

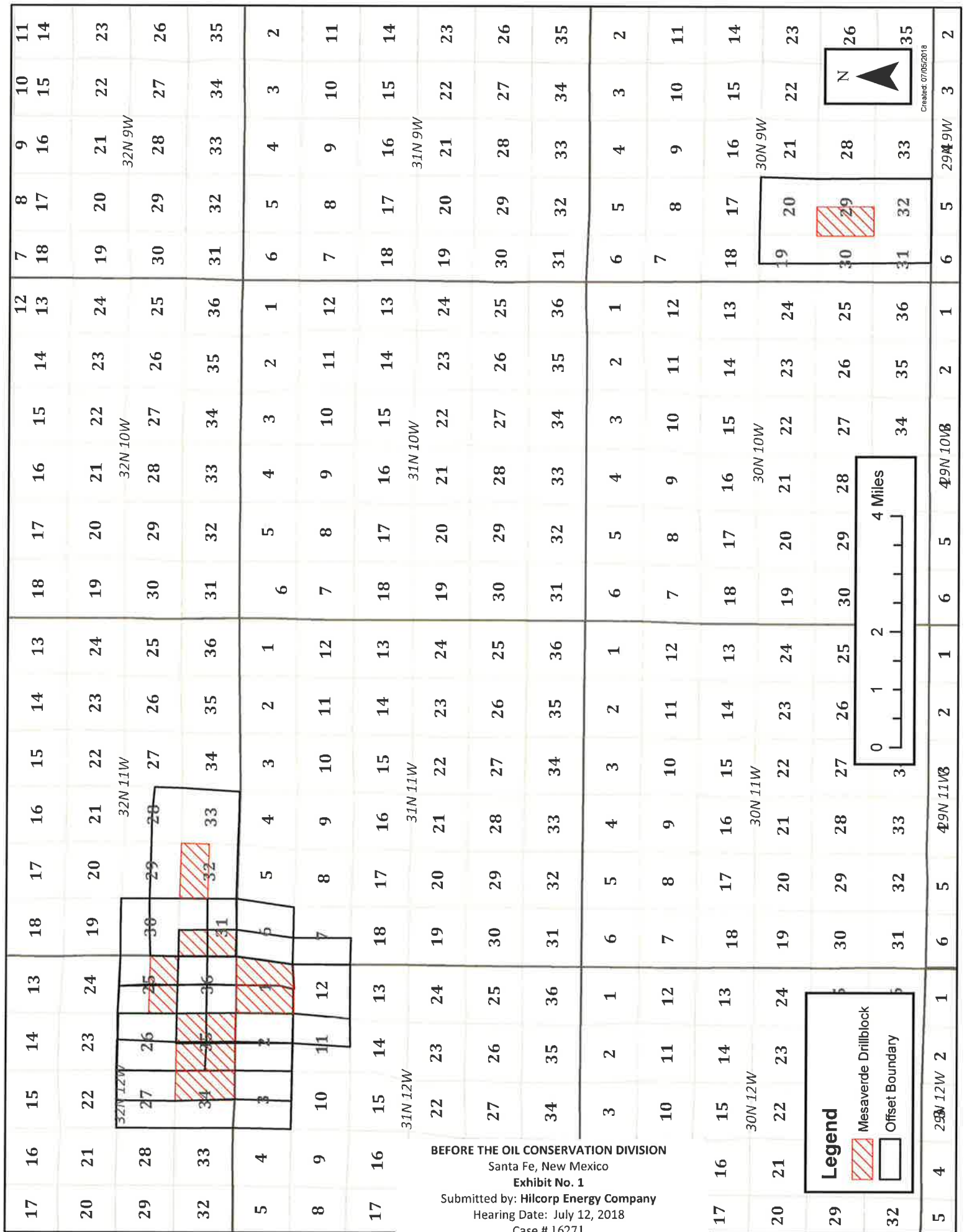
**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JULY 12, 2018**

