

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Gatewood Brown
gabrown@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9111

Hilcorp Energy Company [OGRID 372171]
San Juan 29 7 Unit Well No. 72C
API No. 30-039-26650

Reference is made to your application received on September 5th, 2025.

Location; Vertical Well

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
SHL/BHL	1150 FSL & 305 FEL	P	26	29N	07W	Rio Arriba

Proposed Gas Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 Section 26	320	Basin Fruitland Coal	71629

This vertical well was recompleted into an unorthodox location described above in the referenced pool or formation. R-8768-B governs this well which provides for 320-acre spacing units with setbacks no closer than 660 feet, nor closer than 10 feet to any interior quarter – quarter section line.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(6) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

Administrative Order NSL - 9111
Hilcorp Energy Company
Page 2 of 2

This well's completed interval is as close as 305 feet to the eastern edge of the spacing unit. Encroachment will impact the following tracts.

Section 25, encroachment to the W/2

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

Division understands you are requesting this unorthodox location due to maximize recovery of oil and gas reserves and to minimize surface disturbance. This will prevent waste within the Basin Fruitland Coal formation underlying the E/2 of section 26.

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

Per 19.15.15.13 (B) 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.



Albert C.S. Chang
Division Director
AC/lrl

Date: 10/31/2025

ID NO. 503221

NSL - 9111

Revised March 23, 2017

RECEIVED: 09/05/25	REVIEWER:	TYPE:	APP NO:
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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: San Juan 29-7 Unit 72C **API:** 30-039-26650
Pool: Basin Fruitland Coal **Pool Code:** 71629

**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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

8/11/2025

Date

Gatewood Brown

Print or Type Name

713-757-7108

Phone Number

Signature

gabrown@hilcorp.com

e-mail Address

Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting Submittal Type: ☐ Initial Submittal ☐ Amended Report ☐ As Drilled
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WELL LOCATION INFORMATION

API Number 30-039-26650	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 318713	Property Name SAN JUAN 29-7 UNIT	Well Number 72C
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6294'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL P	Section 26	Township 29N	Range 07W	Lot	Ft. from N/S 1150' FSL	Ft. from E/W 305' FEL	Latitude 36.6926651	Longitude -107.5323639	County RIO ARRIBA
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Bottom Hole Location

UL P	Section 26	Township 29N	Range 07W	Lot	Ft. from N/S 1150' FSL	Ft. from E/W 305' FEL	Latitude 36.6926651	Longitude -107.5323639	County RIO ARRIBA
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Dedicated Acres 320.00	Infill or Defining Well INFILL	Defining Well API	Overlapping Spacing Unit (Y/N) NO	Consolidation Code UNIT
Order Numbers.			Well setbacks are under Common Ownership: ☒ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Last Take Point (LTP)

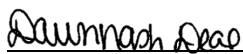
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☒ Vertical	Ground Floor Elevation: 6294'
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OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.



08/15/2025

Signature

Date

Dawn Nash-Deal

Printed Name

Dnash@hilcorp.com

Email Address

SURVEYOR CERTIFICATIONS

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.

