

ID NO. 293724

NSL - 8689

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2334654349
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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: BURNT MESA FEDERAL COM #601H **API:** PENDING
Pool: BASIN MANCOS **Pool Code:** 97232

**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.

DECEMBER 1, 2023

Date

ROBERT T. CARLSON

Print or Type Name

(832) 839-4596

Phone Number

Rob Carlson (2559) Digitally signed by Rob Carlson (2559)
 DN: cn=Rob Carlson (2559)
 Date: 2023.12.01 10:38:56 -06'00'

Signature

RCARLSON@HILCORP.COM

e-mail Address



December 4, 2023

Sent Via FedEx Standard Overnight
7743 4429 1134

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

Re: Unorthodox Well Location Application
Burnt Mesa Federal Com 601H (API: 30-045-PENDING)
Surface Location: 1009' FSL, 259' FWL; Section 26, T32N, R7W
First Take Point: 11' FSL, 330' FWL; Section 26, T32N, R7W
Last Take Point: 61' FSL, 330' FEL; Section 25, T32N, R7W
Bottomhole Location: 61' FSL, 230' FEL; Section 25, T32N, R7W
Spacing Unit: S/2 Section 25 & 26 (640 ac), T32N, R7W
San Juan County, New Mexico

Dear Mr. Lowe:

Pursuant to Paragraph (3) of Subsection B of 19.15.16.15 NMAC, and 19.15.15.13 NMAC, Hilcorp Energy Company ("Hilcorp") respectfully requests administrative approval of an unorthodox gas well location for the Burnt Mesa Federal Com 603H (the "Well"), a horizontal well targeting the Basin-Mancos Gas Pool (97232).

In lieu of the established spacing unit requirements for the Basin-Mancos Gas Pool, Hilcorp has elected, as provided under Paragraph (3) of Subsection B of 19.15.16.15.B.3 NMAC, to dedicate this Well to a 640.00 acre horizontal spacing unit comprised of quarter sections, being the SW/4 & SE/4 of Section 25 and SW/4 & SE/4 of Section 26, T32N, R7W. There are no Mancos wells producing within the spacing unit or any of the adjoining quarter sections.

Paragraph (1) of Subsection C of 19.15.16.15 NMAC prescribes minimum setbacks from the outer boundary of the horizontal spacing unit of 660', measured perpendicularly from any point in the completed interval, and 330', measured from the first/last take points. The first/last take points of this Well are compliant with the 330' requirement from the east/west boundaries of the spacing unit. The completed interval of the Well, located between 11 feet and 61 feet from the spacing unit boundary to the south, fails to satisfy the 660' requirement and encroaches upon the NW/4 & NE/4 of Section 35 and NW/4 & NE/4 of Section 36, T32N, R7W (the "Affected Quarter Sections").

Hilcorp believes this unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. Hilcorp is the operator and owns 100% working interest in the Affected Quarter Sections. Thus, pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC and Paragraph (8) of Subsection A of 19.15.2.7 NMAC, the only affected persons entitled to notice are the Bureau of Land Management and the New Mexico State Land Office.

Attachments: 1) administrative application checklist, 2) plat survey, 3) notice mail delivery confirmation and 3) a map visualizing the pertinent details discussed herein.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Carlson".

Robert T. Carlson, CPL
Landman
(832) 839-4596
rcarlson@hilcorp.com

PO Box 61229, Houston, TX 77208-1229 1111 Travis Street, Houston, TX 77002
Phone: (832) 839-4596 Fax 713/209-2478 rcarlson@hilcorp.com



December 4, 2023

Sent Via FedEx Standard Overnight
7743 4425 8032

TO: New Mexico State Land Office
Attn: Baylen Lamkin
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Notice of Unorthodox Well Location Application
Burnt Mesa Federal Com 601H (30-045-**PENDING**)
Surface Location: 1009' FSL, 259' FWL; Section 26, T32N, R7W
First Take Point: 11' FSL, 330' FWL; Section 26, T32N, R7W
Last Take Point: 61' FSL, 330' FEL; Section 25, T32N, R7W
Bottom Hole Location: 61' FSL, 230' FEL; Section 25, T32N, R7W
Spacing Unit: S/2 Section 25 & 26 (640 ac.), T32N, R7W
San Juan County, New Mexico

To Mr. Lamkin:

In accordance with Paragraph (2) of Subsection A of 19.15.4.12 NMAC and Paragraph (8) of Subsection A of 19.15.2.7 NMAC, the enclosed materials are being provided to satisfy notice obligations as such relates to Hilcorp's intent to file an application for unorthodox location with the New Mexico Oil Conservation Division ("NMOCD").

Should you have any questions or concerns that warrant a potential protest, please notify the NMOCD within 20 days and, separately, contact the undersigned for further discussion.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Carlson'.

Robert T. Carlson, CPL
Landman
(832) 839-4596
rcarlson@hilcorp.com

*Waiver to Unorthodox Location Application – Burnt Mesa Federal Com 601H (API: 30-045-**PENDING**)*

NEW MEXICO STATE LAND OFFICE does not object to Hilcorp Energy Company drilling the Burnt Mesa Federal Com 601H at the current unorthodox location with a proration unit comprised of the S/2 Section 25 & 26 (640.00 Ac.), T32N, R7W, San Juan County, New Mexico.

