

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JULY 11, 2019**

CASE NO. 20637

ABRAM GAS COM E 1 E WELL

SAN JUAN COUNTY, NEW MEXICO



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

**APPLICATION OF HILCORP ENERGY
COMPANY FOR COMPULSORY
POOLING, SAN JUAN COUNTY, NEW
MEXICO.**

CASE NO. 20637

AFFIDAVIT OF BRAD PEARSON

I, Brad Pearson, of lawful age and being first duly sworn, declares as follows:

1. My name is Brad Pearson. I work for Hilcorp Energy Company ("Hilcorp") as a Landman. I have previously testified before the Oil Conservation Division and had my credentials as an expert in petroleum land matters accepted and made a matter of record.

2. I am familiar with this application filed by Hilcorp and familiar with the status of the lands in Section 30, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

3. Hilcorp seeks an order pooling all uncommitted interests in the Aztec-Pictured Cliffs Pool (Pool Code 71280) underlying a 160-acre spacing unit comprised of the SW/4 of Section 30, to dedicate the spacing unit to the **Abrams Gas Com E 1E Well** (API No. 30-045-24733), and to designate Hilcorp as operator of the well and spacing unit.

4. Hilcorp owns a working interest in the SW/4 of Section 30 on which it has drilled the **Abrams Gas Com E 1E Well**, a vertical well located at a standard gas well location 790 feet from the south line and 790 feet from the west line of Section 30, and a bottom-hole location approximately 790 feet from the south line and 790 feet from the west line of Section 30.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: **Hilcorp Energy Company**
Hearing Date: July 11, 2019
Case # 20637

5. The well is completed in the Dakota formation and dedicated to a 320-acre spacing unit comprised of the S/2 of Section 30 within the Basin-Dakota Pool (Pool Code 71599). Hilcorp intends to recompleate the **Abrams Gas Com E 1E Well** at a standard gas well location in SW/4 SW/4 (Unit M) of Section 30 to a depth sufficient to test the Pictured Cliffs formation and to simultaneously dedicate the well to the Aztec-Pictured Cliffs Pool.

6. **Hilcorp Exhibit 1** is a C-102 showing the well and the proposed recompletion in the Aztec-Pictured Cliffs Pool. This spacing unit is comprised of the SW/4 of Section 30. All acreage is fee and federal. The location complies with applicable setback requirements for gas wells in this pool.

7. **Hilcorp Exhibit 2** identifies ownership interests in the proposed spacing unit. Hilcorp seeks to pool certain uncommitted working interest owners and overriding royalty interest owners identified on the exhibit with yellow highlighting.

8. **Hilcorp Exhibit 3** is a list of the overriding royalty interest owners that Hilcorp seeks to pool.

9. None of the interest owners have indicated opposition to Hilcorp presenting this case by affidavit.

10. **Hilcorp Exhibit 2** also contains a sample well proposal letter and AFE for the proposed well sent to each interest owner. The costs reflected in the AFE are consistent with what other operators have incurred for similar recompletions in this formation.

11. In addition to sending well proposal letters and AFEs, I have attempted to reach agreement with each party Hilcorp is seeking to pool. In my opinion, Hilcorp has made a good faith effort to reach agreement with each party. If Hilcorp reaches agreement with any of the parties

subject to pooling before the Division enters an order, I will let the Division know that Hilcorp is no longer seeking to pool that party.

12. No ownership depth severances exist in the proposed spacing unit.

13. Hilcorp has estimated the overhead and administrative costs at \$7500/month while drilling and \$750/month while operating the well. These costs are consistent with what other operators are charging in this area for similar vertical recompletions. Hilcorp respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division.

14. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on Exhibits 2 and 3. Hilcorp has performed a diligent search to ascertain last known addresses for each party that it seeks to pool. In my opinion, Hilcorp has made a good faith effort to locate each party that it seeks to pool. All parties were locatable.

15. **Hilcorp Exhibit Nos. 1-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

Bradley W. Pearson
Brad Pearson

STATE OF ^{New Mexico} TEXAS)
COUNTY OF ^{San Juan} ~~HARRIS~~)

SUBSCRIBED and SWORN to before me this 9 day of July 2019 by Brad Pearson.



