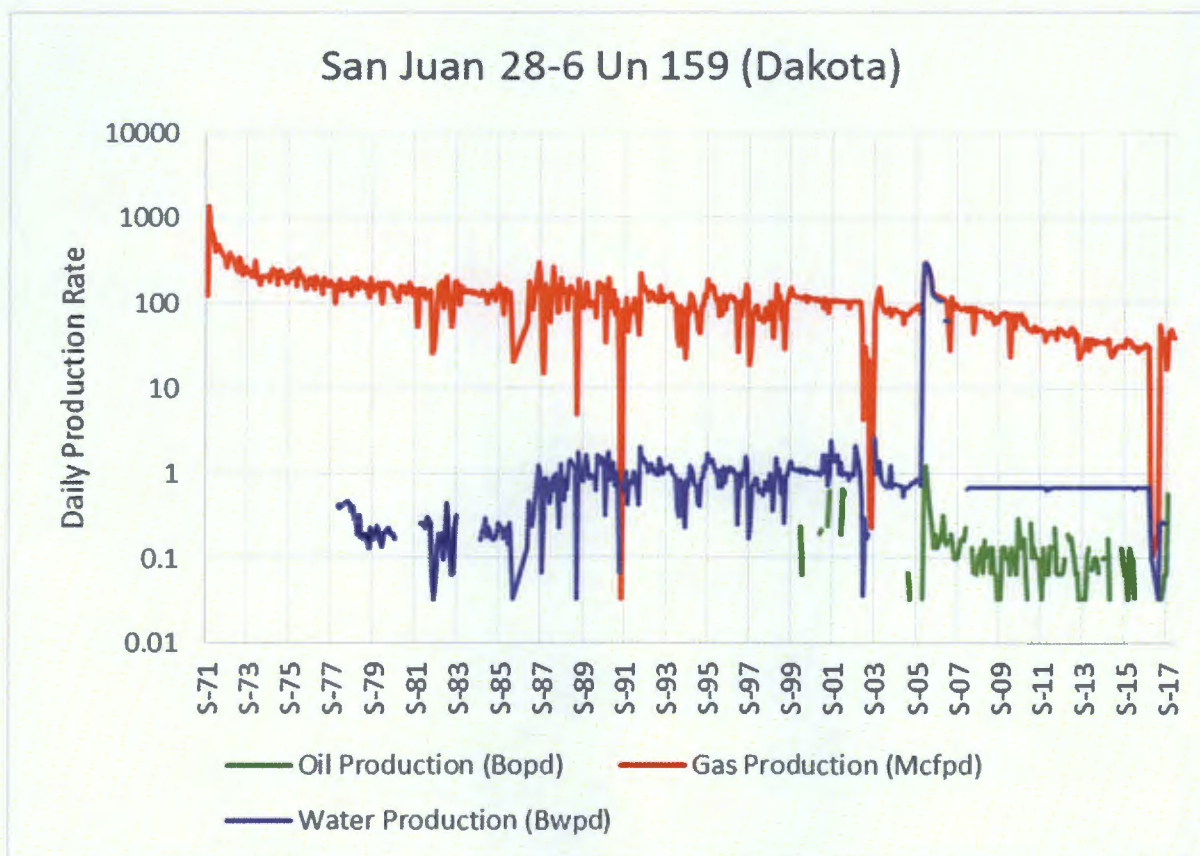
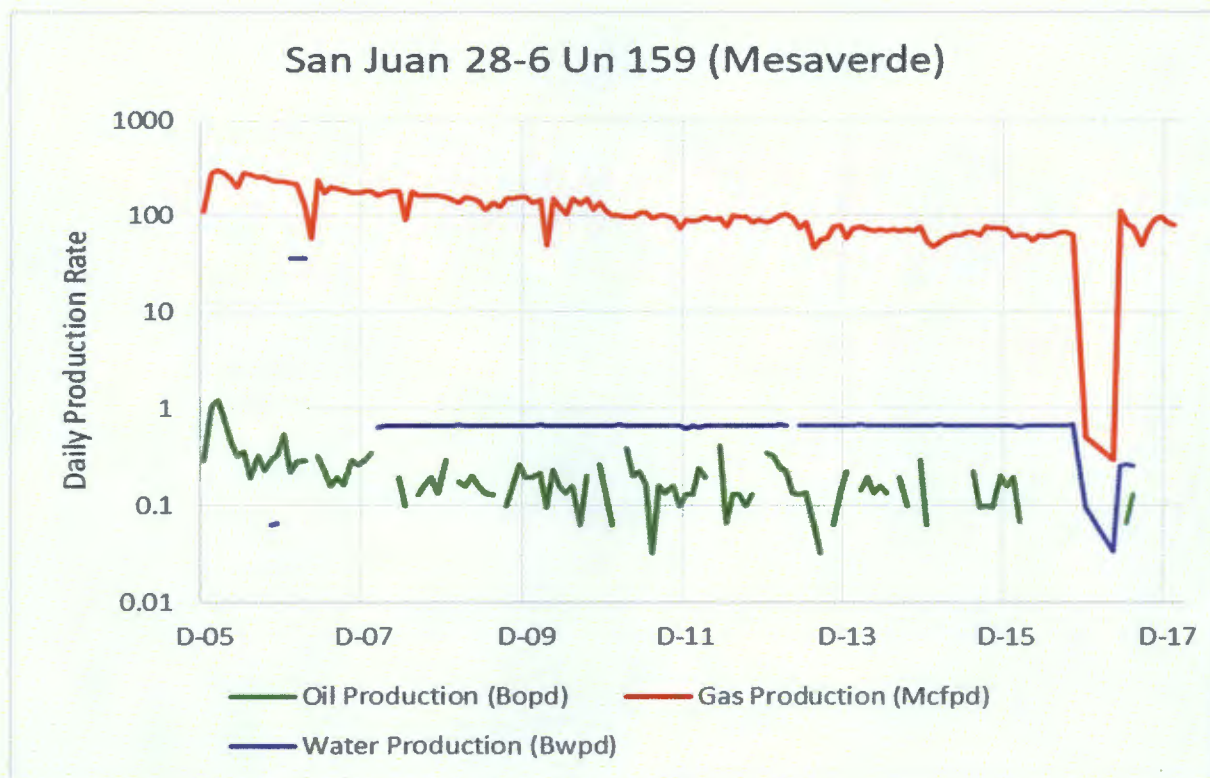
UL - Lot N	Section 18	Township 28N	Range 06W	Lot Idn	Feet From 800	N/S Line S	Feet From 1450	E/W Line W	County RIO ARRIBA
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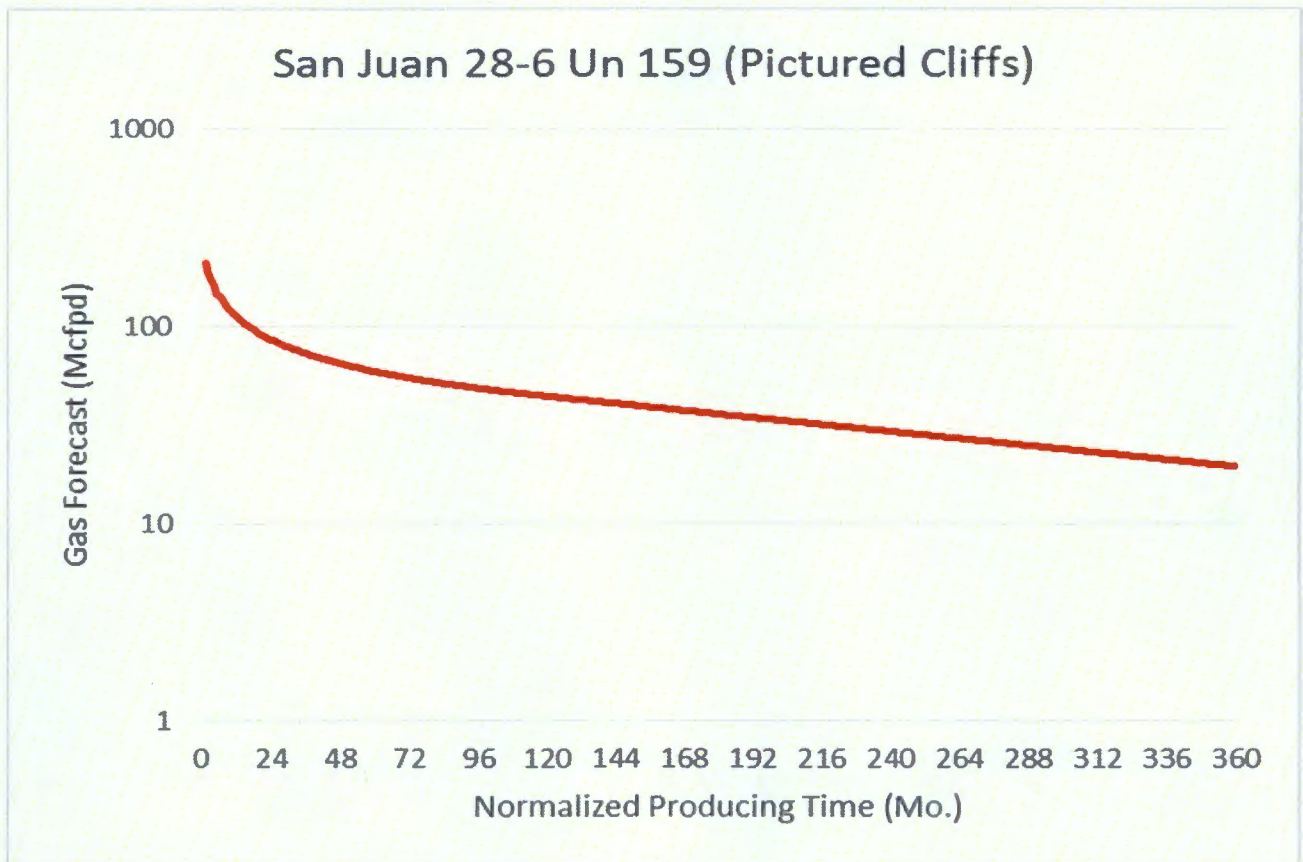
11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 262.84 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;">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: Title: Operations/Regulatory Tech. - Sr. Date: 4/26/2018</p> <hr/> <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 Kilven Date of Survey: 3/18/1971 Certificate Number: 1760</p>
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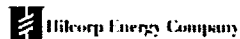




The forecast for Pictured Cliffs production has been generated using a type curve of PC gas production in the surrounding production trend.

San Juan 28-6 Unit 159 – 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 Mesaverde and Dakota 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 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.



Current Schematic

Well Name: SAN JUAN 28-6 UNIT #159

API / UWI 3003920380	Surface Legal Location 018-028N-006W-N	Field Name BASIN DAKOTA (PROPOSED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type
Ground Elevation (ft) 6,609.00	Original KB RT Elevation (ft) 6,623.00	KB-Ground Distance (ft) 14.00	KB-Casing Plunge Distance (ft)	KB-Tubing Hanger Distance (ft)	

SAN JUAN 28-6 UNIT #159, 4/23/2018 2:01:57 PM

