

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 31, 2018**

CASE No. 16202

SAN JUAN 28-6 UNIT 133

SAN JUAN COUNTY, NEW MEXICO



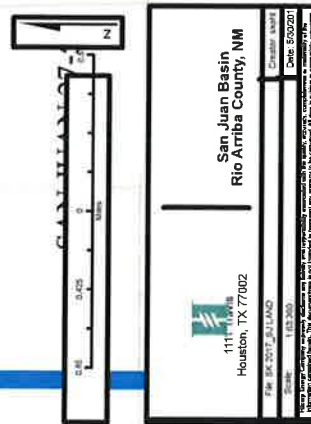
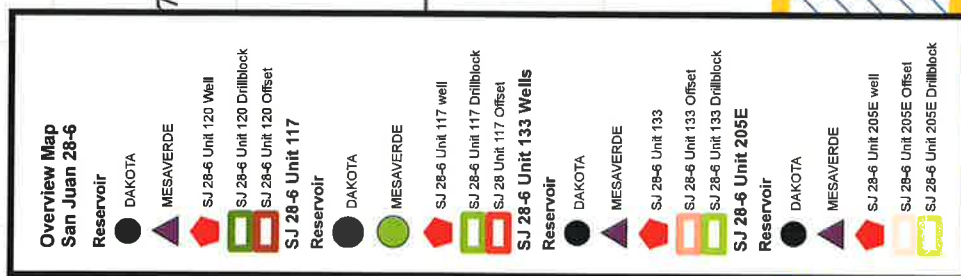
SAN JUAN 29-5

