

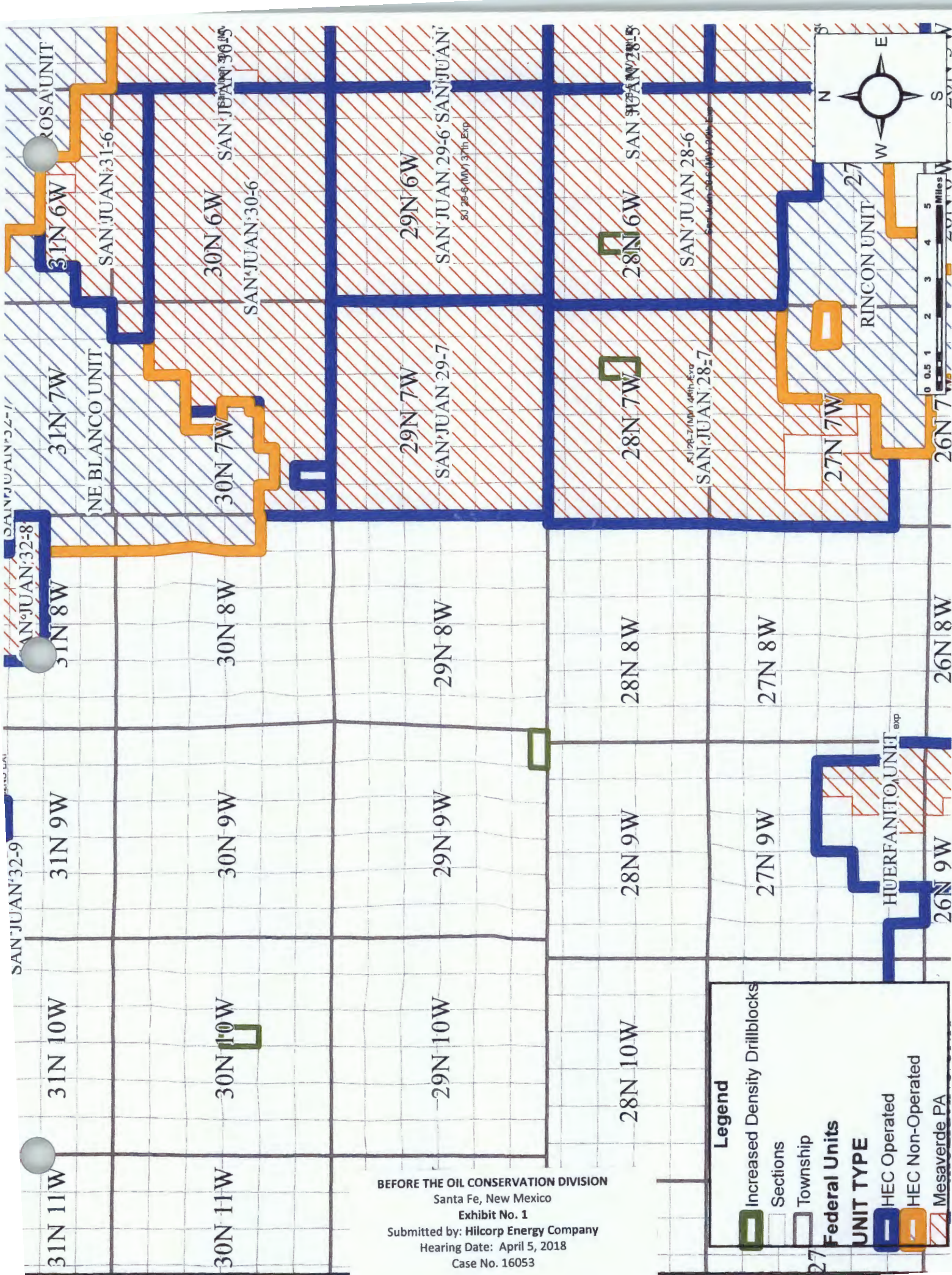
**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 5, 2018**

CASE No. 16053

HELMS FEDERAL 1F

SAN JUAN COUNTY, NEW MEXICO





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HELMS FEDERAL 1E
300452504700

HELMS FEDERAL 1A
300452216900

HELMS FEDERAL 1F
300453404900

HELMS FEDERAL 1
300450933000

HELMS FEDERAL 1B
300452999800

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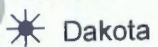
027

