

RECEIVED: <u>6/24/2018</u>	REVIEWER: <u>MAM</u>	TYPE: <u>DHC</u>	APP NO: <u>PMAM1817325685</u>
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NEW MEXICO OIL CONSERVATION DIVISION
- Geological & Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Hilcorp Energy Company OGRID Number: 372171
Well Name: Huerfano Unit 168 API: 30-045-20059
Pool: Huerfano Pictured Cliffs + B.D. Pool Code: 78840 + 71595

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
A. Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
B. ☒ Royalty, overriding royalty owners, revenue owners
C. ☐ Application requires published notice
D. ☐ Notification and/or concurrent approval by SLO
E. ☒ Notification and/or concurrent approval by BLM
F. ☐ Surface owner
G. ☒ For all of the above, proof of notification or publication is attached, and/or,
H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Christine Brock

Print or Type Name

Christine Brock

Signature

6/22/18
Date

505-324-5155

Phone Number

cbrock@hilcorp.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☐ Single Well
☐ Establish Pre-Approved Pools
☐ EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Hilcorp Energy Company 382 Road 100, Aztec NM 87410
Operator Address
Huerfano Unit 168 UL O (SWSE) – Sec. 23, T26N, R10W San Juan
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 372171 Property Code 318578 API No. 30-045-20059 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	HUERFANO PICTURED CLIFFS (GAS)		BASIN DAKOTA (PRORATED GAS)
Pool Code	78840		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2128' – 2247'' - Estimated		6620' - 6726'
Method of Production (Flowing or Artificial Lift)	NEW ZONE		ARTIFICIAL LIFT
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	759 psi		1,839 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1000		BTU 1000
Producing, Shut-In or New Zone	NEW ZONE		PRODUCING
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: 3/1/2018 Rates: 185 MCF – GAS 4 BBL - OIL 4 BBL - WATER
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☐ No ☒
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☒ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐
NMOCD Reference Case No. applicable to this well: _____

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Christine Brock TITLE Operation/Regulatory Tech DATE 6/22/18
TYPE OR PRINT NAME Christine Brock TELEPHONE NO. (505) 324-5155
E-MAIL ADDRESS cbrock@hilcorp.com

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102

August 1, 2011

Permit 252745

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-20059	2. Pool Code 78840	3. Pool Name HUERFANO PICTURED CLIFFS (GAS)
4. Property Code 318578	5. Property Name HUERFANO UNIT	6. Well No. 168
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6648

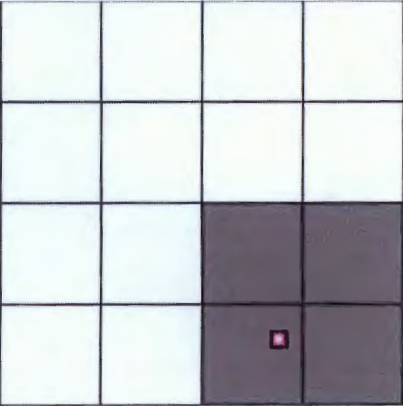
10. Surface Location

UL - Lot O	Section 23	Township 26N	Range 10W	Lot Idn	Feet From 890	N/S Line S	Feet From 1650	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00 SE/4	13. Joint or Infill	14. Consolidation Code	15. Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> E-Signed By: <i>LeMistrie Brock</i> Title: Operations/Regulatory Tech. - Sr Date: 5/23/2018 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Surveyed By: David Kilven Date of Survey: 1/5/1967 Certificate Number: 1760
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**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

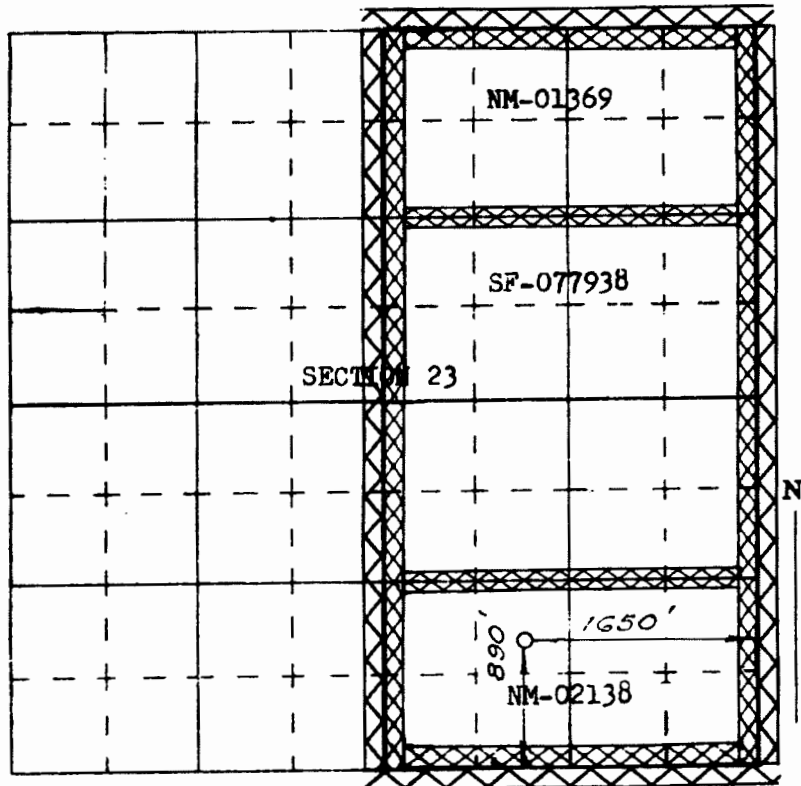
Operator EL PASO NATURAL GAS COMPANY		Lease HUERFANO UNIT		Well No 168	
Unit Letter 0	Section 23	Township 26-N	Range 10-W	County SAN JUAN	
Actual Footage Location of Well					
890	feet from the	SOUTH	1650	feet from the	EAST
Ground Level Elev. 6648		Producing Formation DAKOTA		Dedicated Acreage 320.00 Acres	
		BASIN DAKOTA			

1. Outline the acreage dedicated to the subject well by coloring, pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof both as to working interest and royalty.
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, forced-pooling, etc.?

☒ Yes ☐ No If answer is "yes," type of unitization or Unitization

If answer is "no," list the owners and tract descriptions of the well actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated by communitization, unitization, forced-pooling, or otherwise, or until the unitization or forced-pooling interests has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Charles E. Wood F. H. WOOD

Name _____
Petroleum Engineer
 Employer **El Paso Natural Gas Company**
 Date **April 24, 1967**
 Sign _____

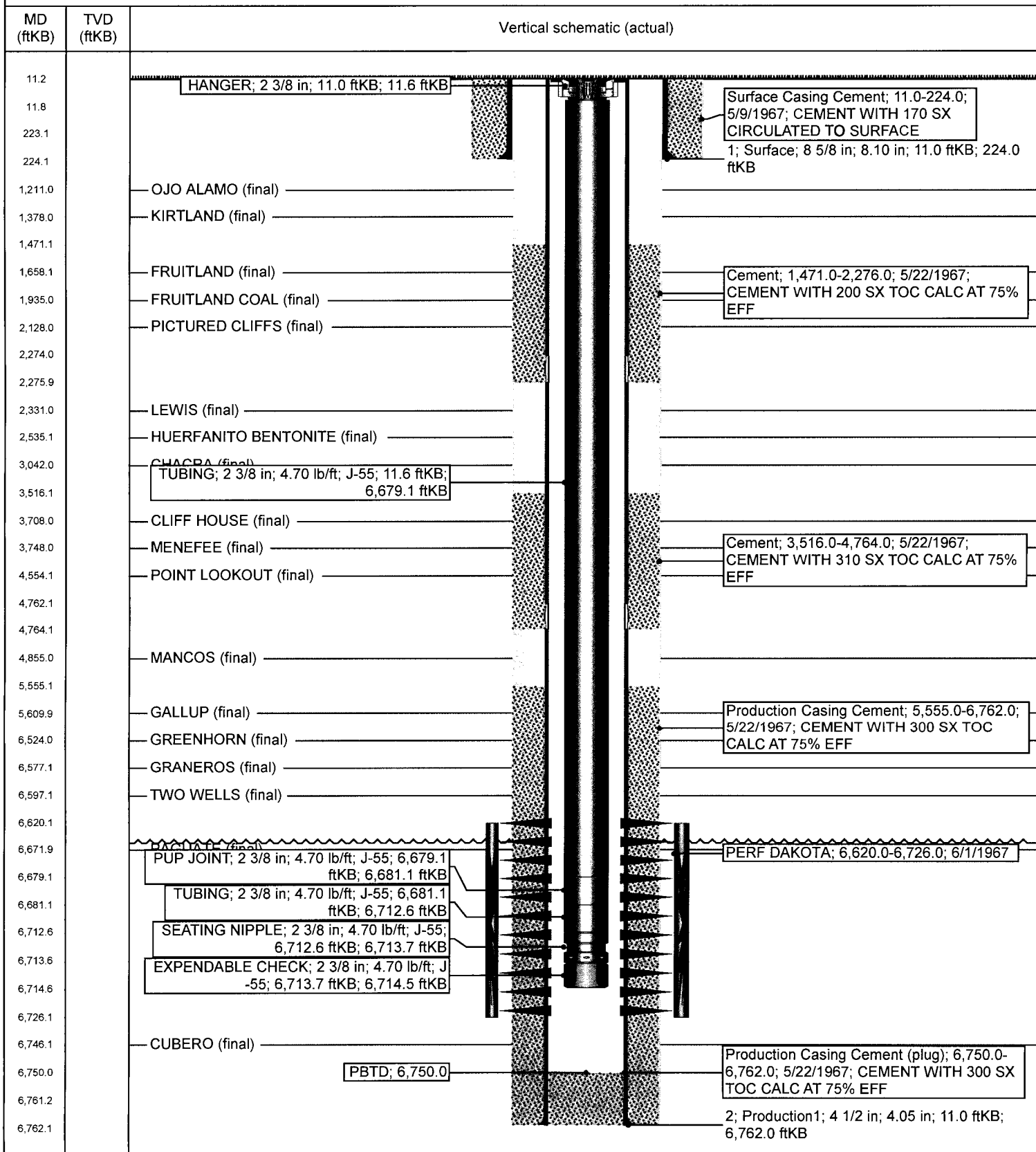
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____
JANUARY 5, 1967
 Registered Professional Engineer
 and/or Land Surveyor

 Certificate No. **1760**

Well Name: HUERFANO UNIT #168

API / UWI 3004520059	Surface Legal Location 023-026N-010W-O	Field Name BASIN DAKOTA (PRORATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,648.00	Original KB/RT Elevation (ft) 6,659.00	KB-Ground Distance (ft) 11.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

VERTICAL, Original Hole, 6/22/2018 6:57:10 AM


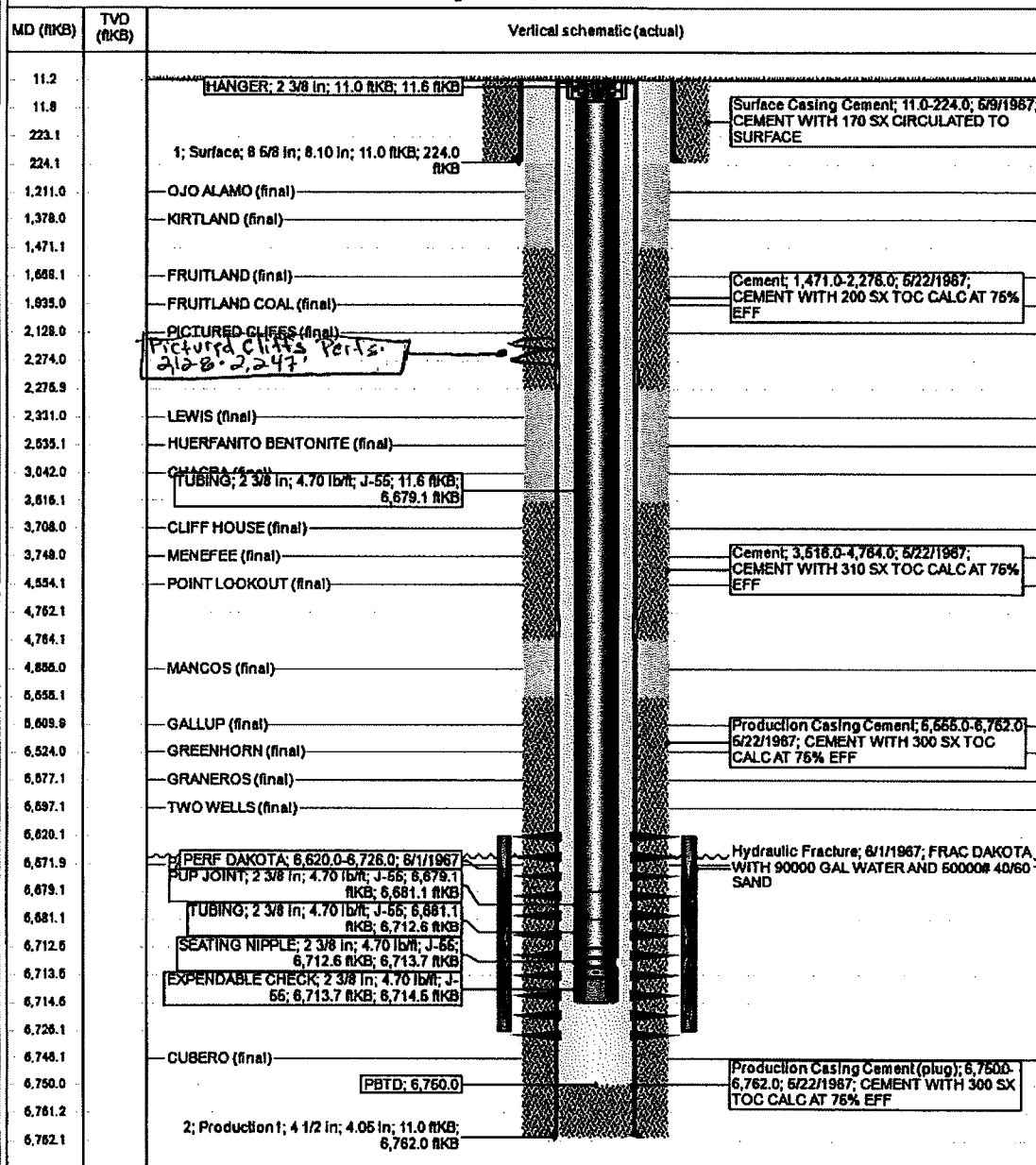


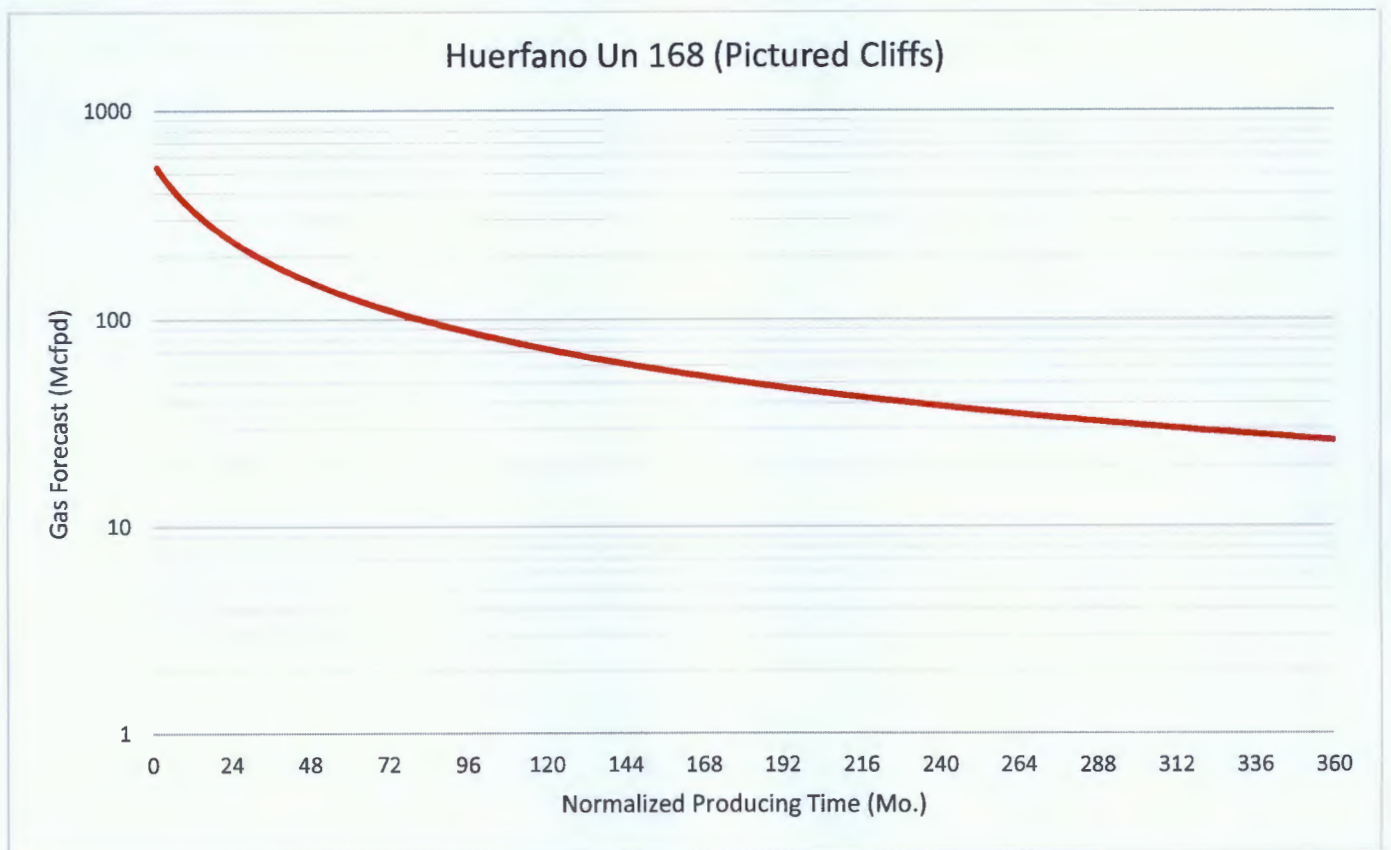
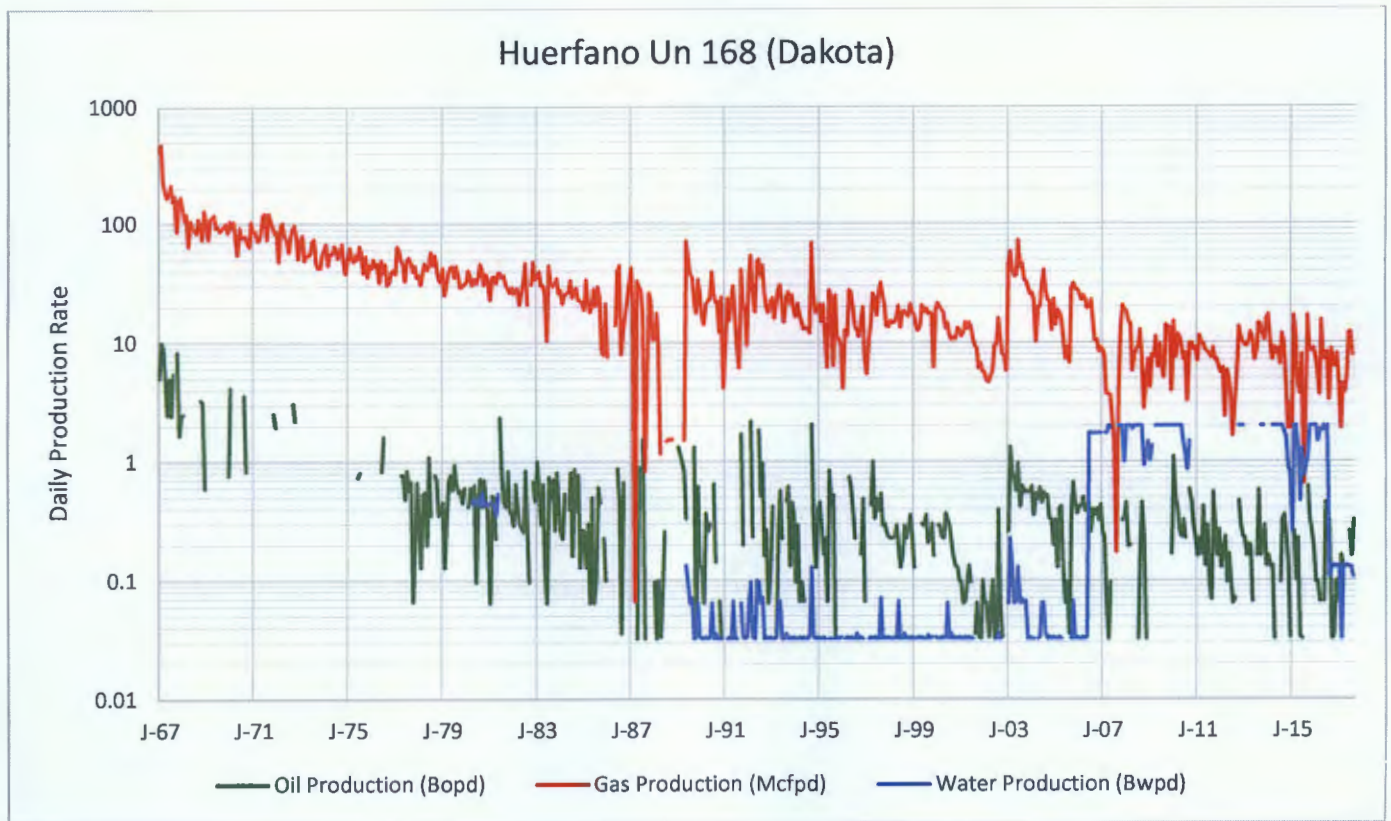
Proposed Current Schematic

Well Name: HUERFANO UNIT #168

API/UV# 3004620069	Surface Log # Location 023-026N-010W-0	Field Name BASIN DAKOTA (PROLIFERATED GAS)	License No.	State/Province NEW MEXICO	Well Configuration Type VERTICAL
Ground Elevation (ft) 6,648.00	Original KBWT Elevation (ft) 6,659.00				

VERTICAL, Original Hole, 5/22/2018 8:21:36 AM





The forecast for Pictured Cliffs production has been generated using a type curve of PC gas production in the surrounding production trend.

Huerfano Unit 168 – Production Allocation Method

Production for the downhole commingle will be allocated using the subtraction method in agreement with the BLM. The base formation is the Dakota the added formation to be commingled is the Pictured Cliffs. The subtraction method applies an average monthly production forecast to the base formations using historic production. All production from this well exceeding the forecast will be allocated to the new formation. After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation. Oil production will be allocated based on average formation yields from offset wells. All documentation will be submitted to the Aztec NMOCD office.

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92148969009997901761683386	Brenda Guzman	, BENSON-MONTIN-GREER DRILLING CORP, 4900 COLLEGE BLVD, FARMINGTON, NM, 87402 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683393	Brenda Guzman	, BETTY T JOHNSTON MARITAL TRUST, BETTY T JOHNSTON, TOM N AUNE, PATRICIA E AUNE, CO-TRUSTEES 17347 VI, HOUSTON, TX, 77040 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683409	Brenda Guzman	, CAROLYN BEAMON TILLEY, 5225 PRESTON HAVEN, DALLAS, TX, 75229 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683416	Brenda Guzman	, CB LIFELINE PARTNERSHIP, 5225 PRESTON HAVEN DR, DALLAS, TX, 75229 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683423	Brenda Guzman	, CLAUDIA MARCIA LUNDELL GILMER, 1102 S AUSTIN AVE, GEORGETOWN, TX, 78626 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683430	Brenda Guzman	, CROSS TIMBERS ENERGY LLC, 400 W 7TH STREET, FT WORTH, TX, 76102 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683447	Brenda Guzman	, EULA MAY JOHNSTON TRUST 661, BANK OF AMERICA N A PO BOX 840738, DALLAS, TX, 75284-0738 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683454	Brenda Guzman	, GRAYFORE PARTNERS LP, PO BOX 98670, LUBBOCK, TX, 79499-8670 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683461	Brenda Guzman	, JAMES R BEAMON, 2603 AUGUSTA STE 1050, HOUSTON, TX, 77057-5640 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683478	Brenda Guzman	, KELLY MINERALS INTERESTS JV, 2709 WOLFF DR, ARLINGTON, TX, 76015-1020 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683485	Brenda Guzman	, LA PLATA GATHERING SYSTEM INC, 4925 GREENVILLE AVE #852, DALLAS, TX, 75206- 4079 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683492	Brenda Guzman	, LANGDON D HARRISON REVOC TRUST B, JACQUELINE M HARRISON SUCC TRUSTEE PO DRAWER 2188, ROSWELL, NM, 88202 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683508	Brenda Guzman	, LILLY REVOC TRUST AGMT, 11 13 2006 FRANKLIN P LILLY TTEE 1322 RIVER FOREST DR, ROUND ROCK, TX, 78665-5602 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683515	Brenda Guzman	, LINDA JEANNE LUNDELL LINDSEY, PO BOX 631565, NACOGDOCHES, TX, 75963 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683522	Brenda Guzman	, MACDONALD HALBERSTADT REVOCABLE, FAMILY TRUST DTD 2/21/02 ROBIN C MACDONALD TRUSTEE 1310 VIA CHRISTIN, VISTA, CA, 92084 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683539	Brenda Guzman	, MARYAN KLINGER TRUST, ROBERT KLINGER SUCC TRUSTEE 1788 MONTY CT, STOCKTON, CA, 95207 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683546	Brenda Guzman	, MCCONNELL LTD CO, C/O JOHN BREED CPA 3430 FLORIDA NE, ALBUQUERQUE, NM, 87110- 2120 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683553	Brenda Guzman	, MICHAEL R DIMOND, and GLENDA K DIMOND 4900 COLLEGE BLVD, FARMINGTON, NM, 87401 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending

92148969009997901761683560	Brenda Guzman	, PRODUCTION GATHERING CO LP, 8150 N CENTRAL EXPWY STE 1475, DALLAS, TX, 75206 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683577	Brenda Guzman	, ROBERT E BEAMON III, 2603 AUGUSTA DR STE 1050, HOUSTON, TX, 77057-5797 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683584	Brenda Guzman	, ROBERT WALTER LUNDELL, 2450 FONDREN STE 304, HOUSTON, TX, 77063-2318 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683591	Brenda Guzman	, ROGERS GIBBARD TRUST, ORVILLE C ROGERS SUSAN EVELAND and ELAINE GIBBARD HOWE TTEES PO BOX , SULPHUR, OK, 73086-0624 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683607	Brenda Guzman	, SHARON BEAMON BURNS, 122 ESTRADA REDONDA, SANTA FE, NM, 87506-7933 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683614	Brenda Guzman	, SUNLAND REFINING CORP, 9302 GARFIELD AVE, SOUTH GATE, CA, 90280 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683621	Brenda Guzman	, SUSAN BEAMON PORTER, 319 KNIPP FOREST, HOUSTON, TX, 77024-5030 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683638	Brenda Guzman	, THOMAS H YATES JR, PO BOX 791910, SAN ANTONIO, TX, 78279-1910 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683645	Brenda Guzman	, V A JOHNSTON LTD, PO BOX 303247, AUSTIN, TX, 78703 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683652	Brenda Guzman	, WILLIAM J GREEN ESTATE, MELISSA GREEN ELLIOT INDIV EXEC PO BOX 164476, FORT WORTH, TX, 76161 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending
92148969009997901761683669	Brenda Guzman	, ZZZ KELLY and TRUST LLC, LOUISIANA LTD LIABCO 535 ONEONTA ST, SHREVEPORT, LA, 71106-1619 Code: Huerfano Unit 168 and 205 DHC	6/21/2018	Signature Pending