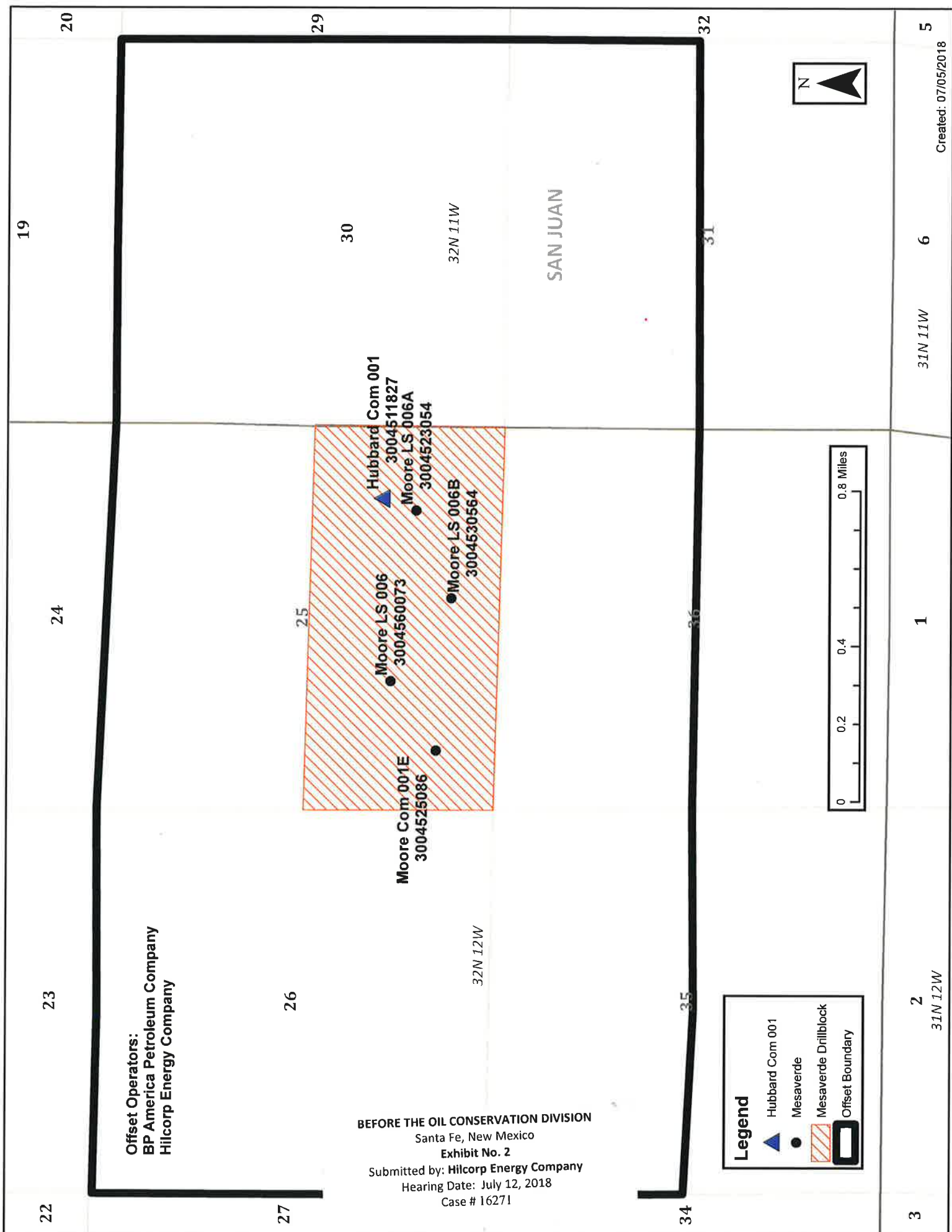
CASE No. 16271

HUBBARD COM 001

SAN JUAN COUNTY, NEW MEXICO







BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 2
 Submitted by: Hilcorp Energy Company
 Hearing Date: July 12, 2018
 Case # 16271

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

**AMENDED APPLICATION OF HILCORP ENERGY
COMPANY FOR AN EXCEPTION TO THE WELL
DENSITY REQUIREMENTS OF THE BLANCO-PICTURED
CLIFFS POOL, SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 16271