026

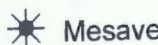
Helms Federal 1F
API #30-045-34049

Legend

Drillblock Wells



Dakota



Mesaverde



Drillblock



Offset

Offsets are
Operated by
Hilcorp Energy
Company &
BP America
Production Co.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 2

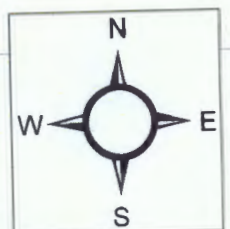
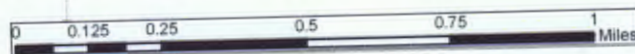
Submitted by: Hilcorp Energy Company

Hearing Date: April 5, 2018

Case No. 16053

033

034



16053 Helms Federal 1F

Name	Address	City	State	Zip Code	Remarks
BP AMERICA PRODUCTION COMPANY	737 N ELDRIDGE PARKWAY	HOUSTON	TX	77079	Offset Operator



Certified Mail Tracking and Digital Signature Retrieval

Enter information below regarding the Certified Mail piece you wish to locate. If a digital signature is available from the United States Postal Service, a View Signature link will be displayed under the Delivery Status information. Clicking on the hot link will open the digital signature as an Acrobat PDF within the browser window.

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From Date:	3/16/18	To Date:	3/16/18
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Address:		Address 2:	
City:		State:	
Zip:		AddresseeCode:	
AddresseeCode2:		FileNumber:	
Certified Number:		Sender Contact:	Brenda Guzman <input type="button" value="v"/>
Delivery Result:	All Records - Mailed <input checked="" type="checkbox"/>	Sender Contact(Text):	
View Archives		Retrieve Certified Mail Article History	

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901756613626 Request Signature via Email	Brenda Guzman	, ALADDIN PETROLEUM CORP. 123 S MARKET ST, WICHITA, KS, 67202-3801 Code: WIO	3/16/2018	Delivered, PO Box March 26, 2018 Signature Pending
92148969009997901756613633	Brenda Guzman	, BOFB LTD ATTN: MARY JEANNE BANKS, 2104 WINTER SUNDAY WAY, ARLINGTON, TX, 76012 Code: WIO	3/16/2018	Reminder to Schedule Redelivery of your item Signature Pending
92148969009997901756613640	Brenda Guzman	, BP AMERICA PRODUCTION COMPANY ATTN: CRAIG FERGUSON, 737 N ELDRIDGE PARKWAY, HOUSTON, TX, 77079 Code: WIOandOO	3/16/2018	In Transit to Next Facility March 20, 2018 Signature Pending
92148969009997901756613657 Request Signature via Email	Brenda Guzman	, CAROLEE SIMMONS SMITH, 6704 ASHBROOK DR, FORT WORTH, TX, 76132-1140 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613664 Request Signature via Email	Brenda Guzman	, CAROLYN BEAMON TILLEY, 5225 PRESTON HAVEN, DALLAS, TX, 75229 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613671 Request Signature via Email	Brenda Guzman	, CB LIFELINE PARTNERSHIP, 5225 PRESTON HAVEN DR, DALLAS, TX, 75229 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613688 Request Signature via Email	Brenda Guzman	, CHARLES W GAY, PO BOX 291445, KERRVILLE, TX, 78029-1445 Code: WIO	3/16/2018	Delivered March 27, 2018 Signature Pending
92148969009997901756613695 Request Signature via Email	Brenda Guzman	, CLAUDIA MARCIA LUNDELL GILMER, 1102 S AUSTIN AVE, GEORGETOWN, TX, 78626 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613701 Request Signature via Email	Brenda Guzman	, CROSS TIMBERS ENERGY LLC, 400 W 7TH STREET, FT WORTH, TX, 76102 Code: WIO	3/16/2018	Delivered, To Mail Room March 20, 2018 Signature Pending
92148969009997901756613718 Request Signature via Email	Brenda Guzman	, D J SIMMONS CO LTD PARTNERSHIP, PO BOX 1469, FARMINGTON, NM, 87499 Code: WIO	3/16/2018	Delivered March 26, 2018 Signature Pending
92148969009997901756613725 Request Signature via Email	Brenda Guzman	, DUGAN PRODUCTION CORP. PO BOX 420, FARMINGTON, NM, 87499 Code: WIO	3/16/2018	Delivered, Individual Picked Up at Post Office March 28, 2018 Signature Pending
92148969009997901756613732 Request Signature via Email	Brenda Guzman	, ELIZABETH TURNER CALLOWAY, ROBERT WILBURN GUARDIAN PO BOX 191767, DALLAS, TX, 75219-8506 Code: WIO	3/16/2018	Delivered March 26, 2018 Signature Pending
92148969009997901756613749 Request Signature via Email	Brenda Guzman	, ENDURING RESOURCES IV LLC ATTN: TRAVIS WHITHAM, 511 16TH STREET, SUITE 700, DENVER, CO, 80202 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
	Brenda Guzman		3/16/2018	Delivered, Neighbor as Requested