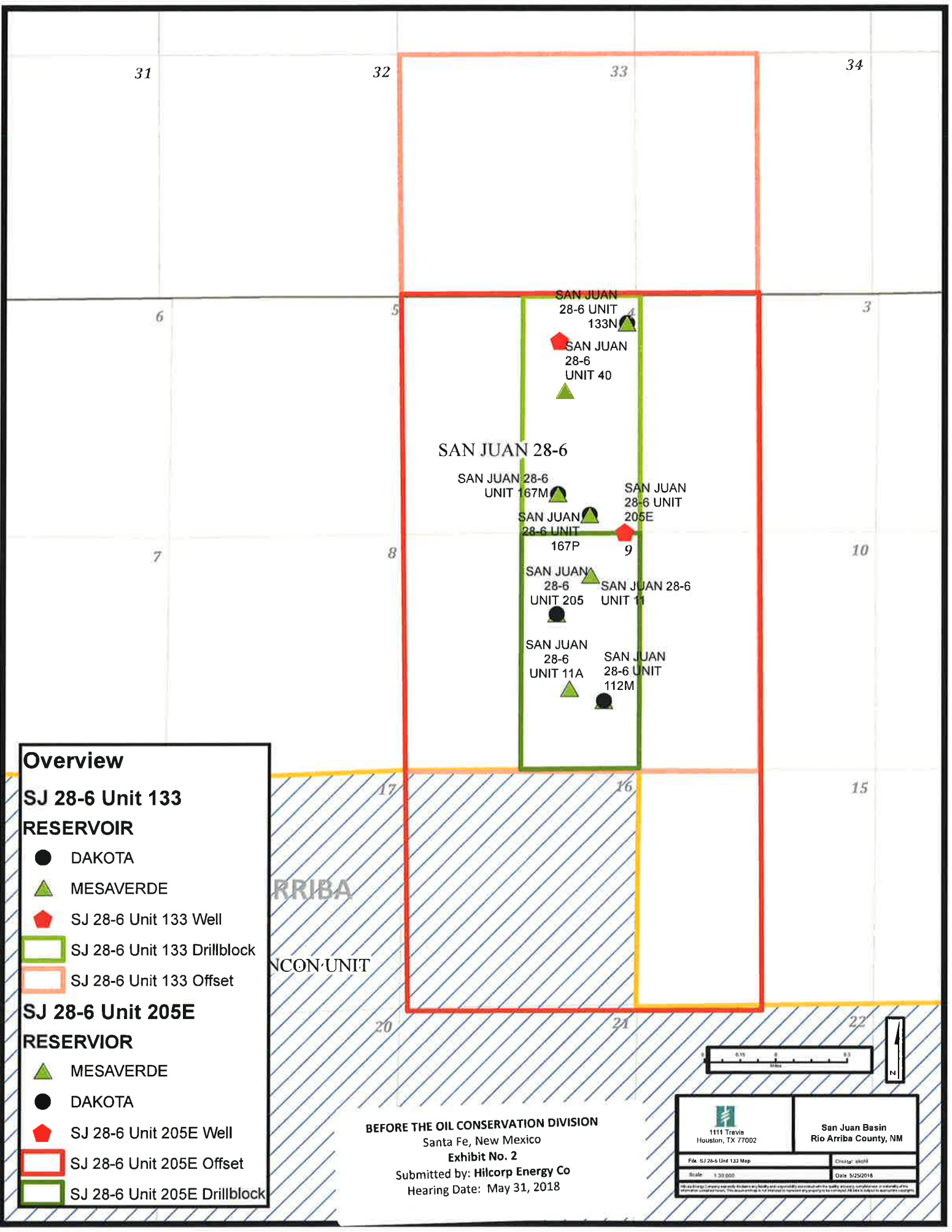
SAN JUAN 28-5

RIO ARRIBA

SAN JUAN 28-6

RINCON UNIT





Overview

SJ 28-6 Unit 133

RESERVOIR

- DAKOTA
- ▲ MESAVERDE
- ◆ SJ 28-6 Unit 133 Well
- SJ 28-6 Unit 133 Drillblock
- SJ 28-6 Unit 133 Offset

SJ 28-6 Unit 205E

RESERVIOR

- ▲ MESAVERDE
- DAKOTA
- ◆ SJ 28-6 Unit 205E Well
- SJ 28-6 Unit 205E Offset
- SJ 28-6 Unit 205E Drillblock

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 2
Submitted by: **Hilcorp Energy Co**
Hearing Date: May 31, 2018



1111 Travis
Houston, TX 77002

San Juan Basin
Rio Arriba County, NM

File: SJ 28-6 Unit 133 Map

Drawn: skid

Scale: 1:33,000

Date: 5/25/2018

Hilcorp Energy Company and its subsidiaries and affiliates are not responsible for the accuracy of the information contained herein. This document is for informational purposes only and should not be used for any other purpose.

32

33

34

6

5

3

7

8

9

10

RIO ARRIBA

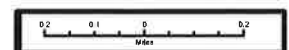
San Juan 28-6 Unit 133 30-039-20584

RESERVOIR

- DAKOTA
- ▲ MESAVERDE
- ◆ SJ 28-6 Unit 133 Well
- SJ 28-6 Unit 133 Drillblock
- SJ 28-6 Unit 133 Offset

16

15



	San Juan Basin Rio Arriba County, NM
File: SJ 28-6 Unit 133 Map	Created: enclt
Scale: 1:23,258	Date: 5/29/2016
Oil and Energy Company is not responsible for the quality, accuracy, completeness or timeliness of the information contained herein. This document is not intended to represent any property or interest in the property. All data is subject to appropriate interpretation.	

BP AMERICA PRODUCTION COMPANY	PO BOX 848103	DALLAS	TX	75284-8103	W0001
CROSS TIMBERS ENERGY LLC	400 W 7TH STREET	FT WORTH	TX	76102	W0001
JAMES R BEAMON	2603 AUGUSTA STE 1050	HOUSTON	TX	77057-5640	W0001
ROBERT WALTER LUNDELL	2450 FONDREN STE 304	HOUSTON	TX	77063-2318	W0001
SHARON BEAMON BURNS	122 ESTRADA REDONDA	SANTA FE	NM	87506-7933	W0001
SUSAN BEAMON PORTER	319 KNIPP FOREST	HOUSTON	TX	77024-5030	W0001
OMIMEX PETROLEUM	7950 JOHN T WHITE ROAD	FORT WORTH	TX	76120	W0001
T H MCELVAIN OIL & GAS LLLP	1050 17TH ST SUITE 2500	DENVER	CO	80265-2080	W0001
HARRINGTON ENERGY RESOURCES LP	A NM LP HARRINGTON SAN JUAN LLC GP	KANSAS CITY	MO	64121	W0001
HARRINGTON SOUTHWEST ENERGY LP	PO BOX 219119 A NM LP HARRINGTON SAN JUAN LLC GP	KANSAS CITY	MO	64121	W0001
LINDA JEANNE LUNDELL LINDSEY TAMACAM LLC	PO BOX 219119 PO BOX 631565 JAMES M RAYMOND AFENT & AIF PO BOX 291445	NACOGDOCHES KERRVILLE	TX TX	75963 78029	W0001 W0001
LORRAYN GAY HACKER	PO BOX 291445	KERRVILLE	TX	78029-1445	W0001
J&M RAYMOND LTD	RAYMOND & SONS I LLC GEN PARTNER PO BOX 291445	KERRVILLE	TX	78029-1445	W0001
CLAUDIA MARCIA LUNDELL GILMER CHARLES W GAY	1102 S AUSTIN AVE PO BOX 291445	GEORGETOWN KERRVILLE	TX TX	78626 78029-1445	W0001 W0001