Keri Hatley
NOTARY PUBLIC

My Commission Expires:

December 5, 2021

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6101 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) 476-3462

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

Form C-102
August 1, 2011

Permit 261980

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24733	2. Pool Code 71280	3. Pool Name AZTEC PICTURED CLIFFS (GAS)
4. Property Code 321707	5. Property Name ABRAMS GAS COM E	6. Well No. 001E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5602

10. Surface Location

UL - Lot M	Section 30	Township 29N	Range 10W	Lot Idn	Feet From 790	N/S Line S	Feet From 790	E/W Line W	County SAN JUAN
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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 159.80 SW/4			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: <i>Chustine Brock</i> Title: Operations/Regulatory Tech Sr. Date: 1/9/2019</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: Fred B. Kerr Date of Survey: 7/23/1980 Certificate Number: 3950</p>
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BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-1

Submitted by: **Hilcorp Energy Company**

Hearing Date: July 11, 2019

Case # 20637



May 2, 2019

Transmitted Via
Certified Mail – Return Receipt Requested

TO: ALL WORKING INTEREST OWNERS

Re: Proposed recompletion of the Abrams Gas Com E 1E (API # 30-045-24732) from the Basin Dakota to the Aztec Pictured Cliffs within a proposed Communitized Area covering the SW/4 Section 30, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico (the "Subject Well").

Dear Working Interest Owner,

Hilcorp San Juan, L.P. ("HSJ"), hereby proposes the recompletion of the Subject Well from the Basin Dakota to the Aztec Pictured Cliffs formation within the boundaries of a spacing unit covering the Aztec Pictured Cliffs formation underlying the SW/4 Section 30, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico. The Subject Well has a surface location 790' FSL and 790' FWL of said Section 30, and the bottomhole location in approximately 790' FSL and 790' FWL of said Section 30.

Enclosed you will find:

- A copy of the Authorization for Expenditure ("AFE") for this proposed recompletion.
- A proposed Joint Operating Agreement.
- A proposed Communitization Agreement for the Pictured Cliffs in the SW/4 Section 30, Township 29 North, Range 10 West.

Your prompt election in regard to this proposal is requested. For questions please contact me at the email/number below.

Sincerely,

A handwritten signature in cursive script that reads 'Bradley W. Pearson'.

Brad Pearson
Landman
Hilcorp Energy Company
713-289-2793
bpearson@hilcorp.com

Enclosure(s)



May 2, 2019

Abrams Gas Com E 001E
Pictured Cliffs and Dakota Working Interest Owners

RE: Recompletion Proposal

Abrams Gas Com E 001E
API# 30-045-24733
SW/159.8 30-29N-10W 790' FSL 790' FWL
San Juan County, New Mexico

HSJ Contract # C30103801338 dated 8/20/1962
AFE: 1920293
WC 30.1038.1780.00 (Basin DK)

Dear Interest Owner:

The referenced well was initially completed as a Dakota well (the "Wellbore") on October 6, 1981. In accordance with the Joint Operating Agreement ("JOA") dated August 20, 1962, Hilcorp Energy Company, as Operator, now proposes to enter the wellbore to recomplete the Pictured Cliffs formation to produce the well as a Commingled well.

Details regarding ownership for each formation are as follows:

Well Name/Dedication	Formation	Owners	GW
Abrams Gas Com E 1E	Pictured Cliffs Drillblock	ANGEL PEAK EXPERIENCE LLC	0.06234355
		ANNE M HAZLEWOOD	0.00198613
		CRAIG G MORRIS	0.00198613
		CYNTHIA K MCFARLAND	0.00397225
		D PRATAS	0.00397225
		DAVID MCLANE FAMILY PARTNERSHIP LTD	0.18703065
		DON HENDERSON	0.00397225
		DON MORRIS DAVIS	0.00794450
		JAMES D MORRIS	0.00198613
		JOHN W LECHNER TRUSTEE	0.04048640
		KAREN KEY	0.01588900
		MARY CATHERIN MITCHEL	0.00198613
		RHEA E LATHAM	0.00794450
		ROBERT E LECHNER LIV TRUST	0.04048640
		T E MILAM	0.00794450
		TOMMY KEY C/O KEYS RANCH	0.01588900
		Hilcorp San Juan, LP	0.59418023
		TOTAL	1.00000000
PC Dedication SW/159.8 30-29N-10W	Dakota Drillblock	DAVID MCLANE FAMILY PARTNERSHIP LTD	0.09345680
		HOLCOMB OIL & GAS INC	0.03115230
		TERRY E BOLACK	0.12507820
		TOMMY BOLACK MINERALS CORP	0.12507820
		Hilcorp San Juan, LP	0.62523450
		TOTAL	1.00000000
DK Dedication S/318.8 30-29N-10W			