92148969009997901756613756 Request Signature via Email		, FREDERICK EUGENE TURNER, 4925 GREENVILLE AVE #852, DALLAS, TX, 75206 Code: WIO		March 19, 2018 Signature Pending
92148969009997901756613763 Request Signature via Email	Brenda Guzman	, HARRINGTON ENERGY RESOURCES LP, A NM LP HARRINGTON SAN JUAN LLC GP PO BOX 219119, KANSAS CITY, MO, 64121 Code: WIO	3/16/2018	Delivered, PO Box March 21, 2018 Signature Pending
92148969009997901756613770 Request Signature via Email	Brenda Guzman	, HARRINGTON SOUTHWEST ENERGY LP, A NM LP HARRINGTON SAN JUAN LLC GP PO BOX 219119, KANSAS CITY, MO, 64121 Code: WIO	3/16/2018	Delivered, PO Box March 21, 2018 Signature Pending
92148969009997901756613787 Request Signature via Email	Brenda Guzman	, HOLLY BISHOP, 4008 INWOOD ROAD, FORT WORTH, TX, 76109 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613794 Request Signature via Email	Brenda Guzman	, J GLENN TURNER JR, 4809 COLE AVE SUITE 212, DALLAS, TX, 75205 Code: WIO	3/16/2018	Delivered, Left with Individual March 23, 2018 Signature Pending
92148969009997901756613800 Request Signature via Email	Brenda Guzman	, JandM RAYMOND LTD, RAYMOND and SONS I LLC GEN PARTNER PO BOX 291445, KERRVILLE, TX, 78029-1445 Code: WIO	3/16/2018	Delivered March 27, 2018 Signature Pending
92148969009997901756613817 Request Signature via Email	Brenda Guzman	, JAMES R BEAMON, 2603 AUGUSTA STE 1050, HOUSTON, TX, 77057-5640 Code: WIO	3/16/2018	Delivered, Left with Individual March 21, 2018 Signature Pending
92148969009997901756613824 Request Signature via Email	Brenda Guzman	, JOHN LEE TURNER, 525 GILMER ST #108, SULPHUR SPRINGS, TX, 75482 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613831 Request Signature via Email	Brenda Guzman	, JUNE SIMMONS LIVELY, 3529 BELLAIRE DR N, FORT WORTH, TX, 76109-2110 Code: WIO	3/16/2018	Delivered, Left with Individual March 20, 2018 Signature Pending
92148969009997901756613848 Request Signature via Email	Brenda Guzman	, LINDA JEANNE LUNDELL LINDSEY, PO BOX 631565, NACOGDOCHES, TX, 75963 Code: WIO	3/16/2018	Delivered March 22, 2018 Signature Pending
92148969009997901756613855 Request Signature via Email	Brenda Guzman	, LORRAYN GAY HACKER, PO BOX 291445, KERRVILLE, TX, 78029-1445 Code: WIO	3/16/2018	Delivered March 27, 2018 Signature Pending
92148969009997901756613862 Request Signature via Email	Brenda Guzman	, OMIMEX PETROLEUM, 7950 JOHN T WHITE ROAD, FORT WORTH, TX, 76120 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613879 Request Signature via Email	Brenda Guzman	, ROBERT E BEAMON III, 2603 AUGUSTA DR STE 1050, HOUSTON, TX, 77057-5797 Code: WIO	3/16/2018	Delivered, Left with Individual March 21, 2018 Signature Pending
92148969009997901756613886 Request Signature via Email	Brenda Guzman	, ROBERT WALTER LUNDELL, 2450 FONDREN STE 304, HOUSTON, TX, 77063-2318 Code: WIO	3/16/2018	Delivered, Left with Individual March 20, 2018 Signature Pending
92148969009997901756613893 Request Signature via Email	Brenda Guzman	, SDF LLC, 6719 EMORY OAKS PL NE, ALBUQUERQUE, NM, 87111 Code: WIO	3/16/2018	Delivered, Left with Individual March 22, 2018 Signature Pending
92148969009997901756613909 Request Signature via Email	Brenda Guzman	, SHARKTOOTH RESOURCES LTD, 505 N BIG SPRING SUITE 303, MIDLAND, TX, 79701 Code: WIO	3/16/2018	Delivered, Left with Individual March 23, 2018 Signature Pending
92148969009997901756613916 Request Signature via Email	Brenda Guzman	, SHARON BEAMON BURNS, 122 ESTRADA REDONDA, SANTA FE, NM, 87506-7933 Code: WIO	3/16/2018	Delivered March 23, 2018 Signature Pending
92148969009997901756613923 Request Signature via Email	Brenda Guzman	, SUSAN BEAMON PORTER, 319 KNIPP FOREST, HOUSTON, TX, 77024-5030 Code: WIO	3/16/2018	Delivered March 20, 2018 Signature Pending
92148969009997901756613930 Request Signature via Email	Brenda Guzman	, T H MCELVAIN OIL and GAS LLLP, 1050 17TH ST SUITE 2500, DENVER, CO, 80265-2080 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613947 Request Signature via Email	Brenda Guzman	, TAMACAM LLC, JAMES M RAYMOND AFENT and AIF PO BOX 291445, KERRVILLE, TX, 78029 Code: WIO	3/16/2018	Delivered March 27, 2018 Signature Pending
92148969009997901756613954 Request Signature via Email	Brenda Guzman	, W G PEAVY OIL COMPANY, 221 WOODCREST DR, RICHARDSON, TX, 75080-2038 Code: WIO	3/16/2018	Delivered, Left with Individual March 19, 2018 Signature Pending
92148969009997901756613961 Request Signature via Email	Brenda Guzman	, WEST LARGO CORPORATION, 8801 S YALE AVE, STE 240, TULSA, OK, 74137 Code: OO	3/16/2018	Delivered, Front Desk/Reception March 20, 2018 Signature Pending