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 3

Submitted by: Hilcorp Energy Co

Hearing Date: May 31, 2018

CAROLYN BEAMON TILLEY	5225 PRESTON HAVEN	DALLAS	TX	75229	W0001
CB LIFELINE PARTNERSHIP	5225 PRESTON HAVEN DR	DALLAS	TX	75229	W0001
ROBERT E BEAMON III	2603 AUGUSTA DR STE 1050	HOUSTON	TX	77057- 5797	W0001
ENDURING RESOURCES IV LLC	511 16TH STREET, SUITE 700	DENVER	CO	80202	W0001

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

**APPLICATION OF HILCORP ENERGY
COMPANY FOR AN EXCEPTION TO THE
WELL DENSITY REQUIREMENTS OF THE
SPECIAL RULES AND REGULATIONS FOR
THE BLANCO-MESAVERDE GAS POOL,
RIO ARriba COUNTY, NEW MEXICO.**

CASE NO. 16202

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Adam G. Rankin, attorney in fact and authorized representative of **HILCORP ENERGY COMPANY** the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.



Adam G. Rankin

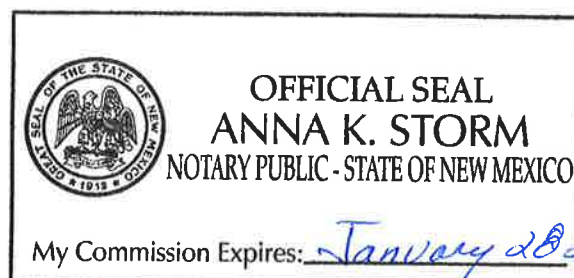
SUBSCRIBED AND SWORN to before me this 30th day of May, 2018 by Adam G. Rankin.



Notary Public

My Commission Expires:

January 28, 2019



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 4
Submitted by: Hilcorp Energy Co
Hearing Date: May 31, 2018



Adam G. Rankin
Associate
Phone (505) 988-4421
Fax (505) 983-6043
agrarkin@hollandhart.com

May 11, 2018

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL WORKING INTEREST OWNERS

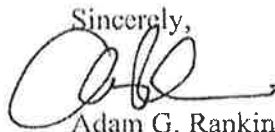
Re: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.

Ladies & Gentlemen:

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on May 31, 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 four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should 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 Chuck Creekmore at (832) 839-4601.

Sincerely,


Adam G. Rankin

ATTORNEY FOR HILCORP ENERGY COMPANY



Adam G. Rankin
Associate
Phone (505) 988-4421
Fax (505) 983-6043
agrarkin@hollandhart.com

May 11, 2018

VIA CERTIFIED MAIL
RETURN 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 May 31, 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 Chuck Creekmore at (832) 839-4601.

Sincerely,

Adam G. Rankin
ATTORNEY FOR HILCORP ENERGY COMPANY

	B	D	E	F	G	I	J	K
1	TrackingNo	TransactionDate	ToCompanyName	ToName	DeliveryAddress	City	State	Zip
2	9414810898765011214351	05/11/2018	BP AMERICA PRODUCTION COMPANY		PO BOX 848103	DALLAS	TX	75284
3	9414810898765011214368	05/11/2018	CROSS TIMBERS ENERGY LLC		400 W 7TH STREET	FT WORTH	TX	76102
4	9414810898765011214375	05/11/2018		JAMES R BEAMON	2603 AUGUSTA STE 1050	HOUSTON	TX	77057
5	9414810898765011214382	05/11/2018		ROBERT WALTER LUNDELL	2450 FONDREN STE 304	HOUSTON	TX	77063-2318
6	9414810898765011214399	05/11/2018		SHARON BEAMON BURNS	122 ESTRADA REDONDA	SANTA FE	NM	87506-7933
7	9414810898765011214405	05/11/2018		SUSAN BEAMON PORTER	319 KNIPP FOREST	HOUSTON	TX	77024-5030
8	9414810898765011214412	05/11/2018	OMIMEX PETROLEUM		7950 JOHN T WHITE ROAD	FORT WORTH	TX	76120
9	9414810898765011214429	05/11/2018	T H MCELVAIN OIL & GAS LLLP		1050 17TH ST SUITE 2500	DENVER	CO	80265-2080
10	9414810898765011214436	05/11/2018	HARRINGTON ENERGY RESOURCES LP		PO BOX 219119	KANSAS CITY	MO	64121
11	9414810898765011214443	05/11/2018	HARRINGTON SOUTHWEST ENERGY LP		PO BOX 219119	KANSAS CITY	MO	64121
12	9414810898765011214450	05/11/2018		LINDA JEANNE LUNDELL LINDSEY	PO BOX 631565	NACOGDOCHES	TX	75963
13	9414810898765011214467	05/11/2018	TAMACAM LLC c/o JAMES M RAYMOND AFENT & AIF		PO BOX 291445	KERRVILLE	TX	78029
14	9414810898765011214474	05/11/2018		LORRAYN GAY HACKER	PO BOX 291445	KERRVILLE	TX	78029-1445
15	9414810898765011214481	05/11/2018	J&M RAYMOND LTD RAYMOND & SONS I LLC GEN PARTN		PO BOX 291445	KERRVILLE	TX	78029-1445
16	9414810898765011214498	05/11/2018		CLAUDIA MARCIA LUNDELL GILMER	1102 S AUSTIN AVE	GEORGETOWN	TX	78626
17	9414810898765011214504	05/11/2018		CHARLES W GAY	PO BOX 291445	KERRVILLE	TX	78029-1445
18	9414810898765011214511	05/11/2018		CAROLYN BEAMON TILLEY	5225 PRESTON HAVEN	DALLAS	TX	75229