DAKOTA INTEREST OWNERS: Please indicate your approval of this proposal by signing and returning an executed copy of this letter to Hilcorp San Juan, L.P., Attn: Brenda Guzman, P.O. Box 61229, Houston, Texas 77208, or by email to bguzman@hilcorp.com. Your cost is \$0.

PICTURED CLIFFS INTEREST OWNERS: Please indicate your approval of this proposal by signing and returning an executed copy of this letter and the enclosed AFE to Hilcorp San Juan, L.P., Attn: Brenda Guzman, P.O. Box 61229, Houston, Texas 77208, or by email to bguzman@hilcorp.com.

Pursuant to the JOA, your election is due within thirty (30) days from receipt of the proposal. Hilcorp anticipates executing this project in Q3-Q4 2019. Actual execution is dependent upon rig availability and permitting constraints which could cause delays.

Due to the age of the well, a fair value payment of the existing well will not be made by the Pictured Cliffs formation working interest owners to the Dakota working interest owners. Production from the Dakota and Pictured Cliffs formations will be allocated using a subtraction test method.

Please direct technical questions to Kevin Eichinger, Operations Engineer, at (832) 839-4567 or keichinger@hilcorp.com. For land-related questions contact Brenda Guzman at (832) 839-4574 or at the email provided above. For urgent matters, please contact me directly.

Sincerely,

A handwritten signature in cursive script that reads "Bradley W. Pearson".

Brad Pearson
Landman
Hilcorp Energy Company
713-289-2793
bpearson@hilcorp.com

Enclosure(s)
bmg

DAKOTA WORKING INTEREST OWNERS:

The undersigned hereby approves this Recompletion in the Abrams Gas Com E 1E well as set out herein.

COMPANY: _____

NAME: _____

TITLE: _____ **PHONE #** _____

DATE: _____ **EMAIL:** _____

AFE 1920293 PARTICIPANT APPROVAL

PICTURED CLIFFS WORKING INTEREST OWNERS:

The undersigned hereby approves this Recompletion in Abrams Gas Com E 1E well as set out herein.

COMPANY: _____

NAME: _____

TITLE: _____ **PHONE #** _____

DATE: _____ **EMAIL:** _____



HILCORP ENERGY COMPANY

AUTHORITY FOR EXPENDITURE

P.O. Box 61229
Houston, Texas 77208-1229
(713) 209-2400 Fax (713) 209-2420

Original AFE

AFE Number:	1920293	AFE Date:	01/09/2019
Lease/Well Name:	Abrams Gas Com E 001E (Aztec PC)	Current Reservoir:	
Property Number:	30.1038.1780.01	Current PBDT:	N/A
Internal Field Name:	San Juan Area 07	Proposed Reservoir:	
Regulatory Field Name:		County/State:	San Juan, NM
Work to be Performed:	Isolate the Dakota formation. Perform an UHRC to the Pictured Cliffs. Flow test the Pictured Cliffs. Commingle the DK-PC formations.		

Capital Project

Type: Capital Workover - Op **Engineer:** Ervin Wyckoff

Project Summary 1920293

	Original AFE Cost	Supplement Cost	Total Cost	Net to Hilcorp 59.418023%
2310 - Intangible Completion	236,387	0	236,387	140,456
2400 - Equipment	58,613	0	58,613	34,827
Total Costs:	295,000	0	295,000	175,283

WELL CONTROL INSURANCE ELECTION (Please Initial The Appropriate Block)

Participant elects to _____ or not to _____ participate in the well control insurance coverage provided by Hilcorp Energy Company. If Hilcorp Energy Company coverage is not elected, proof of insurance for Participant must be provided by Participant's insurance carrier.