March 16, 2018

VIA CERTIFIED MAIL - CERTIFIED RECEIPT REQUESTED

TO: OFFSETTING OPERATORS

Re: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. As a Division-designated operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on April 5, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Rob Carlson by phone at (832) 839-4596, by email at rcarlson@hilcorp.com Chuck Creekmore at (832) 389-4601, by email at ccreekmore@hilcorp.com.

Sincerely,

A handwritten signature in cursive script that reads 'Charles E. Creekmore'.

Chuck Creekmore
Division Landman – San Juan Basin

From: Ferguson, Craig [mailto:Craig.Ferguson@bp.com]
Sent: Wednesday, April 4, 2018 2:19 PM
To: Brenda Guzman <bguzman@hilcorp.com>
Cc: Wyn McCubbin <wmccubbin@hilcorp.com>; Chuck Creekmore <ccreekmore@hilcorp.com>; Rob Carlson <rcarlson@hilcorp.com>
Subject: RE: HEC NMOCD Hearing 4/5/18

No objections.

Craig T. Ferguson
Sr. Land Negotiator
San Juan Basin – New Mexico
281.892.5743

Lower 48 Onshore
BP America Production Company
737 N. Eldridge Parkway, E3-12.173B
Houston, TX 77079

Nothing contained in this communication, or in any other written or oral communications with BP America Production Company or its affiliates (collectively "BP") concerning the matters addressed above, shall create an obligation on BP to conclude a transaction covering such matters. Unless and until a written agreement covering the matters addressed above is executed by BP's authorized representative having express authority to bind BP to a transaction of such size and nature, BP has no obligation (legal or otherwise) concerning such matters. YOU SHOULD NOT RELY ON THIS COMMUNICATION OR ANY OTHER WRITTEN OR ORAL COMMUNICATIONS WITH BP AS THE BASIS FOR TAKING ANY ACTION, FOREGOING ANY OPPORTUNITY OR INCURRING ANY COSTS, IN ANTICIPATION OF CONCLUDING A TRANSACTION WITH BP.

This email and any attachments are intended only for the addressee(s) listed above and may contain confidential, proprietary, and/or privileged information. If you are not an intended recipient, please immediately advise the sender by return email, delete this email and any attachments, and destroy any copies of same. Any unauthorized review, use, copying disclosure or distribution of this email and any attachments is prohibited.

From: Brenda Guzman [mailto:bguzman@hilcorp.com]
Sent: Monday, April 02, 2018 11:43 AM
To: Ferguson, Craig
Cc: Wyn McCubbin; Chuck Creekmore; Rob Carlson
Subject: RE: HEC NMOCD Hearing 4/5/18

Craig,

Did BP have a chance to review the NMOCD cases listed below? As a Working Interest Owner and Offsetting Operator, we would like BP's confirmation of receipt and blessing to show the NMOCD at hearing this Thursday, April 5th. Additionally, please advise us of any objections that BP may have.

