

**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. 20654

APPLICATION

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby files this application with the Oil Conservation Division for an order pooling all uncommitted interests in the Mesaverde formation underlying the S/2 of Section 30, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, to form a standard 320-acre gas spacing unit within the Mesaverde formation. In support of this application, Hilcorp states:

1. Applicant is an interest owner in the subject acreage and has a right to drill thereon.
2. Hilcorp proposes to dedicate the above-reference spacing unit to its **Abrams Gas Com E 1 Well** (API No. 30-045-07815), to be recompleted at a standard gas well location in NE/4 SE/4 (Unit I) of Section 30 to a depth sufficient to test the Mesaverde formation.
3. The well was previously drilled and completed within the Dakota formation at a surface location 1,790 feet from the south line and 890 feet from the east line of Section 30, and a bottom-hole location approximately 1,790 feet from the south line and 890 feet from the east line of Section 30, and dedicated to a standard 320-acre gas spacing unit in the Basin-Dakota Pool (Pool Code 71599), comprised of the S/2 of Section 30.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to permit Hilcorp to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this spacing unit should be pooled and Hilcorp Energy Company should be designated the operator the proposed well and spacing unit.

WHEREFORE, Hilcorp requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2019, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests within the Mesaverde formation;
- B. Designating Hilcorp Energy Company the operator of said spacing unit and well;
- C. Authorizing Hilcorp to recover its costs of drilling, equipping, completing, and recompleting the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Hilcorp in drilling and recompleting the well against any working interest owner who does not voluntarily participate in the drilling and recompleting of the well.

Respectfully submitted,

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ATTORNEYS FOR HILCORP ENERGY COMPANY

CASE _____:

Application of Hilcorp Energy 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 1 Well** (API No. 30-045-07815) at a standard gas well location in NE/4 SE/4 (Unit 1) 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 re-completing 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.