

**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,  
SAN JUAN COUNTY, NEW MEXICO.**

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**CASE NO. 16269**

**HILCORP'S PRE-HEARING STATEMENT**

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby submits this Consolidated Pre-Hearing Statement for the above referenced matters.

**APPEARANCES**

**APPLICANT**

Hilcorp Energy Company  
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Houston, Texas 77002

**ATTORNEYS**

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## STATEMENT OF THE CASE

Hilcorp is the operator of a standard 315.58-acre, more or less, spacing and proration unit in the Blanco-Mesaverde Gas Pool comprised of the E/2 of Section 1, Township 31 North, Range 12 West, San Juan County, New Mexico, which is currently dedicated to the following three wells: the Dusenberry 002 Well (API No. 30-045-11032) Sec. 1, T31N, R12W (Unit J); the Dusenberry 002B Well (API No. 30-045-33210), Sec. 1, T31N, R12W (Unit P); and the Dusenberry 003E Well (API No. 30-045-23644), Sec. 1, T31N, R12W (Unit H).

The Blanco-Mesaverde Gas Pool is governed by Special Rules and Regulations, which provide for 320-acre spacing and proration units and four wells per spacing unit. *See* Order No. R-8170, as superseded by Order No. R-10987-A, and amended by Order No. R-10987-A(1), effective Dec. 2, 2002. Hilcorp now proposes to simultaneously dedicate and produce the following third well within the same quarter section at the following location: the **Dusenberry 003** (API No. 30-045-11042) within the E/2 of Section 1, Township 31 North, Range 12 West.

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 **Dusenberry 003** (API No. 30-045-11042) within the E/2 of Section 1, Township 31 North, Range 12 West, permitting the total number of wells within a quarter section to three. Hilcorp further seeks approval for the proposed location of the **Dusenberry 003** (API No. 30-045-11042) in the Mesaverde formation with a surface location in Unit I within the E/2 of Section 1, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, and authorization to simultaneously complete and produce said well from the Blanco-Mesaverde Gas Pool.

**APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Rob Carlson, Landman	Approx. 20	Approx. 5
Alex Liang, Reservoir Engineer	Approx. 20	Approx. 8

**PROCEDURAL MATTERS**

Hilcorp respectfully requests that Case Nos. 16267 through 16275 be consolidated for purposes of presenting testimony at hearing.

Respectfully submitted,

HOLLAND & HART LLP



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