	N	R	U	X	Y
1	MailDate	ERR	SigDate	USPS	Status
2	05/11/2018	05/16/2018	Your item was delivered at 9:14 am on May 14, 2018 in DALLAS, TX 75284.	2018-05-16 06:20:13	NO
3	05/11/2018	05/16/2018	Your item has been delivered to the mail room at 10:20 am on May 14, 2018 in FORT WORTH, TX 76102.	2018-05-16 06:20:13	NO
4	05/11/2018	05/20/2018	Your item was delivered to an individual at the address at 6:13 pm on May 19, 2018 in HOUSTON, TX 77057.	2018-05-21 03:09:45	NO
5	05/11/2018	05/16/2018	Your item has been delivered to the mail room at 10:50 am on May 15, 2018 in HOUSTON, TX 77063.	2018-05-17 04:16:15	NO
6	05/11/2018		The item is currently in transit to the next facility as of May 16, 2018.	2018-05-12 05:34:32	YES
7	05/11/2018	05/15/2018	Your item was delivered to an individual at the address at 3:41 pm on May 14, 2018 in HOUSTON, TX 77024.	2018-05-16 06:04:33	NO
8	05/11/2018	05/15/2018	Your item was delivered to an individual at the address at 11:19 am on May 14, 2018 in FORT WORTH, TX 76120.	2018-05-16 06:04:34	NO
9	05/11/2018	05/15/2018	Your item has been delivered to the mail room at 12:55 pm on May 14, 2018 in DENVER, CO 80202.	2018-05-16 06:04:35	NO
10	05/11/2018	05/16/2018	Your item was delivered at 10:54 pm on May 15, 2018 in KANSAS CITY, MO 64121.	2018-05-17 04:16:16	NO
11	05/11/2018	05/16/2018	Your item was delivered at 10:54 pm on May 15, 2018 in KANSAS CITY, MO 64121.	2018-05-17 04:16:17	NO
12	05/11/2018	05/18/2018	Your item was delivered at 1:20 pm on May 14, 2018 in NACOGDOCHES, TX 75965.	2018-05-18 05:31:44	NO
13	05/11/2018	05/16/2018	Your item was delivered at 11:21 am on May 15, 2018 in KERRVILLE, TX 78028.	2018-05-17 04:16:17	NO
14	05/11/2018	05/16/2018	Your item was delivered at 11:21 am on May 15, 2018 in KERRVILLE, TX 78028.	2018-05-17 04:16:18	NO
15	05/11/2018	05/16/2018	Your item was delivered at 11:21 am on May 15, 2018 in KERRVILLE, TX 78028.	2018-05-17 04:16:19	NO
16	05/11/2018	05/15/2018	Your item was delivered to an individual at the address at 11:13 am on May 14, 2018 in GEORGETOWN, TX 78626.	2018-05-16 06:04:39	NO
17	05/11/2018	05/16/2018	Your item was delivered at 11:21 am on May 15, 2018 in KERRVILLE, TX 78028.	2018-05-17 04:16:20	NO
18	05/11/2018	05/15/2018	Your item was delivered to an individual at the address at 1:12 pm on May 14, 2018 in DALLAS, TX 75229.	2018-05-16 06:04:40	NO

	B	D	E	F	G	I	J	K
1	TrackingNo	TransactionDate	ToCompanyName	ToName	DeliveryAddress	City	State	Zip
19	9414810898765011214535	05/11/2018	CB LIFELINE PARTNERSHIP		5225 PRESTON HAVEN DR	DALLAS	TX	75229
20	9414810898765011214542	05/11/2018		ROBERT E BEAMON III	2603 AUGUSTA DR STE 1050	HOUSTON	TX	77057-5797
21	9414810898765011214559	05/11/2018	ENDURING RESOURCES IV LLC		511 16TH STREET, SUITE 700	DENVER	CO	80202
22	9414810898765011214566	05/11/2018	Enduring Resources		511 16th Street, Suite 700	Denver	CO	80202

	N	R	U	X	Y
1	MailDate	ERR_SigDate	USPS_Status	Last Modified	Continue Processing
19	05/11/2018	05/15/2018	Your item was delivered to an individual at the address at 1:12 pm on May 14, 2018 in DALLAS, TX 75229.	2018-05-16 06:04:41	NO
20	05/11/2018	05/20/2018	Your item was delivered to an individual at the address at 6:13 pm on May 19, 2018 in HOUSTON, TX 77057.	2018-05-21 03:09:46	NO
21	05/11/2018	05/15/2018	Your item was delivered to the front desk or reception area at 1:41 pm on May 14, 2018 in DENVER, CO 80202.	2018-05-16 06:04:42	NO
22	05/11/2018	05/15/2018	Your item was delivered to the front desk or reception area at 1:41 pm on May 14, 2018 in DENVER, CO 80202.	2018-05-16 06:04:43	NO

AFFIDAVIT OF PUBLICATION

Ad No.
0001247039

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):

05/15/18


Legal Clerk

Subscribed and sworn before me this
15th of May 2018.


State of WI, County of Brown
NOTARY PUBLIC


My Commission Expires

BERGEN GORNOWICH
Notary Public
State of Wisconsin

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 **May 31, 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 **May 21, 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 WORKING INTEREST OWNERS IN THE SUBJECT SPACING UNIT AND OFFSETTING OPERATORS OR LEASED MINERAL INTEREST OWNERS, INCLUDING: BP AMERICA PRODUCTION COMPANY; CROSS TIMBERS ENERGY LLC; JAMES R. BEAMON, HIS HEIRS AND DEVISEES; ROBERT WALTER LUNDELL, HIS HEIRS AND DEVISEES; SHARON BEAMON BURNS, HER HEIRS AND DEVISEES; SUSAN BEAMON PORTER, HER HEIRS AND DEVISEES; OMIMEX PETROLEUM; T H MCELVAIN OIL & GAS LLLP; HARRINGTON ENERGY RESOURCE LP; HARRINGTON SOUTHWEST ENERGY LP; LINDA JEANNEL LUNDELL LINDSEY, HER HEIRS AND DEVISEES; TAMACAM LLC; LORRAYN GAY HACKER, HER HEIRS AND DEVISEES; J & M RAYMOND LTD; CLAUDIA MARCIA LUNDELL GILMER, HER HEIRS AND DEVISEES; CHARLES W. GAY, HIS HEIRS AND DEVISEES; CAROLYN BEAMON TILLEY, HER HEIRS AND DEVISEES; CB LIFELINE PARTNERSHIP; ROBERT E. BEAMON, III, HIS HEIRS AND DEVISEES; ENDURING RESOURCES IV LLC.

Case No. 16202: 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

Ad#: 0001247039
P O : San Juan Unit 133
of Affidavits : 0.00

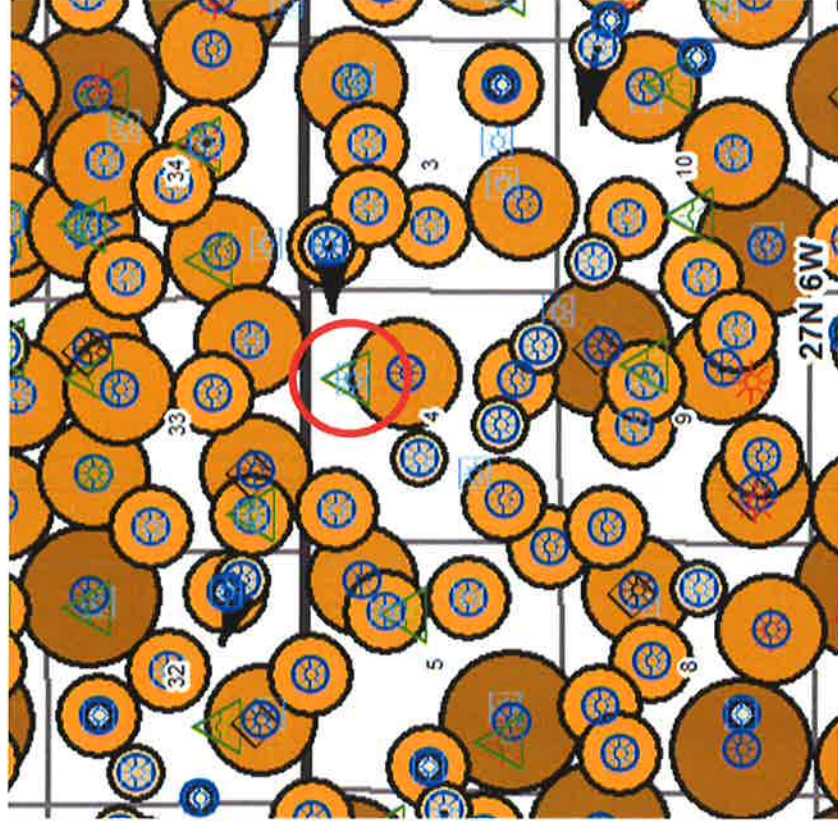
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 5
Submitted by: Hilcorp Energy Co
Hearing Date: May 31, 2018

in the above-styled cause seeks an order for an exception to the well density requirements of Rule I.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 321.08-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 **San Juan 28-6 Unit 133** (API No. 30-039-20584) in the Mesaverde formation with a surface location in Unit B of the E/2 of Section 4, Township 27 North, Range 6 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the San Juan 28-6 Unit 133 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 35 miles east of Bloomfield, NM.

Legal No. 1247039 published in The Daily Times on May 15, 2018

San Juan 28-6 Unit 133



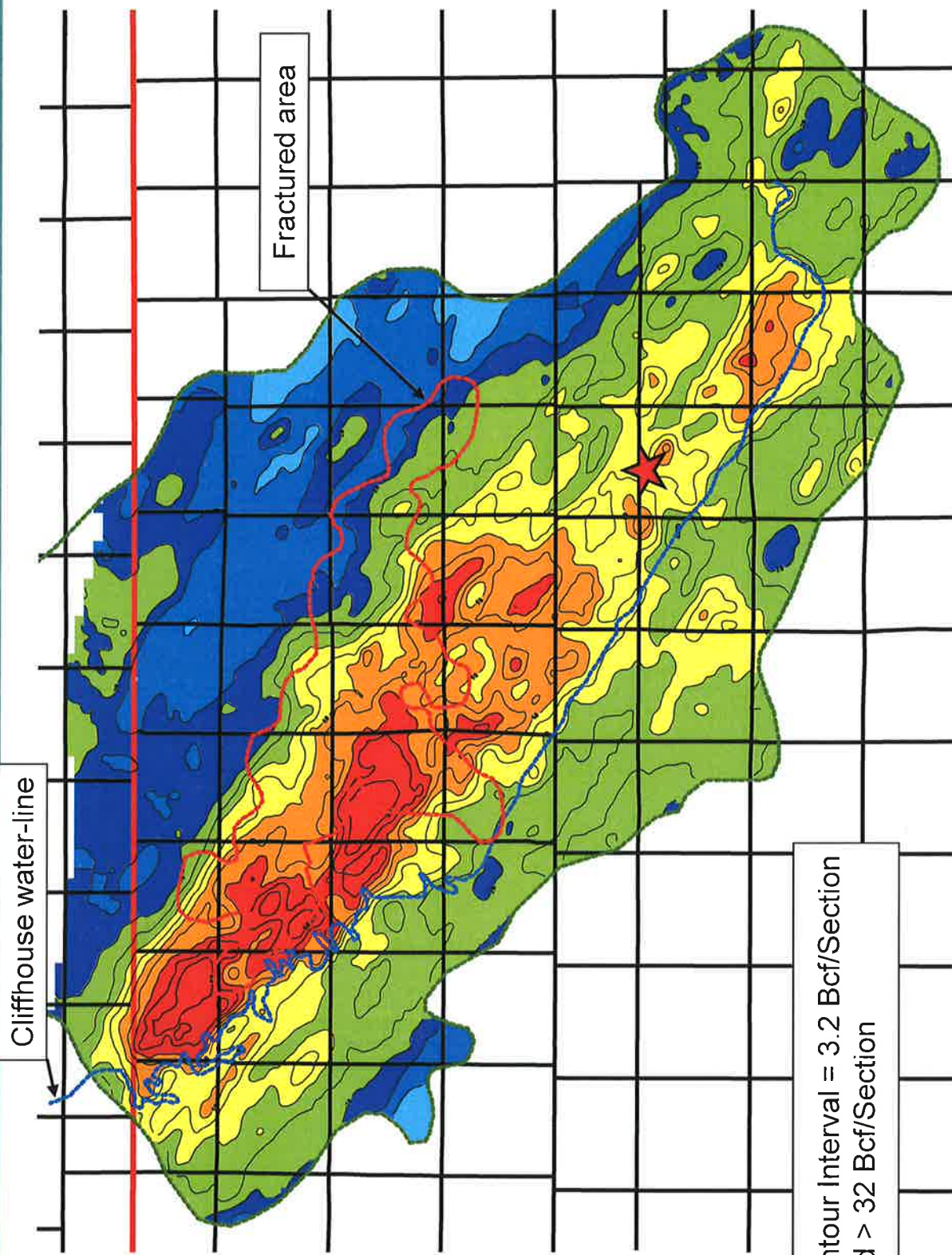
Well Specifics

- NE4 27-6 3003920584 1972 drill
- 3rd MV completion in 1/4 section
- ~1100' from nearest offset
- Help drain area to north
- Complete entire MV in 2 stages
- Well is interior to Unit boundaries

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

Submitted by: Hilcorp Energy Co
Hearing Date: May 31, 2018

MV Original Gas-in-Place



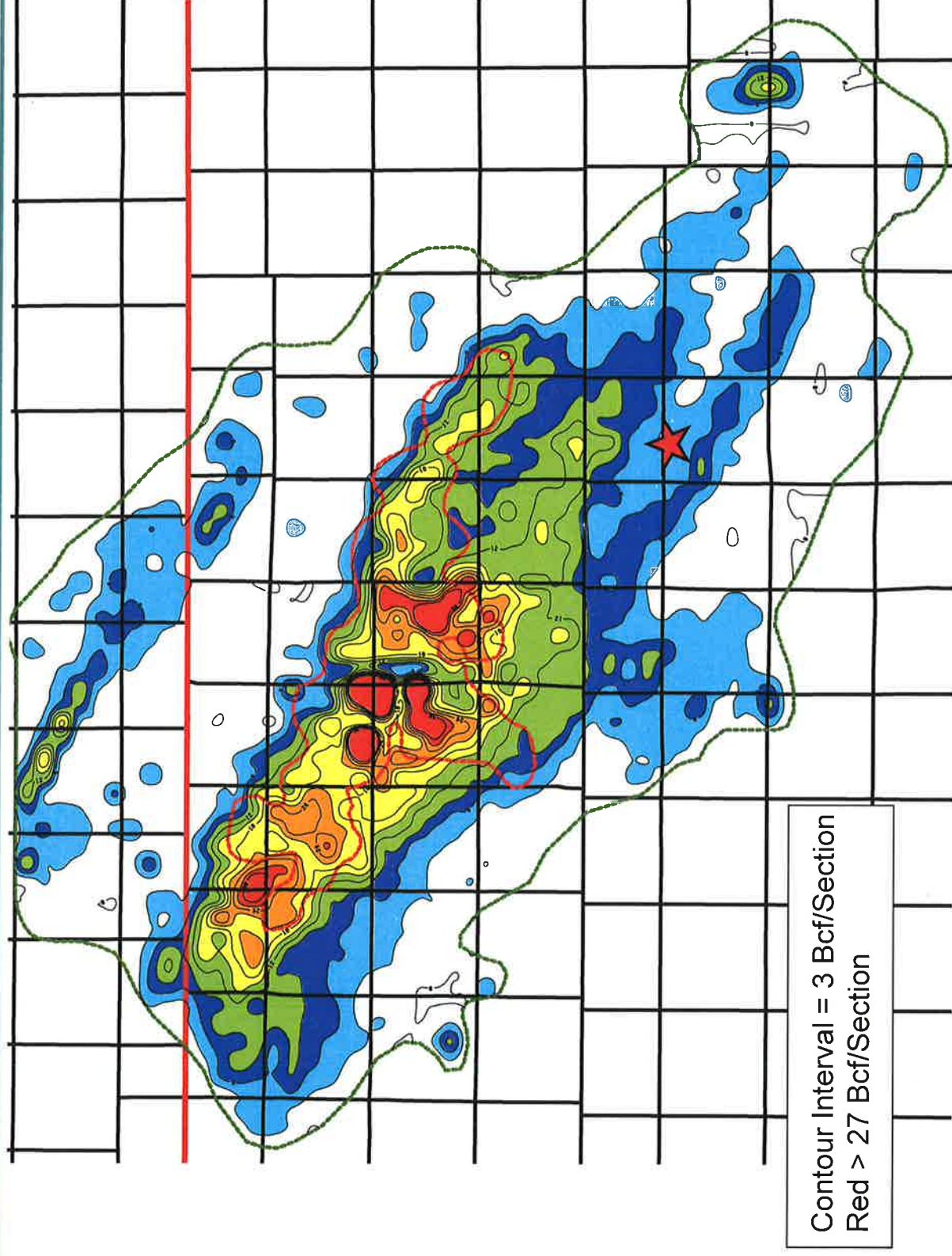
Cliffhouse water-line

Fractured area

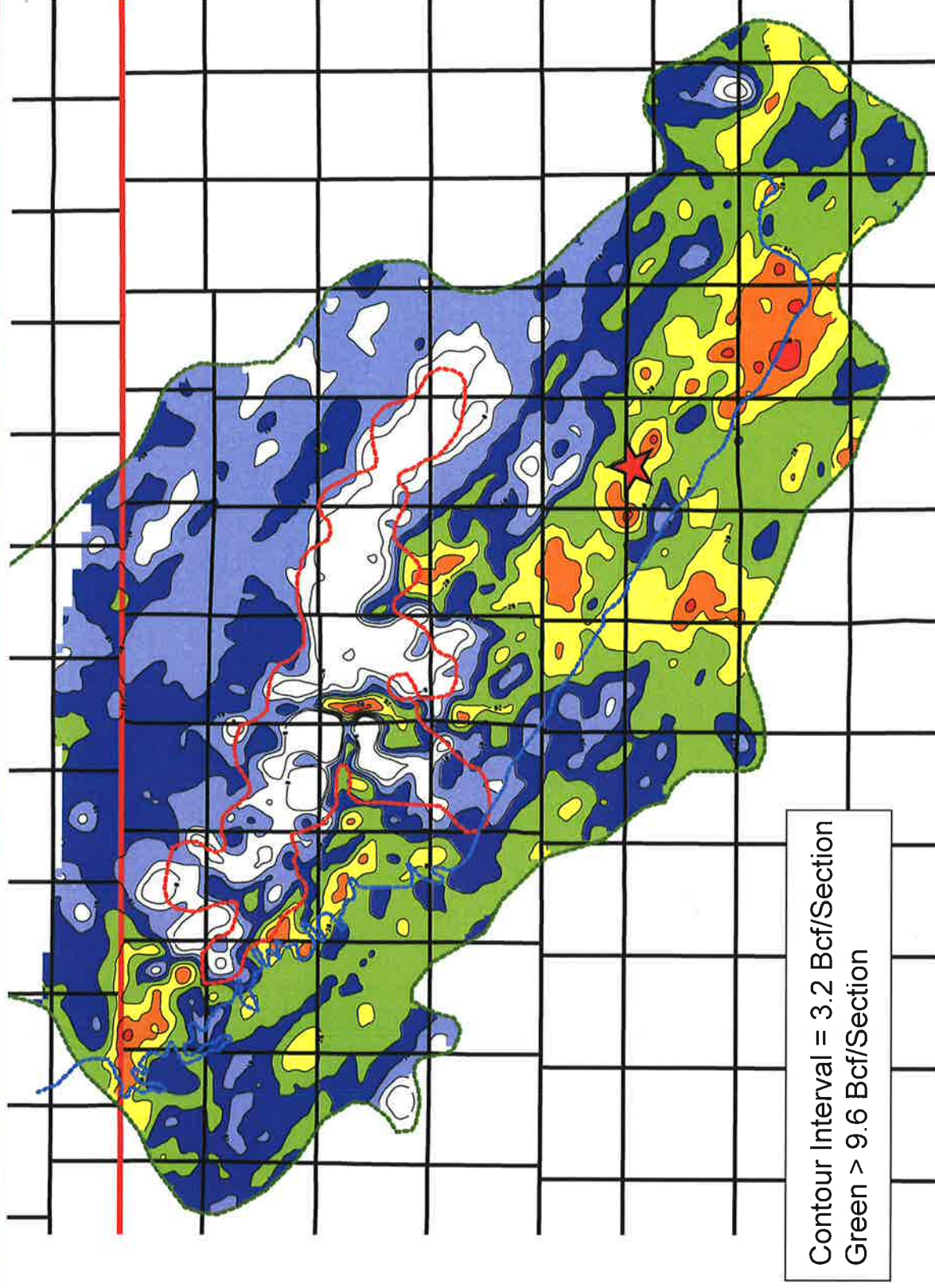
Contour Interval = 3.2 Bcf/Section
Red > 32 Bcf/Section

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by: Hilcorp Energy Co
Hearing Date: May 31, 2018

MV Cumulative Gas Production



MV Remaining Gas



San Juan 28-6 Unit 133



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	Remaining GIP	EUR / RF%
Qtr Section	7.1 Bcf	28.4 Bcf	1.7 Bcf / 24%	5.4 Bcf	2.1 Bcf / 30%
Section	31.8 Bcf	31.8 Bcf	4.5 Bcf / 14%	27.3 Bcf	7.3 Bcf / 23%
9 Section	303 Bcf	33.7 Bcf	70 Bcf / 23%	233 Bcf	105 Bcf / 35%

- Remaining Gas in Place in Quarter Section of 5.4 Bcf
- Cumulative Recovery Factor to Date 24% and 14% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore