

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



Administrative Order DHC-4843  
Order Date: July 9, 2018

Hilcorp Energy Company  
1111 Travis Street  
Houston, Tx. 77002

Attention: Ms. Amanda Walker

San Juan 32 7 Unit Well No. 46  
API No. 30-045-25393  
Unit B, Section 34, Township 32 North, Range 7 West NMPM  
Rio Arriba County, New Mexico

Pool           LOS PINOS; FRUITLAND SAND PICTURED CLIFFS, SOUTH (G)  
                  Gas (80690)  
Names:       BLANCO-MESAVERDE (PRORATED GAS)                   Gas (72319)

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 oil and gas production from the subject well shall be based on historic production of the two pools in the subject well. Presently, the subject well is producing from the two pools with separate production strings. The proposed well bore in the subject well will have production from the two pools commingled.

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

LOS PINOS; FRUITLAND SAND PICTURED CLIFFS, SOUTH (G)	Pct. Oil: 100	Pct. Gas: 74
BLANCO-MESAVERDE (PRORATED GAS)	Pct. Oil: 0	Pct. Gas: 26

It is also understood that notice of this application, pursuant to Hearing Order R-11210, issued on June 21, 199 is not required since the Hearing Order waived notification requirements. Further, Hearing Order R- R-11210 created a reference case for down hole commingling of pools within the San Juan 32 7 Unit.

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.

  
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**HEATHER RILEY**  
**Director**

HR/mam

cc: New Mexico Oil Conservation Division – Aztec  
Bureau of Land Management –Farmington  
Well File -30-045-25393