Case No.	BP Notice Type
16053	Offset Operator
16054	Working Interest Owner & Offset Operator
16055	Working Interest Owner

Regards,

Brenda Guzman
Land Tech – San Juan South
Hilcorp Energy Company
832-839-4574

The Farmington Daily Times

AFFIDAVIT OF PUBLICATION

Ad No.
0001239604

HOLLAND AND HART
PO BOX 2208

SANTA FE NM 87504

I, being duly sworn say: THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the State of New Mexico for publication and appeared in the internet at The Daily Times web site on the following days(s):

03/22/18

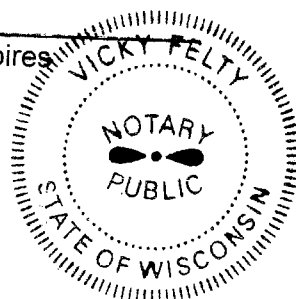
Cs RJO
Legal Clerk

Subscribed and sworn before me this
22nd of March 2018.

Vicky Felty
State of WI, County of Brown
NOTARY PUBLIC

My Commission Expires

9-19-21



Ad#:0001239604
P O : Legal Notice
of Affidavits :0.00

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **April 5, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **March 26, 2018**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: ALL OFFSET OWNERS AND WORKING INTEREST OWNERS IN THE SUBJECT SPACING UNIT, INCLUDING: BP AMERICA PRODUCTIVE COMPANY.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 4

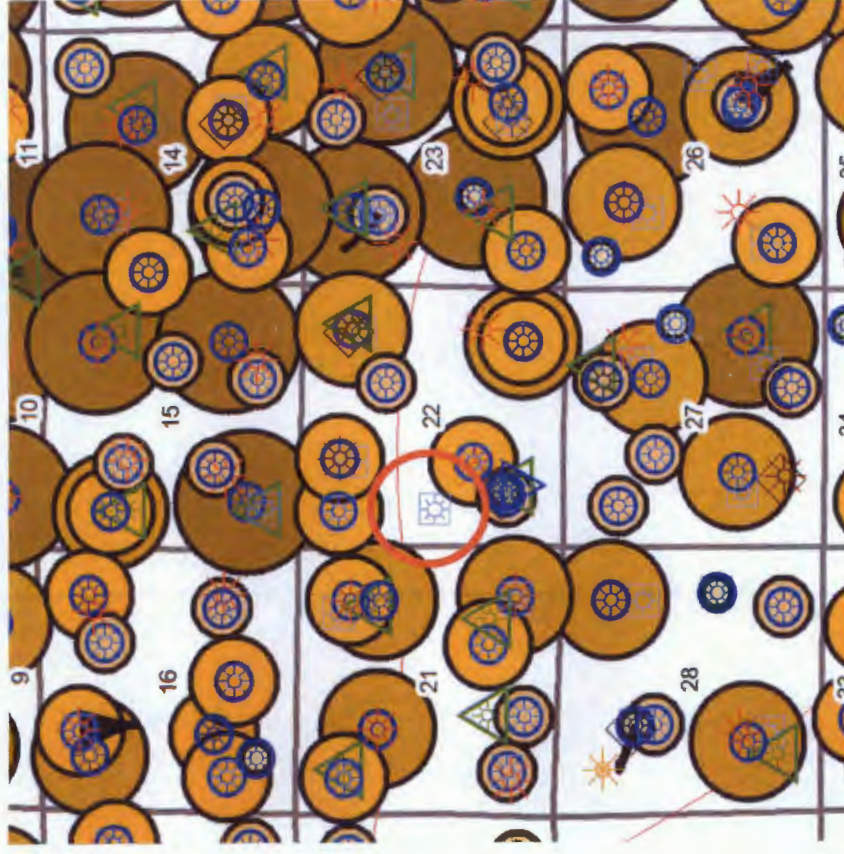
Submitted by: Hilcorp Energy Company
Hearing Date: April 5, 2018
Case No. 16053

Case No. 16053: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule 1.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool (72319), San Juan County, New Mexico, to permit it to complete and simultaneously produce five Mesaverde gas wells in the same standard 323.84-acre, more or less, spacing and proration unit, and three wells within the same quarter section. Hilcorp further seeks approval for the proposed location of the **Helms Federal 1F** (API No. 30-045-34049) in the Mesaverde formation with a surface location in Unit L of the W/2 of Section 22, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Helms Federal 1F Well from the Blanco-Mesaverde Gas Pool.