If no election is made, Hilcorp will provide Well Control Insurance coverage for your interest and bill you accordingly.

ELECTION TO PARTICIPATE IN NON-CONSENT INTEREST (Please Initial The Appropriate Block)

I hereby elect to _____ or elect not to _____ participate in my proportionate share of any Non-Consent interest which becomes available. If you choose to participate in Non-Consent interest please complete the following: I hereby elect to _____ or elect not to _____ participate in any Non-Consent interest which becomes available over and above my proportionate share to the limit available.

HILCORP ENERGY COMPANY APPROVALS

PARTICIPANT APPROVAL

Approval costs on this form are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the work authorized, whether more or less than herein set out.

For: _____
By: _____
Title: _____
Date: _____

☐ Elect to Participate.

☐ Elect to NOT Participate.



HILCORP ENERGY COMPANY

AUTHORITY FOR EXPENDITURE

P.O. Box 61229
Houston, Texas 77208-1229
(713) 209-2400 Fax (713) 209-2420

AFE Number:	1920293	AFE Date:	01/09/2019
Lease/Well Name:	Abrams Gas Com E 001E (Aztec PC)	Current Reservoir:	
Property Number:	30.1038.1780.01	Current PBTD:	N/A
Internal Field Name:	San Juan Area 07	Proposed Reservoir:	
Regulatory Field Name:		County/State:	San Juan, NM
Work to be Performed:	Isolate the Dakota formation. Perform an UHRC to the Pictured Cliffs. Flow test the Pictured Cliffs. Commingle the DK-PC formations.		

		Completion Cost	Supplement	Total
2310	2310.001 - ICC-Contract Labor/Services	1,750		1,750
	2310.002 - ICC-N2/Coil Tubing Work	10,560		10,560
	2310.014 - ICC-Completion/Workover Rig	21,200		21,200
	2310.030 - ICC-Formation Stimulation	105,700		105,700
	2310.040 - ICC-AR Well Testing	4,600		4,600
	2310.072 - ICC-Transportation	18,684		18,684
	2310.073 - ICC-Miscellaneous	2,650		2,650
	2310.106 - ICC - Contingencies	21,853		21,853
	2310.110 - ICC-Rentals	15,790		15,790
	2310.111 - ICC-Logging & Misc Wireline	18,200		18,200
	2310.114 - ICC-Fishing Tools & Services	3,300		3,300
	2310.201 - ICC-Supervision/Consultant	12,100		12,100
	Total Intangible Completion Costs:	236,387		236,387
2400	2400.007 - Tubing	1,600		1,600
	2400.009 - Wellhead / Tree	1,000		1,000
	2400.013 - Tanks & Storage Facilities	5,000		5,000
	2400.014 - Heaters & Separators	20,000		20,000
	2400.030 - Intangible Installation Costs	4,500		4,500
	2400.054 - Fac - Testing - Destruc/Non-Destruc	1,700		1,700
	2400.066 - Fac - Instrumentation	17,000		17,000
	2400.107 - Fac - Contingencies	5,413		5,413
	2400.108 - Packers & Subsurface Equip Compl	1,400		1,400
	2400.300 - FAC - Road/Location Costs	1,000		1,000
	Total Equipment Costs:	58,613		58,613
Total AFE Cost:		295,000		295,000