Roy A Rush

Signature and Seal of Professional Surveyor

8894

Certificate Number

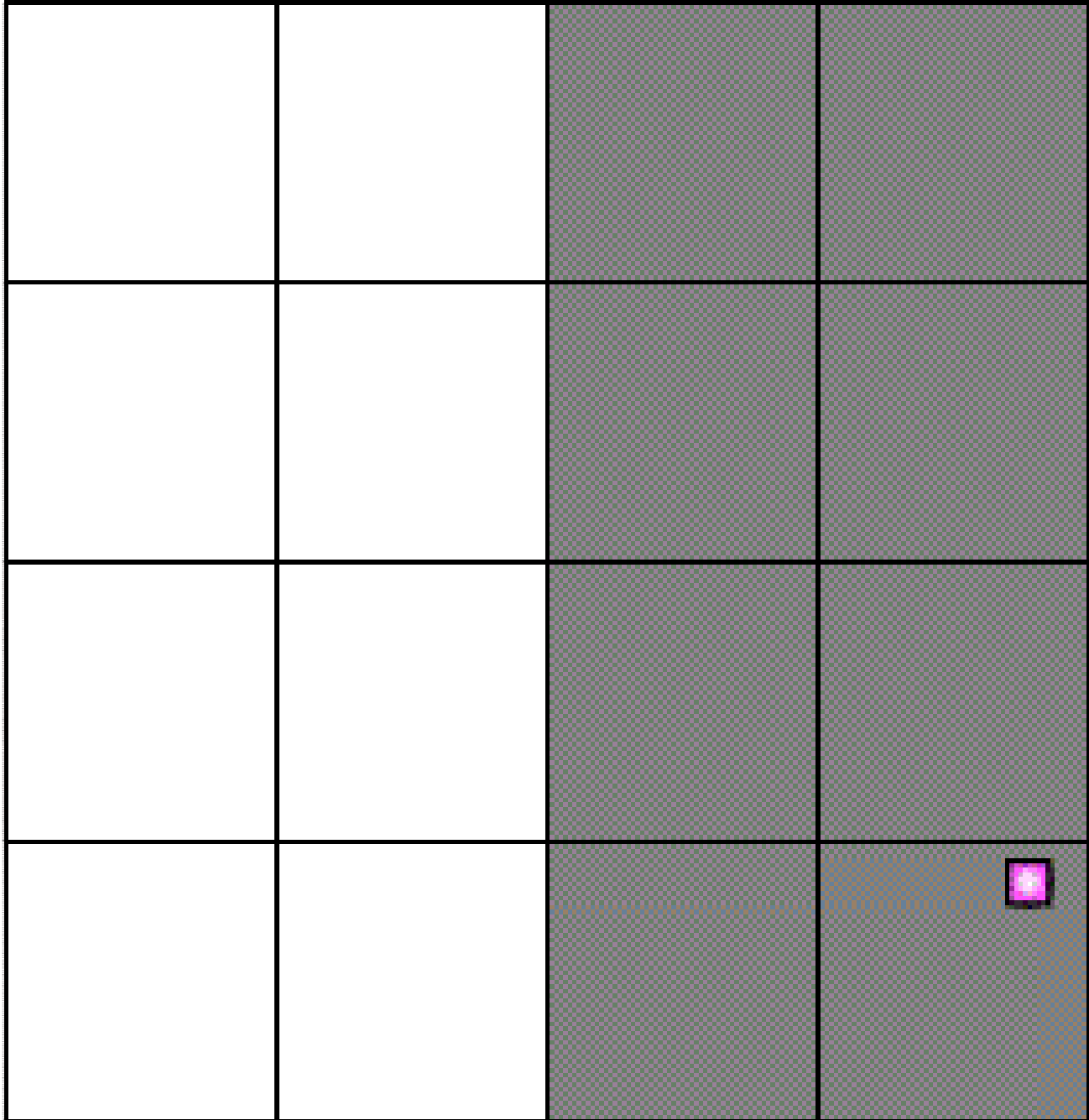
11/7/00

Date of Survey

Note: 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.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.





September 4, 2025

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

Re: Unorthodox Well Location Application for Basin Fruitland Coal
San Juan 29-7 Unit 072C: API 3003926650
SHL/BHL: Unit P (SE/SE), 1150' FSL & 305' FWL
Spacing Unit: E/320 acres in Section 26, T29N, R07W
Rio Arriba County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, Hilcorp Energy Company ("Hilcorp") hereby requests administrative approval for an unorthodox gas well location in the Basin Fruitland Coal Gas Pool (71629).

Hilcorp intends to utilize the subject wellbore for a recompletion attempt to the Basin Fruitland Coal formation; dedicated to a standard 320-acre gas spacing unit in the E/2 of Section 26, T29N, R07W.

Rule (7) of the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool (Order R-8768-B) provides "*wells drilled or recompleted on every standard or non-standard unit in the Basin-Fruitland Coal Gas Pool...shall be located no closer than 660 feet to any outer boundary of a proration unit*". The subject vertical wellbore, however, is situated approximately 305 feet from the west line boundary of the San Juan 29-7 Unit Pictured Cliffs Participating Area 20th Expansion. Thus, the Basin Fruitland Coal recompletion contemplated herein becomes unorthodox by default.

Referring to the enclosed map titled "Unorthodox Location Plat":

Pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC, the affected spacing unit encroached upon by this unorthodox location (shown in red on the map enclosed) is the W/2 of Section 25, T27N, R07W. Hilcorp operated and owns a majority working interest in the San Juan 29-7 Unit 072C (API 3003926650). Thus, pursuant to Paragraph (8) of Subsection A of 19.15.2.7 NMAC, Hilcorp, as of the date of this letter, has provided notice to all working interest owners in the affected spacing unit and the Bureau of Land Management.

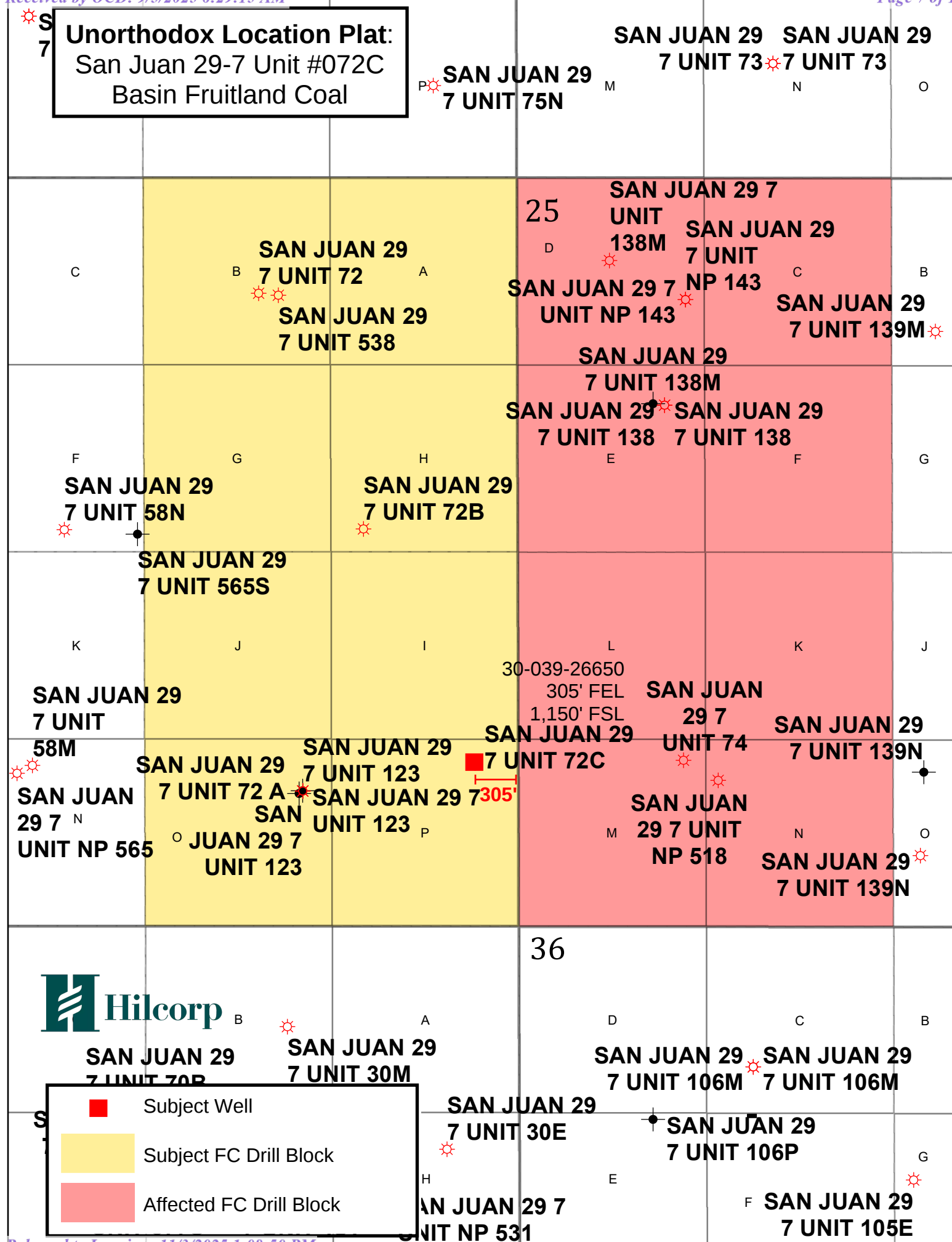
This unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. A notice of intent to recomplete the Basin Fruitland Coal Gas Pool has or will be soon filed with the Aztec OCD district office. Attached are C-102's for both formations, an unorthodox location map and the notice parties/proof of notification as required by 19.15.4.12.A.2. For questions, please contact me at the email/number below.

Sincerely,

A handwritten signature in blue ink that reads 'G Brown'.

Gatewood D. Brown
Landman
713.289.2767
gabrown@hilcorp.com

GDB;adb





August 11, 2025

Sent via Certified Mail:

To: All Affected Working Interest Owners

Re: Unorthodox Well Location Application for Basin Fruitland Coal
San Juan 29-7 Unit 072C: API 3003926650
SHL/BHL: Unit P (SE/SE), 1150' FSL & 305' FWL
Spacing Unit: E/320 acres in Section 26, T29N, R07W
Rio Arriba County, New Mexico

Dear Working Interest Owner:

Pursuant to 19.15.15.13 NMAC, Hilcorp has filed an Unorthodox Location Application for the subject well. This letter serves to provide you, an owner of working interest in the affected spacing unit this unorthodox location encroaches upon, with notice of said application as required by 19.15.4.12.A.2 NMAC.

Please refer to copies of the application materials enclosed for further details. Per 19.15.15.13 NMAC, objections shall be made in writing with the NMOCD within twenty (20) days from the date of this letter.

Should you support this effort, no action is required on your part unless you'd like to expedite approval by executing and returning (via email) the waiver below to anna.barnes@hilcorp.com. For questions, please contact me at the email/number below.

Sincerely,

A handwritten signature in blue ink that reads 'G Brown'.

Gatewood D. Brown
Landman
713.289.2767
gabrown@hilcorp.com

GDB;adb



August 11, 2025

Sent via Certified Mail

Bureau of Land Management
6251 College Blvd A
Farmington, NM 87402

Re: Unorthodox Well Location Application for Basin Fruitland Coal
San Juan 29-7 Unit 072C: API 3003926650
SHL/BHL: Unit P (SE/SE), 1150' FSL & 305' FWL
Spacing Unit: E/320 acres in Section 26, T29N, R07W
Rio Arriba County, New Mexico

To Whom it May Concern:

Pursuant to 19.15.15.13 NMAC, Hilcorp has filed an Unorthodox Location Application with the New Mexico Oil Conservation Division. The spacing unit the subject unorthodox location encroaches upon is partially comprised of two federal leases. Thus, this letter serves to provide the BLM with notice as required by 19.15.4.12.A.2 NMAC.

Please refer to copies of the application materials enclosed for further details. Per 19.15.15.13 NMAC, objections shall be made in writing with the NMOCD within twenty (20) days from the date of this letter.

Should you have any questions concerning this application, please feel free to call me at the number below.

Sincerely,

A handwritten signature in blue ink that reads 'G Brown'.

Gatewood D. Brown
Landman
713.289.2767
gabrown@hilcorp.com

GDB:adb

F SAN JUAN 29
7 UNIT 105E

Affected FC Drill Block

92148969009997901849520329	, R L BOLIN PROPERTIES LTD, 5949 Sherry Lane, Suite 1850, Dallas, TX, 75225 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520336	, WILDCARD FAMILY LIMITED PARTNERSHIP, 1601 BRYAN STREET SUITE 4300,, DALLAS, TX, 75201-3477 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520343	, T H MCELVAIN OIL and GAS LLLP, 1819 DENVER WEST DRIVE, SUITE 260,, LAKEWOOD, CO, 80401 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520350	, TAMACAM LLC, 263 JOE ROCKY ROAD,, RAYMOND, WA, 98577 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520367	, JandM RAYMOND LTD, PO BOX 291445,, KERRVILLE, TX, 78029 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520374	, BOLIN RESOURCES LP, 2525 KELL BLVD SUITE 510,, WICHITA FALLS, TX, 76308 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520381	, LANCE REEMTSMA, 2601 GRANT STREET,, BERKELY, CA, 94703 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520398	, DIRK VANHORN REEMTSMA, 556 CRESTWOOD DR,, OCEANSIDE, CA, 92058 Code: NSL-29-7 un 72C	8/14/2025

92148969009997901849520404	, DAVID PIERCE and MAXINE PIERCE REV TR, PO BOX 4140,, FARMINGTON, NM, 87499-4140 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520411	, ENDURING RESOURCES IV LLC, 6300 S Syracuse Way, Suite 525, Centennial, CO, 80111 Code: NSL-29-7 un 72C	8/14/2025
92148969009997901849520428	, SIMCOE LLC, 1199 MAIN AVENUE, SUITE 101, DURANGO, CO, 81301 Code: NSL-29-7 un 72C	8/14/2025

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 503221

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 503221
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	9/19/2025