

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie A. Kenderdine
Deputy Secretary - Designate

Ben Shelton
Deputy Secretary (Acting)

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Mr. Rob Carlson
rcarlson@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8765

**Hilcorp Energy Company [OGRID 372171]
Sunray G Well No. 2B
API No. 30-045-33908**

Surface Location; Directional Well

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	585 FNL & 210 FEL	D/4	22	31N	09W	San Juan
FTP	1174 FNL & 332 FEL	A/1	21	31N	09W	San Juan
LTP	1300 FNL & 453 FEL	A/1	21	31N	09W	San Juan
BHL	1560 FNL & 710 FEL	H/8	21	31N	09W	San Juan

Proposed Unit

Description	Acres	Pool	Pool Code
E/2 Section 21	314.96	Basin Fruitland Coal (Gas)	71629

Reference is made to your application received on May 29th, 2024.

It is understood that this Directional well will be recompleted at an unorthodox gas location described above in the referenced pool or formation. This location is governed by Special Pool rule, Hearing Order R – 8768, which provides for wells to be no closer than 790 feet to any outer boundary, nor closer than 10 feet to any QTR-QTR section line of the proration unit.

This well's completed interval is as close as 332 - 453 feet to the eastern boundary. Encroachment will impact the following tracts.

Section 22, encroachment to the W/2

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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands that you are seeking this orthodox location due to recompleting this well into a different pool/formation within the Fruitland Coal formation underlying the E/2 of Section 22. Thus, efficiently developing the acreage to prevent waste within the spacing unit.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



GERASIMOS RAZATOS
Division Director (Acting)
GR/lrl

Date: 8/8/2024

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 371772

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 371772
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	8/8/2024