HILCORP ENERGY COMPANY

AUTHORITY FOR EXPENDITURE

P.O. Box 61229
Houston, Texas 77208-1229
(713) 209-2400 Fax (713) 209-2420

AFE #: 1920293

Ballot: 1ST

THIS IS NOT A BILL

Owner	Owner Code	Int Type	Owner Int	Owner Original	Owner Supplement	Owner Estimated Total
ANGEL PEAK EXPERIENCE LLC 330 RD 4960 BLOOMFIELD, NM 87413	1146321-00001	W0001	0.06234355	\$18,391	\$0	\$18,391
ANNE M HAZLEWOOD 3006 21ST ST LUBBOCK, TX 79410	1156067-00001	W0001	0.00198613	\$586	\$0	\$586
CRAIG G MORRIS 4812 RIDGE CIR BENBROOK, TX 76126	1154036-00001	W0001	0.00198613	\$586	\$0	\$586
CYNTHIA K MCFARLAND 6001 OAKCLAIR DR AUSTIN, TX 78735	1156055-00001	W0001	0.00397225	\$1,172	\$0	\$1,172
D PRATAS 4401 W 14TH ST LUBBOCK, TX 79416-4801	1154031-00001	W0001	0.00397225	\$1,172	\$0	\$1,172
DAVID MCLANE FAMILY PARTNERSHIP LTD PO BOX 12125 DALLAS, TX 75225-2125	1139607-00001	W0001	0.18703065	\$55,174	\$0	\$55,174
DON HENDERSON 4141 LONG PRAIRIE ROAD APT 107 FLOWER MOUND, TX 75028	1156075-00001	W0001	0.00397225	\$1,172	\$0	\$1,172
DON MORRIS DAVIS	1164026-00001	W0001	0.00794450	\$2,344	\$0	\$2,344
Hilcorp San Juan, LP	300-	W0001	0.59418023	\$175,283	\$0	\$175,283
JAMES D MORRIS 2025 OAK GLEN DR MCGREGOR, TX 76657	1153973-00001	W0001	0.00198613	\$586	\$0	\$586
JOHN W LECHNER TRUSTEE PO BOX 15 LAVON, TX 75166-0015	1155266-00001	W0001	0.04048640	\$11,943	\$0	\$11,943
KAREN KEY 3137 AMHERST DALLAS, TX 75225	1164020-00001	W0001	0.01588900	\$4,687	\$0	\$4,687
MARY CATHERIN MITCHEL 940 COLUMBINE AVENUE COLORADO SPRINGS, CO 80904	1164021-00001	W0001	0.00198613	\$586	\$0	\$586
RHEA E LATHAM 11133 PINEHURST DR APT D AUSTIN, TX 78747-1415	1153959-00001	W0001	0.00794450	\$2,344	\$0	\$2,344
ROBERT E LECHNER LIV TRUST ROBERT E LECHNER TRUSTEE PO BOX 34 BLOOMFIELD, NM 87413	1155287-00001	W0001	0.04048640	\$11,943	\$0	\$11,943
T E MILAM	1164022-00001	W0001	0.00794450	\$2,344	\$0	\$2,344



HILCORP ENERGY COMPANY
AUTHORITY FOR EXPENDITURE

P.O. Box 61229
Houston, Texas 77208-1229
(713) 209-2400 Fax (713) 209-2420

AFE #: 1920293

Ballot: 1ST

THIS IS NOT A BILL

Owner	Owner Code	Int Type	Owner Int	Owner Original	Owner Supplement	Owner Estimated Total
TOMMY KEY C/O KEYS RANCH ROUTE 1 BOX 144 AVERY, TX 75554	1164024-00001	W0001	0.01588900	\$4,687	\$0	\$4,687

THIS IS NOT A BILL

Total: 1.00000000 \$295,000 \$0 \$295,000

ORRIs

Name	Street	City	State	Zip
DAVID A PIERCE & MAXINE M PIERCE	REV TR UTA DATED 07/16/1996			
DIRK VANHORN REEMTSMA	DAVID A & MAXINE M PIERCE TTEES			
ELITA F. ROGERS	PO BOX 4140	FARMINGTON	NM	87499-4140
ENDURING RESOURCES IV, LLC	556 CRESTWOOD DR	OCEANSIDE	CA	92058
GLENDIA FAY WITT	325 S. CHURCH	AZTEC	NM	87410
JOHN PIERCE	1050 17TH STREET SUITE 2500	DENVER	CO	80265
	1269 AUTUMN WIND WAY	HENDERSON	NV	89052
	P.O. BOX 4140	FARMINGTON	NM	87499
KAYLA ANN PERRMAN LIVING TRUST	KAYLA ANN PERRYMAN TRUSTEE			
KIRK GRAVES	2605 BROOKSIDE DR APT 193	BAKERSFIELD	CA	93311
LANCE REEMTSMA	10323 W SALEM DR	SUN CITY	AZ	85351
	2601 GRANT ST	BERKELEY	CA	94703
MARGARET A SULLIVAN TRUST 12-8-	FBO MARCI ANN SULLIVAN			
2004	MARCI ANN SULLIVAN TRUSTEE			
NELSON MINERALS LLC	4912 HIDALGO AVE	SAN DIEGO	CA	92117
RHONDA DANELL ZAWASKI	4901 CRESTWOOD DR	FARMINGTON	NM	87402
RICHARD L SULLIVAN	4017 TURNWOOD LN	MOON	PA	15108
	814 MADDOX ST	AZTEC	NM	87410

