

**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.**

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**CASE NO. 15934**

**HILCORP'S PREHEARING STATEMENT**

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Hilcorp Energy Company  
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Houston, Texas 77002

**ATTORNEYS**

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## STATEMENT OF THE CASE

Hilcorp seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool to permit it to complete and simultaneously produce five Mesaverde gas well in the same standard spacing and proration unit, and three wells in the same quarter section.

Hilcorp is the operator of a standard 321.08-acre, more or less, spacing and proration unit in the Blanco-Mesaverde Gas Pool comprised of the W/2 of Section 18, Township 27 North, Range 5 West, Rio Arriba County, New Mexico, in which the following four wells are currently completed and producing:

- a. San Juan 27-5 Unit 47 Well (API No. 30-039-07049), Sec. 18, T27N, R5W (Unit K);
- b. San Juan 27-5 Unit 163 Well (API No. 30-039-20671), Sec.18, T27N, R5W, (Unit L);
- c. San Juan 27-5 Unit 163M Well (API: 30-039-23757), Sec. 18, T27N, R5W (Unit D); and
- d. San Juan 27-5 Unit 163N Well (API: 30-039-29609), Sec. 18, T27N, R5W (Unit F).

Hilcorp now proposes to simultaneously dedicate and produce the following fifth well within the same standard spacing and proration unit, at the following location: **San Juan 27-5 Unit 163E Well** (API No. 30-039-30063), Sec. 18, T27N, R5W (Unit K).

Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule 1.B of the Special Rules and Regulations of the Blanco-Mesaverde Pool to authorize Hilcorp to simultaneously dedicate and produce the San Juan 27-5

Unit 163E Well within the W/2 of Section 18, Township 27 North, Range 5 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, and the number of wells within a quarter section to three.

#### **APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Chuck Creekmore – Landman	Approx. 10	Approx. 5
Eddie Pippin – Geologist	Approx. 20	Approx. 5
Michelle Sivadon – Reservoir Engineer	Approx. 20	Approx. 5
Brad Pearson – Landman	Approx. 20	Approx. 12
Wyn McCubbin – Landman	Approx. 20	Approx. 12

#### **PROCEDURAL MATTERS**

Hilcorp has filed numerous similar applications for exceptions to the density provisions of the Special Rules and Regulations of the Blanco-Mesaverde Pool. For administrative efficiency and ease of presentation, Hilcorp respectfully requests that the following cases be consolidated for purposes of presenting evidence and testimony:

- 15934, 15936, 15937, 15938, 15939, 15940, 15941, 15942, 15943, 15944, 15945.

Hilcorp has filed amended applications for Case Nos. 15932, 15933 and 15935, so those cases will be necessarily continued until the January 25, 2017 docket.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR HILCORP ENERGY COMPANY**