New Mexico State Land Office

Date

Print Name



December 07, 2023

Dear Customer,

The following is the proof-of-delivery for tracking number: 774344291134

Delivery Information:

Status:	Delivered	Delivered To:	Mailroom
Signed for by:	M.LOVATO	Delivery Location:	
Service type:	FedEx Standard Overnight		
Special Handling:	Deliver Weekday		SANTA FE, NM,
		Delivery date:	Dec 6, 2023 10:41

Shipping Information:

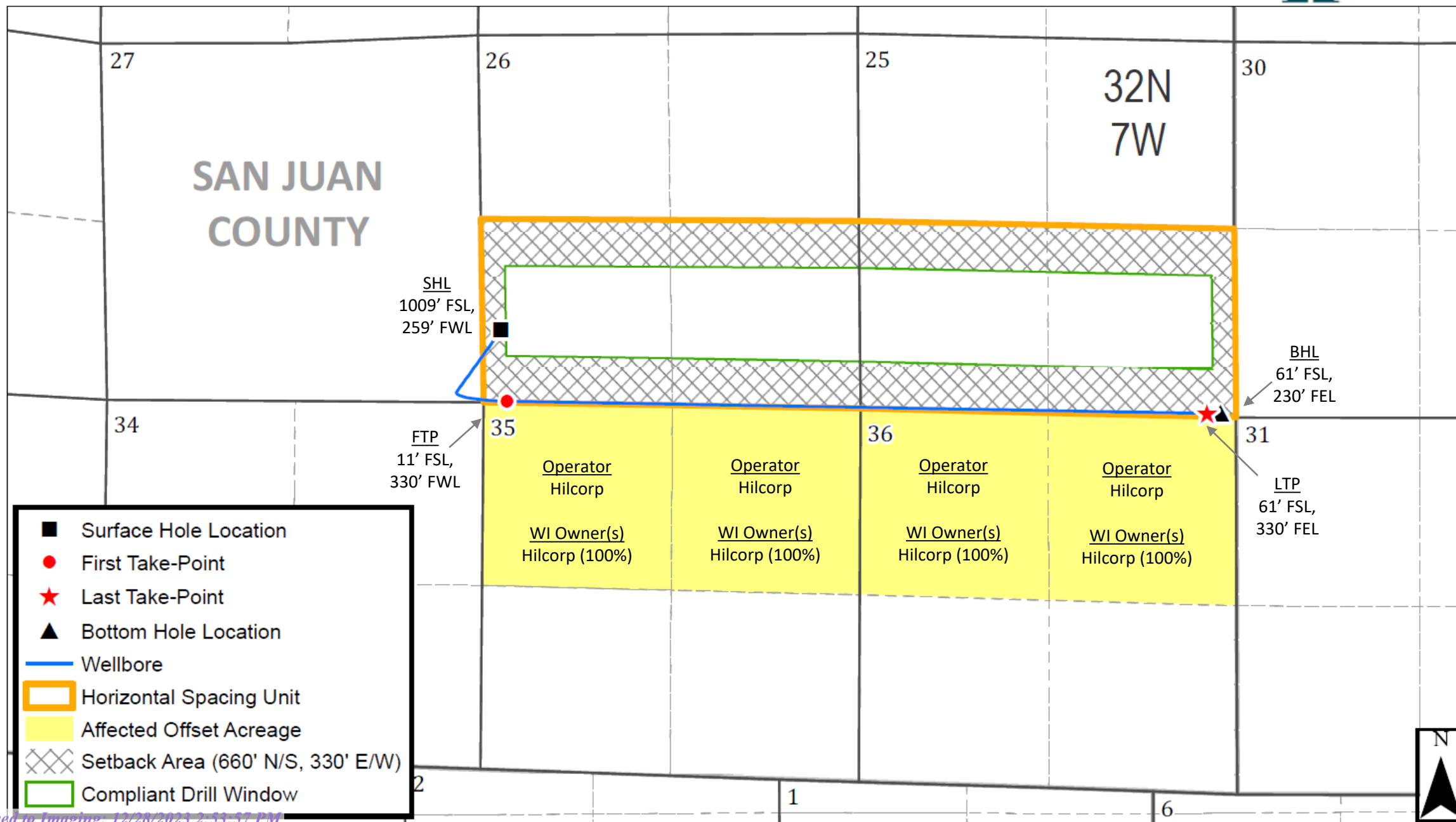
Tracking number:	774344291134	Ship Date:	Dec 5, 2023
		Weight:	0.5 LB/0.23 KG
Recipient:		Shipper:	
SANTA FE, NM, US,		Houston, TX, US,	

Reference	Burnt Mesa Fed Com 601H NSL
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FedEx Express proof-of-delivery details appear below; however, no signature is currently available for this shipment. Please check again later for a signature.

Thank you for choosing FedEx

Application for Unorthodox Well Location: BURNT MESA FEDERAL COM 601H



District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

Submit one copy to
Appropriate District Office

☐ AMENDED REPORT

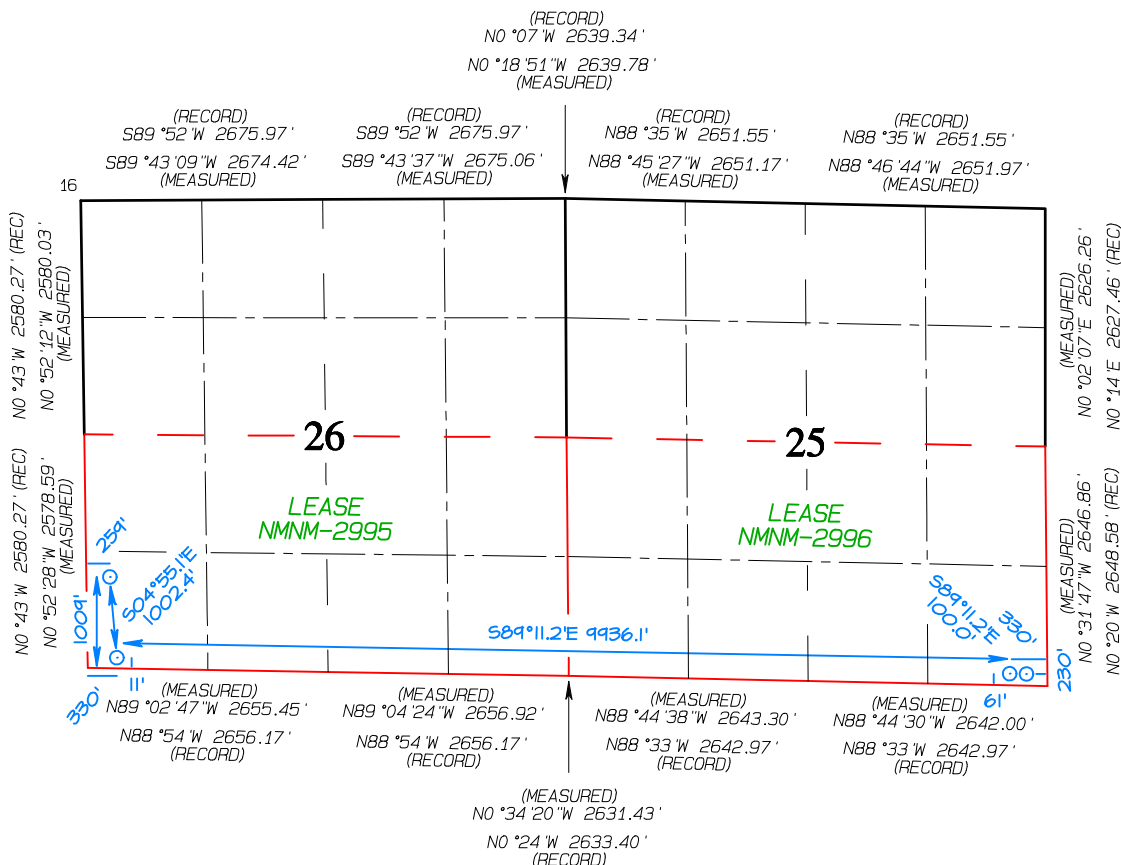
¹ API Number		² Pool Code 97232		³ Pool Name BASIN MANCOS	
⁴ Property Code		⁵ Property Name BURNT MESA FEDERAL COM			⁶ Well Number 601H
⁷ OGRID No. 372171		⁸ Operator Name HILCORP ENERGY COMPANY			⁹ Elevation 6748'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	32N	7W		1009	SOUTH	259	WEST	SAN JUAN

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	32N	7W		61	SOUTH	230	EAST	SAN JUAN

¹² Dedicated Acres	S/2 - Section 25	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
640.00	S/2 - Section 26			

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



SURFACE LOCATION
1009' FSL 259' FWL
SEC 26, T32N, R7W
LAT 36.947220 °N
LONG -107.544041 °W
DATUM: NAD1927

FIRST TAKE POINT
11' FSL 330' FWL
SEC 26, T32N, R7W
LAT 36.944476°N
LONG -107.543758°W
DATUM: NAD1927

LAST TAKE POINT
61' FSL 330' FEL
SEC 25, T32N, R7W
LAT 36.944001°N
LONG -107.509763°W
DATUM: NAD1927

END OF LATERAL
61' FSL 230' FEL
SEC 25, T32N, R7W
LAT 36.943996 °N
LONG -107.509420 °W
DATUM: NAD1927

LAT 36.947225 °N
LONG -107.544649 °W

LAT 36.944481°N
 LONG -107.544365°W

LAT 36.944006 °N
LONG -107.510369 °W
DATUM: NAD1983

LAT 36.944002°N
LONG -107.510027°W
DATUM: NAD1983

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 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.

Signature _____ Date _____

Printed Name _____

E-mail Address

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.

Date Revised: MARCH 10, 2023
Date of Survey: JULY 27, 2022

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number	15269
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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

CONDITIONS

Action 293724

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 293724
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	12/12/2023