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

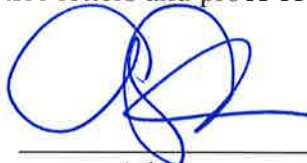
**APPLICATION OF HILCORP ENERGY
COMPANY FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 20637

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 Application has been provided under the notice letters and proof of receipts attached hereto.



Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 10th day of July, 2019 by Adam G. Rankin.



Notary Public

My Commission Expires:

August 26, 2021

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Hilcorp Energy Company
Hearing Date: July 11, 2019
Case # 20637

HOLLAND & HART^{LLP}



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

June 21, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: POOLED PARTIES

**Re: Application of Hilcorp Energy Company for Compulsory Pooling, San Juan
County, New Mexico.
Abrams Gas Com E 1E Well**

Ladies & Gentlemen:

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 11, 2019 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at 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 Brad Pearson at (713) 289-2793.

Sincerely,

Adam G. Rankin

ATTORNEY FOR HILCORP ENERGY COMPANY

POSTAL DELIVERY REPORT
HEC / ABRAMS E1E
CASE NO. 20637

TrackingNo	Transacti onDate	ToCompany	ToName	DeliveryAddress	AddressLine2	City	State	Zip	USPS_Status
941481089876	06/20/2019		T E MILAM	3222 21st St		Lubbock	TX	79410-1430	The delivery status of your item has not been updated as of June 24, 2019, 10:47 pm. We apologize that it may arrive later than expected.
5037646549	06/20/2019		TOMMY KEY C/O KEYS RANCH	RR 1 Box 144		Avery	TX	75554	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
941481089876	06/20/2019	ROBERT E LECHNER TRUSTEE	ROBERT E LECHNER LIV TRUST	PO Box 34		Bloomfield	NM	87413-0034	Your item was delivered at 4:08 pm on June 25, 2019 in BLOOMFIELD, NM 87413.
5037646532	06/20/2019		MARY CATHERIN MITCHEL	940 Columbine Ave		Colorado Springs	CO	80904-2783	The delivery status of your item has not been updated as of June 25, 2019, 10:49 pm. We apologize that it may arrive later than expected.
941481089876	06/20/2019		RHEA E LATHAM	11133 Pinehurst Dr Apt D		Austin	TX	78747-1903	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
5037646525	06/20/2019		KAREN KEY	3137 Amherst Ave		Dallas	TX	75225-7704	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
941481089876	06/20/2019		JAMES D MORRIS	2025 Oak Glen Dr		McGregor	TX	76657-3455	Your item was delivered at 3:03 pm on June 25, 2019 in MC GREGOR, TX 76657.
5037646471	06/20/2019		JOHN W LECHNER TRUSTEE	PO Box 15		Lavon	TX	75166-0015	Your item was delivered at 1:08 pm on June 24, 2019 in LAVON, TX 75166.
5037646488	06/20/2019		DON MORRIS DAVIS	11420 Pine Meadows Rd		Colorado Springs	CO	80908-4209	Your item was delivered at 2:38 pm on June 26, 2019 in COLORADO SPRINGS, CO 80920.
941481089876	06/20/2019		DON MORRIS DAVIS	47 E Lakeshore Dr		Ransom Canyon	TX	79366-2514	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
5037646440	06/20/2019		DON MORRIS DAVIS	4141 Long Prairie Rd Apt 107		Flower Mound	TX	75028-1517	Your item was delivered to the front desk, reception area, or mail room at 4:05 pm on June 25, 2019 in FLOWER MOUND, TX 75028.
941481089876	06/20/2019		DON HENDERSON	6220 NW 83rd St		Oklahoma City	OK	73132-4631	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
5037646426	06/20/2019		DON HENDERSON	PO Box 12125		Dallas	TX	75225-0125	Your item was delivered at 1:14 pm on June 26, 2019 in DALLAS, TX 75225.
941481089876	06/20/2019	DAVID MCCLANE FAMILY PARTNERSHIP LTD	D PRATAS	4401 14th St		Lubbock	TX	79416-4801	Your item was returned to the sender on July 5, 2019 at 10:54 am in LUBBOCK, TX 79490 because the addressee moved and left no forwarding address.
5037646402	06/20/2019		CYNTHIA K MCFARLAND	6001 Oakclaire Dr		Austin	TX	78735-8609	Your item was delivered to an individual at the address at 2:10 pm on June 24, 2019 in AUSTIN, TX 78735.
941481089876	06/20/2019		CRAIG G MORRIS	4812 Ridge Cir		Benbrook	TX	76126-1667	Your item was delivered to an individual at the address at 1:05 pm on June 24, 2019 in FORT WORTH, TX 76126.
5037646389	06/20/2019		ANGEL PEAK EXPERIENCE LLC	330 Road 4960		Bloomfield	NM	87413-0205	Your item was delivered to an individual at the address at 11:48 am on June 27, 2019 in BLOOMFIELD, NM 87413.
941481089876	06/20/2019		ANNE M HAZLEWOOD	3006 21st St		Lubbock	TX	79410-1426	Your item was delivered to an individual at the address at 11:49 am on June 24, 2019 in LUBBOCK, TX 79410.
5037646358	06/20/2019		RHONDA DANELL ZAWASKI	4017 Turnwood Ln		Corapolis	PA	15108-9055	Your item was delivered at 4:30 pm on June 27, 2019 in CORAOPOLIS, PA 15108.
941481089876	06/20/2019		RICHARD L SULLIVAN	814 Maddox Ave		Artec	M	87410-1722	Your item was delivered to an individual at the address at 2:00 pm on June 24, 2019 in AZTEC, NM 87410.