AFFIDAVIT

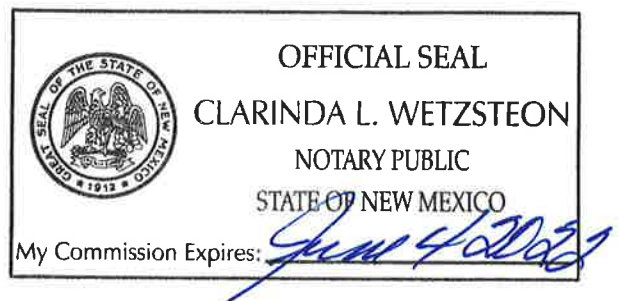
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Adam 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 Rankin

SUBSCRIBED AND SWORN to before me this 11th day of June, 2018 by Adam Rankin.


Notary Public
My Commission Expires 





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

June 21, 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 July 12, 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 Rob Carlson at (832) 839-4596.

Sincerely,

Adam G. Rankin

ATTORNEY FOR HILCORP ENERGY COMPANY



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

June 21, 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 July 12, 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 at (832) 839-4596.

Sincerely,

Adam G. Rankin

ATTORNEY FOR HILCORP ENERGY COMPANY



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Hilcorp Energy Co - Hubbard Com 001
CM# 93904.0003 20180621
Notice List

Shipment Date: 06/19/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0008 9588 52



Check type of mail or service

Affix Stamp Here
(if issued as an international
certificate of mailing or for
additional copies of this receipt).
Postmark with Date of Receipt.

Addressee (Name, Street, City, State, & ZIP Code™)

1. 9214 8901 9403 8307 0913 21

BP AMERICA PRODUCTION CO A/TN: SAN JUAN BASIN - LAND 737 N
ELDRIDGE PKWY HOUSTON TX 77079

2. 9214 8901 9403 8307 0913 38

HEC 1111 TRAVIS ST HOUSTON TX 77002

Handling Charge - if Registered and over \$50,000 in value

Adult Signature Restricted Delivery

Restricted Delivery

Return Receipt

Signature Confirmation

Signature Confirmation Restricted Delivery

Special Handling

Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office
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Postmaster, Per (Name of receiving employee)

PS Form 3877, April 2015 (Page 1 of 1)

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Barcode	Recipient	Status	DL	Custom
9214 8901 9403 83070913 38	HEC 1111 TRAVIS ST HOUSTON TX 77002	Delivered Signature Received	No	
9214 8901 9403 83070913 21	BP AMERICA PRODUCTION CO ATTN: SAN JUAN BASIN - LAND 737 N ELDRIDGE PKWY HOUSTON TX 77079	In-Transit	No	

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[WIN 9X20P4JQF6N]



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Welcome Clory Wetzsteen, (Not [Clory Wetzsteen?](#))

Company:

Holland & Hart LLP

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[Mail Jobs](#)[Mail Pieces](#)[Manual Mailings](#)[Reports](#)[Setup](#)[Account](#)[Tools](#)Mail Piece Tracking Number: **9214 8901 9403 8307 0913 21****Recipient**

BP AMERICA PRODUCTION CO
ATTN: SAN JUAN BASIN - LAND 737 N ELDRIDGE PKWY
HOUSTON TX 77079

Date & Time	Event	Event Location
06/24/2018 13:10	PROCESSED THROUGH USPS FACILITY	NORTH HOUSTON,TX, 77315
06/21/2018 16:06	DEPART POST OFFICE	SANTA FE,NM, 87501
06/21/2018 15:12	USPS IN POSSESSION OF ITEM	SANTA FE,NM, 87501
06/21/2018 15:01	SHIPMENT RECEIVED ACCEPTANCE PENDING	SANTA FE,NM, 87501
06/19/2018 11:10	PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	SANTA FE,NM, 87501

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[WIN-9K2QP4JQF6N]

AFFIDAVIT OF PUBLICATION

Ad No.
0001252005

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 day(s):

06/23/18


Legal Clerk

Subscribed and sworn before me this
25th of June 2018.


