

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: 06/18/2019	REVIEWER: MAM	TYPE: DHC	APP NO: pMAM1917029385
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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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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.

Joey Becker

Print or Type Name

6/18/2019

Date

505.324.5110

Phone Number

Signature

JOEY W BECKERjobecker@hilcorp.com

e-mail Address

McMillan, Michael, EMNRD

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

The information contained in this e-mail message is confidential information intended only for the use of the recipient(s) named above. In addition, this communication may be legally privileged. If the reader of this e-mail is not an intended recipient, you have received this e-mail in error and any review, dissemination, distribution or copying is strictly prohibited. If you have received this e-mail in error, please notify the sender immediately by return e-mail and permanently delete the copy you received.

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
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

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

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

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	UTE DOME DAKOTA		UTE DOME MORRISON
Pool Code	86720		97039
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2244'-2386'		Existing 2580'-2623' New 2606' - 2622'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)	150 psi		900 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1000 BTU		1000 BTU
Producing, Shut-In or New Zone	Producing		Shut In
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: 3/8/2019 Rates: 0 BO, 10 MCF, 0 BW	Date: Rates:	Date: N/A Rates:
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 % %	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 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  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. Trench Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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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

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

Form C-102
Revised August 15, 2000

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

WELL LOCATION AND ACREAGE DEDICATION PLAT



AMENDED
REPORT

APL 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'

10 Surface Location

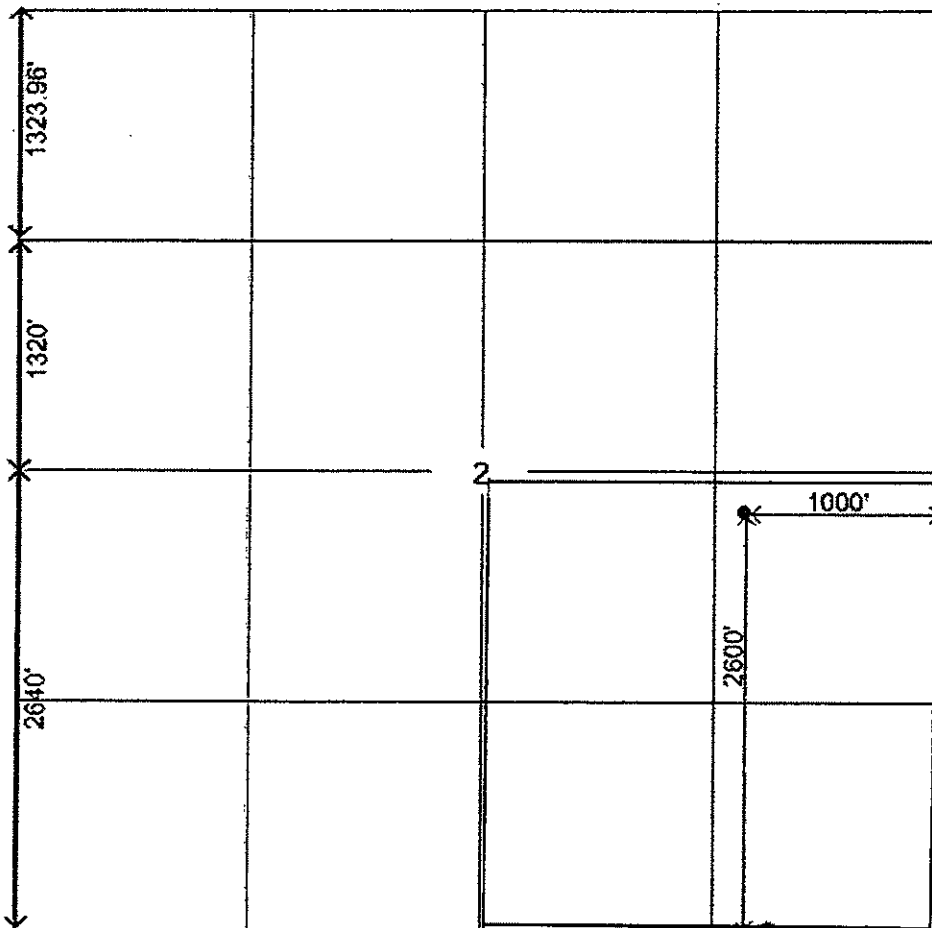
U.I. or lot no. 1	Section 02	Township 31N	Range 14W	Lot Idn	Feet from the 2600	North/South line SOUTH	Feet from the 1000	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 160	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