941481089876 5037646297	06/20/2019	FBO MARCI ANN SULLIVAN	MARGARET A SULLIVAN TRUST 12-8-2004	4912 Hidalgo Ave Dr	Marci Ann Sullivan Trustee	San Diego Farmington	CA N	92117-1643	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
941481089876 5037646303	06/20/2019		NELSON MINERALS LLC	4901 Crestwood Dr		Farmington	N M	87402-4863	Your item was delivered at 12:41 pm on June 27, 2019 in FARMINGTON, NM 87401.
941481089876 5037646280	06/20/2019		LANCE REEMTSMA	2601 Grant St		Berkeley	CA	94703-1915	Your item was delivered to an individual at the address at 4:03 pm on June 24, 2019 in BERKELEY, CA 94703.
941481089876 5037646259	06/20/2019		KIRK GRAVES	10323 W Salem Dr		Sun City	AZ	85351-4724	Your item was delivered to an individual at the address at 11:29 am on June 24, 2019 in SUN CITY, AZ 85351.
941481089876 5037646235	06/20/2019	KAYLA ANN PERRYMAN TRUSTEE	KAYLA ANN PERRYMAN LIVING TRUST	2605 Brookside Dr Apt 193		Bakersfield	CA	93311-3434	Your item was delivered at 3:55 pm on June 25, 2019 in BAKERSFIELD, CA 93311.
941481089876 5037646211	06/20/2019		JOHN PIERCE	PO Box 4140		Farmington	N M	87499-4140	Your item was picked up at a postal facility at 8:36 am on June 24, 2019 in FARMINGTON, NM 87499.
941481089876 5037646198	06/20/2019		GLENDIA FAY WITT	1269 Autumn Wind Way		Henderson	NV	89052-3052	Your item was delivered at 1:18 pm on June 25, 2019 in HENDERSON, NV 89052.
941481089876 5037646174	06/20/2019		ENDURING RESOURCES IV, LLC	1050 17th St Ste 2500		Denver	CO	80265-2080	Your item was delivered to the front desk, reception area, or mail room at 12:27 pm on June 24, 2019 in DENVER, CO 80202.
941481089876 5037646150	06/20/2019		ELITA F. ROGERS	325 S Church Ave		Denver	N	87410-2106	Your item was delivered at 2:23 pm on June 25, 2019 in AZTEC, NM 87410.
941481089876 5037646136	06/20/2019		DIRK VANHORN REEMTSMA	556 Crestwood Dr		Oceanside	CA	92058-7484	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
941481089876 5037646112	06/20/2019	UTA DATED 07/16/1996	DAVID A PIERCE & MAXINE M PIERCE REV TR	PO Box 4140	David A & Maxine M Pierce Treas	Farmington	N M	87499-4140	Your item was picked up at a postal facility at 8:36 am on June 24, 2019 in FARMINGTON, NM 87499.