State of WI, County of Brown
NOTARY PUBLIC


My Commission Expires

Ad#:0001252005
P O :
of Affidavits :0.00

TARA MONDLOCH
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 **July 12, 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 **July 2, 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 SUBJECTSPACINGUNIT AND OFFSETTING OPERATORSOR LEASED MINERAL INTEREST OWNERS, INCLUDING: BP AMERICA PRODUCTION CO.

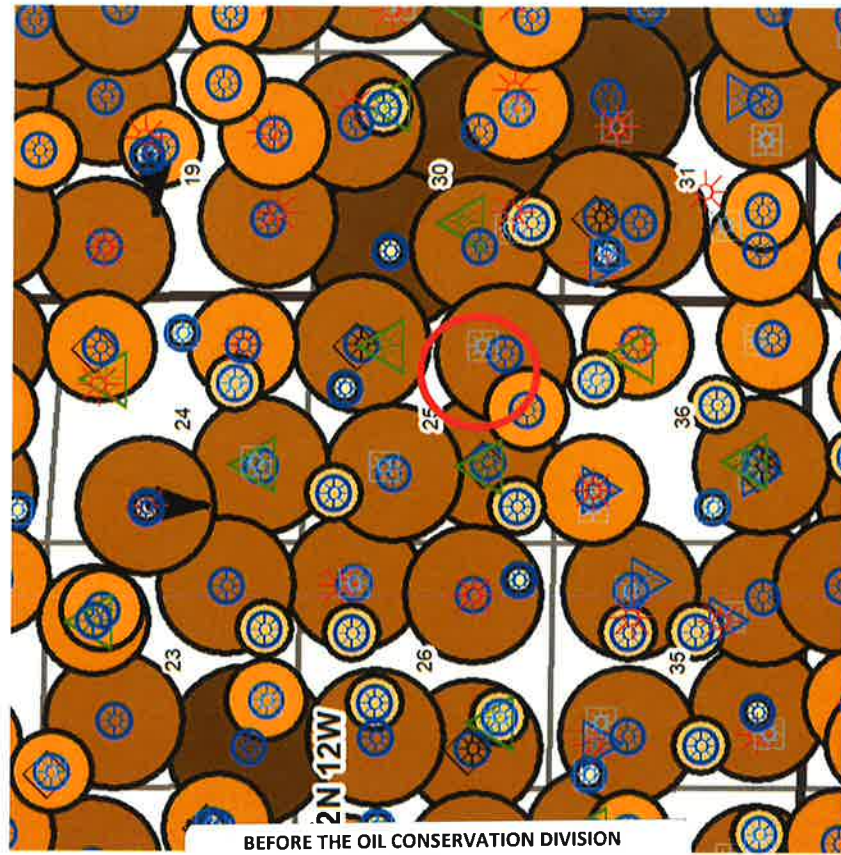
Case No. 16271: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule 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 320-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 **Hubbard Com 001** (API No. 30-045-11827) in the Mesaverde formation with a surface location in Unit I of the S/2 of Section 25, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce the Hubbard Com 001 Well from the Blanco-Mesaverde Gas Pool. Said area is located approximately 17 miles northwest of

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 4
Submitted by: Hilcorp Energy Company
Hearing Date: July 12, 2018
Case # 16271

Bloomfield, NM.

Legal No. 1 2005 published in The Daily Times on June 23, 2018.

