

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 14, 2018**

**CASE No. 16222, 16227, 16223
16226, 16224 AND 16225**

J C GORDON

ZACHRY

REID AND JACKSON COM 1E

SAN JUAN 29-7 UNIT 46B

SAN UAN 29-7 79M

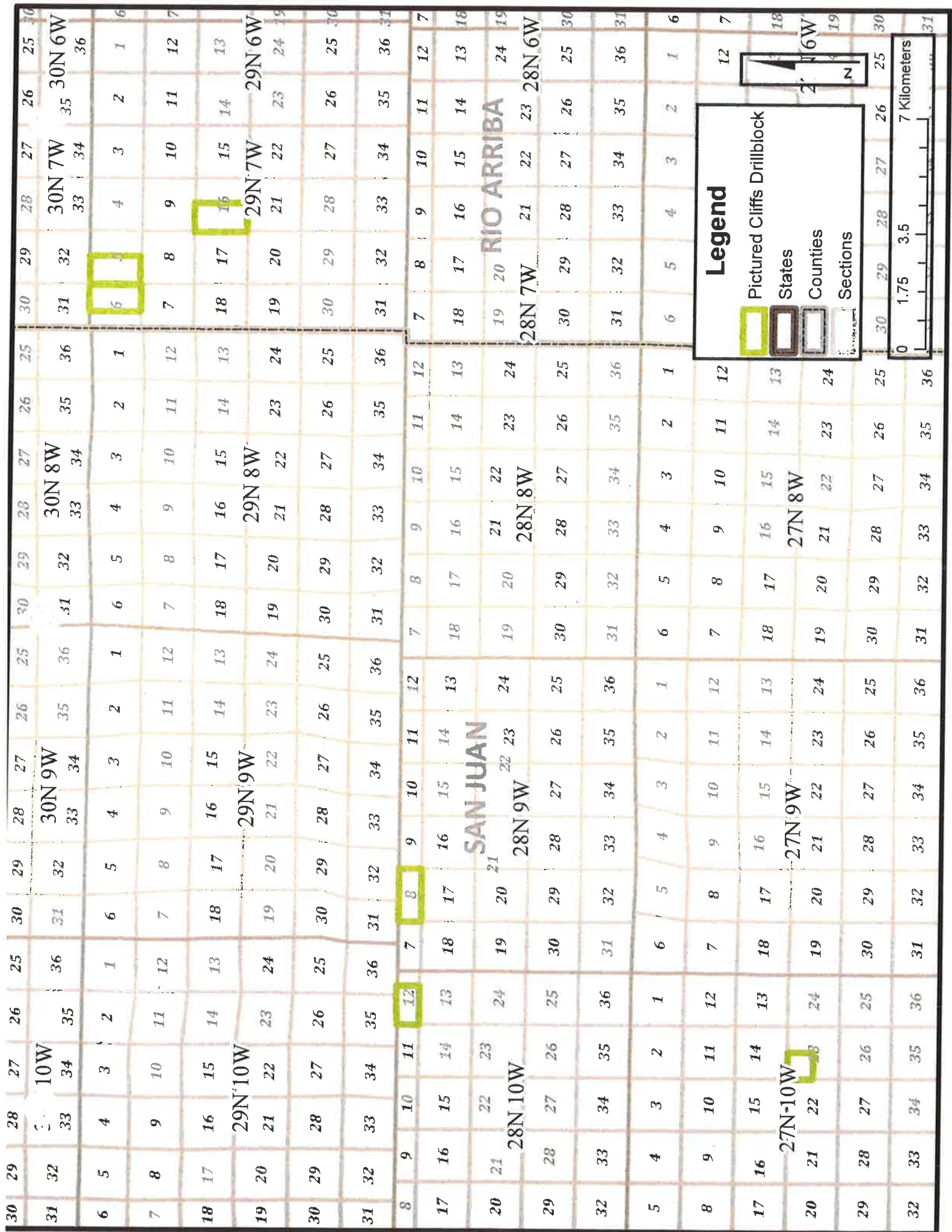
SAN JUAN 29-7 UNIT 92

SAN JUAN COUNTY, NEW MEXICO



Hilcorp Energy Company

Exhibit A

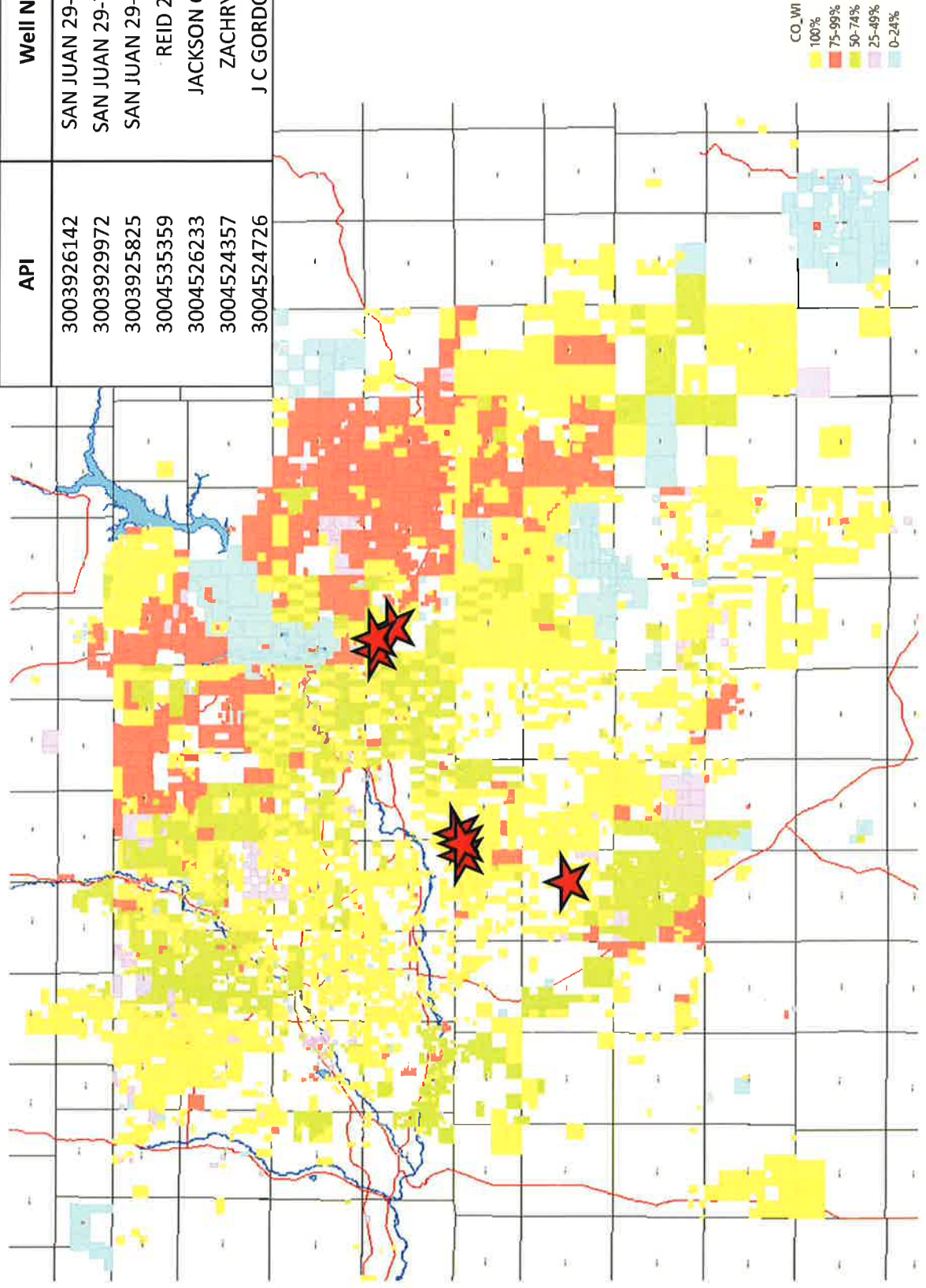


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HEC Pictured Cliffs Acreage



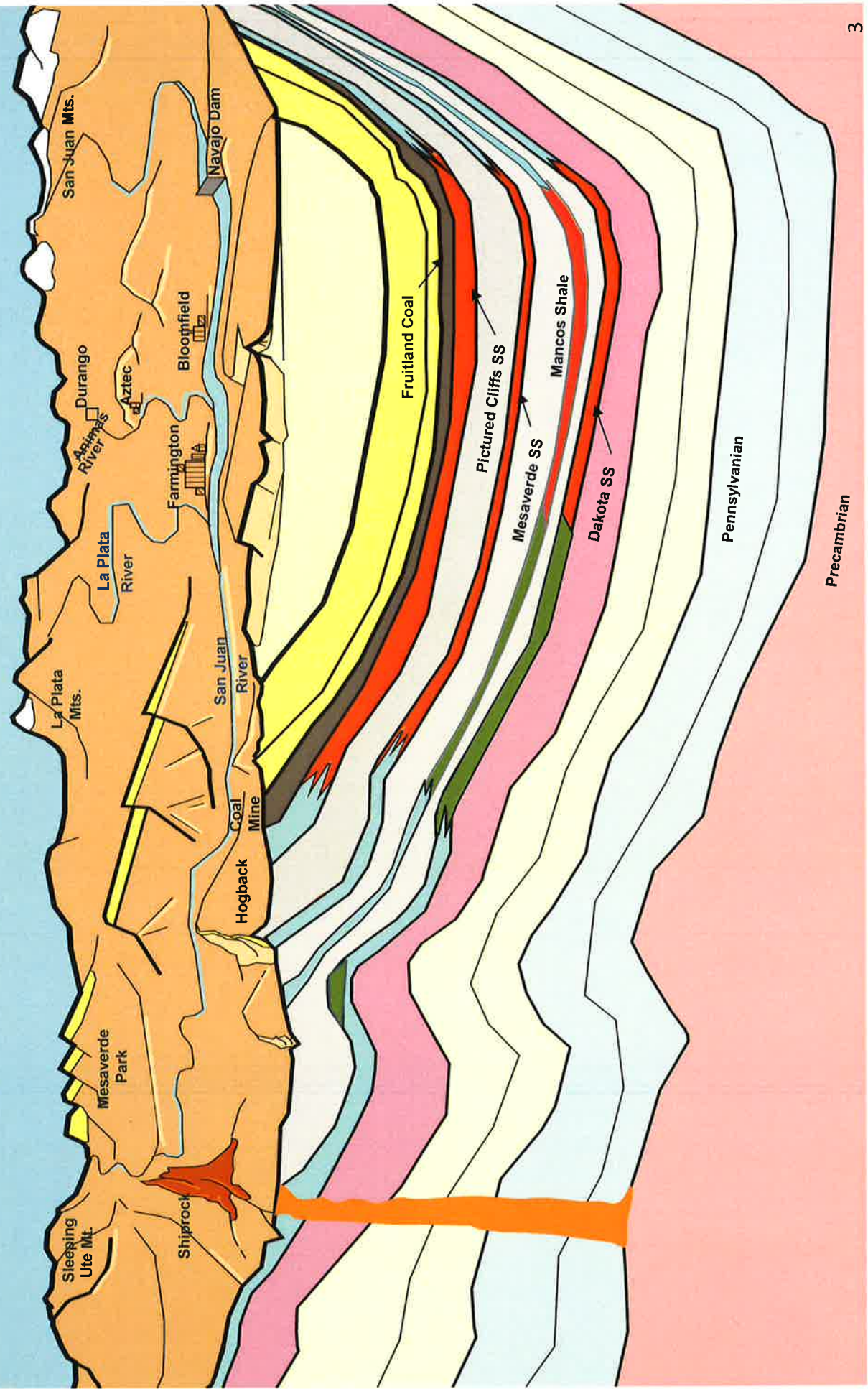
API	Well Name
3003926142	SAN JUAN 29-7 UNIT 46B
3003929972	SAN JUAN 29-7 UNIT 79M
3003925825	SAN JUAN 29-7 UNIT 92B
3004535359	REID 22M
3004526233	JACKSON COM 1E
3004524357	ZACHRY 19E
3004524726	J C GORDON D 3E



San Juan Basin Schematic Cross Section

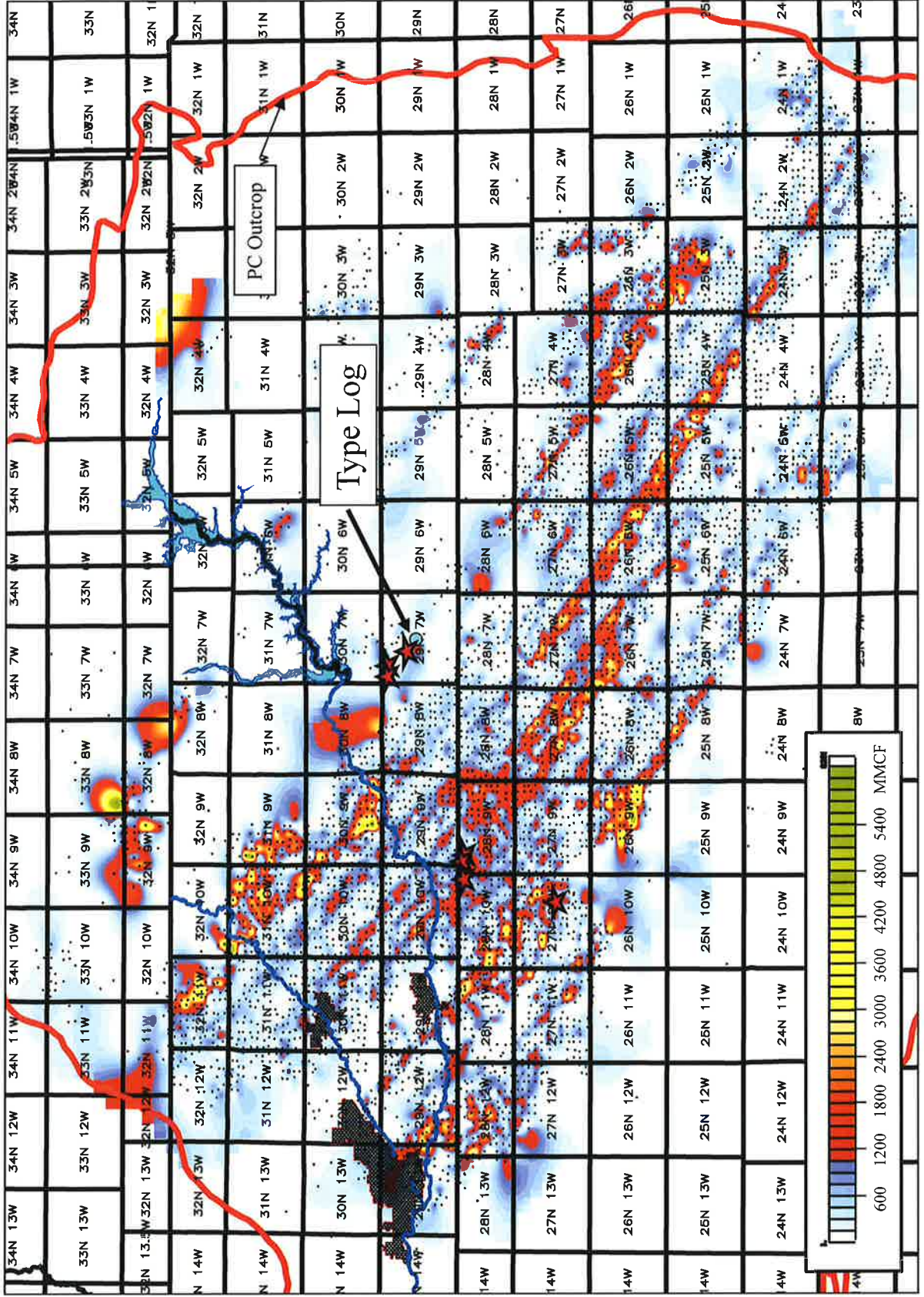
EAST

WEST





Pictured Cliffs Cumulative Production

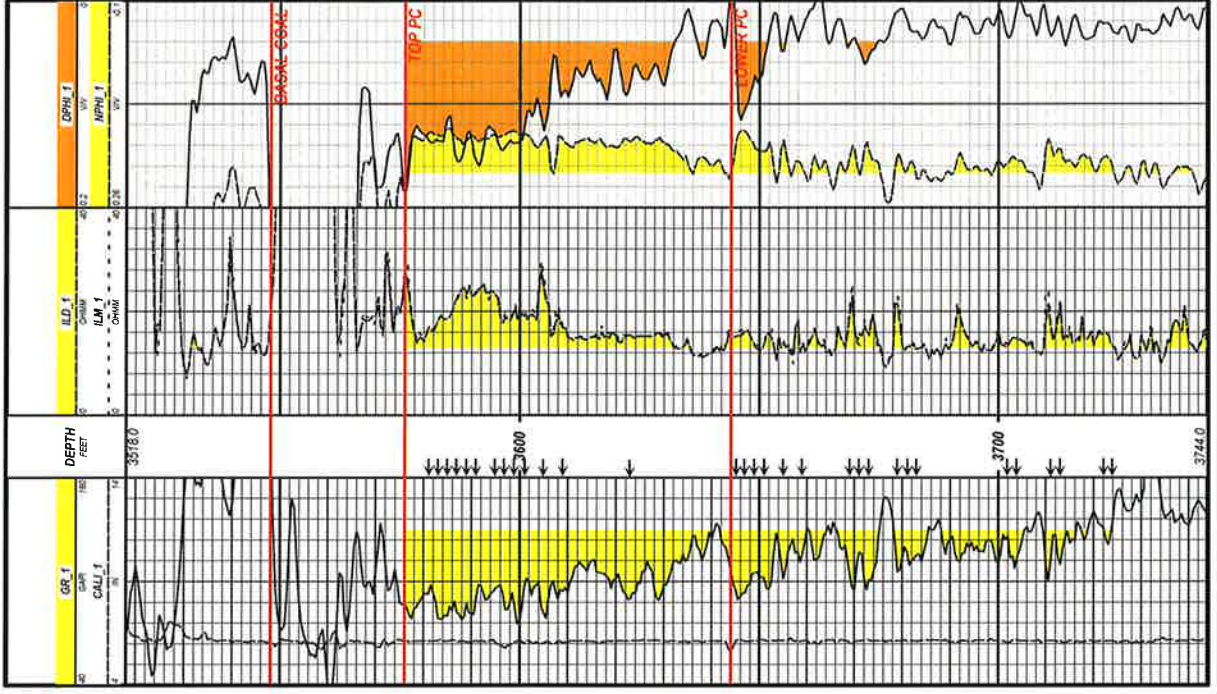




Pictured Cliffs Type Log

San Juan 29-7 Unit 177

- Prograding, wave-dominated, deltaic deposits
- Coarsening upward, fine grain vertical sequences
- 5-25% total clay content
- High capillary pressure
- 60-110 ft. gross sandstone thickness
- Matrix permeability varies by orders of magnitude, both vertically and horizontally
- Porosity/permeability generally decrease with depth



Pictured Cliffs Outcrop – Durango, CO

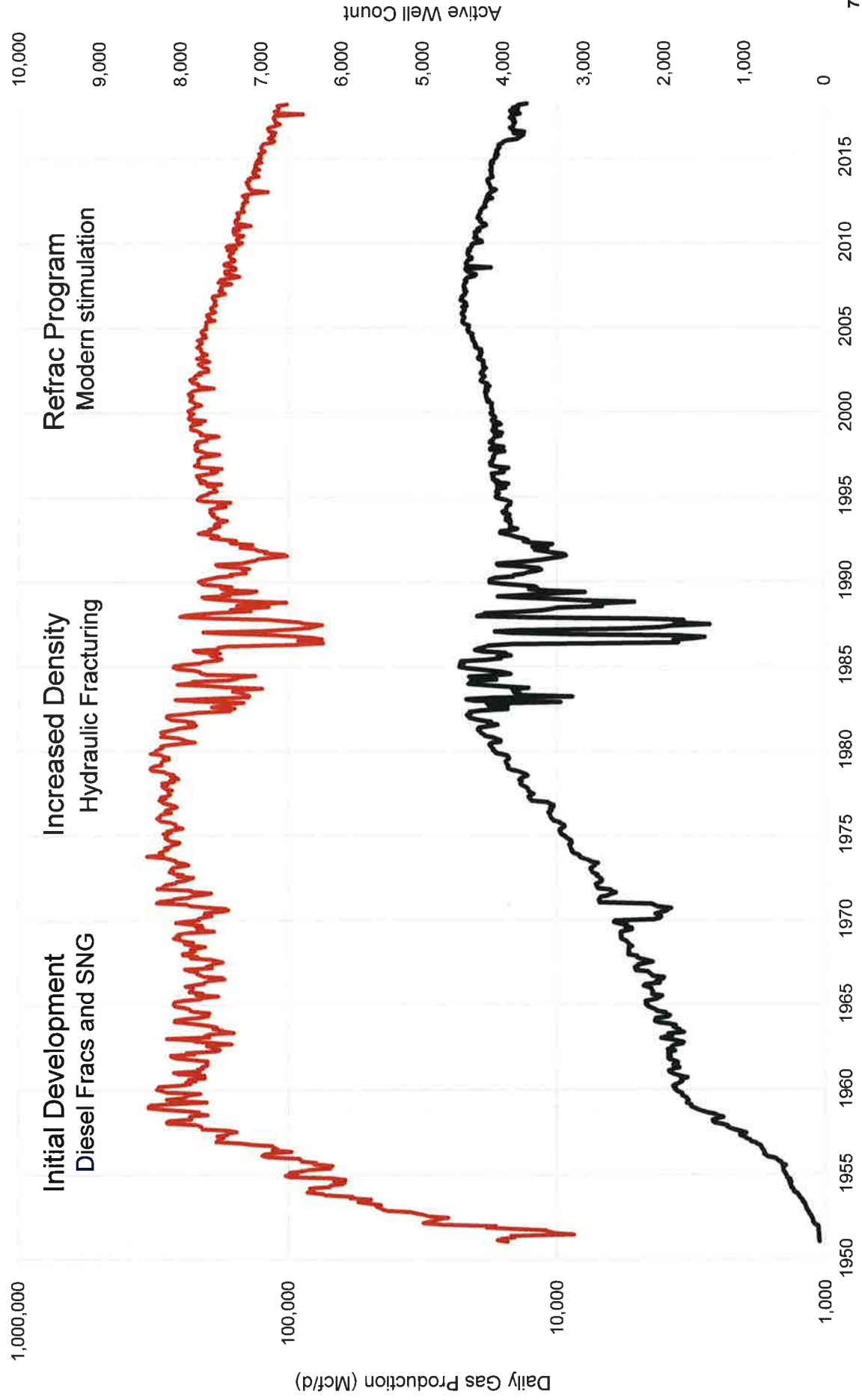


- Pictured Cliffs sands form the overhanging sections above
- Lewis shales lie underneath at the base of this photo
- Transitional nature of contact represented by alternating sand & shale

PC Historical Development

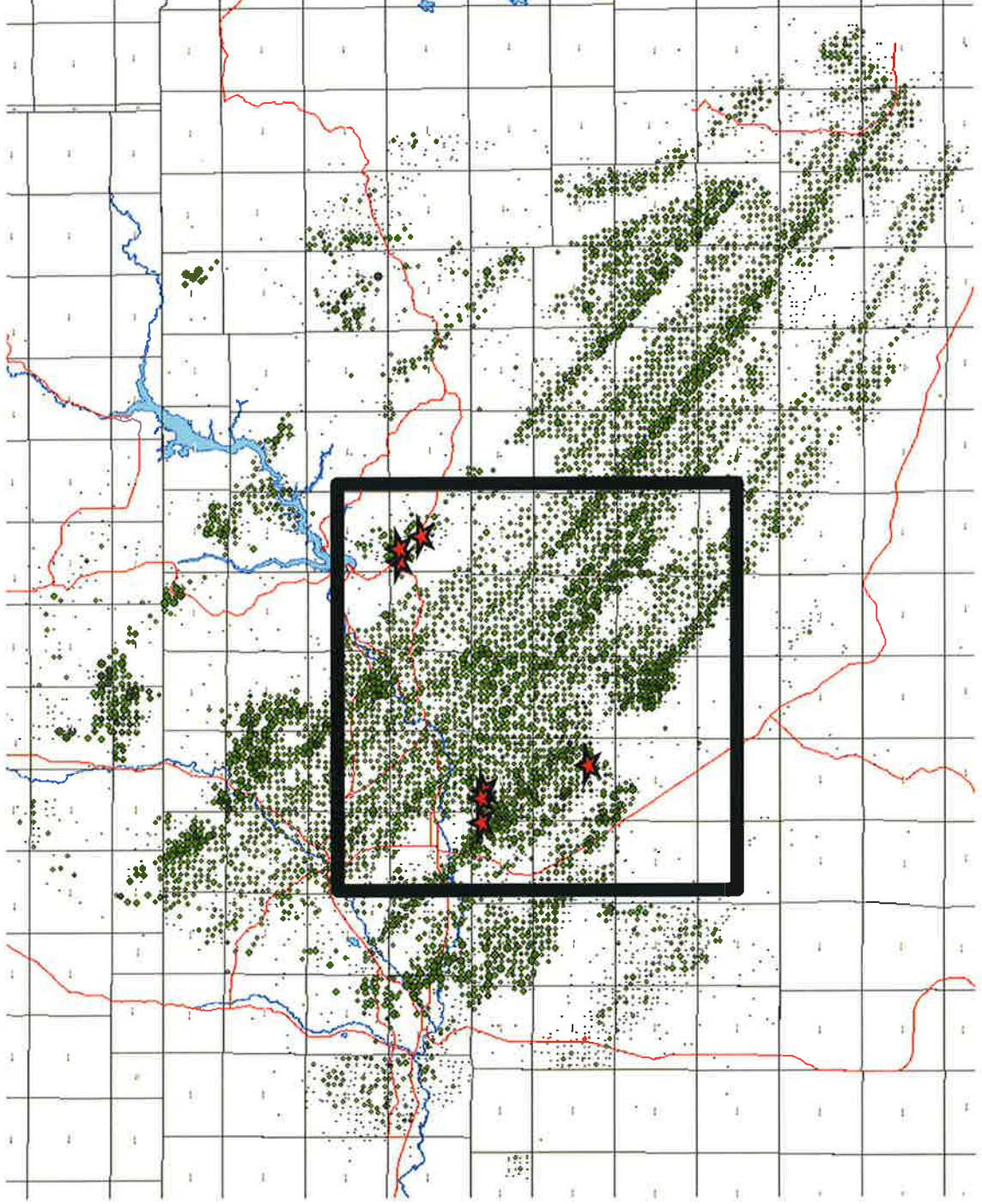


San Juan Basin - Pictured Cliffs Production



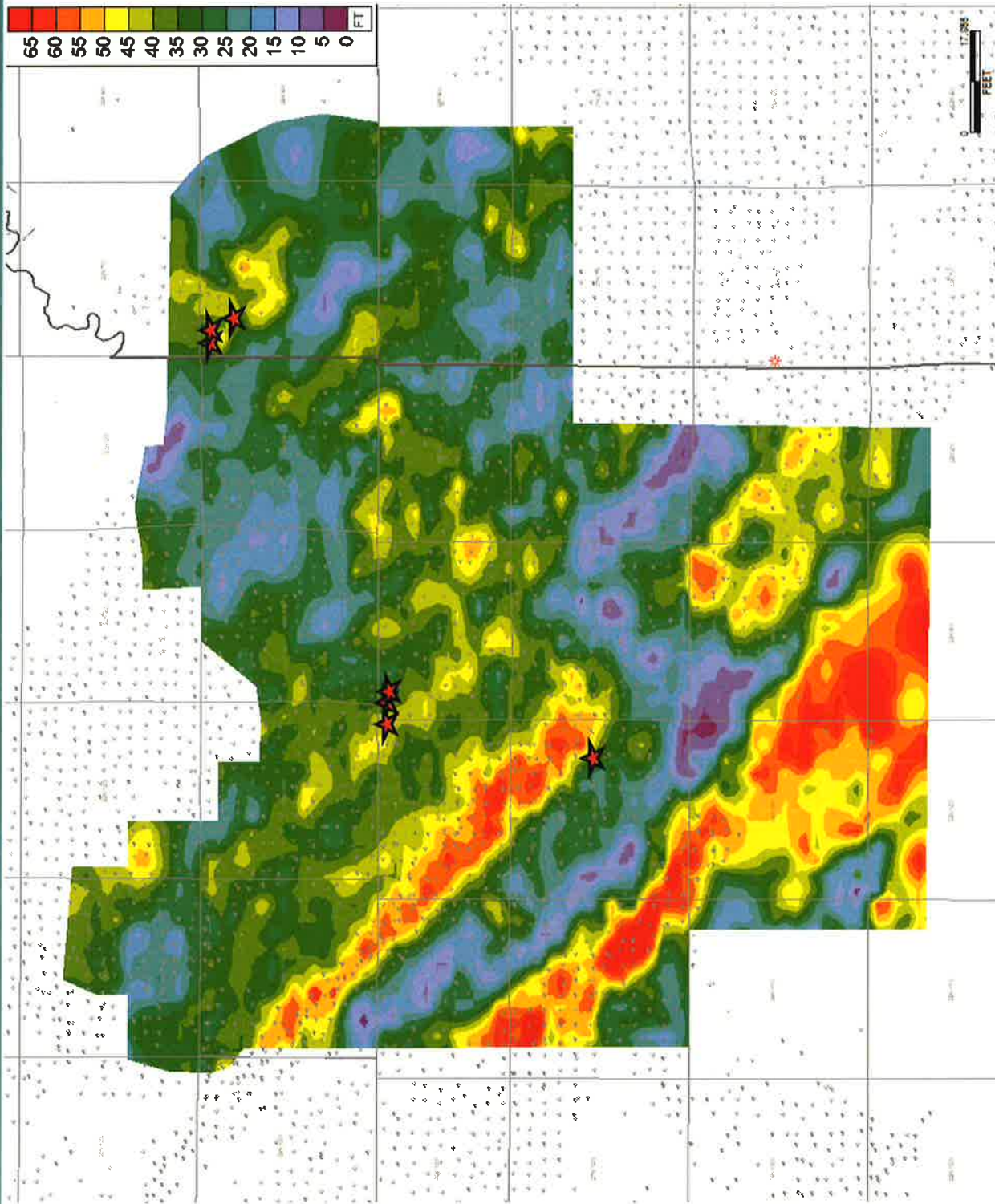


Pictured Cliffs Cumulative Production





PC Net Sand



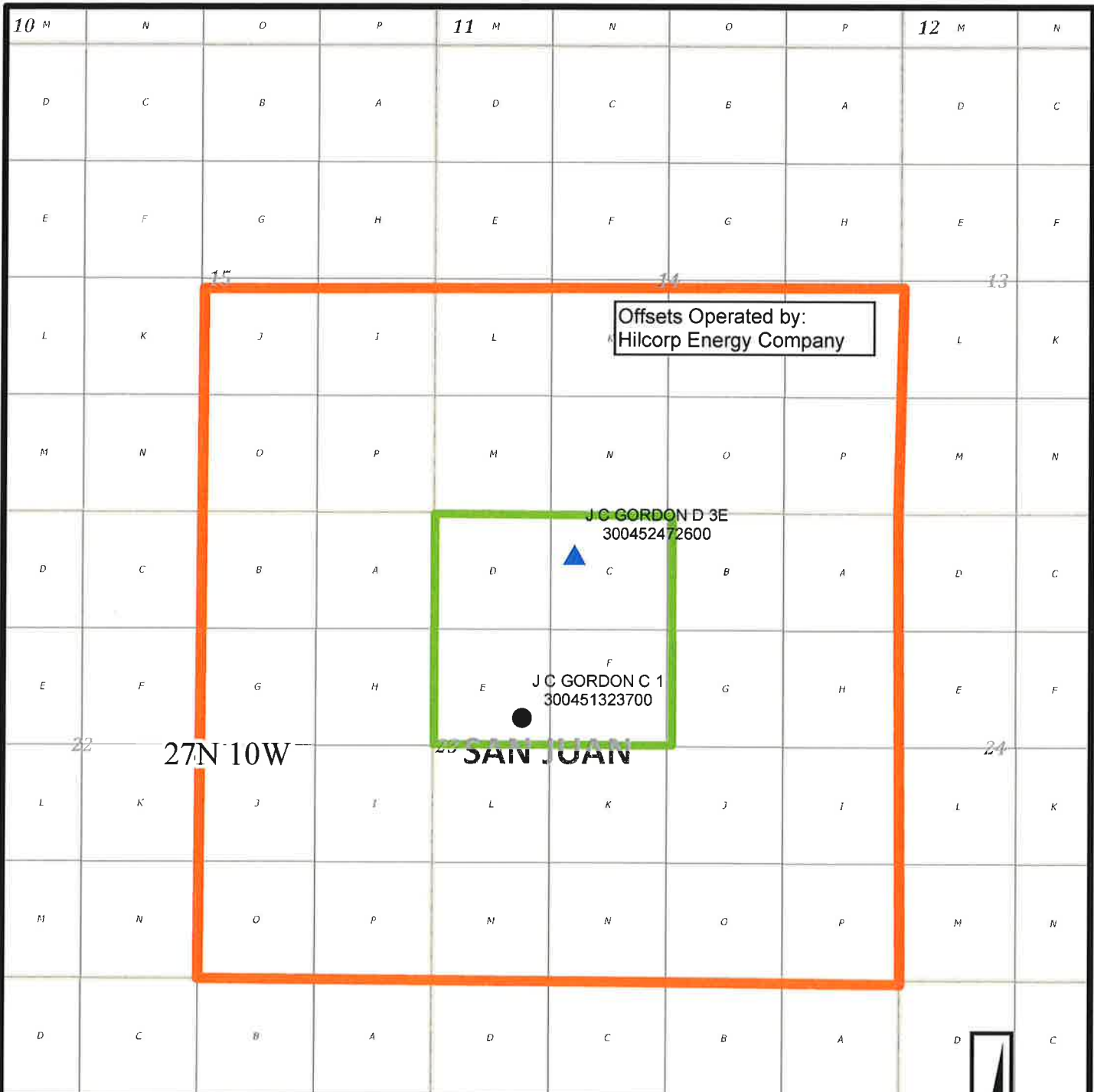
**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 14, 2018**

CASE No. 16222

J C GORDON

SAN JUAN COUNTY, NEW MEXICO





Offsets Operated by:
Hilcorp Energy Company

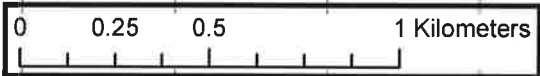
J C GORDON D 3E
300452472600

J C GORDON C 1
300451323700





27N 10W


SAN JUAN

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: Hilcorp Energy Company
Hearing Date: April 5, 2018
Case # 16222



Legend

-  J C Gordon D 3E
-  Pictured Cliffs
-  Drillblock
-  Offset

 Hilcorp 1111 Travis Houston, TX 77002	J C Gordon D 3E API # 30-045-24726 San Juan County, NM	
	File: PA_Expansion_WorkingBG	Creator: bguzman
Scale: 1 inch equals 1 kilometers	Date: 6/11/2018	
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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO



June 4, 1951

Mr. Ralph Hendrickson
Stanolind Oil and Gas Company
P. O. Box "F"
Hobbs, New Mexico

Dear Sir:

This letter constitutes formal approval of your application of May 22, 1951, for permission to drill an unorthodox location designated as follows:

J. C. Gordon "C" #1, located 990' from the West and 2310' from the North Lines of Sec. 23, T. 27 N, R. 10 W, Kutz Canyon Field, San Juan County, N. M.

It is our understanding that because of extremely irregular terrain it is impossible for you to locate the captioned well in conformance with the prescribed spacing pattern for the area.

A copy of this letter will verify the approval to our district office in Atesc.

Very truly yours,

R. R. SPURRIER
OIL CONSERVATION COMMISSION

RRS:nr

cc: Oil Conservation Commission
Box 697
Atasc, N. M.

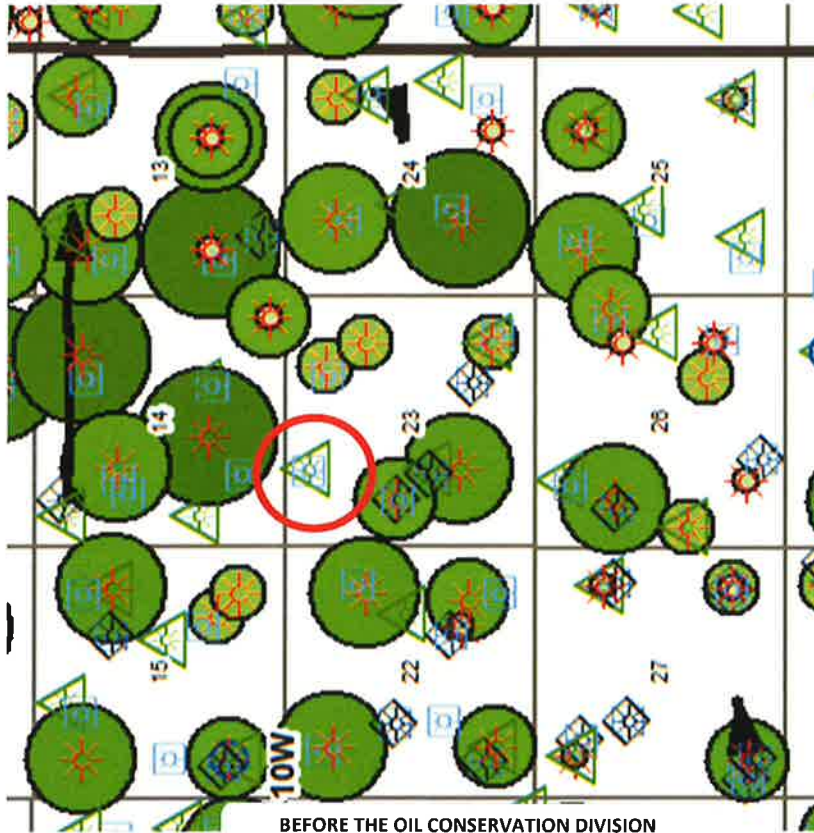
No Notices

100% Hilcorp Energy Company

No Notices

100% Hilcorp Energy Company

J C Gordon D 3E



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 5

Submitted by: Hilcorp Energy Company

Hearing Date: June 14, 2018

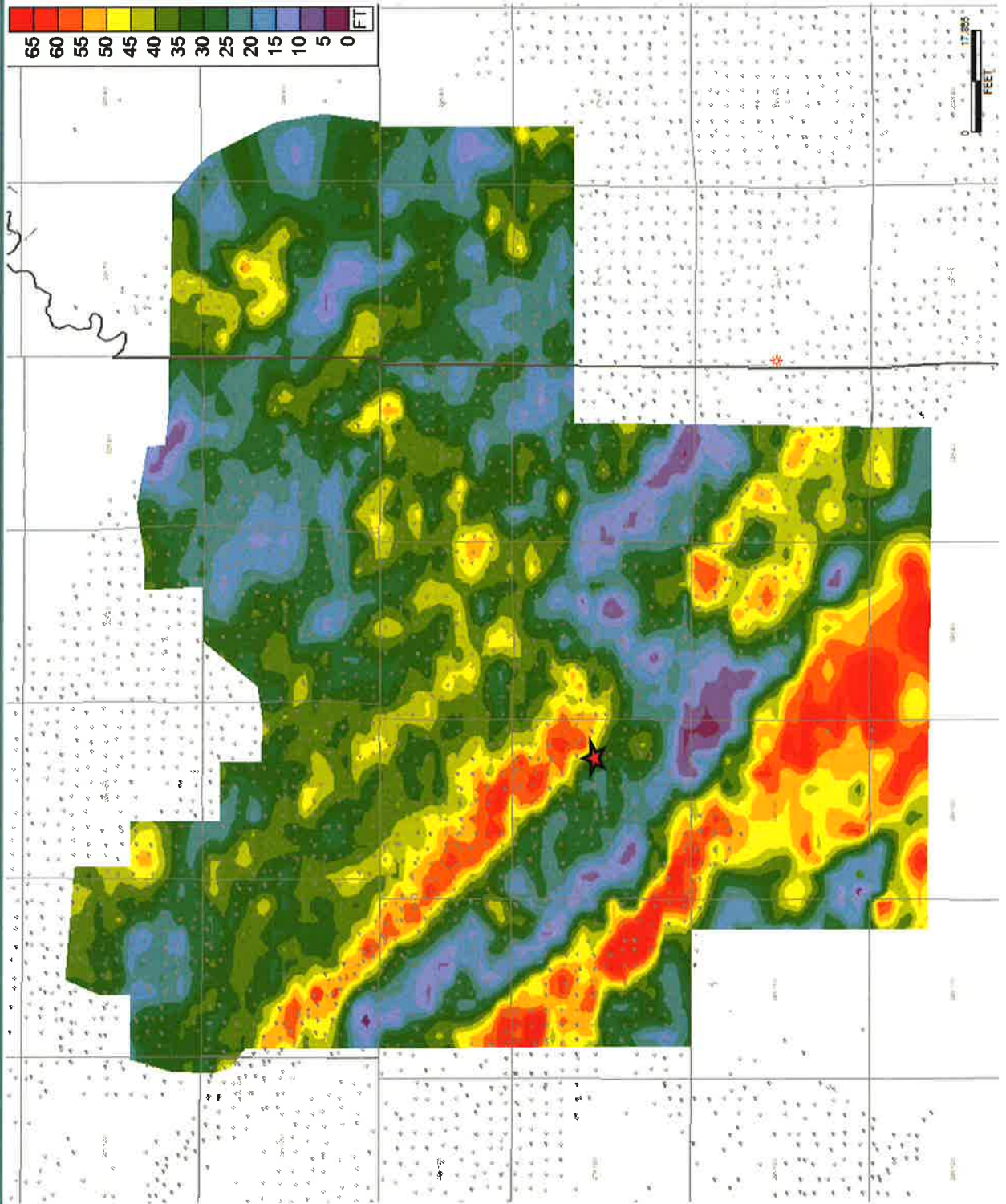
Case # 16222

Well Specifics

- NW23 27-10 3004524726 1981 drill
- 2nd PC completion in quarter section
- Topography drove original location
- Better drain northwest quarter
- Add PC to existing wellbore
- Complete with single frac stage
- 2000' to nearest offset



PC Net Sand



JC GORDON D 3E



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	CTD Remaining GIP	EUR / RF% (Historical Data)
Qtr Section	1.3 Bcf	5.2 Bcf	0.9 Bcf / 74%	0.4 Bcf	1.1 Bcf / 85%
Section	5.9 Bcf	5.9 Bcf	3.4 Bcf / 58%	2.5 Bcf	3.8 Bcf / 64%

- Remaining Gas in Place in Quarter Section of 0.4 Bcf
- Cumulative Recovery Factor to Date 74% and 58% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 14, 2018**

CASE No. 16223

REID AND JACKSON COM 1E WELLS

SAN JUAN COUNTY, NEW MEXICO



Offsets Operated by:
Hilcorp Energy Company

29N_9W

JACKSON COM 1E
300452559200

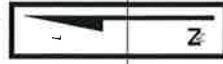
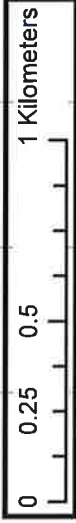
REID 22M
300453535900


REID 11
300450753600

SAN JUAN

28N 9W

28N 10W



 1111 Travis Houston, TX 77002	Reid 22M API # 30-045-35359 Jackson Com 1E API # 30-045-25592 San Juan County, NM
	File: PA_Expansion_WorkingBG Scale: 1 inch equals 1 kilometers Creator: bguzman Date: 6/11/2018

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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: Hilcorp Energy Company
Hearing Date: April 5, 2018
Case # 16223

Legend
 Jackson Com 1E
 Reid 22M
 Pictured Cliffs
 Drillblock
 Offset

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 904
Order No. R-658

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
ESTABLISHING SIX UNORTHODOX
GAS PRORATION UNITS IN THE AZTEC-
PICTURED CLIFFS GAS POOL, SAN JUAN
COUNTY, NEW MEXICO, ALONG THE NORTH
LINE OF TOWNSHIP 28 NORTH, RANGE 9
WEST, AND TOWNSHIP 28 NORTH, RANGE 10
WEST, SAID NON-STANDARD UNITS BEING
CAUSED BY THE IRREGULAR SURVEY IN
TOWNSHIP 28 NORTH.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on May 18, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 14th day of July, 1955, the Commission, a quorum being present, having considered the record and the testimony adduced and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to the provisions of Rule 6 (a) of the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool of Order No. R-565, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That it is advisable to establish the size of the drilling and proration units in the fractional sections on the north border of Township 28 North, Range 10 West and Township 28 North, Range 9 West, that are within the horizontal boundaries of the Aztec-Pictured Cliffs Gas Pool as follows:

- (a) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 Section 10 and
W/2 W/2 of Section 11

containing 195.08 acres more or less.

Entered July 14, 1955
WBM

- (b) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E 3/4 of Section 11
containing 197.08 acres more or less
- (c) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
W 3/4 of Section 12
containing 202.82 acres more or less
- (d) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 E/2 of Section 12 and

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
W/2 of Section 7
containing 189.60 acres more or less
- (e) TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
E/2 of Section 7 and
W/2 W/2 of Section 8
containing 207.16 acres more or less
- (f) TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
E 3/4 of Section 8
containing 205.08 acres more or less

(4) That the formation of the aforementioned drilling and proration units in said fractional sections would be in the interests of conservation and orderly development and would protect correlative rights.

(5) That in the absence of an objection from the United States Geological Survey, under whose direct supervision said acreage would fall, the aforementioned drilling and proration units should be established.

(6) That no objection was received from the United States Geological Survey.

IT IS THEREFORE ORDERED:

1. That drilling and proration units in the Aztec-Pictured Cliffs Gas Pool, described as follows:

- (a) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 Section 10 and
W/2 W/2 of Section 11
containing 195.08 acres, more or less
- (b) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
East three quarters of Section 11
containing 197.08 acres, more or less
- (c) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
W 3/4 of Section 12
containing 202.82 acres, more or less

-3-

Order No. R-658

- (d) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 E/2 of Section 12 and

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
W/2 of Section 7
containing 189.60 acres, more or less
- (e) TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
E/2 of Section 7 and
W/2 W/2 of Section 8
containing 207.16 acres, more or less
- (f) TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
E 3/4 of Section 8
containing 205.08 acres, more or less

be and the same hereby are created.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms

JOHN F. SIMMS, Chairman

E. S. Walker

E. S. WALKER, Member

W. B. Macey

W. B. MACEY, Member and Secretary

S E A L

/ir

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

Handwritten:
~~10-15-56~~
Oct 15 1956

October 15, 1956

C
O
P
Y

Astec Oil & Gas Company
920 Mercantile Securities Building
Dallas 1, Texas

Attention: Mr. Collean E. Davis

Administrative Order HEL-67

Gentlemen:

Reference is made to your application for approval of an unorthodox well location for your Field Well No. 11 to be located 100 feet from the South line and 2000 feet from the East line and in the SW/4 NE/4 of Section 8, Township 28 North, Range 7 West, Astec Pictured Cliffs Pool, San Juan County, New Mexico.

It is our understanding that this unorthodox well location is based upon extreme topographic conditions in the E/2 of said section.

Inasmuch as you furnished waivers from the offset operators, it is possible for immediate approval to be granted. Therefore, by authority granted me under provisions of Rule 4 of the Special Rules and Regulations of the Astec Pictured Cliffs Pool, as set forth in Order E-565-C, you are hereby granted an exception to Rule 3 of Order E-565-C for the above described unorthodox well location. You must also obtain like approval from the U. S. Geological Survey.

Very truly yours,

A. L. FORTS, JR.
Secretary-Minor

MNF:ms
cc: OGC, Astec
USGS, Farmington





May 22, 2018

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL WORKING INTEREST OWNERS

Re: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.

Ladies & Gentlemen:

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on June 14, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Wyn McCubbin at (713) 757-7125 or wmccubbin@hilcorp.com.

Sincerely,

Adam G. Rankin

ATTORNEY FOR HILCORP ENERGY COMPANY



Adam G. Rankin
Associate
Phone (505) 988-4421
Fax (505) 983-6043
agrarkin@hollandhart.com

May 22, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSETTING OPERATORS

Re: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. As a Division-designated operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on June 14, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Wyn McCubbin at (713) 757-7125 or wmccubbin@hilcorp.com.

Sincerely,

Adam G. Rankin
ATTORNEY FOR HILCORP ENERGY COMPANY

addr1	addr2	addr3	addr4	addr5
EVKO DEVELOPMENT COMPANY	10 STARBOARD COURT	MILL VALLEY	CA	94941
SOUTHLAND ROYALTY COMPANY LLC	400 WEST 7TH STREET	FT WORTH	TX	76102



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Hilcorp - Reid 11 Well and Jackson Com 1E
CM# 93904.0003 20180521
Notice List

Shipment Date: 05/21/2018
Shipped From:
Name: HOLLAND & HART LLP
Address: 110 N GUADALUPE ST # 1
City: SANTA FE
State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

- Note to RSS Clerk:
1. Home screen > Mailing/Shipping > More
 2. Select Shipment Confirm
 3. Scan or enter the barcode/label number from PS Form 5630
 4. Confirm the volume count message by selecting Yes or No
 5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0008 5382 45



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Company:

Holland & Hart LLP

- Home
- My Queue
- Piece Search
- Support
- Logout

History > [Mail Jobs](#) > [Mail Job Details](#)

My Tools

- Mail Jobs
- Mail Pieces
- Manual Mailings
- Reports
- Setup
- Account
- Tools

Mail Pieces

Filter:

Barcode	Recipient	Status	DL	Custom
9214 8901 9403 83063198 77	SOUTHLAND ROYALTY COMPANY LLC	Delivered	No	
	400 WEST 7TH STREET FT WORTH TX 76102	Signature Received		
9214 8901 9403 83063198 60	EVKO DEVELOPMENT COMPANY	Delivered	No	
	10 STARBOARD COURT MILL VALLEY CA 94941	Signature Received		

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[WIN 9/20/14 JCFM]

AFFIDAVIT OF PUBLICATION

Ad No. 0001248807

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

RECEIVED

HOLLAND AND HART PO BOX 2208

JUN 5 2018

SANTA FE NM 87504

Holland & Hart LLP.

I, being duly sworn say: THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the State of New Mexico for publication and appeared in the internet at The Daily Times web site on the following days(s):

05/31/18

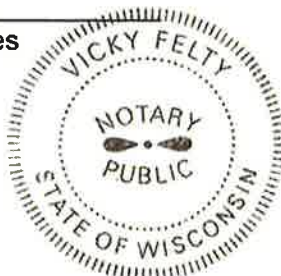
[Signature of Jana Kamitz]
Legal Clerk

Subscribed and sworn before me this 31st of May 2018.

[Signature of Vicky Felty]
State of WI County of Brown
NOTARY PUBLIC

9-19-21

My Commission Expires



BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 4 Submitted by: Hilcorp Energy Company Hearing Date: June 14, 2018 Case # 16223

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on June 14, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by June 4, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

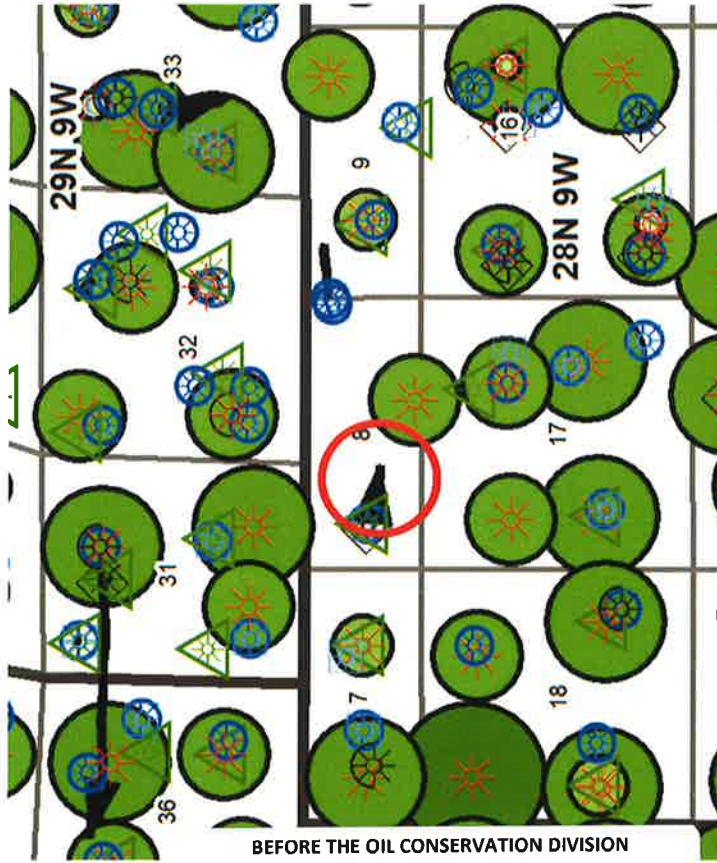
To: ALL WORKING INTEREST OWNERS IN THE SUBJECT SPACING UNIT AND OFFSETTING OPERATORS OR LEASED MINERAL INTEREST OWNERS, INCLUDING: EVKO DEVELOPMENT COMPANY; SOUTHLAND ROYALTY COMPANY LLC.

Case No. 16223: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico, to permit three Pictured Cliffs gas wells in the same non-standard 205.08-acre, more or less, spacing and proration unit, comprised of Lots 1-3 and the SE/4 SW/4 and S/2 SE/4 of irregular Section 8, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico which is currently dedicated to the Reid 11 Well (API No. 30-045-07536). Applicant further seeks approval for the existing location of the Reid 22M Well (API No. 30-045-35359) with a surface location in Unit M and a bottom hole location in Unit N, Section 8, Township 28 North, Range 9 West, NMPM, and

the **Jackson Com 1E Well** (API No. 30-045-25592) with a surface and bottom hole location in Lot 1, Section 8, Township 28 North, Range 9 West, NMPM, in the Pictured Cliffs formation and authorization to simultaneously recomplete and produce the **Reid 22M Well** and the **Jackson Com 1E Well** from the Aztec-Pictured Cliffs Gas Pool. Said area is located approximately 4 miles south of Blanco, NM.

Legal No. 1248807 published in The Daily Times on May 31, 2018.

Reid 22M



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 5

Submitted by: Hilcorp Energy Company

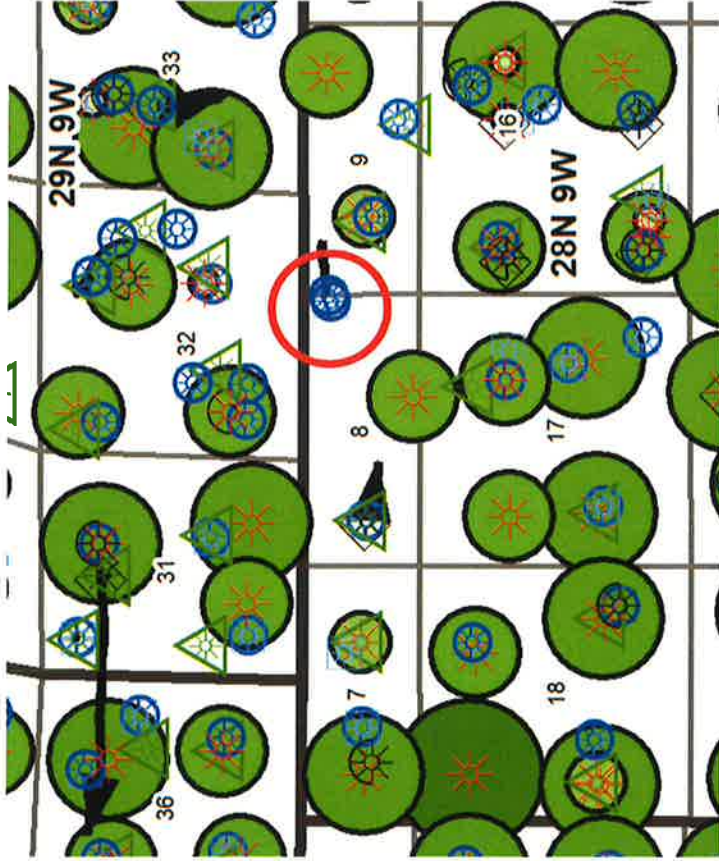
Hearing Date: June 14, 2018

Case # 16223

Well Specifics

- SW8 28-9 3004535359 2012 drill
- 2nd/3rd PC completion in spacing unit
- Topography driven 1956 location & unusual spacing unit outline
- Better drain W/2 of section 8
- Add PC to existing wellbore
- Complete with single frac stage
- ~2100' to current producer

Jackson Com 1E

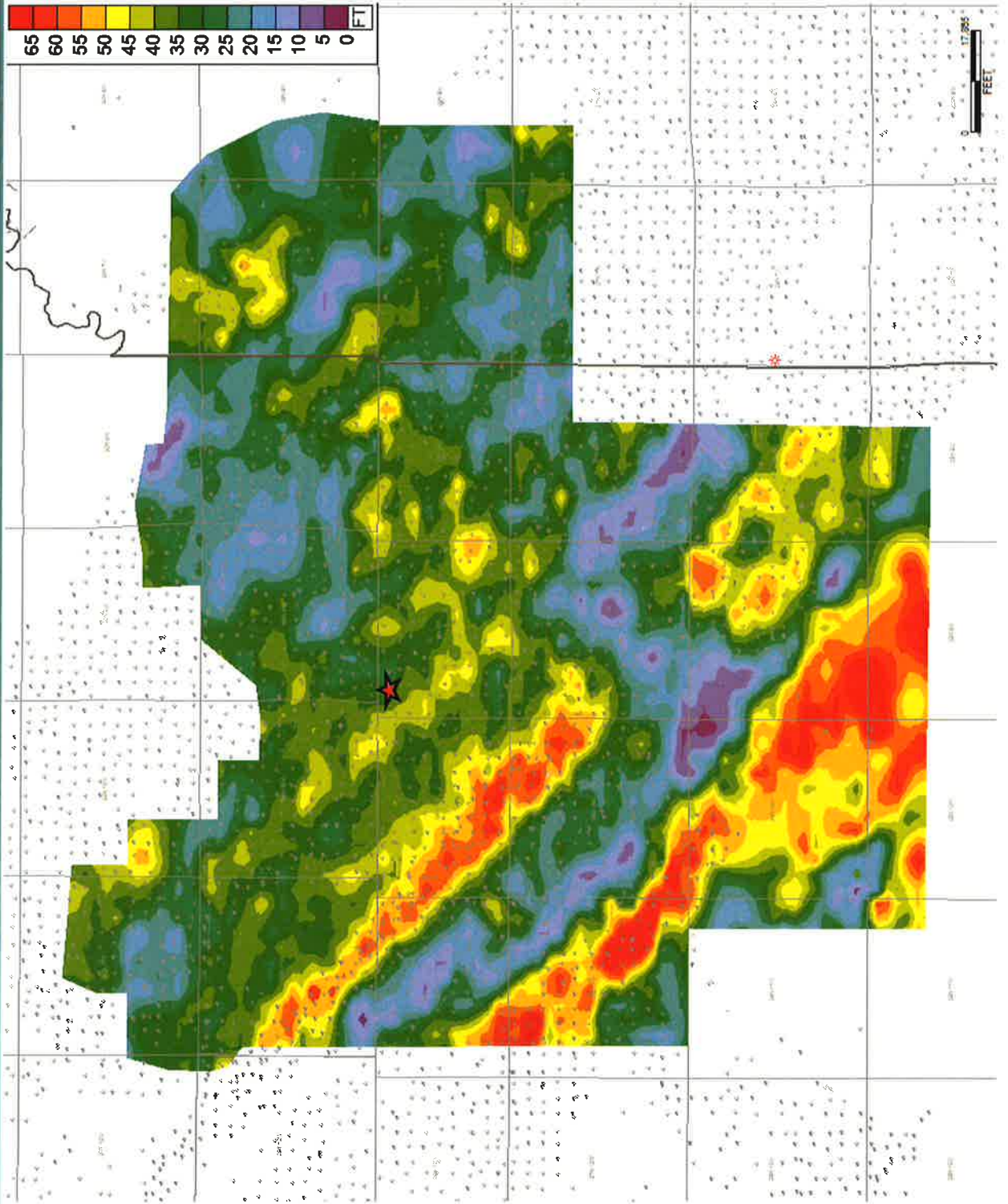


Well Specifics

- SE8 28-9 3004526233 1983 drill
- 2nd/3rd PC completion in spacing unit
- Topography driven 1956 location & unusual spacing unit outline
- Better drain large surrounding area
- Add PC to existing wellbore
- Complete with single frac stage
- 1800' to nearest offset



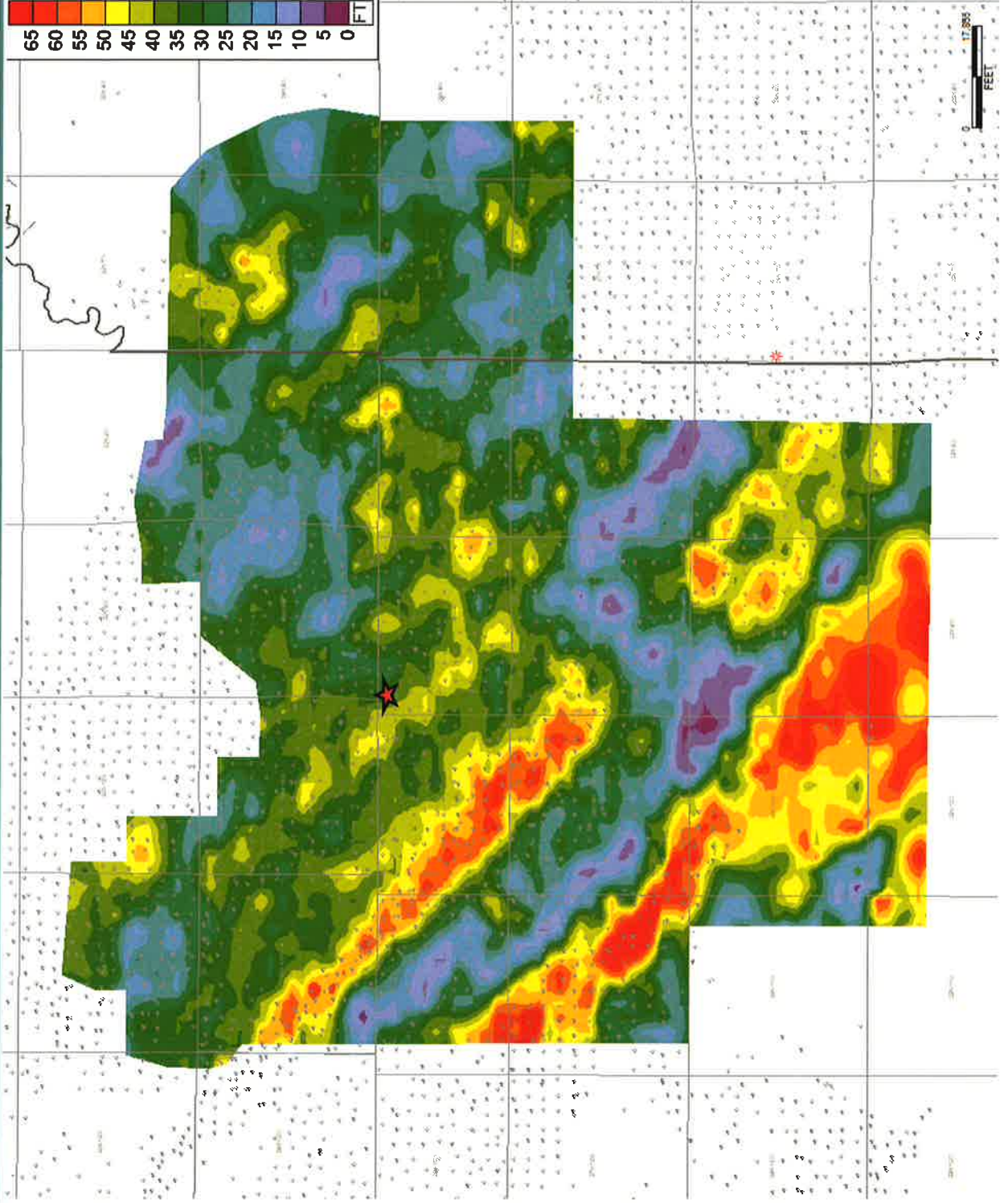
PC Net Sand



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: Hilcorp Energy Company
Hearing Date: June 14, 2018
Case # 16223



PC Net Sand



REID 22M



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	CTD Remaining GIP	EUR / RF% (Historical Data)
Qtr Section	1.3 Bcf	5.2 Bcf	0.0 Bcf / 0%	1.3 Bcf	0.0 Bcf / 0%
Section	2.7 Bcf	5.4 Bcf	0.8 Bcf / 28%	1.9 Bcf	1.1 Bcf / 40%

- Remaining Gas in Place in Quarter Section of 1.3 Bcf
- Cumulative Recovery Factor to Date 0% and 28% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore

JACKSON COM 1E



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	CTD Remaining GIP	EUR / RF% (Historical Data)
Qtr Section	1.5 Bcf	6.0 Bcf	0.8 Bcf / 53%	0.7 Bcf	1.1 Bcf / 73%
Section	2.7 Bcf	5.4 Bcf	0.8 Bcf / 28%	1.9 Bcf	1.1 Bcf / 40%

- Remaining Gas in Place in Quarter Section of 0.7 Bcf
- Cumulative Recovery Factor to Date 53% and 28% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore

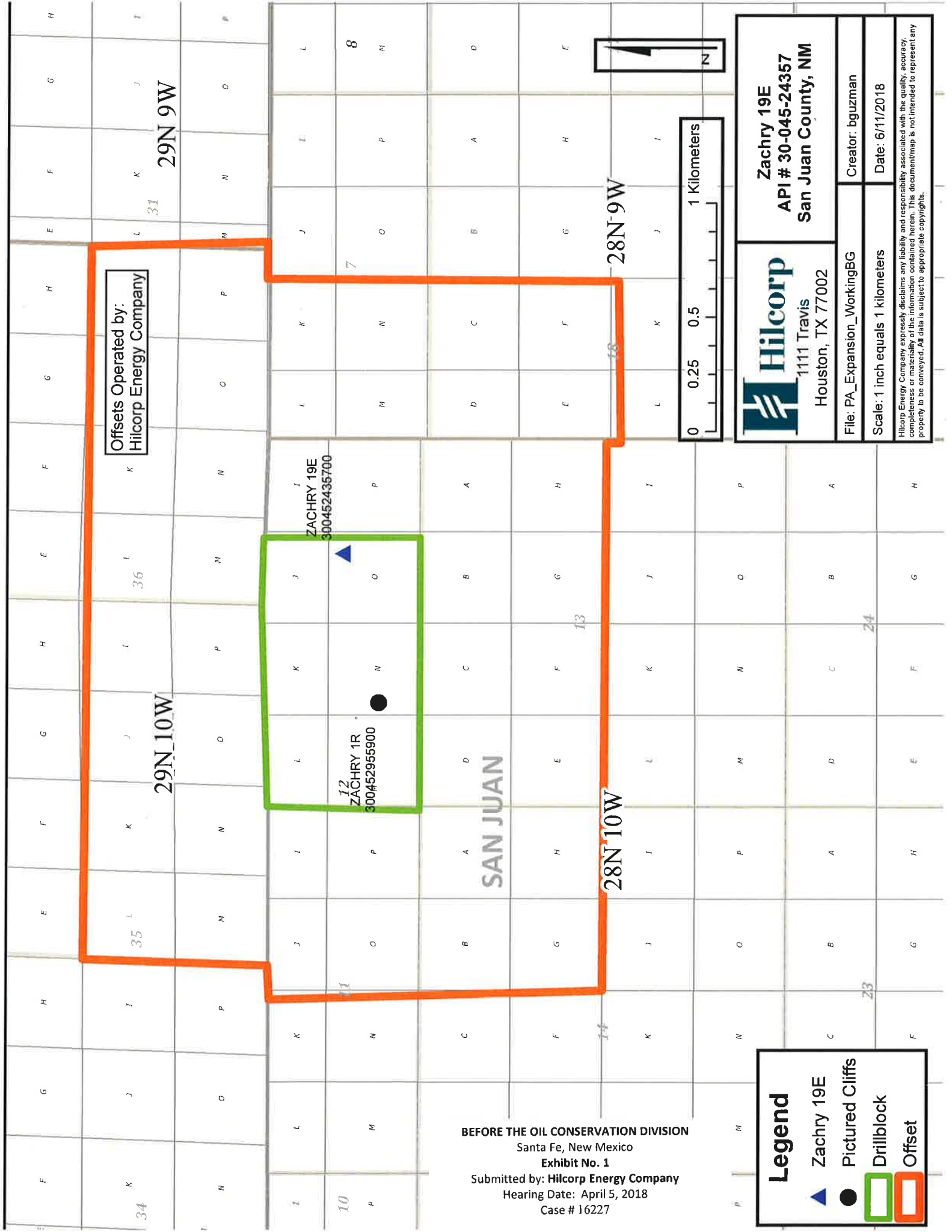
**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 14, 2018**

CASE No. 16227

ZACHRY

SAN JUAN COUNTY, NEW MEXICO





Offsets Operated by:
Hilcorp Energy Company


ZACHRY 19E
300452435700

12
ZACHRY 1R
300452955900

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: Hilcorp Energy Company
Hearing Date: April 5, 2018
Case # 16227

Legend

-  Zachry 19E
-  Pictured Cliffs
-  Drillblock
-  Offset



Hilcorp
1111 Travis
Houston, TX 77002

Zachry 19E
API # 30-045-24357
San Juan County, NM

File: PA_Expansion_WorkingBG	Creator: bguzman
Scale: 1 inch equals 1 kilometers	Date: 6/11/2018

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 904
Order No. R-658

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
ESTABLISHING SIX UNORTHODOX
GAS PRORATION UNITS IN THE AZTEC-
PICTURED CLIFFS GAS POOL, SAN JUAN
COUNTY, NEW MEXICO, ALONG THE NORTH
LINE OF TOWNSHIP 28 NORTH, RANGE 9
WEST, AND TOWNSHIP 28 NORTH, RANGE 10
WEST, SAID NON-STANDARD UNITS BEING
CAUSED BY THE IRREGULAR SURVEY IN
TOWNSHIP 28 NORTH.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 18, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 14th day of July, 1955, the Commission, a quorum being present, having considered the record and the testimony adduced and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to the provisions of Rule 6 (a) of the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool of Order No. R-565, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That it is advisable to establish the size of the drilling and proration units in the fractional sections on the north border of Township 28 North, Range 10 West and Township 28 North, Range 9 West, that are within the horizontal boundaries of the Aztec-Pictured Cliffs Gas Pool as follows:

- (a) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 Section 10 and
W/2 W/2 of Section 11

containing 195.08 acres more or less.

Entered July 14, 1955
WBM

- (b) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E 3/4 of Section 11
containing 197.08 acres more or less
- (c) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
W 3/4 of Section 12
containing 202.82 acres more or less
- (d) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 E/2 of Section 12 and

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
W/2 of Section 7
containing 189.60 acres more or less
- (e) TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
E/2 of Section 7 and
W/2 W/2 of Section 8
containing 207.16 acres more or less
- (f) TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
E 3/4 of Section 8
containing 205.08 acres more or less

(4) That the formation of the aforementioned drilling and proration units in said fractional sections would be in the interests of conservation and orderly development and would protect correlative rights.

(5) That in the absence of an objection from the United States Geological Survey, under whose direct supervision said acreage would fall, the aforementioned drilling and proration units should be established.

(6) That no objection was received from the United States Geological Survey.

IT IS THEREFORE ORDERED:

1. That drilling and proration units in the Aztec-Pictured Cliffs Gas Pool, described as follows:

- (a) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 Section 10 and
W/2 W/2 of Section 11
containing 195.08 acres, more or less
- (b) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
East three quarters of Section 11
containing 197.08 acres, more or less
- (c) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
W 3/4 of Section 12
containing 202.82 acres, more or less

-3-

Order No. R-658

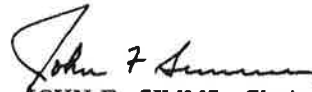
- (d) TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 E/2 of Section 12 and

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
W/2 of Section 7
containing 189.60 acres, more or less
- (e) TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
E/2 of Section 7 and
W/2 W/2 of Section 8
containing 207.16 acres, more or less
- (f) TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
E 3/4 of Section 8
containing 205.08 acres, more or less

be and the same hereby are created.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

S E A L

/ir

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-1
Revised February 21, 19
Instructions on the
Submit to Appropriate District Office:
State Lease - 4 Copies
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OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-25357		Pool Code 71280	Pool Name Aztec Pictured Cliffs
Property Code 7651	Property Name ZACHRY		Well Number 1A
GRID No 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		Elevation 5847'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot (n)	Feet from the	North/South line	Feet from the	East/West line	County
N	12	28N	10W		850	South	1485	West	SAN JUA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot (n)	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 202.82	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

16

5285.28'

12

17 OPERATOR CERTIFICATION

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

Peggy Bradfield

Signature
Peggy Bradfield
Printed Name
Regulatory Administrator
Title
2/9/98
Date

18 SURVEYOR CERTIFICATION

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.

JANUARY 17, 1998

Date of Survey

NEALE C. EDWARDS
NEW MEXICO
6857

6857
Certificate Number

RECEIVED

APR - 6 1998

OIL CONSERVATION DIVISION

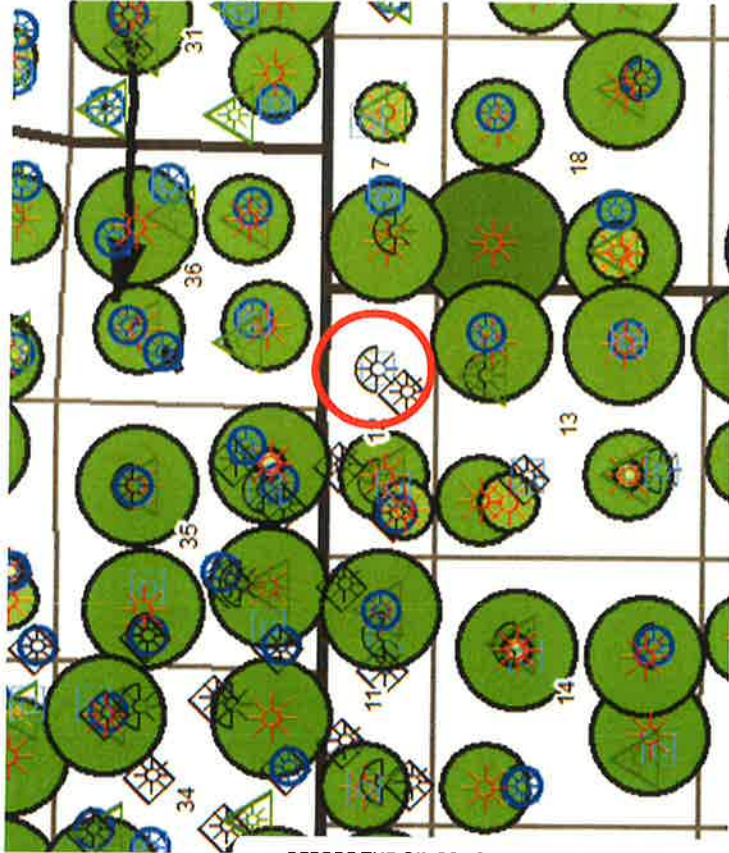
No Notices

100% Hilcorp Energy Company

No Notices

100% Hilcorp Energy Company

Zachry 19E

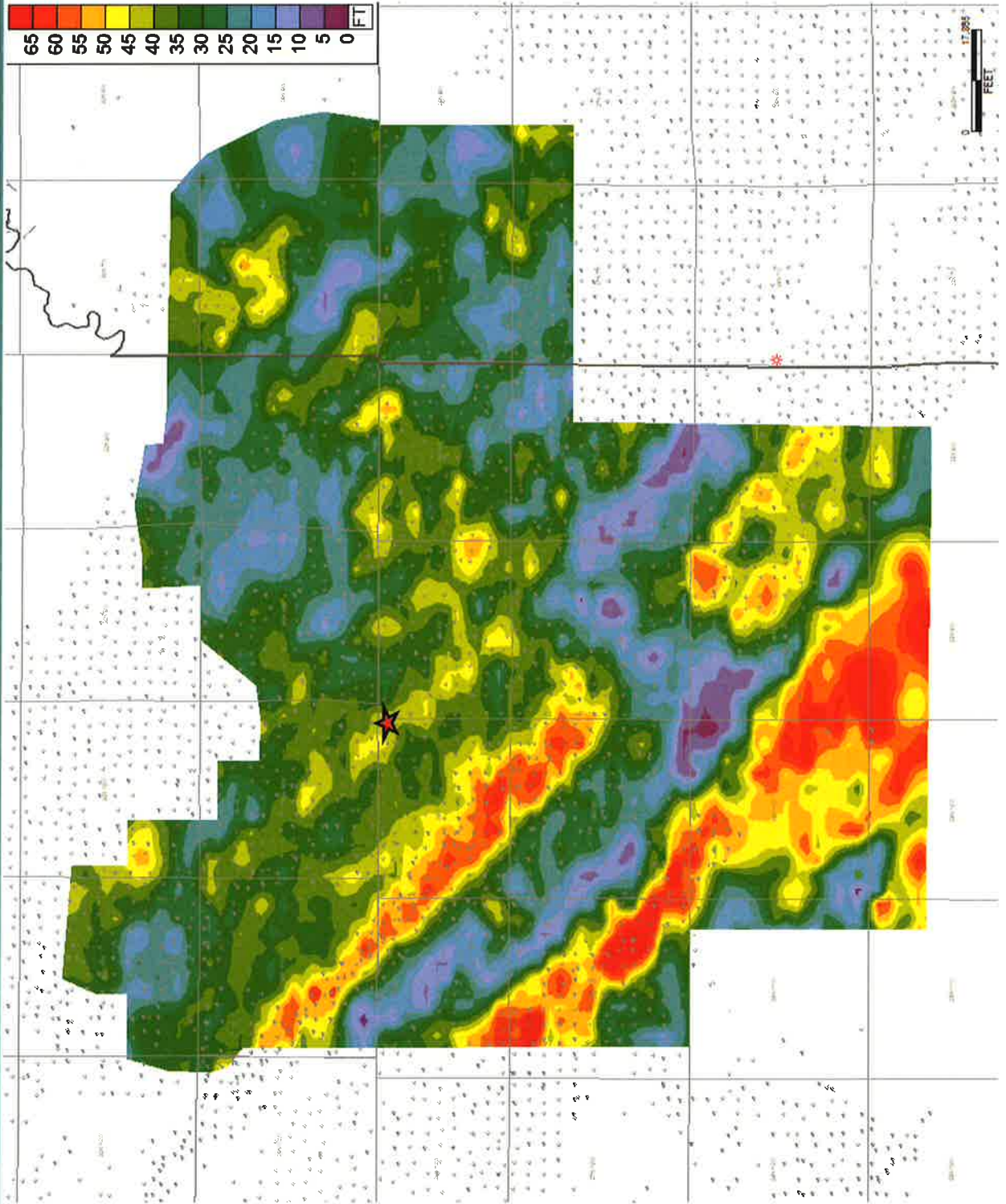


Well Specifics

- SE12 28-10 3004524357 1980 drill
- 2nd PC completion in spacing unit
- Correction sections caused gaps in well locations of spacing units
- Better drain E/2 of section 12
- Add PC to existing wellbore
- Complete with single frac stage
- ~2100' to nearest offset



PC Net Sand



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: Hilcorp Energy Company
Hearing Date: June 14, 2018
Case # 16227

ZACHRY 19E



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	CTD Remaining GIP	EUR / RF% (Historical Data)
Qtr Section	1.5 Bcf	6.0 Bcf	0.0 Bcf / 0%	1.5 Bcf	0.0 Bcf / 0%
Section	3.1 Bcf	6.2 Bcf	1.3 Bcf / 41%	1.8 Bcf	1.5 Bcf / 50%

- Remaining Gas in Place in Quarter Section of 1.5 Bcf
- Cumulative Recovery Factor to Date 0% and 41% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore

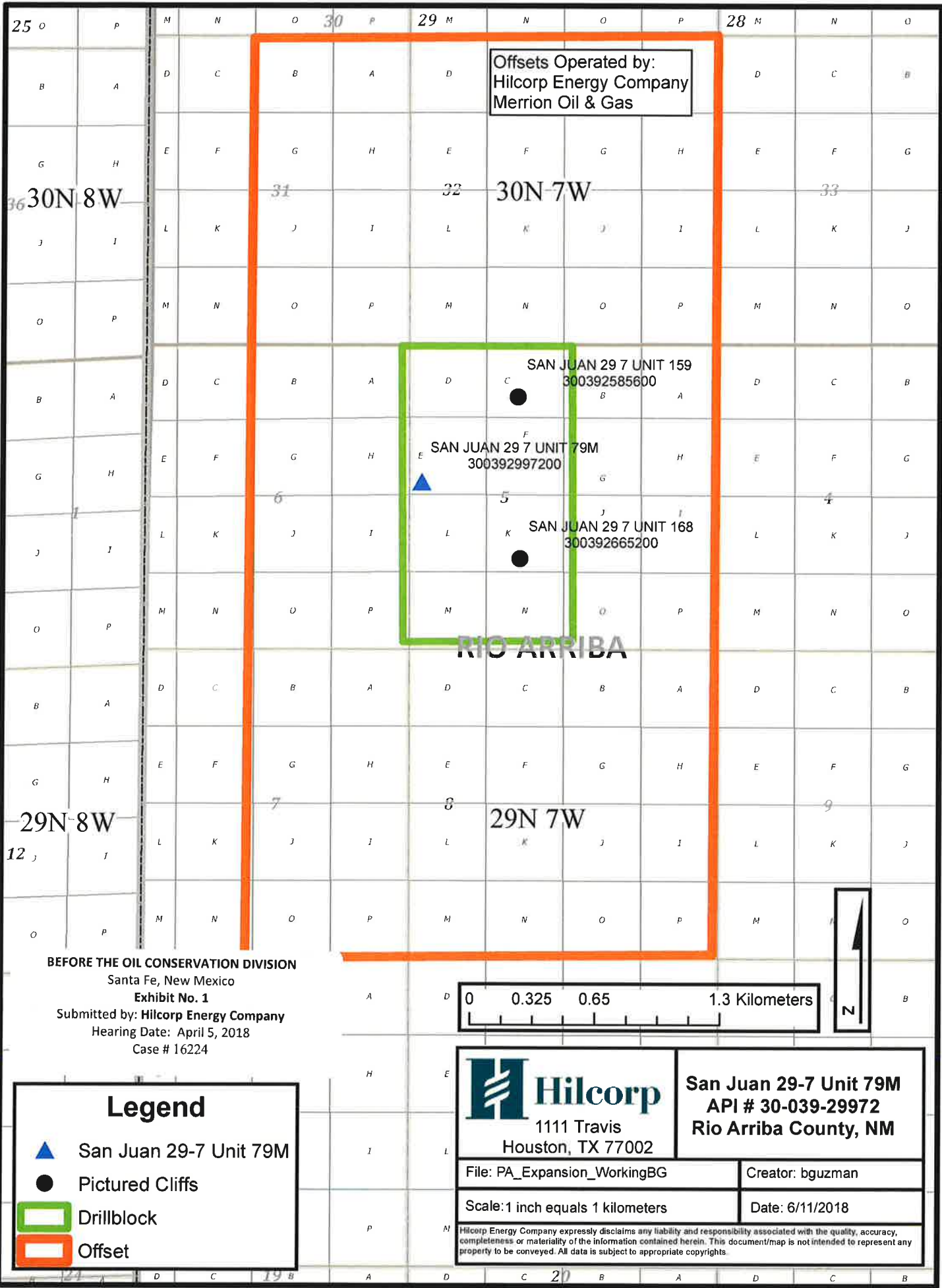
**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 14, 2018**

CASE No. 16224

SAN JUAN 29-7 79M

SAN JUAN COUNTY, NEW MEXICO





Offsets Operated by:
 Hilcorp Energy Company
 Merrion Oil & Gas

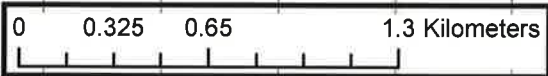
SAN JUAN 29 7 UNIT 159
 300392585600

SAN JUAN 29 7 UNIT 79M
 300392997200





SAN JUAN 29 7 UNIT 168
 300392665200


RIO ARRIBA

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 1
 Submitted by: Hilcorp Energy Company
 Hearing Date: April 5, 2018
 Case # 16224



Legend

-  San Juan 29-7 Unit 79M
-  Pictured Cliffs
-  Drillblock
-  Offset

 Hilcorp 1111 Travis Houston, TX 77002	San Juan 29-7 Unit 79M API # 30-039-29972 Rio Arriba County, NM	
	File: PA_Expansion_WorkingBG	Creator: bguzman
Scale: 1 inch equals 1 kilometers	Date: 6/11/2018	
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District I
 PO Box 1980, Hobbs, NM 88241-1980

District II
 PO Drawer DD, Artesia, NM 88211-0719

District III
 1000 Rio Brazos Rd., Aztec, NM 37410

District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
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 Submit to Appropriate District Office
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039- 26652		*Pool Code 72359	*Pool Name Blanco Pictured Cliffs	
*Property Code 7465	*Property Name SAN JUAN 29-7 UNIT			*Well Number 168
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			*Elevation 6102 -

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	5	29N	7W		1575	SOUTH	1890	WEST	FIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160 SW/4	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. 160 acres for density purposes for the Pictured Cliffs 315.10 acres for revenue purposes for the Pictured Cliffs
--------------------------------------------------	-------------------------------	----------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------

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

USA SF-078951

LAT: 36°45.1'N
LONG: 107°35.8'W

1890'

1575'

5280.00'

5281'

¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Peggy Cole
 Signature

Peggy Cole
 Printed Name

Regulatory Supervisor
 Title

2-8-01
 Date

¹⁸ SURVEYOR CERTIFICATION
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.

OCTOBER 29, 2000
 Date of Survey

Neale C. Edwards
 Signature and Seal of Professional Surveyor

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 2
 Submitted by: Hilcorp Energy Company
 Hearing Date: June 14, 2018
 Case # 16224

Certificate No. 6857

District I
 PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 21, 1994

District II
 PO Drawer 00, Artesia, NM 88211-0719

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 Santa Fe, NM 87504-2088

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District III
 1200 Rio Brazos Rd., Aztec, NM 87410

District IV
 PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-039 - 25856	'Pool Code 72359	'Pool Name Blanco Pictured Cliffs
'Property Code 7465	'Property Name SAN JUAN 29-7 UNIT	
'OGRID No. 14538	'Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY	'Well Number 159
		'Elevation 6065'

¹⁰ Surface Location

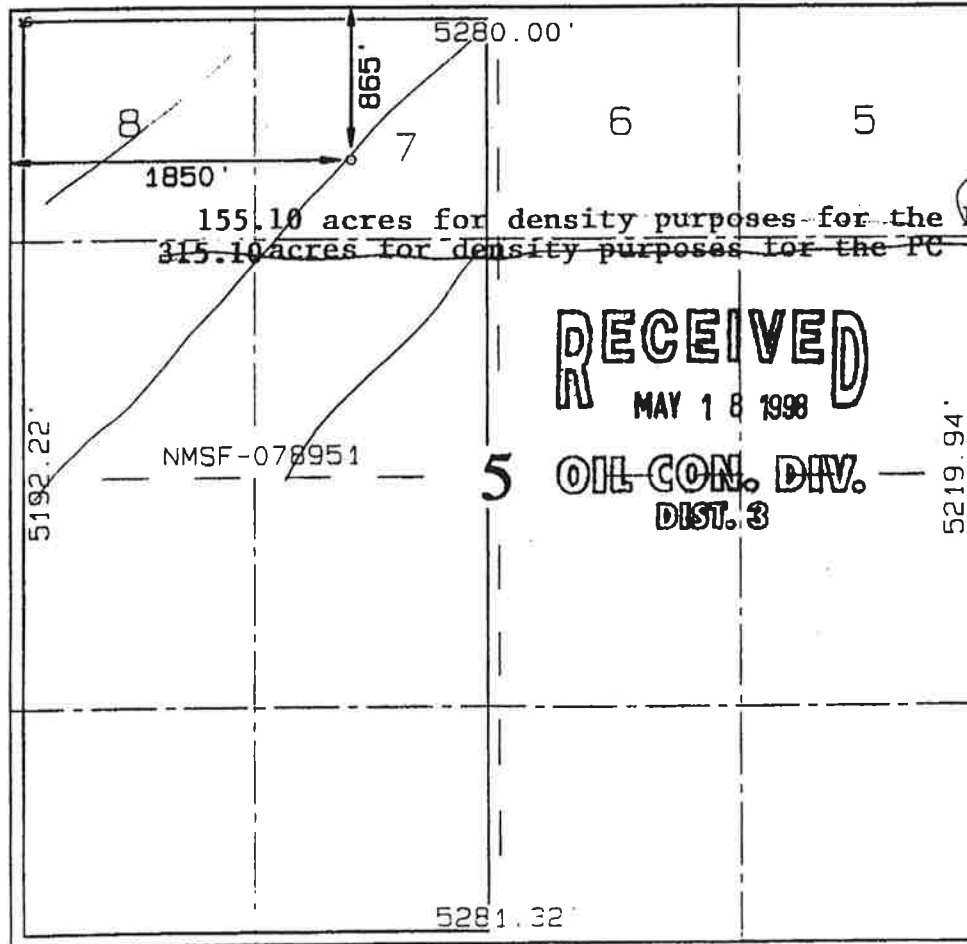
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	29N	7W		865	North	1850	West	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 155.10 W/315.10	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



¹⁷ OPERATOR CERTIFICATION

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

Peggy Bradford
 Signature

Peggy Bradford
 Printed Name
Regulatory Administrator
 Title

4-24-98
 Date

¹⁸ SURVEYOR CERTIFICATION

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.

JANUARY 17, 1998
 Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
 PROFESSIONAL SURVEYOR

Neale C. Edwards
 Signature

5824
 Certificate Number

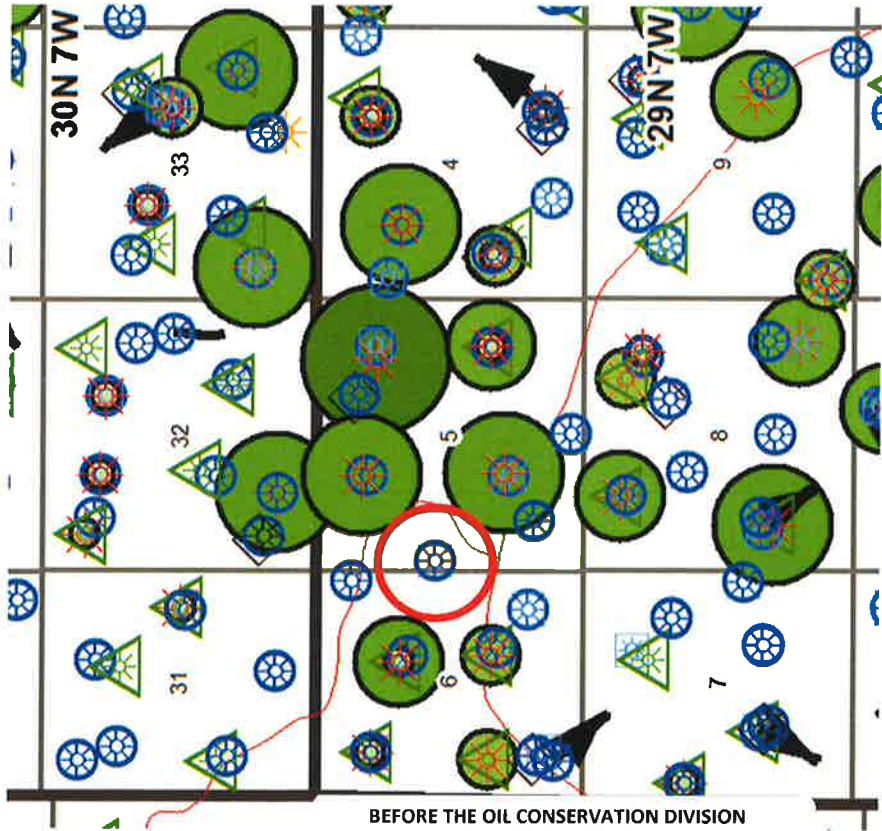
**Amended
Application
Filed
Tuesday, June 12, 2018**

**Amended
Application**

Filed

Tuesday, June 12, 2018

San Juan 29-7 Unit 79M



Well Specifics

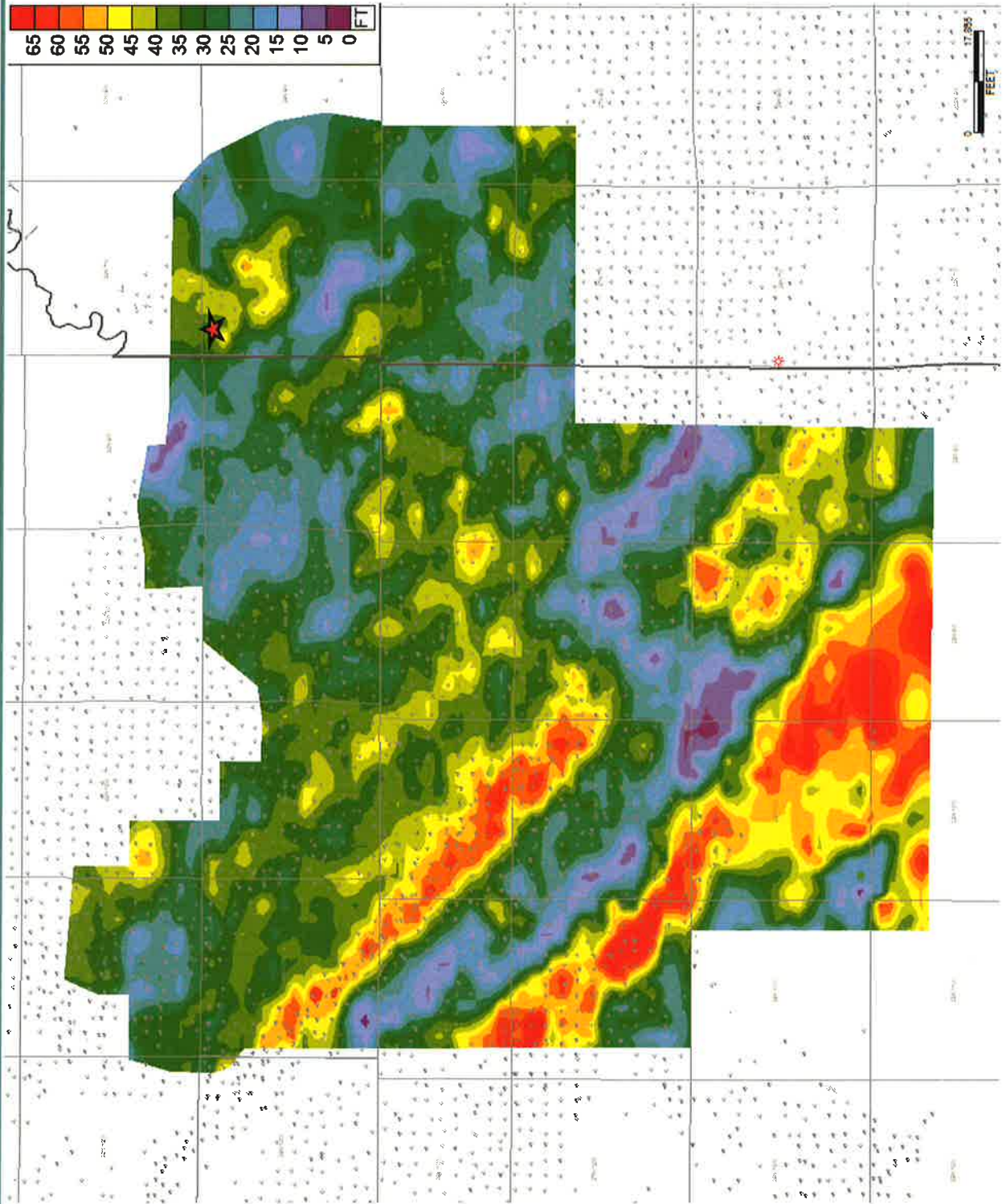
- NW5 29-7 3003929972 2007 drill
- 2nd PC completion in quarter section
- Manzanares Mesa & Gobernador Canyon pushed original PCs
- Better drain area to west
- Add PC to existing wellbore
- Complete with single frac stage
- ~2150' to nearest offset

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 5
 Submitted by: Hilcorp Energy Company
 Hearing Date: June 14, 2018
 Case # 16224

▲ FRUITLAND COAL
 ● PICTURED CLIFFS
 △ CHACTA
 ■ MESAVERTRE
 ★ MANCOOS
 ◆ DAKOTA



PC Net Sand



SAN JUAN 29-7 UNIT 79M



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	CTD Remaining GIP	EUR / RF% (Historical Data)
Qtr Section	2.5 Bcf	10.0 Bcf	1.5 Bcf / 58%	1.0 Bcf	2.5 Bcf / 99%
Section	12.5 Bcf	12.5 Bcf	5.4 Bcf / 43%	7.1 Bcf	8.3 Bcf / 66%

- Remaining Gas in Place in Quarter Section of 1.0 Bcf
- Cumulative Recovery Factor to Date 58% and 43% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 14, 2018**

CASE No. 16225

SAN JUAN 29-7 UNIT 92

SAN JUAN COUNTY, NEW MEXICO



Offsets Operated by:
Hilcorp Energy Company

SAN JUAN 29 7 UNIT 92B
300392582500

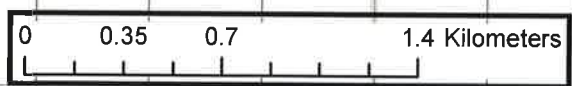
SAN JUAN 29 7 UNIT 181
300392699500

SAN JUAN 29 7 UNIT 92
300390760000

29N-7W


RIO ARRIBA

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: Hilcorp Energy Company
Hearing Date: April 5, 2018
Case # 16225



Legend

- ▲ San Juan 29-7 Unit 92B
- Pictured Cliffs
- ▭ Drillblock
- ▭ Offset

 Hilcorp 1111 Travis Houston, TX 77002	San Juan 29-7 Unit 92B API # 30-039-25825 Rio Arriba County, NM	
	File: PA_Expansion_WorkingBG	Creator: bguzman
Scale: 1 inch equals 1 kilometers	Date: 6/11/2018	
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PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26995		*Pool Code 72359	*Pool Name Blanco Pictured Cliffs
*Property Code 7465	*Property Name SAN JUAN 29-7 UNIT		*Well Number 181
*GRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP		*Elevation 6267'

¹⁰ Surface Location

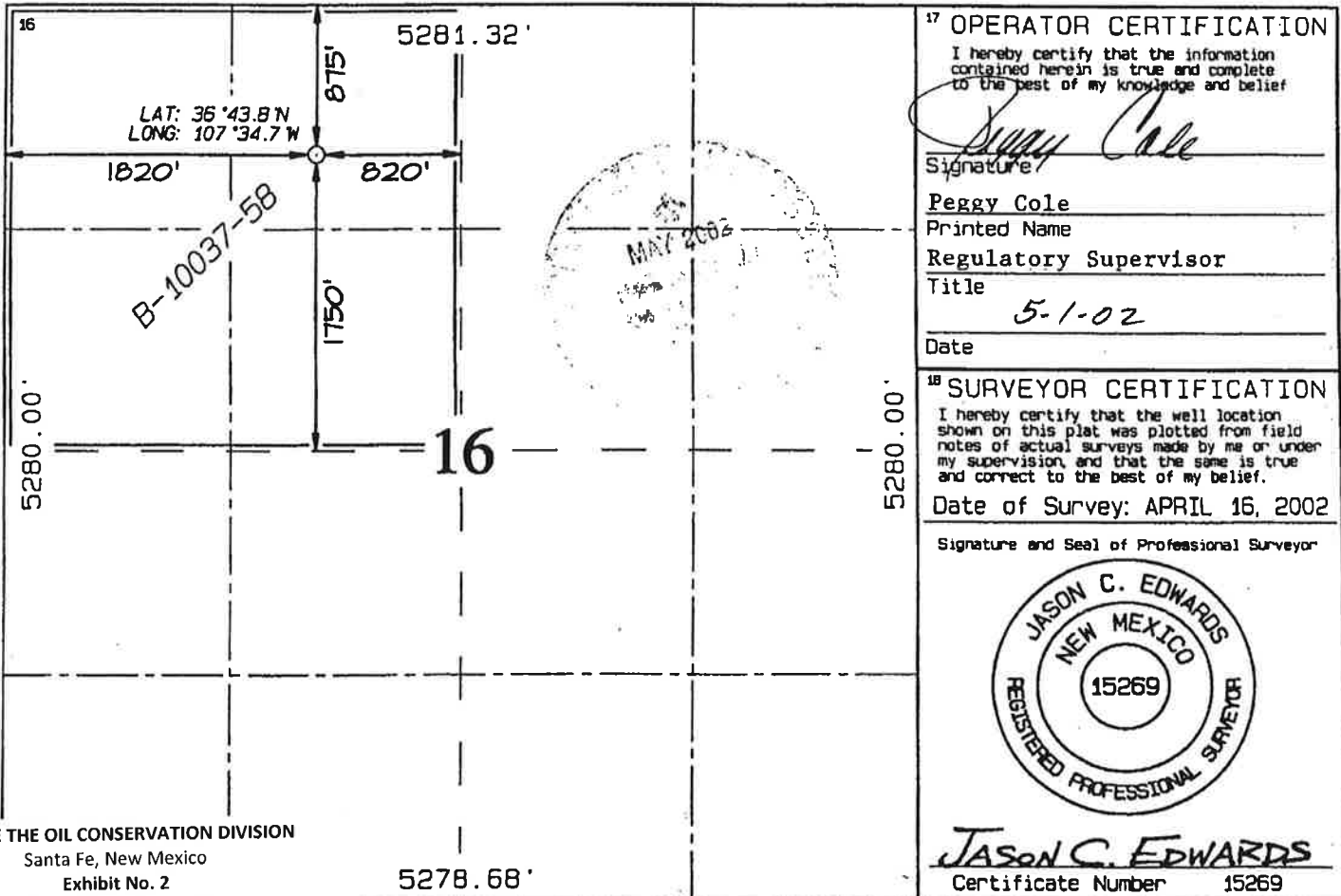
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	16	29N	7W		875	NORTH	1820	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

* Dedicated Acres PC - 160	¹² Joint or Infill 160 acres 320 acres	¹³ Consolidation Code fro density for revunue	¹⁴ Order No. purposes for the Pictured Cliffs purposes for the Pictured Cliffs
-------------------------------	---------------------------------------------------------	----------------------------------------------------------------	-------------------------------------------------------------------------------------------------

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



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 2
Submitted by: Hilcorp Energy Company
Hearing Date: June 14, 2018
Case # 16225

JASON C. EDWARDS
Certificate Number 15269

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1088 N. Main Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

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 Revised February 21, 1978
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-07600		Pool Code 72359		Pool Name Blanco Pictured Cliffs EXT	
Property Code 7465		Property Name San Juan 29-7 Unit			Well Number 92
OGRID No. 14538		Operator Name MERIDIAN OIL INC.			Elevation 6347'

10 Surface Location


UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	16	29N	7W		660	South	1650	West	R.A.

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 160	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

16 1650' 660'	Not resurveyed, prepared from a plat by Charles J. Finklea dated 4-7-52.	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Peggy Bradfield</u> Printed Name: <u>Peggy Bradfield</u> Title: <u>Regulatory Administrator</u> Date: <u>1-31-96</u>
	ACCEPTED FOR RECORD FEB 09 1996 FARMINGTON DISTRICT OFFICE BY <u>[Signature]</u>	18 SURVEYOR CERTIFICATION 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. Date of Survey: <u>1-30-96</u> Signature and Seal of Surveyor:  Certificate Number: <u>[Blank]</u>

NMOCD

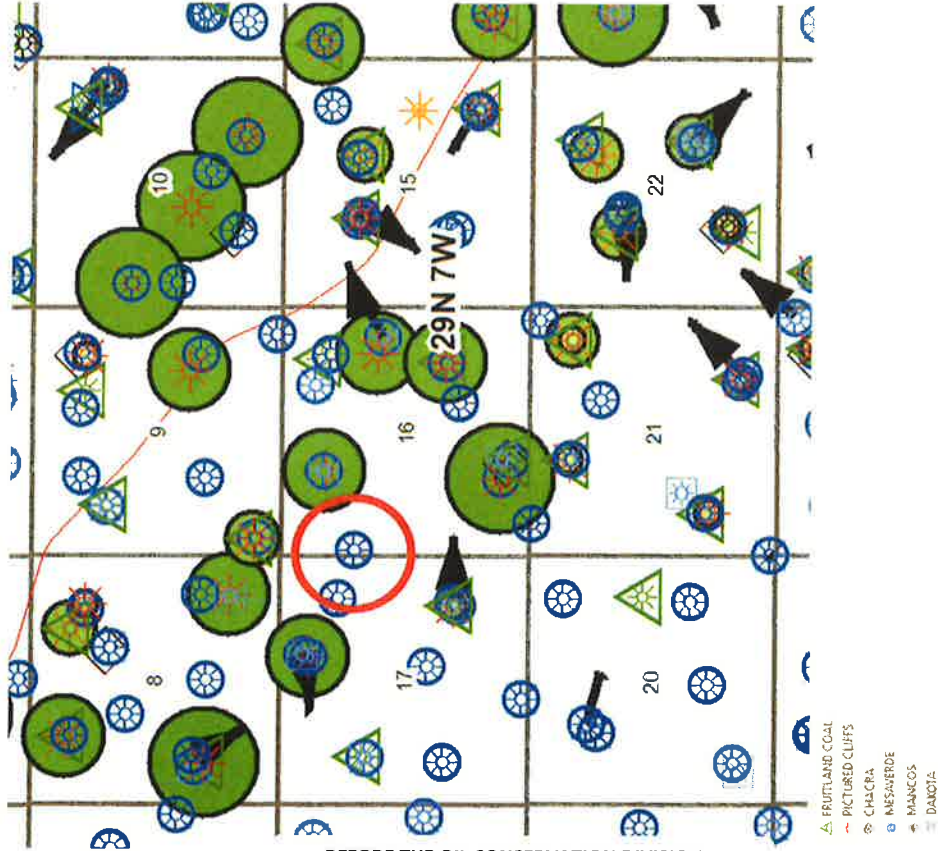
**Amended
Application
Filed
Tuesday, June 12, 2018**

**Amended
Application**

Filed

Tuesday, June 12, 2018

San Juan 29-7 Unit 92B

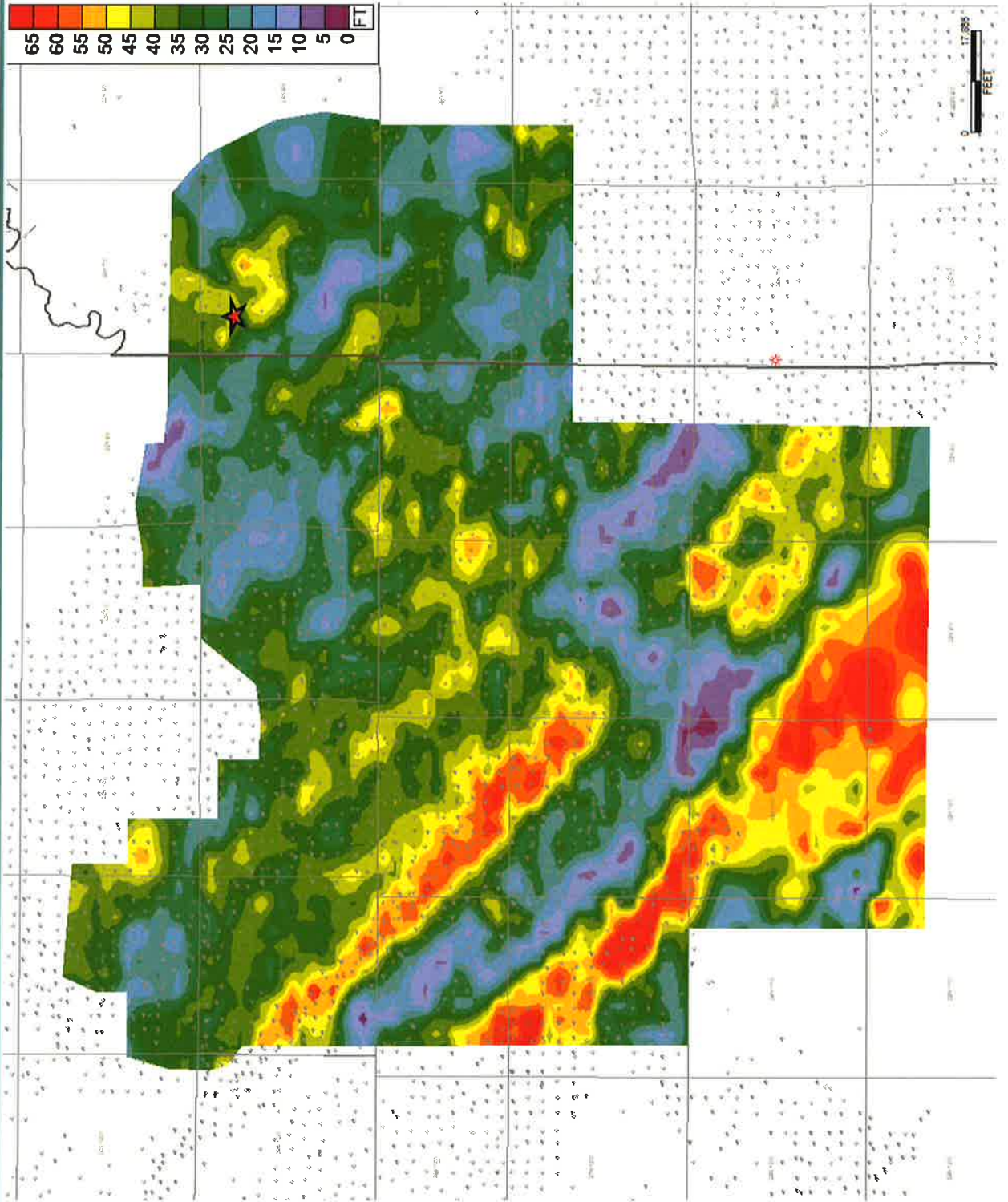


Well Specifics

- NW16 29-7 3003925825 2003 drill
- 2nd PC completion in quarter section
- Original location topography driven
- Better drain area in NW/4
- Add PC to existing wellbore
- Complete with single frac stage
- ~1450' to current producer



PC Net Sand



SAN JUAN 29-7 UNIT 92B



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	CTD Remaining GIP	EUR / RF% (Historical Data)
Qtr Section	2.9 Bcf	11.6 Bcf	1.0 Bcf / 35%	1.9 Bcf	1.6 Bcf / 55%
Section	13.2 Bcf	13.2 Bcf	4.4 Bcf / 34%	8.8 Bcf	6.9 Bcf / 52%

- Remaining Gas in Place in Quarter Section of 1.9 Bcf
- Cumulative Recovery Factor to Date 35% and 34% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore

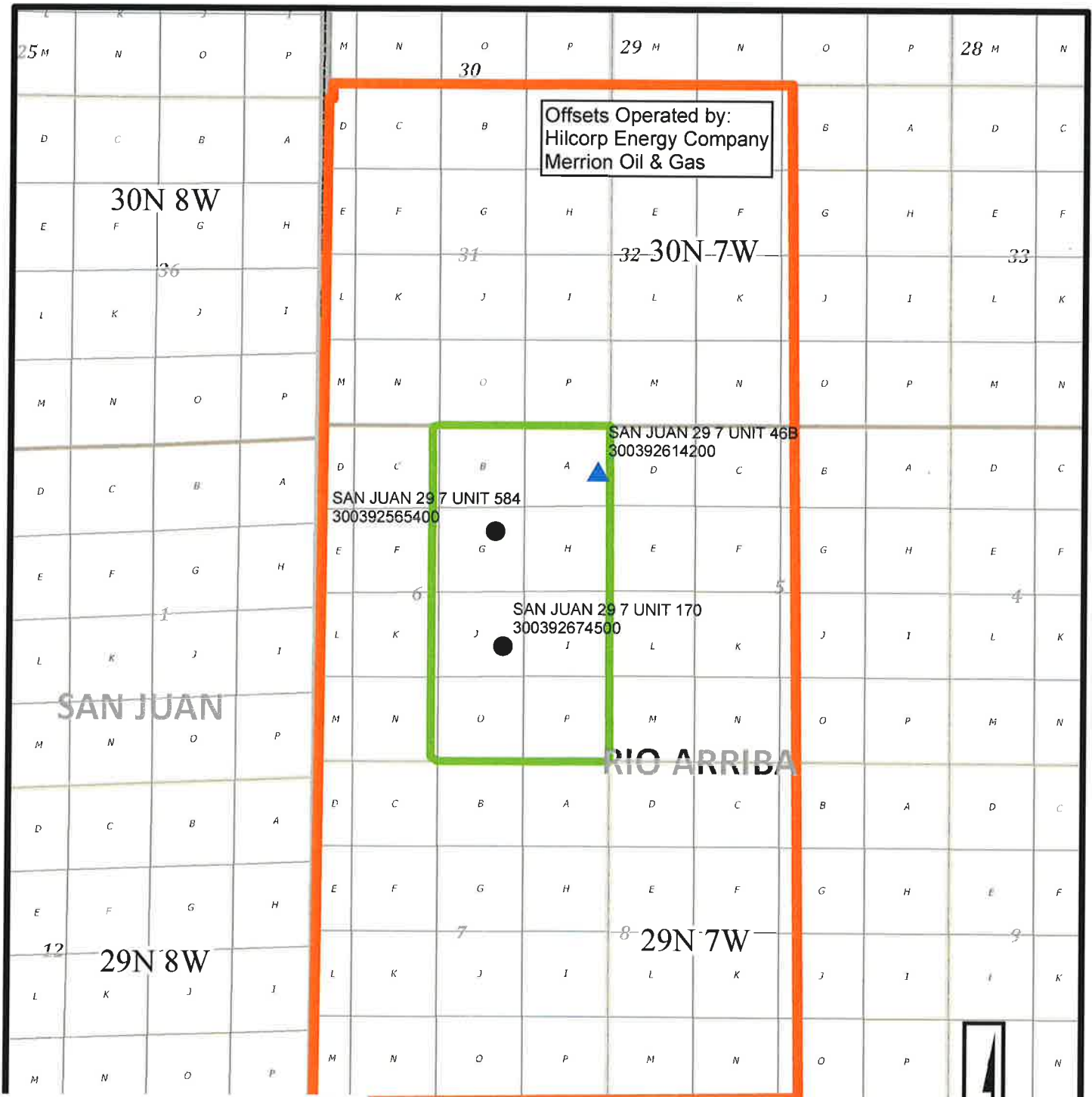
**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 14, 2018**

CASE No. 16226

SAN JUAN 29-7 UNIT 46B

SAN JUAN COUNTY, NEW MEXICO





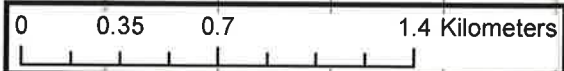
Offsets Operated by:
Hilcorp Energy Company
Merrion Oil & Gas

SAN JUAN 29 7 UNIT 584
300392565400

SAN JUAN 29 7 UNIT 46B
300392614200

SAN JUAN 29 7 UNIT 170
300392674500

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: **Hilcorp Energy Company**
Hearing Date: April 5, 2018
Case # 16226



Legend

- San Juan 29-7 Unit 46B
- Pictured Cliffs
- Drillblock
- Offset

<p>Hilcorp 1111 Travis Houston, TX 77002</p>	<p>San Juan 29-7 Unit 46B API # 30-039-26142 Rio Arriba County, NM</p>	
	<p>File: PA_Expansion_WorkingBG</p>	<p>Creator: bguzman</p>
<p>Scale: 1 inch equals 1 kilometers</p>		<p>Date: 6/11/2018</p>

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 District II
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 District III
 1000 Rio Hondo Rd., Alamogordo, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

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 Revised February 21, 1994

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APL Number 30-039-25654		Pool Code 71629-72439		Pool Name Basin Fruitland Coal/So. Blanco Pict. Cliffs	
Property Code 7465		Property Name San Juan 29-7 Unit			Well Number 584
OGRID No. 14538		Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY			Elevation 6192'

10 Surface Location

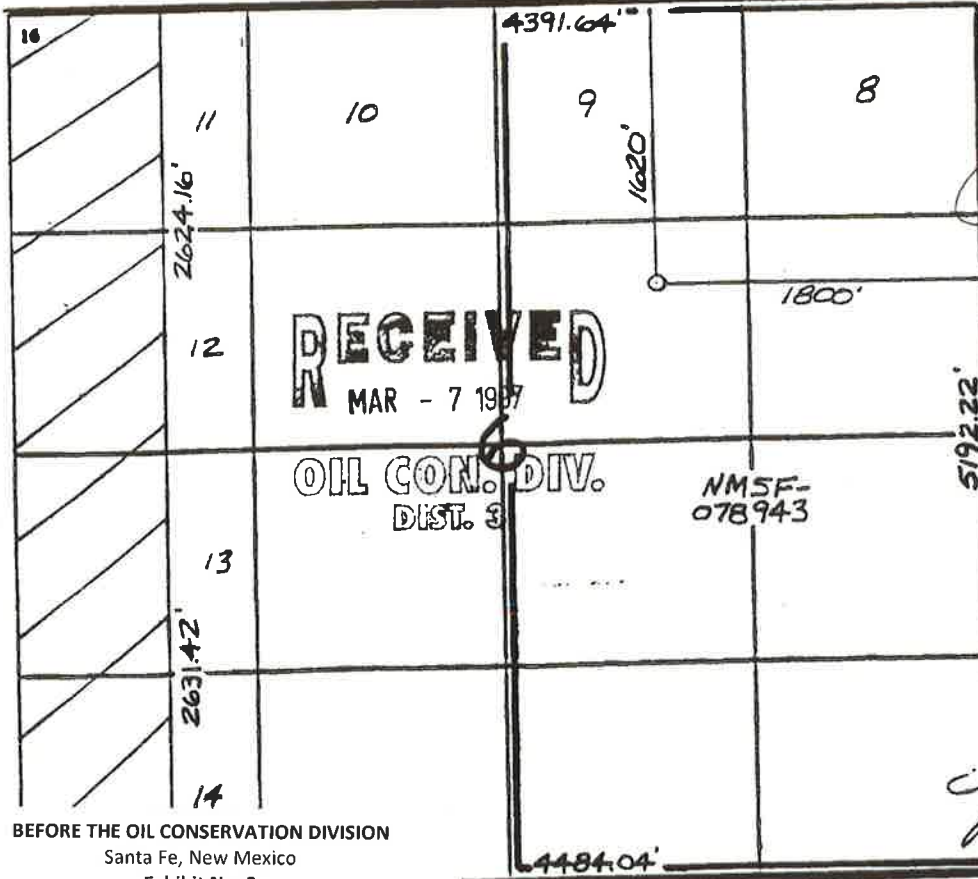
UL or lot no.	Section	Township	Range	Lot (dn)	Feet from the	North/South line	Feet from the	East/West line	County
G	6	29 N	7 W		1620	North	1800	East	R.A.

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot (dn)	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedication Acres: 154.93
 13 Joint or (add):
 14 Consolidation Code:
 15 Order No: 154.93 acres for density purposes for the Pict.Cl.
 314.93 acres for Revenue purposes for the Pict.Cl.

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



17 OPERATOR CERTIFICATION

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

Signature: *Peggy Bradford*
 Printed Name: Peggy Bradford
 Title: Regulatory Administrator
 Date: 11-14-96

18 SURVEYOR CERTIFICATION

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.

Date of Survey: 9-17-96
 Signature: *C. EDWARDS*
 Certificate No.: 8857

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 2
 Submitted by: Hilcorp Energy Company
 Hearing Date: June 14, 2018
 Case # 16226

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Nio Brass Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
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 Santa Fe, NM 87504-2088

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-25654		Pool Code 71629/72359		Pool Name Basin Fruitland Coal/Bianco Pictured Cliffs	
Property Code 7465		Property Name San Juan 29-7 Unit		Well Number 584	
OGRID No. 14538		Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY		Elevation 6192'	

10 Surface Location

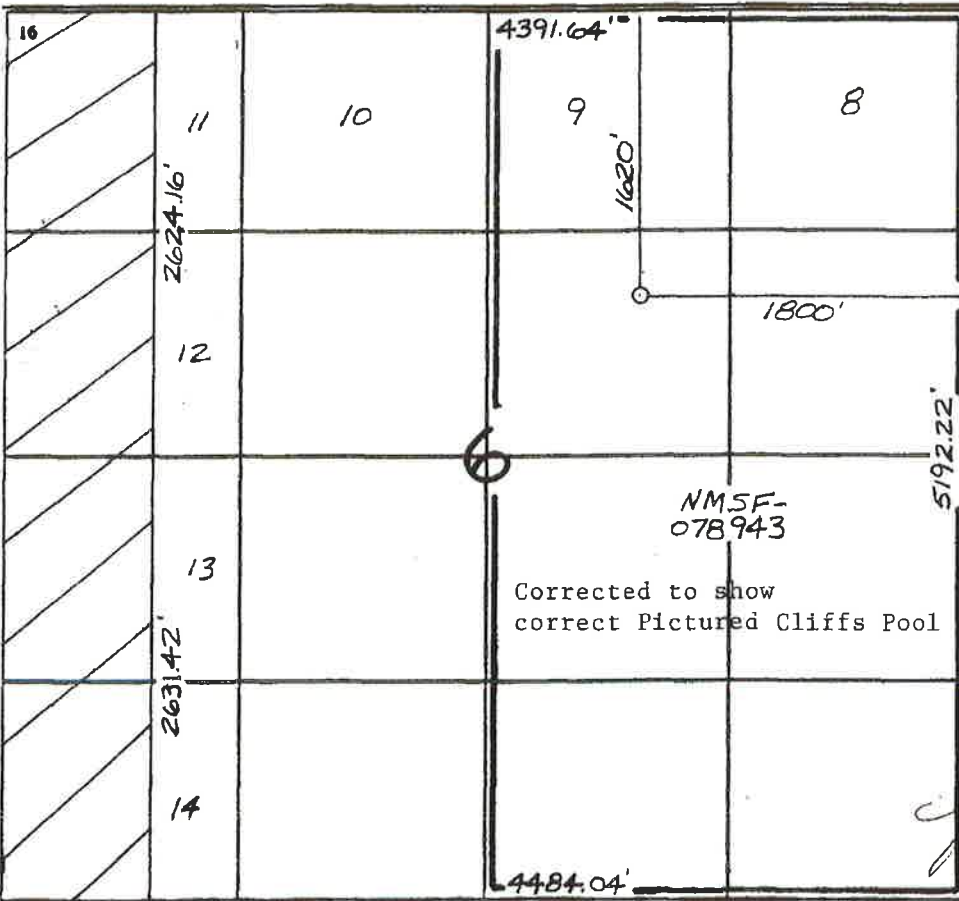
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	6	29 N	7 W		1620	North	1800	East	R.A.

12 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

11 Dedicated Acres FC-E/314.93 PC-154.93	12 Joint or Infill	13 Consolidation Code	14 Order No.
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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



17 OPERATOR CERTIFICATION

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

Nancy Oltmanns
 Signature
 Nancy Oltmanns
 Printed Name
 Senior Staff Specialist
 Title
 8-28-03
 Date

18 SURVEYOR CERTIFICATION

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.

9-17-96
 Date of Survey
 Signature and Seal of Professional Approver:



Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

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Energy, Minerals & Natural Resources Department

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OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039- 26745		*Pool Code 72359	*Pool Name Blanco Pictured Cliffs
*Property Code 7465	*Property Name SAN JUAN 29-7 UNIT		*Well Number 170
*GRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		*Elevation 6258'

¹⁰ Surface Location

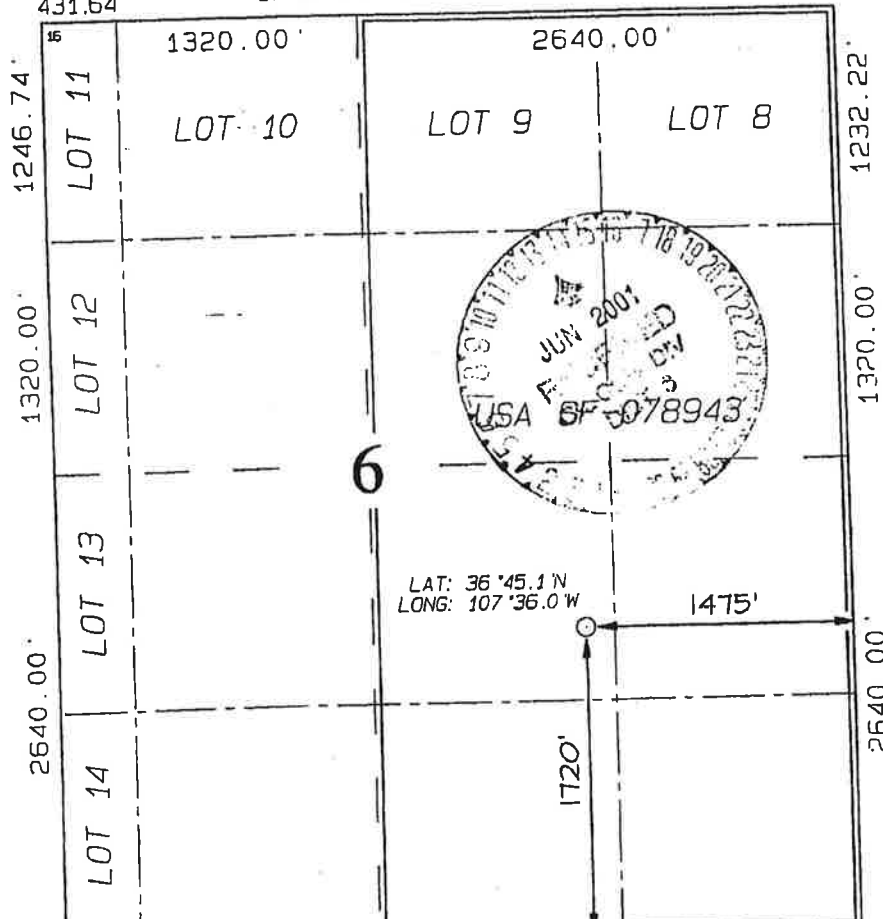
U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	29N	7W		1720	SOUTH	1475	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. 160 acres for density purposes for the Pictured Cliffs 320 acres for revenue purposes for the Pictured Cliffs
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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



¹⁷ OPERATOR CERTIFICATION

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

Peggy Cole
Signature
Peggy Cole
Printed Name
Regulatory Supervisor
Title
5-1-01
Date

¹⁸ SURVEYOR CERTIFICATION

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.

NOVEMBER 16, 2000

Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number 6857

**Amended
Application**

Filed

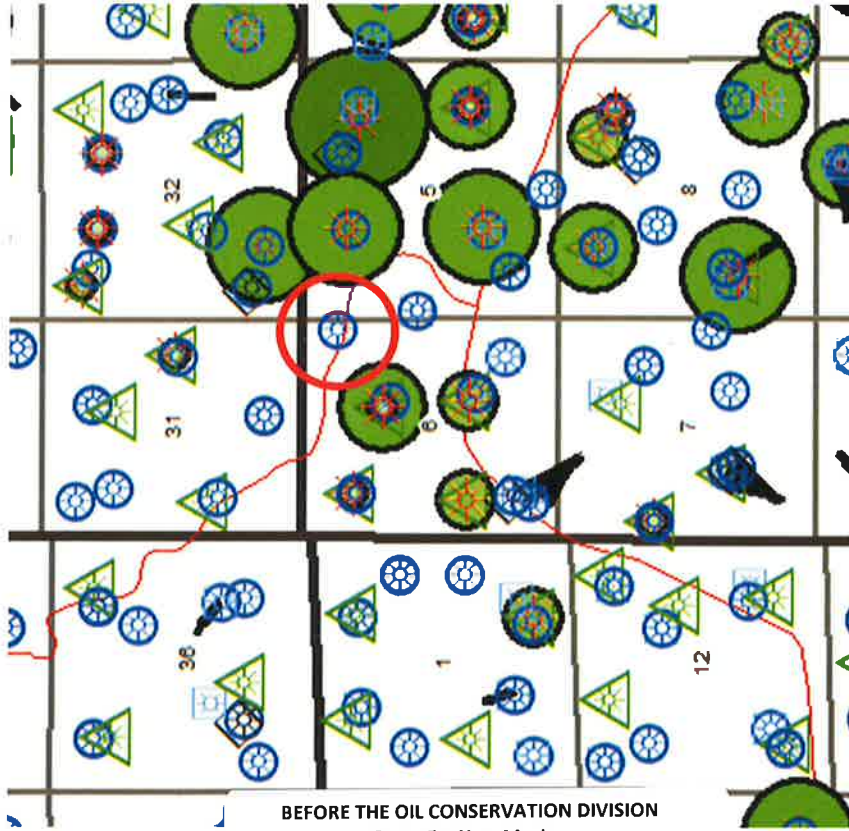
Tuesday, June 12, 2018

**Amended
Application**

Filed

Tuesday, June 12, 2018

San Juan 29-7 Unit 46B



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 5

Submitted by: Hilcorp Energy Company

Hearing Date: June 14, 2018

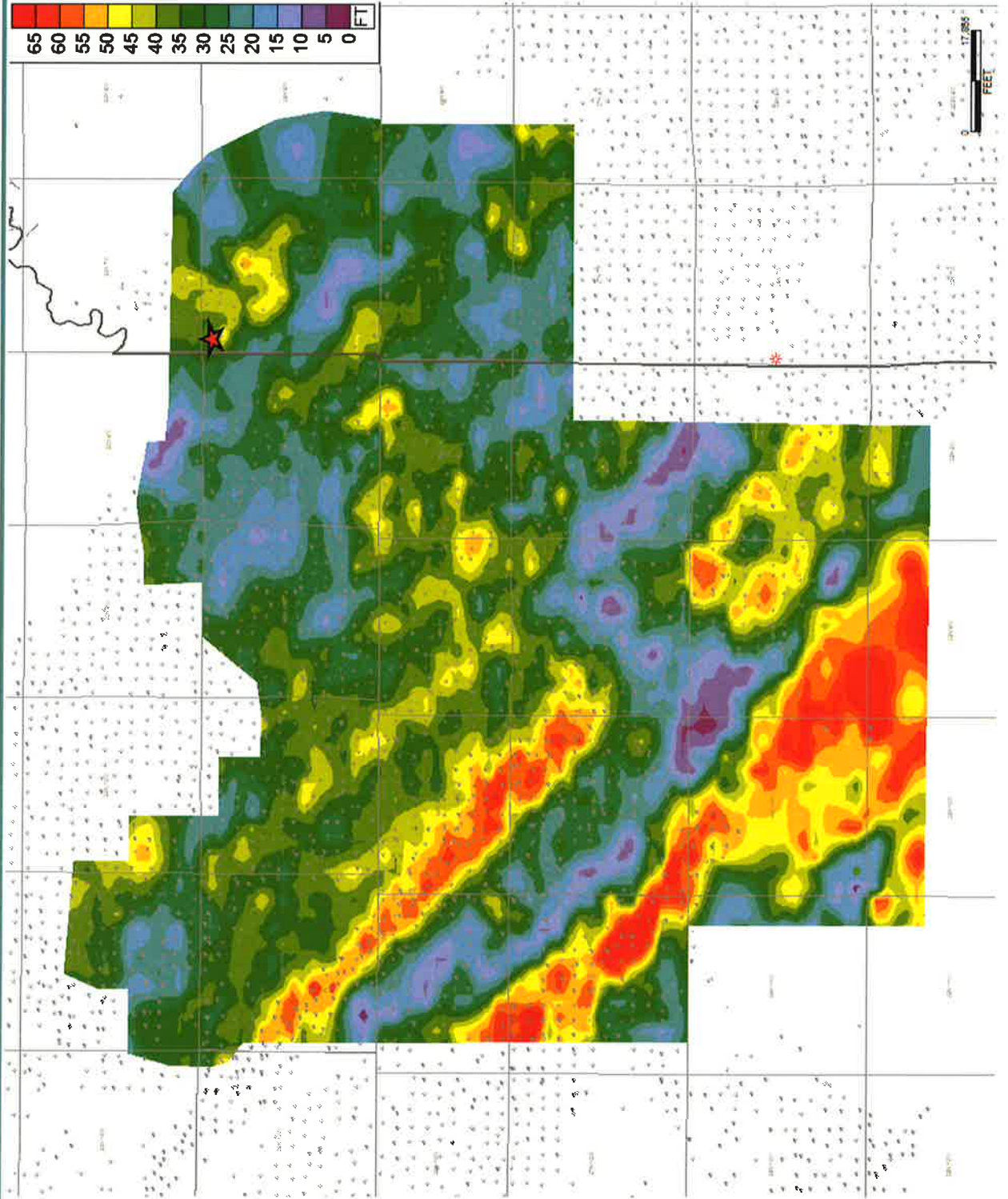
Case # 16226

Well Specifics

- NE6 29-7 3003926142 1999 drill
- 2nd PC completion in quarter section
- Manzanares Mesa & Gobernador Canyon pushed 1st PC location
- Better drain area of NE/4
- Add PC to existing wellbore
- Complete with single frac stage
- ~1800' to nearest offset



PC Net Sand



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: Hilcorp Energy Company
Hearing Date: June 14, 2018
Case # 16226

SAN JUAN 29-7 UNIT 46B



Reference Area	Volumetric OGIP	Section Equivalent OGIP	CTD / RF%	CTD Remaining GIP	EUR / RF% (Historical Data)
Qtr Section	2.4 Bcf	9.6 Bcf	0.7 Bcf / 29%	1.7 Bcf	1.3 Bcf / 53%
Section	10.7 Bcf	10.7 Bcf	1.8 Bcf / 16%	8.9 Bcf	3.6 Bcf / 33%

- Remaining Gas in Place in Quarter Section of 1.7 Bcf
- Cumulative Recovery Factor to Date 29% and 16% in the Quarter Section and Section, respectively
- Considerable gas remaining in area with opportunity to recover additional volumes utilizing existing wellbore