AFFIDAVIT OF PUBLICATION

Ad No.
0001289407

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):

06/26/19



Legal Clerk

Subscribed and sworn before me this
26th of June 2019.


State of WI, County of Brown
NOTARY PUBLIC
My Commission Expires

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 11, 2019, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed 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 1, 2019. 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 case
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: DAVID A PIERCE & MAXINE M PIERCE REV TR UTA DATED 07/16/1996 DAVID A & MAXINE M PIERCE TTEES; DIRK VANHORN REEMTSMA; HIS HEIRS AND DEVISEES; ELITA F. ROGERS, HER HEIRS AND DEVISEES; ENDURING RESOURCES IV, LLC; GLENDA FAY WITT, HER HEIRS AND DEVISEES; JOHN PIERCE, HIS HEIRS AND DEVISEES; KAYLA ANN PERRMAN LIVING TRUST, KAYLA ANN PERRYMAN TRUSTEE; KIRK GRAVES, HIS HEIRS AND DEVISEES; LANCE REEMTSMA, HIS HEIRS AND DEVISEES; MARGARET A. SULLIVAN TRUST 12-8-2004 FBO MARCI ANN SULLIVAN, MARCI ANN SULLIVAN TRUSTEE; NELSON MINERALS LLC; RHONDA DANELL ZAWASKI, HER HEIRS AND DEVISEES; RICHARD L. SULLIVAN, HIS HEIRS AND DEVISEES; ANGEL PEAK EXPERIENCE LLC; ANNE M. HAZLEWOOD, HER HEIRS AND DEVISEES; CRAIG G. MORRIS, HIS HEIRS AND DEVISEES; CYNTHIA K. MCFARLAND; HER HEIRS AND DEVISEES; D. PRATAS, HIS/HER HEIRS AND DEVISEES; DAVID MCLANE FAMILY PARTNERSHIP LTD; DON HENDERSON, HIS HEIRS AND DEVISEES; DON MORRIS DAVIS, HIS HEIRS AND DEVISEES; JAMES D. MORRIS, HIS HEIRS AND DEVISEES; JOHN W. LECHNER, TRUSTEE; KAREN KEY, HER HEIRS AND DEVISEES; MARY CATHERIN MITCHEL, HER HEIRS AND DEVISEES; RHEA E. LATHAM, HER HEIRS AND DEVISEES; ROBERT E. LECHNER LIV TRUST, ROBERT E. LECHNER TRUSTEE; T. E. MILAM, HIS HEIRS AND DEVISEES; TOMMY KEY, HIS HEIRS AND DEVISEES, C/O KEYS RANCH.

CASE 20637: Application of Hilcorp Ener-

gy Company for Compulsory Pooling, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Mesaverde formation in a spacing unit located in the S/2 of Section 30, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico. Applicant proposes a recompletion in a standard 320-acre gas spacing unit within the Mesaverde formation through the Abrams Gas Com E 1E Well (API No. 30-045-07815) at a standard gas well location in NE/4 SE/4 (Unit I) of Section 30, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico. Also, to be considered will be the cost of drilling and recompleting said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for risk involved in drilling and recompleting said well. Said area is located approximately 3 miles southeast of Bloomfield, New Mexico.

Legal No. 1289407 published in The Daily Times on June 26, 2019.