Hubbard Com 1

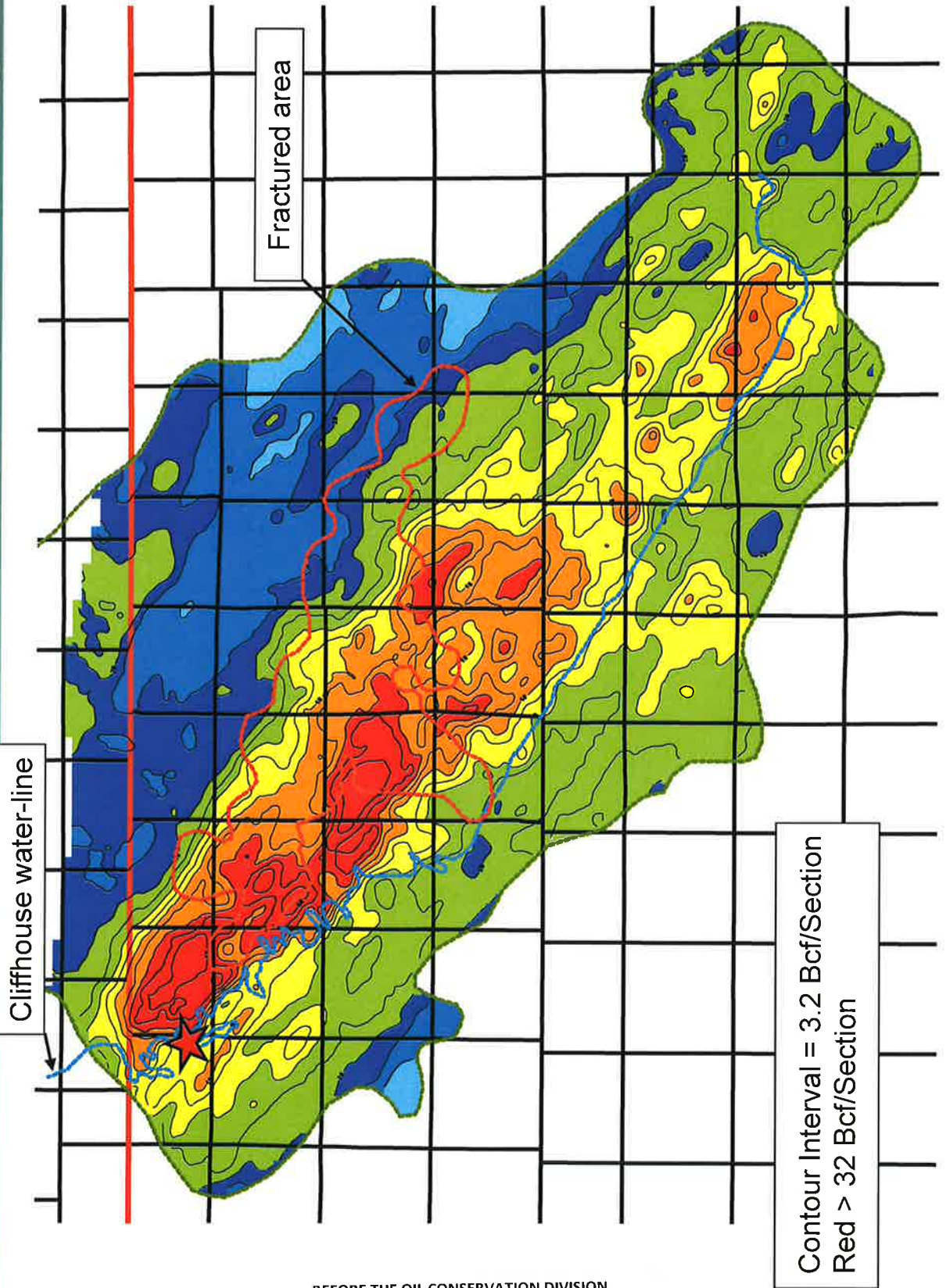


BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 5
Submitted by: Hilcorp Energy Company
Hearing Date: July 12, 2018
Case # 16271