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 II
PO Drawer DD, Artesia, NM 88211-0719

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

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

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

District IV
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

U. 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

¹¹Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot 100	Feet from the	North/South line	Feet from the	East/West line	County
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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

15
1323.96'
4
3
2
1
1323.96'
1320.00'
1320.00'
2640.00'
2600'
5280.00'

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

12#20

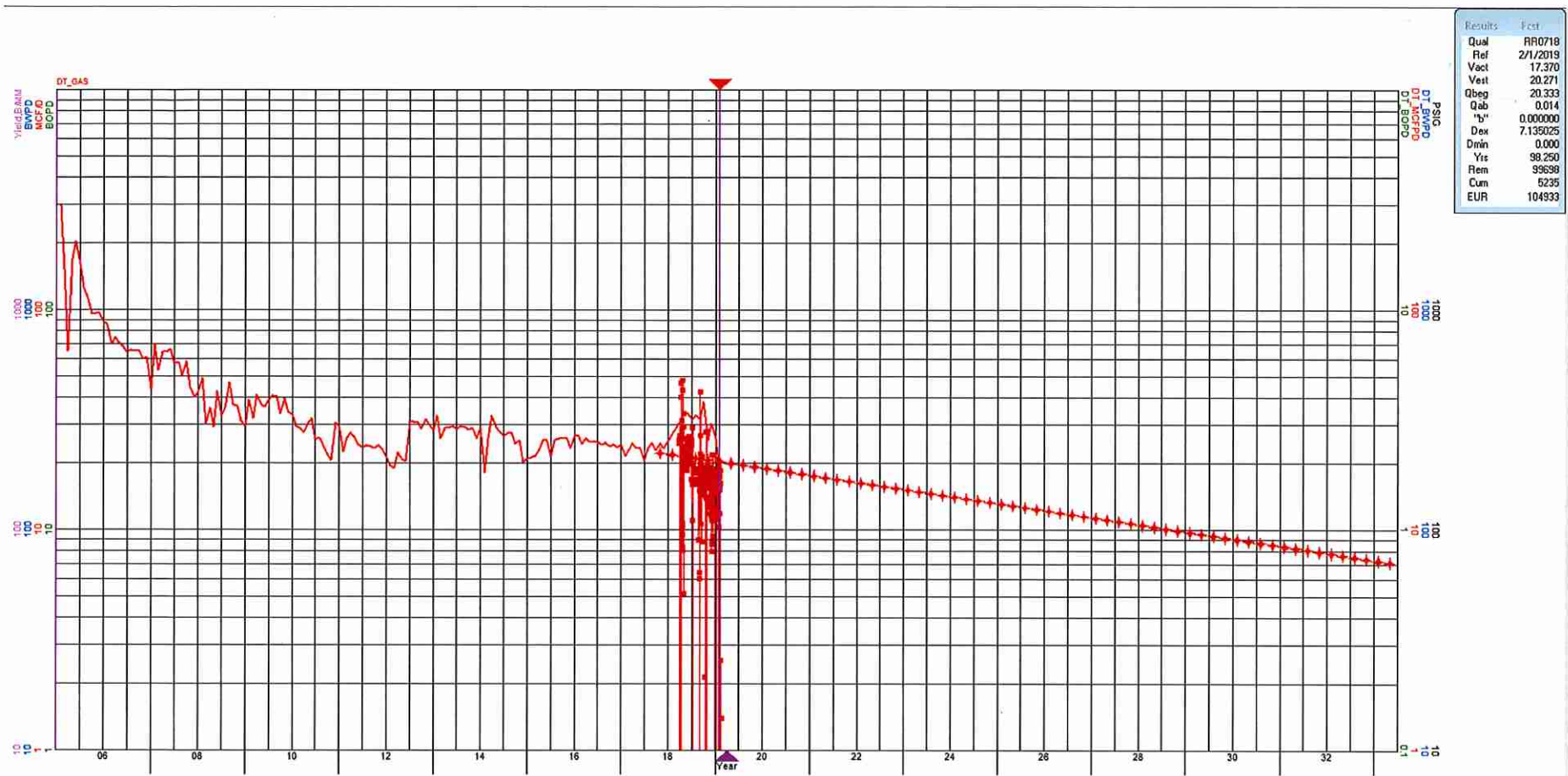
17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Gary L. Markestad
Signature
Gary L. Markestad
Printed Name
Vice-President / Production
Title
Date

