

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



Administrative Order DHC-4837
Order Date: June 4, 2018

Hilcorp Energy Company
1111 Travis Street
Houston, Tx. 77002

Attention: Mr. John Brown

Allison Unit Well No. 145H
API No. 30-045-29363
Lot 7/Unit M, Section 7, Township 32 North, Range 6 West NMPM
San Juan County, New Mexico

Pool	BASIN FRUITLAND COAL (GAS)	Gas (71629)
Names:	WC32N6W7; KIRTLAND	Gas (98280)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of gas production from the subject well shall be attributed to the Basin Fruitland Coal (Gas) Pool only. The WC32N6W7; Kirtland Pool was included in the administrative application, because the Applicant is milling a window in the casing out of the bottom the Kirtland formation and the top of the Basin Fruitland Coal; therefore the WC32N6W7; Kirtland Pool was required to be included in the application. Further, the Applicant provided engineering testimony that an offset well less than 100 feet from

the Subject Well is tight in the WC32N6W7; Kirtland Pool based on open hole logs, and lack of production.

Assignment of allowable and allocation of production from the well shall be as follows:

BASIN FRUITLAND COAL (GAS)	Pct. Oil: 100	Pct. Gas: 100
WC32N6W7; KIRTLAND	Pct. Oil: 0	Pct. Gas: 0

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12 A (6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District office upon implementation of commingling operations.

This Order is subject to like approval from the Bureau of Land Management.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



HEATHER RILEY
Director

HR/mam

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management – Farmington
Well File - 30-039-29363