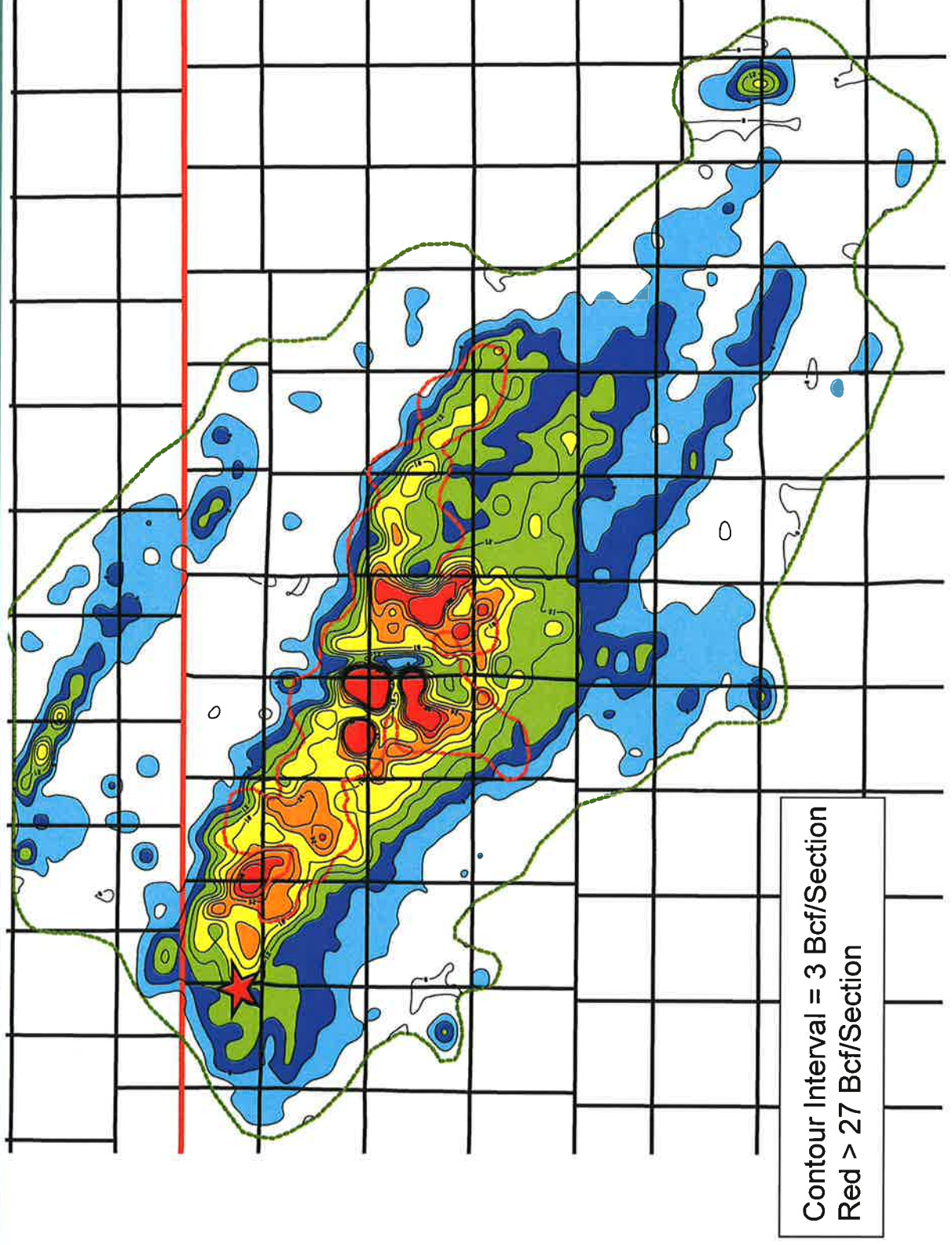
Well Specifics

- SE25 32-12 3004511827 1966 drill
- 3rd MV completion in 1/4 section
- ~500' from original parent well
- Help drain area to the north
- Complete entire MV in 2-3 stages