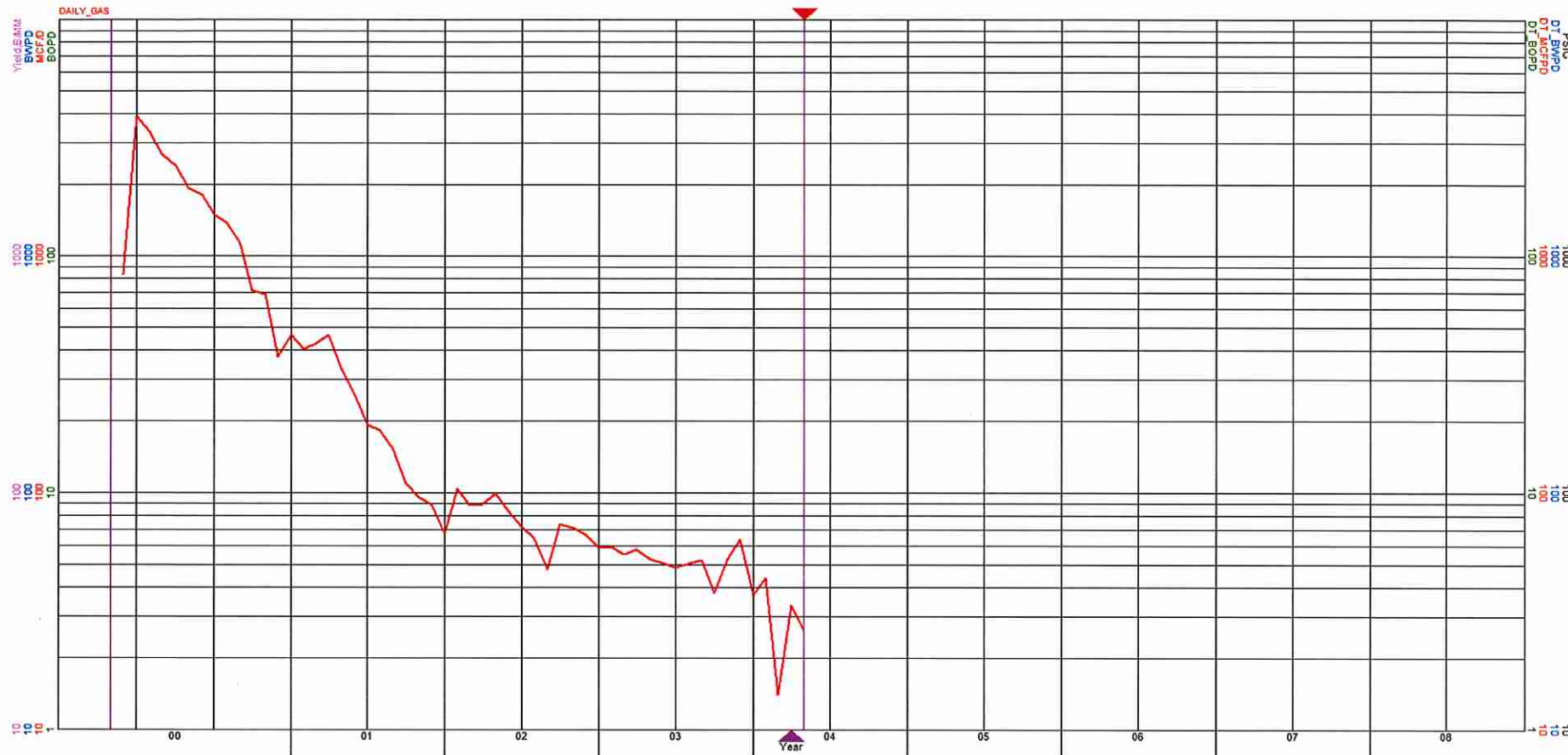
18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 22, 1998
Date of Survey
Neale C. Edwards
Signature and Seal
NEALE C. EDWARDS
NEW MEXICO
6857
6857
Certificate

Ute Indians A #27 Ute Dome Dakota Production Curve

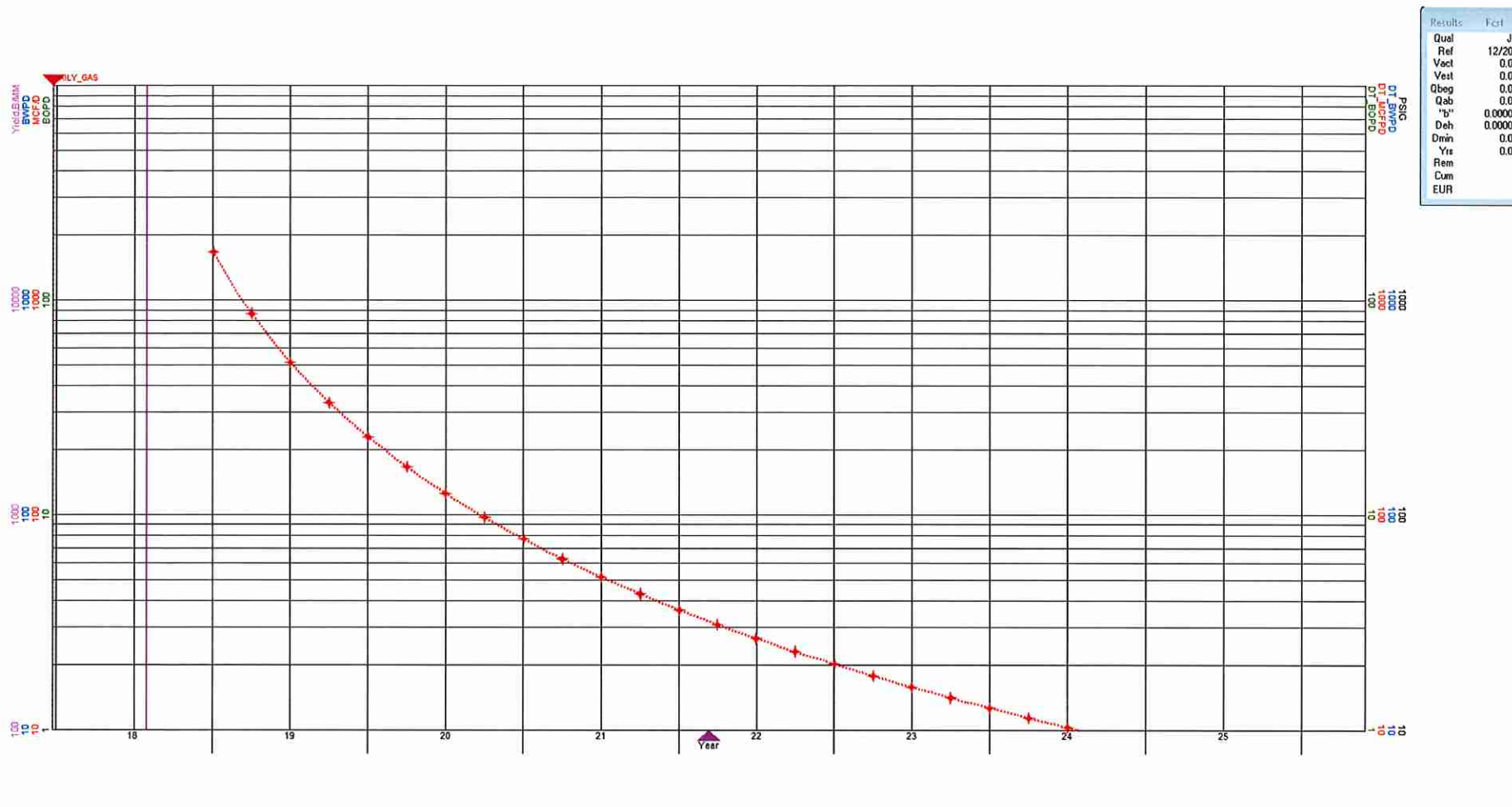


Ute Indians A #27 Ute Dome Morrison Historical Production Curve



- 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

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 'R. Carlson'.

Robert T. Carlson
Landman
(832) 839-4596
rcarlson@hilcorp.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTRECEIVED
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		11. County or Parish, State SAN JUAN COUNTY, NM	

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 recompleat 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 recompleat 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 DAN RABINOWITZ	Title ACTING MINERALS STAFF CHIEF	Date 03/18/2019
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 Durango

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



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

UTE INDIANS A 27 - CURRENT WELLBORE SCHEMATIC



Schematic - Current

Well Name: UTE INDIANS A #27

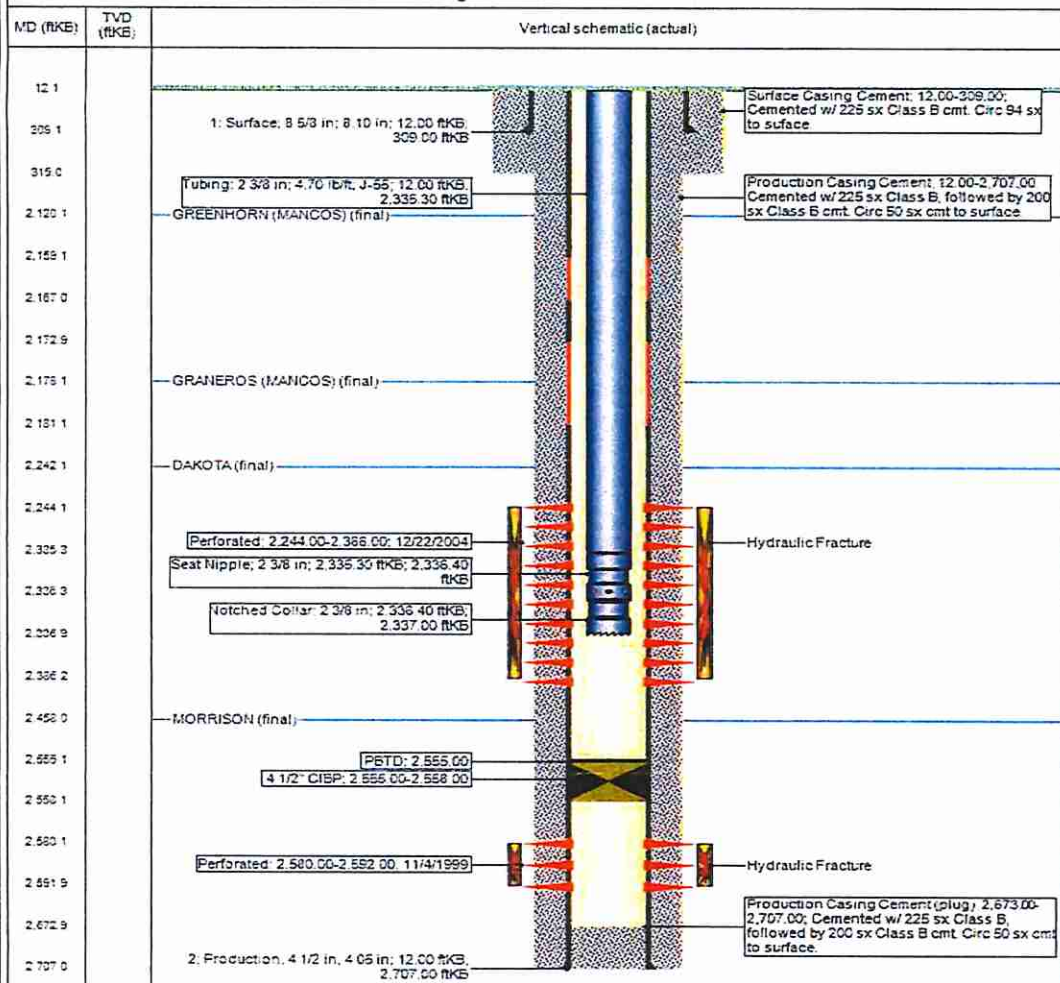
AP: 3004525083	Surface Log Location: T31N-R14W-S02	Field Name: Ute Dome Dakota	License No:	State/Province: New Mexico	Well Configuration Type: Vertical
Original Completion Date: 8/11/2000	Original Completion Date: 8/11/1999 00:00	Original Completion Date: 8/7/1999 00:00	Original Completion Date: 8/7/1999 00:00	Original Completion Date: 8/7/1999 00:00	Original Completion Date: 8/7/1999 00:00

Most Recent Job

Job Category:	Primary Job Type:	Secondary Job Type:	Actual Start Date:	End Date:
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TD: 2,707.0

Vertical Original Hole, 3/6/2019 6:37:23 AM



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

