

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION TO CONSIDER:**

**Case No. 23438
Order No. R-10385-A**

APPLICATION OF HILCORP ENERGY COMPANY TO AMEND ORDER NO. R-10385, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on April 6, 2023, and after considering the testimony, evidence, and the recommendations of the Hearing Examiner,

FINDS THAT:

- (1) Due public notice has been given and the OCD has jurisdiction of this case and its subject matter.
- (2) Hilcorp Energy Company (“Hilcorp”) seeks to amend Order R-10385 to dismiss approval to commingle production from the Basin Dakota and Gallup pools within the well bore of the Sunray H Com No. 6 (API No. 30-045-29242) located 820 feet from the North line and 1,060 feet from the East line in Section 11 of Township 30 North and Range 10 West, NMPM (the “Well”).
- (3) Order R-10385 was issued June 8, 1995, and authorized the commingling of production from the Basin Dakota and Gallup pools within the well bore of the Well and approved non-standard proration units for the Basin Dakota and Gallup pools comprising of Lots 1, 2, 7, and 8 (the NE/4 equivalent) of Section 11 of Township 30 North and Range 10 West, NMPM.
- (4) Hilcorp submitted an administrative application to commingle production from the Blanco Mesaverde, Gallup, and Basin Dakota pools within the well bore of the Well on February 6, 2023. The application was designated as DHC-5276. The OCD suspended review of the application until the commingling approval granted by Order R-10385 is addressed.
- (5) No other parties appeared at hearing.

IT IS THEREFORE ORDERED THAT:

- (1) The authority to commingle granted by Order R-10385 is hereby revoked.
- (2) Ordering Paragraphs 1, 4, 5, and 6 of Order R-10385 are hereby suspended.
- (3) All other provisions of Order R-10385 not in conflict with the provisions of this Order shall remain in full force and affect until further notice.
- (4) Review of the application designated as DHC-5276 shall be returned to review by the OCD and may be resolved via an administrative order.
- (5) Jurisdiction of this case is retained for the entry of such further orders as the OCD may deem necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M. FUGE
DIRECTOR

Date: 6/8/23