Said area is located approximately 5 miles
southeast of Arec, NM.

Legal No 1239604 published in The Daily Times
on March 22, 2018

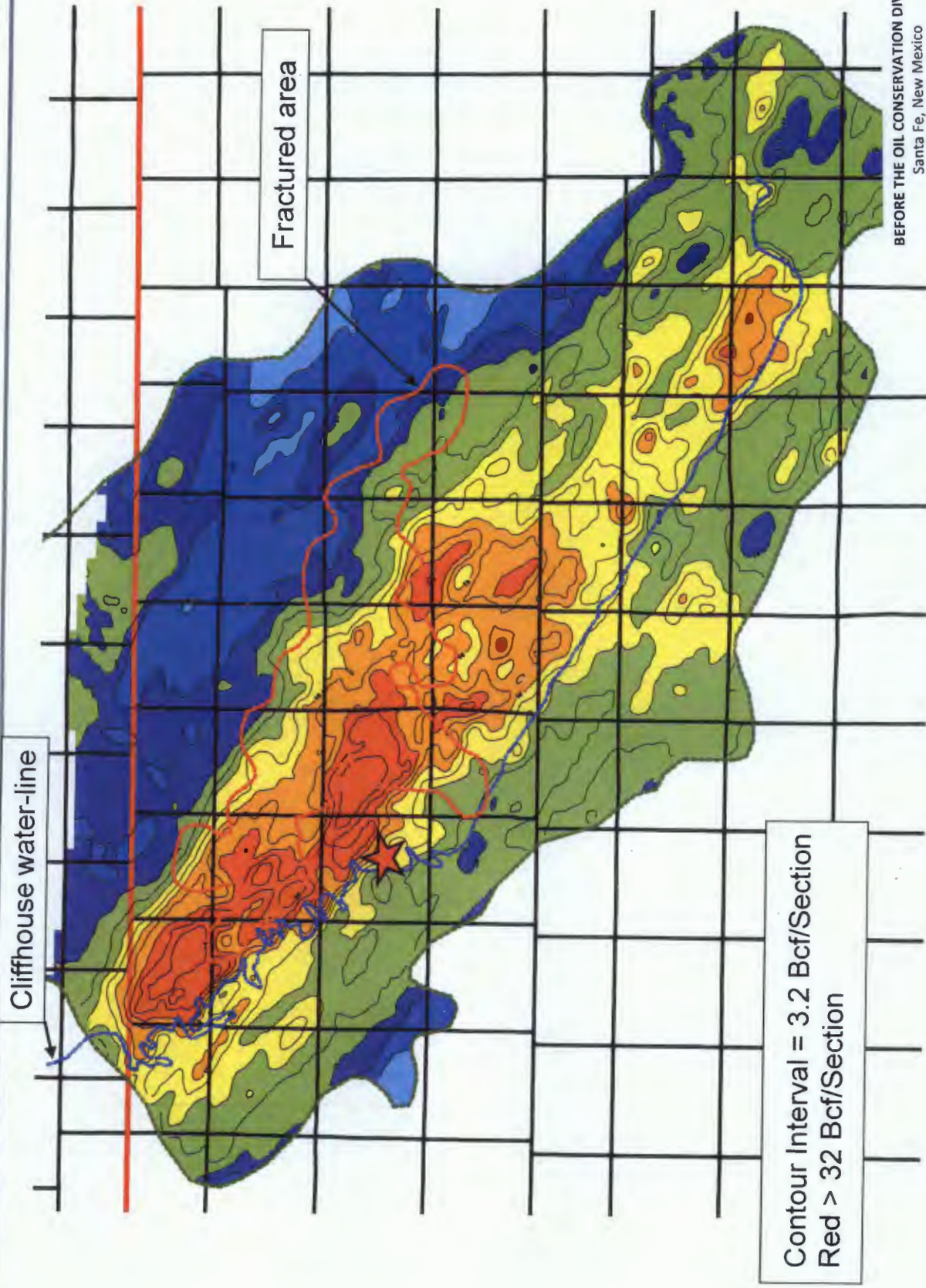
Helms Federal 1F



Well Specifics

- SW22 30-10 3004534049 2007 drill
- 3rd MV completion in 1/4 section
- >1200' from nearest offset
- Help drain proximal area
- Complete entire MV in 2-3 stages
- 820' from west section line

