

**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 AZTEC-PICTURED CLIFFS GAS POOL,
SAN JUAN COUNTY, NEW MEXICO.**

JUN 07 2018 PM03:11

CASE NO. 16223

HILCORP'S PREHEARING STATEMENT

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby submits this Consolidated Pre-Hearing Statement for the above referenced matters scheduled for hearing before the Division Examiners on June 14, 2018.

APPEARANCES

APPLICANT

Hilcorp Energy Company
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Houston, Texas 77002

ATTORNEYS

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STATEMENT OF THE CASE

Hilcorp is the operator of a 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) and is producing from the Aztec-Pictured Cliffs Gas Pool. The Aztec-Pictured Cliffs Gas Pool is governed by Special Rules and Regulations, which provide for 160-acre spacing and proration units. *See* Order No. R-1670, effective April 13, 1960.

Hilcorp is also the operator of the following two wells:

- a. the **Reid 22M Well** (API No. 30-045-35359), which has a surface location 990 feet from the south line, 915 feet from the west line (Unit M) and a bottom hole location 762 feet from the south line, 1918 feet from the west line of Section 8, Township 28 North, Range 9 West, and is currently producing from the Blanco-Mesaverde, Basin Mancos, and Basin Dakota Gas Pools; and
- b. the **Jackson Com 1E Well** (API No. 30-045-25592), which has a surface and bottom hole location 1690 feet from the south line, 30 feet from the east line (Lot 1) of Section 8, Township 28 North, Range 9 West, and is currently producing from the Blanco-Mesaverde and Basin Dakota Gas Pools.

Hilcorp now proposes to recomplete the **Reid 22M Well** and the **Jackson Com 1E Well** in the Aztec-Pictured Cliffs Gas Pool and dedicate and these wells to the 205.08-acre spacing and proration unit currently dedicated to the Reid 11 Well (API No. 30-045-07536). Hilcorp,

therefore, requests that the Division enter an order granting an exception to the well density requirements of the Aztec-Pictured Cliffs Gas Pool.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Wyn McCubbin, Landman	Approx. 20	Approx. 5
Eddie Pippin, Geology	Approx. 20	Approx. 8
James Osborn, Reservoir Engineer	Approx. 20	Approx. 8

PROCEDURAL MATTERS

Hilcorp respectfully requests that Case Nos. 16222 through 16227 be consolidated for purposes of presenting testimony at hearing.

Respectfully submitted,

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