

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



Administrative Order DHC-4848  
Order Date: September 12, 2018

Hilcorp Energy Company  
1111 Travis Street  
Houston, Tx. 77002

Attention: Ms. Christine Brock

EH Pipkin Well No. 12E  
API No. 30-045-23783  
Unit E, Section 12, Township 27 North, Range 11 West NMPM  
Rio Arriba County, New Mexico

Pool	BASIN DAKOTA (PRORATED GAS)	Gas (71599)
Names:	KUTZGALLUP	Oil (36550)
	WILDCAT 27N11W12E;MESAVERDE (G)	Gas (98295)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of oil production from the subject well for the first four years shall be based on historic production and the subtraction method. Production attributable to the Wildcat 27N11W12E;Mesaverde (G) Pool shall be the remainder from total production minus the projected historical production from the Basin Dakota (Prorated Gas) Pool and the Kutz Gallup Pools. A production average will be gathered during the 4<sup>th</sup> year and will be utilized.

Assignment of allowable and allocation of production shall be as follows:

BASIN DAKOTA (PRORATED GAS)	Pct. Oil: TBD	Pct. Gas: TBD
KUTZ GALLUP	Pct. Oil: TBD	Pct. Gas: TBD
WILDCAT 27N11W12E;MESAVERDE (G)	Pct. Oil: TBD	Pct. Gas: TBD

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12 A (6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District office upon implementation of commingling operations.

The initial allocation of oil and gas production for the subject well was approved by Down hole commingling Order 2934-Az, issued on October 23, 2008.

This Order is subject to like approval from the Bureau of Land Management.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

  
**HEATHER RILEY**  
**Director**

HR/mam

cc: New Mexico Oil Conservation Division – Aztec  
Bureau of Land Management – Farmington  
Well file 30-045-23783