MV Original Gas-in-Place

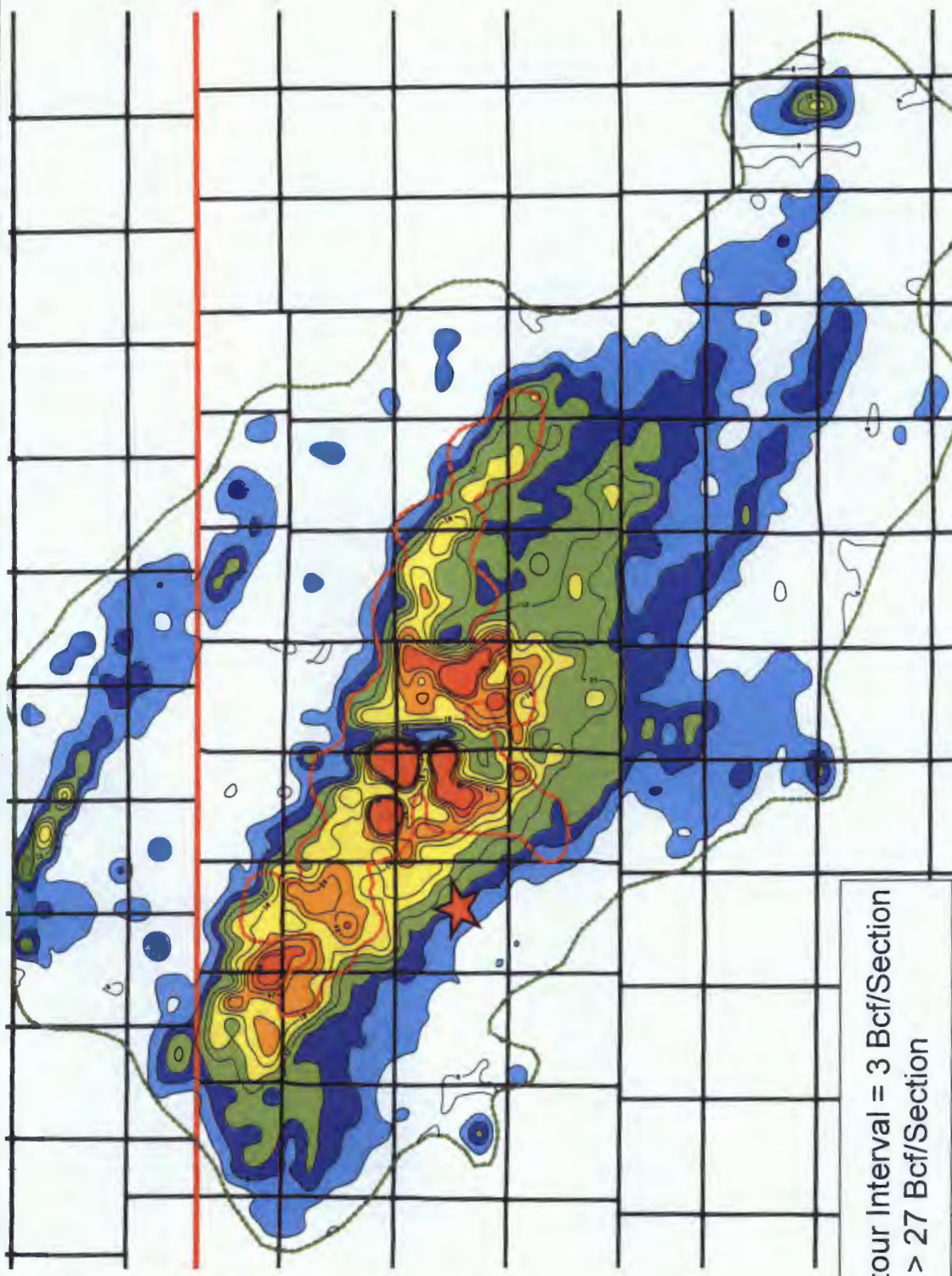


BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6

Submitted by: Hilcorp Energy Company
Hearing Date: April 5, 2018
Case No. 16053

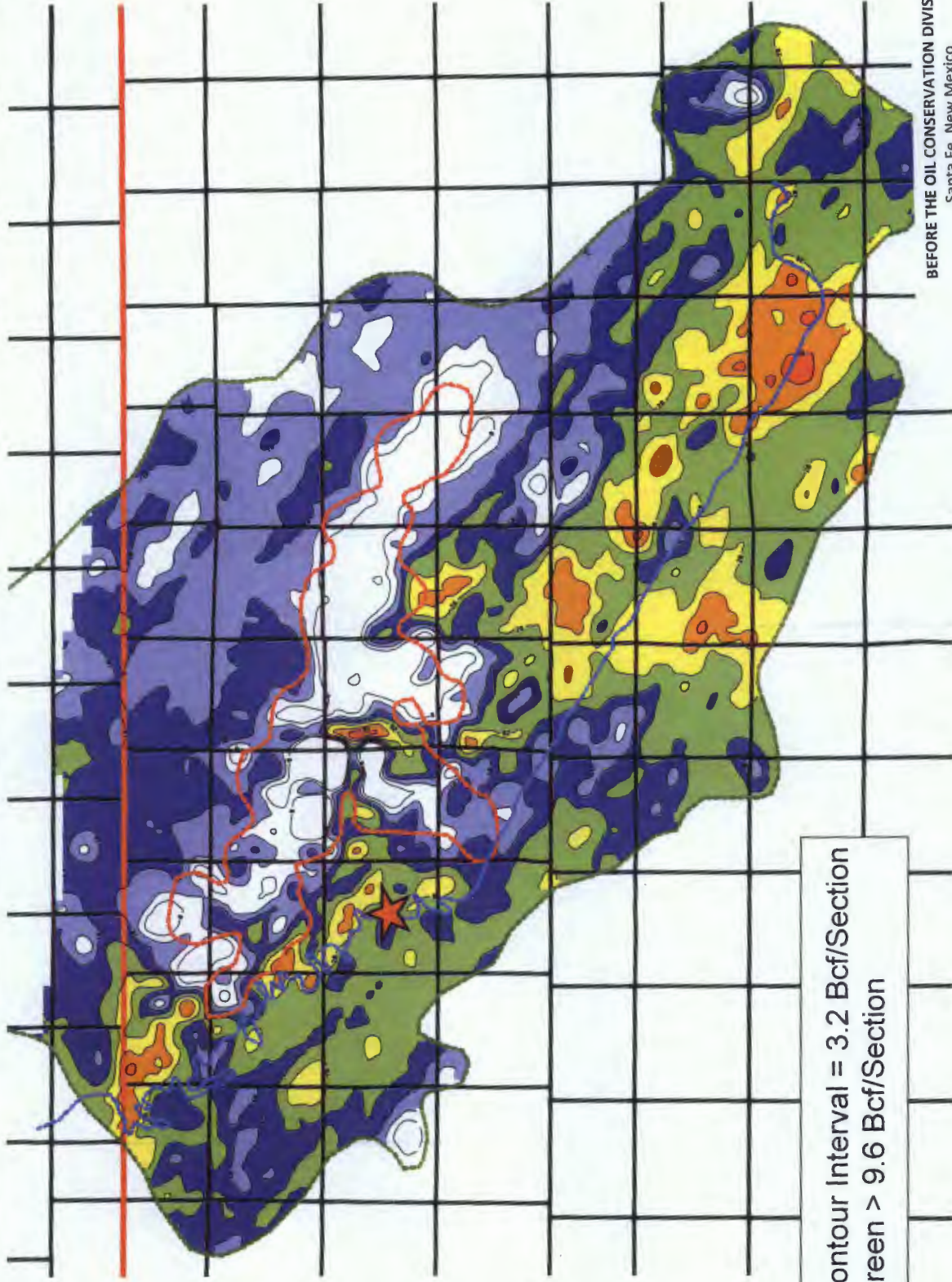


MV Cumulative Gas Production



Contour Interval = 3 Bcf/Section
Red > 27 Bcf/Section

MV Remaining Gas



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 8

Submitted by: Hilcorp Energy Company

Hearing Date: April 5, 2018

Case No. 16053

Helms Federal 1F



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	CTD Remaining GIP	EUR / RF% (Historical Data)
Qtr Section	7.4 Bcf	29.6 Bcf	1.4 Bcf / 19%	6.0 Bcf	2.0 Bcf / 27%
Section	31.6 Bcf	31.6 Bcf	7.1 Bcf / 22%	24.5 Bcf	9.0 Bcf / 28%
9 Section	282.4 Bcf	31.4 Bcf	78.4 Bcf / 28%	204.0 Bcf	101.9 Bcf / 36%

- Remaining Gas in Place in Quarter Section of 6.0 Bcf
- Cumulative Recovery Factor to Date 19% and 22% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore