

Case 20096

Revised March 23, 2017

RECEIVED: 10/01/2018	REVIEWER: MAM	TYPE: SD	APP NO: PMAM 1827458504
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**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:** MADDOX GAS COM C 1E **API:** 30-045-23728  
**Pool:** BLANCO MESAVERDE **Pool Code:** 72319

**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.**

Bradley W. Pearson - Landman

Print or Type Name

Bradley W. Pearson  
 Signature

9-26-2018

Date

713-289-2793

Phone Number

bpearson@hilcorp.com

e-mail Address



September 25, 2018

New Mexico Oil Conservation Division  
Attn: Heather Riley  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Application for Simultaneous Dedication  
Maddox Gas Com C 1E  
API: 30-045-23728  
SHL: T29N-R10W: Section 27 UL P  
BHL: T29N-R10W: Section 27 UL P  
San Juan County, New Mexico

Dear Ms. Riley:

Hilcorp Energy Company respectfully requests authorization to simultaneously dedicate the Maddox Gas Com C 1E (API: 3004523728) well to an existing standard 320 acre gas spacing and proration unit ("GPU") in the Blanco Mesaverde Gas Pool (72319) comprising the S/2 of Section 27, Township 29 North, Range 10 West, San Juan County, New Mexico. The GPU is currently dedicated to the following described wells:

ROMERO GAS COM A 1A	API: 3004526213	UL P: T29N-R10W: Sec. 27
ROMERO GAS COM A 1	API: 3004525509	UL K: T29N-R10W: Sec. 27

The Maddox Gas Com C 1E has a surface location in Unit P of Section 27, Township 29 North, Range 10 West, San Juan County, New Mexico. Completion of this well at that location within the GPU conflicts with the prescribed well location requirements provided in the applicable Blanco Mesaverde Gas Pool Special Pool Rules I.B, which governs the locations of infill wells. The special rules provide, however, that the Division Director may administratively grant exceptions to infill well locations upon application with the Division and notice, by certified mail-return receipt requested, to affected parties.

The Maddox Gas Com C 1E is currently completed in the Basin Dakota pool. The Romero Gas Com 1A is currently completed in the Otero Chacra and Blanco Mesaverde pool as a commingled well. The Romero Gas Com 1 is currently completed in the Otero Chacra and Blanco Mesaverde pool as a commingled well. The Romero Gas Com 1A and Romero Gas Com 1 wells are all currently dedicated in the Blanco Mesaverde pool to an existing 320 acre gas spacing unit comprising the S/2 of Section 27.

The proposed completion of the Blanco Mesaverde pool within the Maddox Gas Com C 1E will increase the gas recovery from the Mesaverde formation within the S/2 of Section 27, thereby preventing waste.

Attached hereto for each well is a copy of Division Form C-102 for these wells that show the surface and bottom hole locations of each well. In addition, also enclosed is a map of the offset operators of all offsetting spacing units. Hilcorp Energy Company is the operator of all offsetting spacing units and owns 100% working interest in all offsetting spacing units with the exception of the W/2 of Section 28.



Hilcorp has mailed, via USPS Certified Mail, Notice to the Affected Parties that this application has been submitted. A copy of the Notice to the Affected Parties is also attached.

In summary, administrative approval of the application is permitted under the special rules for the Blanco Mesaverde Gas Pool and will afford Hilcorp Energy Company the opportunity to recover additional gas reserves from the pool in the S/2 of Section 27 that may otherwise not be recovered by the existing wells, thereby preventing waste, and not violating correlative rights. Hilcorp's proposed simultaneous dedication of these wells does not exceed the well density requirements imposed by the special rules.

If you have any questions or need additional information, please contact me at 713-289-2793 or [bpearson@hilcorp.com](mailto:bpearson@hilcorp.com).

Sincerely,

A handwritten signature in black ink that reads 'Bradley W. Pearson'.

Brad Pearson  
San Juan Basin Landman  
Hilcorp San Juan, L.P.  
By: Hilcorp Energy Company  
its general partner

Enclosure(s)

**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 257219

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-25509	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321831	5. Property Name ROMERO GAS COM A	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5496

**10. Surface Location**

UL - Lot K	Section 27	Township 29N	Range 10W	Lot Idn	Feet From 1850	N/S Line S	Feet From 1850	E/W Line W	County JUAN SAN
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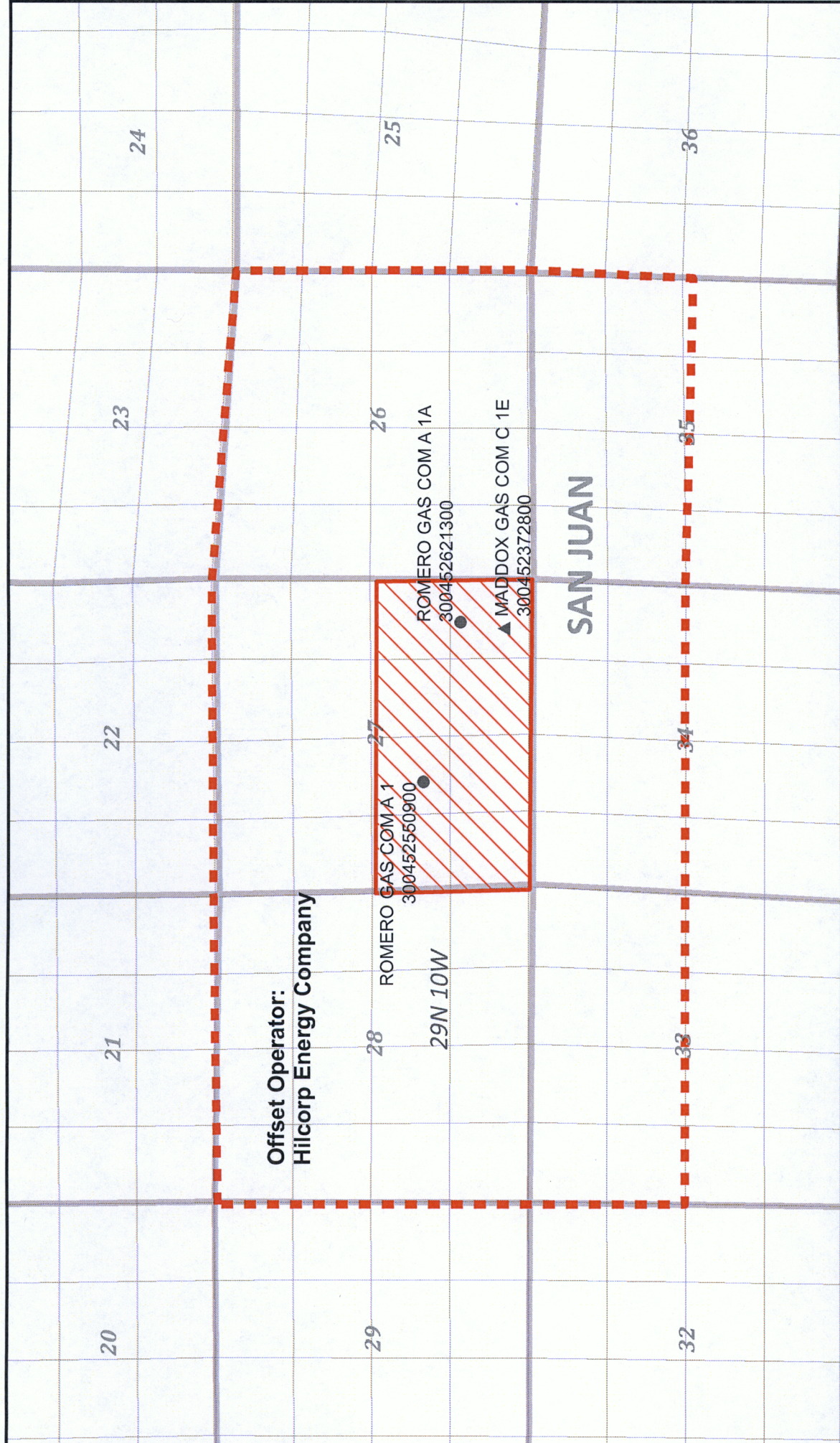
**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00 S/2	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**

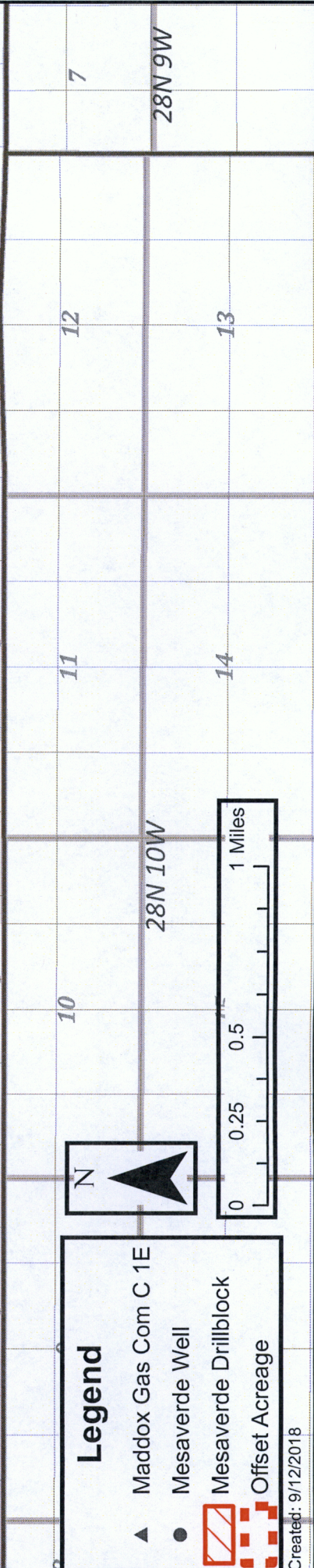
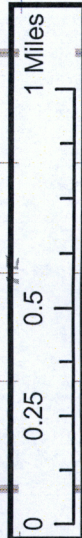
	<b>OPERATOR CERTIFICATION</b>
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or 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></p> <p>E-Signed By: <i>Lehustone Buck</i> Title: Operations / Regulatory Tech Date: 9/12/2018</p>
	<b>SURVEYOR CERTIFICATION</b>
	<p><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></p> <p>Surveyed By: Fred B. Kerr Date of Survey: 11/5/1982 Certificate Number: 3950</p>





**Legend**

- ▲ Maddox Gas Com C 1E
- Mesaverde Well
-  Mesaverde Drillblock
-  Offset Acreage







September 26, 2018

Transmitted Via  
Certified Mail - Return Receipt Requested

**TO: AFFECTED INTEREST OWNERS**

**Re:** Application of Hilcorp Energy Company for simultaneous dedication  
San Juan County, New Mexico

Ladies and Gentlemen,

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the Maddox Gas Com C 1E, Romero Gas Com A 1A and Romero Gas Com A 1 to the South-half of Section 27, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

As the owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty (20) days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application for a simultaneous dedication may be approved.

Sincerely,

A handwritten signature in cursive script that reads 'Bradley W. Pearson'.

Brad Pearson  
San Juan Basin Landman  
Hilcorp San Juan, L.P.  
By: Hilcorp Energy Company  
its general partner

Enclosure(s)

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901765666927	Brenda Guzman	, DEANNA MIZEL, PO BOX 52553, TULSA, OK, 74152 Code: Maddox Gas Com C 1E SD Application	9/26/2018	Signature Pending
92148969009997901765666934	Brenda Guzman	, MIZEL RESOURCES A TRUST, LARRY and STEVEN MIZEL TTE CARRIE DELIMA and CHESTON MIZEL SPL TTES , DENVER, CO, 80237 Code: Maddox Gas Com C 1E SD Application	9/26/2018	Signature Pending
92148969009997901765666941	Brenda Guzman	, RAFFKIND REVOCABLE TRUST, DANIEL and MYRNA RAFFKIND TRUSTEES 3800 DANBURY, AMARILLO, TX, 79109 Code: Maddox Gas Com C 1E SD Application	9/26/2018	Signature Pending
92148969009997901765666958	Brenda Guzman	, JUDY ZWEIBACK, 8914 FARNAM CT, OMAHA, NE, 68114 Code: Maddox Gas Com C 1E SD Application	9/26/2018	Signature Pending

**District I**

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

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**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 255730

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-23728	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 321800	5. Property Name MADDOX GAS COM C	6. Well No. 001E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5535

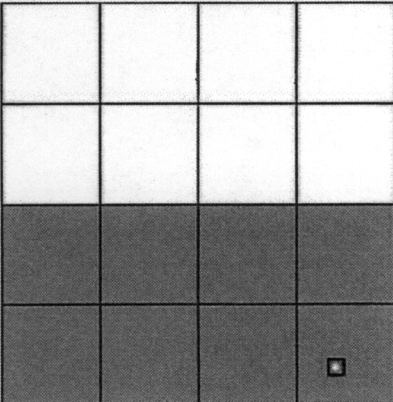
**10. Surface Location**

UL - Lot P	Section 27	Township 29N	Range 10W	Lot Idn	Feet From 500	N/S Line S	Feet From 820	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 320.00 S/2	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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By: <i>Kandis Roland</i>          Title: Operations/Regulatory Technician          Date: 8/8/2018</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Fred B. Kerr Jr.          Date of Survey: 9/25/1979          Certificate Number: 3950</p>
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All distances must be from the outer boundaries of the Section.

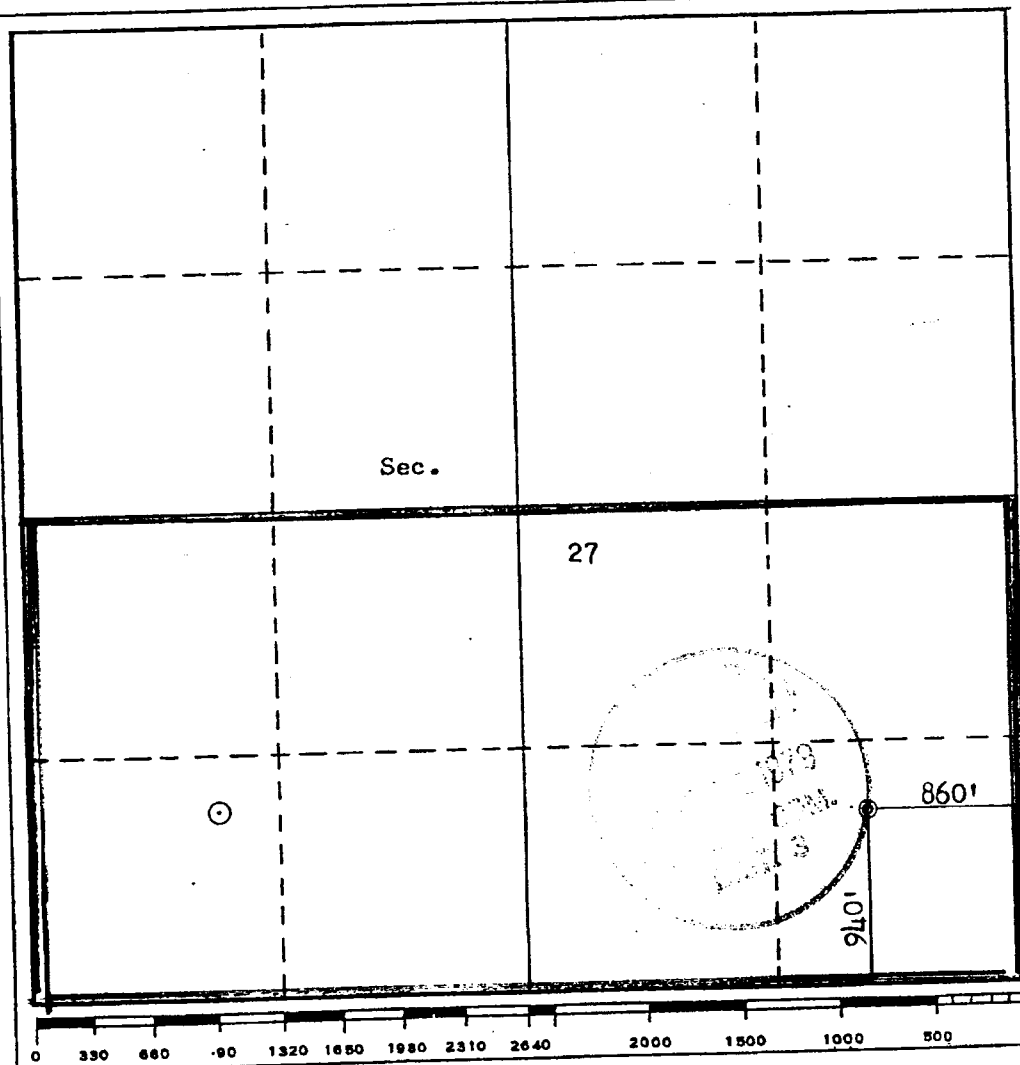
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>MADDOX GAS COM "C"</b>		Well No. <b>1 E</b>
Unit Letter <b>P</b>	Section <b>27</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>940</b> feet from the <b>South</b> line and <b>860</b> feet from the <b>East</b> line					
Ground Level Elev. <b>5529</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin Dakota</b>		Dedicated Acreage: <b>320</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been 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 a non-standard unit, eliminating such 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.

*B. E. Fackrell*

Name  
**B. E. FACKRELL**

Position  
**DISTRICT ENGINEER**

Company  
**AMOCO PRODUCTION COMPANY**

Date  
**AUGUST 7, 1979**

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  
**AUGUST 1, 1979**

Registered Professional Engineer and/or Land Surveyor

*Frederick B. Kerr Jr.*

Certificate No.  
**3950**



All distances must be from the outer boundaries of the Section.

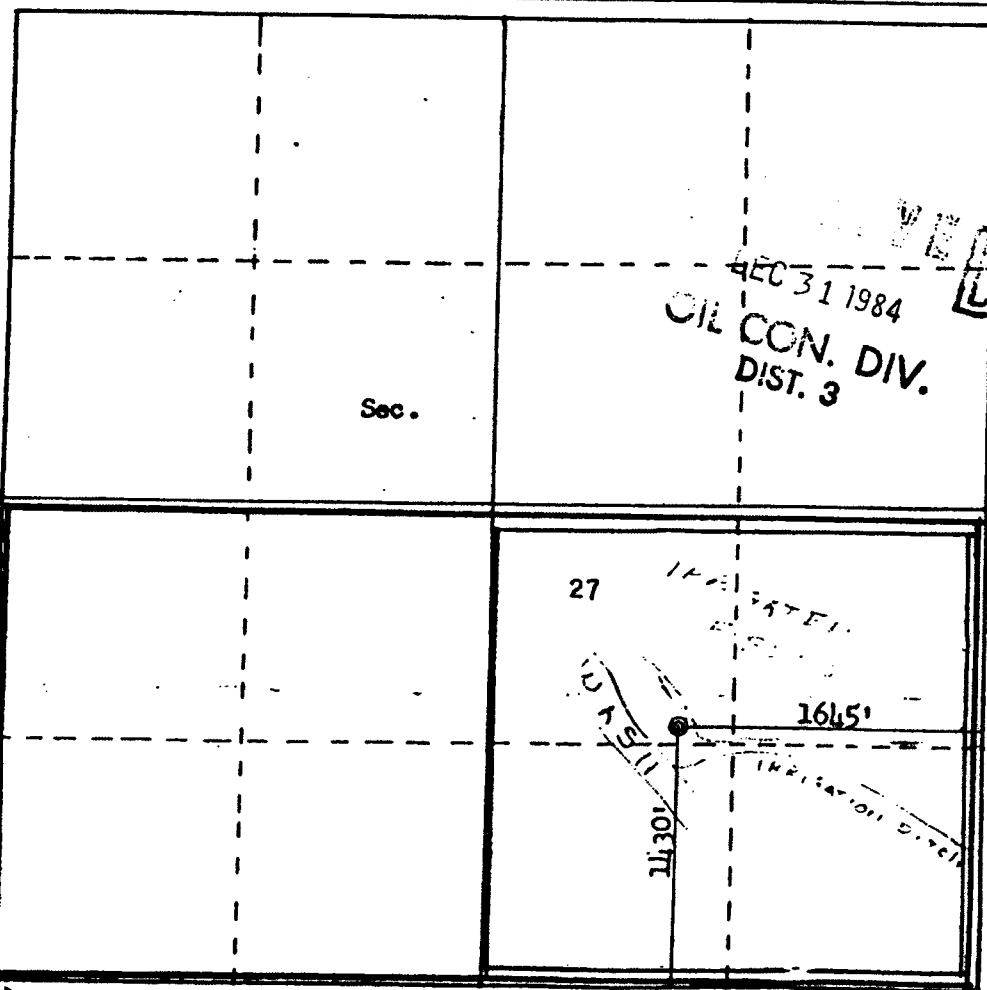
Operator <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>Romero Gas Com "A"</b>		Well No. <b>1A</b>
Unit Letter <b>J</b>	Section <b>27</b>	Township <b>29N</b>	Range <b>10W</b>	County <b>San Juan</b>	
Actual Footage Location of Wells: <b>1430</b> feet from the <b>South</b> line and <b>1645</b> feet from the <b>East</b> line					
Ground Level Elev: <b>5521</b>	Producing Formation		Pool <b>Otero Chacra &amp; Blanco MV</b>		Dedicated Acreage: <b>160/320</b> Acres

1. Outline the acreage dedicated to the subject well by colored 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, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitized

If answer is "no," list the owners and tract descriptions which have actually been 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 a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION

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

Original Signed By

Name **B. D. Shaw**  
**B. D. Shaw**

Position  
**Adm. Supervisor**

Company  
**Amoco Production Company**

Date  
**12-21-84**

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  
**December 11, 1984**

Registered Professional Engineer and Land Surveyor

**Fred B. Kern Jr.**

Certificate No. **3950**

Form C-107  
Revised 10-1-78

All distances must be from the outer boundaries of the System.

Operator AMOCO PRODUCTION COMPANY			Lease ROMERO GAS COM "A"		Well No. 1
Unit Letter K	Section 27	Township 29N	Range 10W	County San Juan	
Actual Footage Location of Well:					
1850 feet from the		South	line and	1850 feet from the West line	
Ground Level Elev. 5496	Producing Formation Gallup / Chacra		Pool Armenta Gallup/Bloomfield Chacra		Ext. Dedicated Acreage: 40/160 Acres

1. Outline the acreage dedicated to the subject well by colored 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, force-pooling, etc?

☒ Yes    ☐ No    If answer is "yes," type of consolidation Communitization

If answer is "no" list the owners and tract descriptions which have actually been 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 a non-standard unit, eliminating such interests, has been approved by the Commission.

fee surface  
fee minerals

Sec.

SALLUP

27

1850'

1850'

Chacra

Scale: 1"=1000'

### CERTIFICATION

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

Cal H. Moore

Name \_\_\_\_\_

D. H. SHOEMAKER

Position

DISTRICT ENGINEER

Company

AMOCO PRODUCTION COMPANY

Date \_\_\_\_\_

NOVEMBER 10, 1982

I hereby certify that the well location shown on this plot 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 \_\_\_\_\_

November 5, 1982.

Registered Professional Engineer  
and Land Surveyor

Fred B. Kerr Jr.

Certificate No. 3950

## **McMillan, Michael, EMNRD**

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**From:** McMillan, Michael, EMNRD  
**Sent:** Wednesday, October 17, 2018 2:15 PM  
**To:** rankin, Adam  
**Cc:** 'Brad Pearson'; Davidson, Florene, EMNRD; Brooks, David K, EMNRD; Jones, William V, EMNRD  
**Subject:** Fogelson Gas Com Well No. 1R, Maddox Gas Com c well No. 1E, and Morris Gas Com C Well No. 1E SD Applications

Adam and Brad:

Based on special pool rules for the Blanco-Mesaverde (Prorated Gas) Pool, your application for Simultaneous Dedication (increased well density) cannot be approved administratively, and will be cancelled October 17, 2018. Therefore, if HilCorp wishes to proceed with the application, it must go to Hearing.

Thanks

Mike

Michael McMillan  
1220 South St. Francis  
Santa Fe, New Mexico  
505-476-3448  
Michael.mcmillan@state.nm.us