

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

**APPLICATION OF HILCORP ENERGY
COMPANY FOR AN EXCEPTION TO THE
WELL DENSITY REQUIREMENTS OF THE
SPECIAL RULES AND REGULATIONS FOR
THE BLANCO-MESAVERDE GAS POOL,
RIO ARriba COUNTY, NEW MEXICO.**

**RECEIVED OGD
2018 JAN -4 P 4:02**

CASE NO. 15945

HILCORP'S PREHEARING STATEMENT

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Hilcorp Energy Company
1111 Travis St.
Houston, Texas 77002

ATTORNEYS

Michael H. Feldewert, Esq.
Adam G. Rankin, Esq.
Jordan L. Kessler, Esq.
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

STATEMENT OF THE CASE

Hilcorp seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool to permit it to complete and simultaneously produce five Mesaverde gas well in the same standard spacing and proration unit, and three wells in the same quarter section.

Hilcorp is the operator of a standard 320-acre, more or less, spacing and proration unit in the Blanco-Mesaverde Gas Pool comprised of the E/2 of Section 36, Township 29 North, Range 7 West, Rio Arriba County, New Mexico, in which the following four wells are currently completed and producing:

- a. San Juan 29-7 Unit 55 Well (API No. 30-039-07493), Sec. 36, T29N, R7W (Unit H);
- b. San Juan 29-7 Unit 55A Well (API No. 30-039-21616), Sec. 36, T29N, R7W (Unit P);
- c. San Juan 29-7 Unit 105M Well (API: 30-039-30225), Sec. 36, T29N, R7W (Unit O); and
- d. San Juan 29-7 Unit 105E Well (API: 30-039-30519), Sec. 36, T29N, R7W, surface-hole location (Unit H), bottom-hole location (Unit G).

Hilcorp now proposes to simultaneously dedicate and produce the following fifth well within the same standard spacing and proration unit, at the following location: **San Juan 29-7 Unit 105 Well** (API No. 30-039-20616), Sec. 36, T29N, R7W (Unit A).

Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule 1.B of the Special Rules and Regulations of the Blanco-Mesaverde Pool to authorize Hilcorp to simultaneously dedicate and produce the San Juan 29-7

Unit 105 Well within the E/2 of Section 36, Township 29 North, Range 7 West, permitting the total number of wells dedicated and producing within this spacing and proration unit to five, and the number of wells within a quarter section to three.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|--|-----------------------|-----------------|
| Chuck Creekmore – Landman | Approx. 10 | Approx. 5 |
| Eddie Pippin – Geologist | Approx. 20 | Approx. 5 |
| Michelle Sivadon – Reservoir Engineer | Approx. 20 | Approx. 5 |
| Brad Pearson – Landman | Approx. 20 | Approx. 12 |
| Wyn McCubbin – Landman | Approx. 20 | Approx. 12 |

PROCEDURAL MATTERS

Hilcorp has filed numerous similar applications for exceptions to the density provisions of the Special Rules and Regulations of the Blanco-Mesaverde Pool. For administrative efficiency and ease of presentation, Hilcorp respectfully requests that the following cases be consolidated for purposes of presenting evidence and testimony:

- 15934, 15936, 15937, 15938, 15939, 15940, 15941, 15942, 15943, 15944, 15945.

Hilcorp has filed amended applications for Case Nos. 15932, 15933 and 15935, so those cases will be necessarily continued until the January 25, 2017 docket.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in black ink, appearing to read 'M. Feldewert', is written over a horizontal line.

Michael H. Feldewert

Adam Rankin

Jordan L. Kessler

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

Email: mfeldewert@hollandhart.com

Email: agrankin@hollandhart.com

Email: jlkessler@hollandhart.com

ATTORNEYS FOR HILCORP ENERGY COMPANY