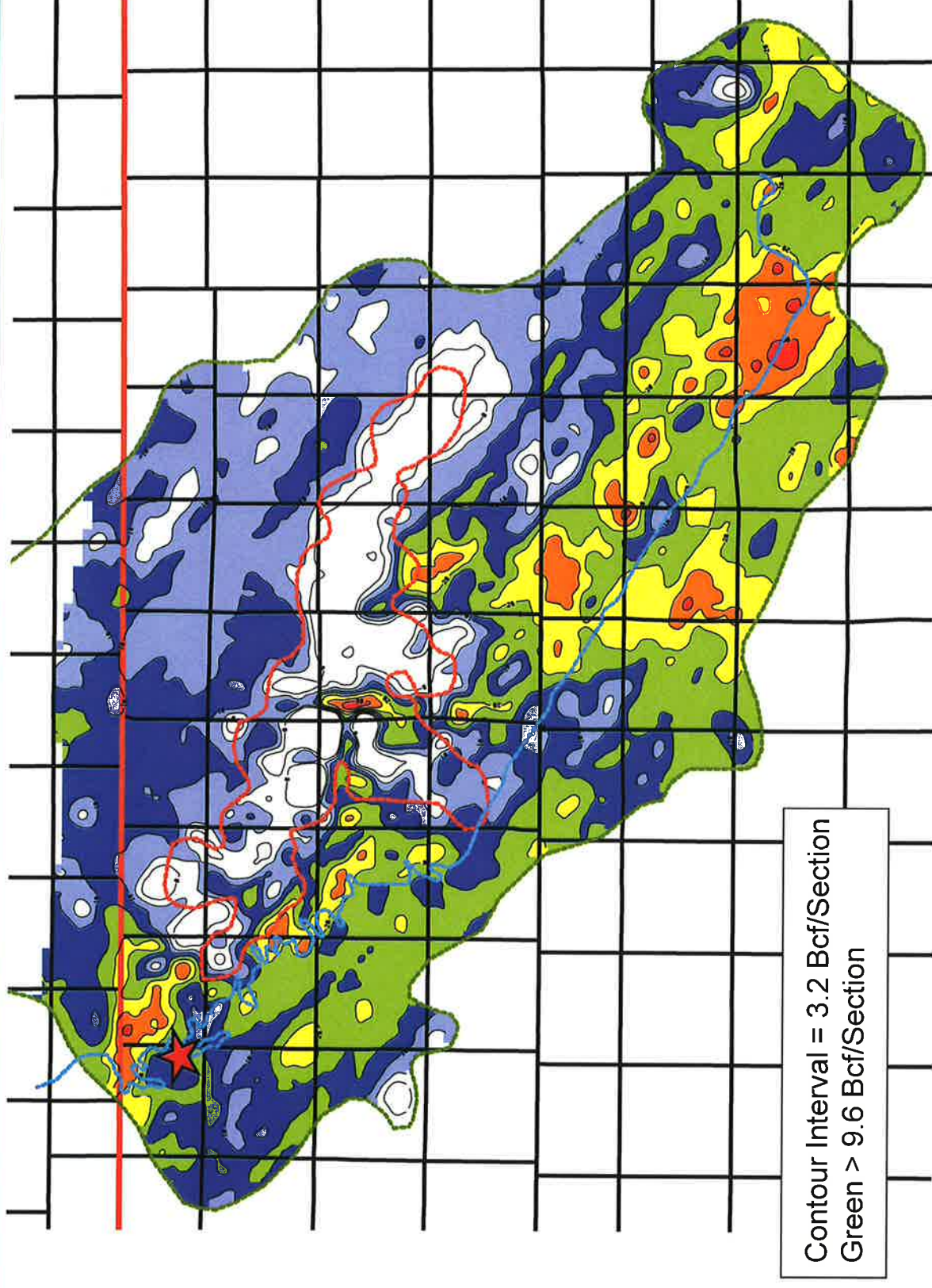
MV Original Gas-in-Place



MV Cumulative Gas Production



MV Remaining Gas



Hubbard Com 1



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	Remaining GIP	EUR / RF%
Qtr Section	11.3 Bcf	45.2 Bcf	3.2 Bcf / 28%	8.1 Bcf	4.4 Bcf / 39%
Section	33.1 Bcf	33.1 Bcf	16.0 Bcf / 48%	17.1 Bcf	19.4 Bcf / 59%
9 Section	299 Bcf	33.2 Bcf	133 Bcf / 44%	166 Bcf	165 Bcf / 55%

- Remaining Gas in Place in Quarter Section of 8.1 Bcf
- Cumulative Recovery Factor to Date 28% and 48% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore