

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 - 9129

**Hilcorp Energy Company [OGRID 372171]
San Juan 29 6 Unit Well No. 118M
API No. 30-039-31483**

Reference is made to your application received on September 11th, 2025.

Surface Location; Deviated Well

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
SHL	1179 FSL & 1422 FEL	O	32	29N	06W	Rio Arriba
BHL	1931 FSL & 1926 FEL	J	32	29N	06W	Rio Arriba

Proposed Gas Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 Section 32	320	Basin Dakota	71599

This vertical well was recompleted into an unorthodox location described above in the referenced pool or formation. Special pool rule R-8768-B governs this well which provides for 160-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 - 9129
Hilcorp Energy Company
Page 2 of 2

This well's completed interval is as close as 656 feet to the western edge of the spacing unit. Encroachment will impact the following tracts.

Section 32, 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 minimize surface disturbance. This will prevent waste within the Basin Dakota formation underlying the E/2 of section 32.

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. 505373

NSL - 9129

Revised March 23, 2017

RECEIVED: 09/11/25	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 29-6 Unit 118M **API:** 30-039-31483
Pool: Basin Dakota **Pool Code:** 71599

**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.

9/11/2025

Date

Gatewood Brown

Print or Type Name

713.289.2767

Phone Number

Signature

gabrown@hilcorp.com

e-mail Address



September 11, 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 Dakota
San Juan 29-6 Unit 118M (API: 30-039-31483)
SHL/BHL: Unit J (NW/SW), 2,046' FSL & 655' FWL
Spacing Unit: W/320 acres in Section 32, T29N, R06W
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 Dakota Gas Pool (71599).

Hilcorp intends to utilize the subject wellbore for a recompletion attempt to the Basin Dakota formation; dedicated to a standard 320-acre gas spacing unit in the W/2 of Section 32, T29N, R06W.

Rule (7) of the Special Rules and Regulations for the Basin Dakota Gas Pool (Order R-8768-B) provides "*wells drilled or recompleted on every standard or non-standard unit in the Basin Dakota 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 655 feet from the west line boundary of the W/2 spacing unit. Thus, the Basin Dakota 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 (in red on the map enclosed) is the E/2 of Section 32, T29N, R06W. Hilcorp operates and owns a majority working interest in the San Juan 29-6 Unit 118M (API: 30-039-31483). 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 Dakota Gas Pool has or will be soon filed with the Aztec OCD district office. Attached is the C-102 for the formation, 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

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type	☐ Initial Submittal
			☒ Amended Report
		☐ As Drilled	

WELL LOCATION INFORMATION

API Number 30-039-31483	Pool Code 71599	Pool Name BASIN DAKOTA
Property Code 318838	Property Name SAN JUAN 29-6 UNIT	Well Number 118M
OGRID No. 372171	Operator Name HILCORP ENERGY COMPANY	Ground Level Elevation 6746'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL O	Section 32	Township 29N	Range 6W	Lot	Feet from N/S Line 1179' SOUTH	Feet from E/W Line 1422' EAST	Latitude 36.678196 °N	Longitude -107.482210 °W	County RIO ARRIBA
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Bottom Hole Location

UL J	Section 32	Township 29N	Range 6W	Lot	Feet from N/S Line 1931' SOUTH	Feet from E/W Line 1926' EAST	Latitude 36.680261 °N	Longitude -107.483931 °W	County RIO ARRIBA
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Dedicated Acres 320.00	Penetrated Spacing Unit: E/2 SECTION 32, T29N, R6W	Infill or Defining Well DEFINING	Defining Well API	Overlapping Spacing Unit ☐ Yes ☒ No	Consolidation Code U
Order Numbers			Well setbacks are under Common Ownership: ☒ Yes ☐ No		

Kick Off Point (KOP)

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

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

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
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Unitized Area or Area of Uniform Interest SAN JUAN 29-6 UNIT	Spacing Unit Type ☐ Horizontal ☐ Vertical ☒ Directional	Ground Floor Elevation 6746'
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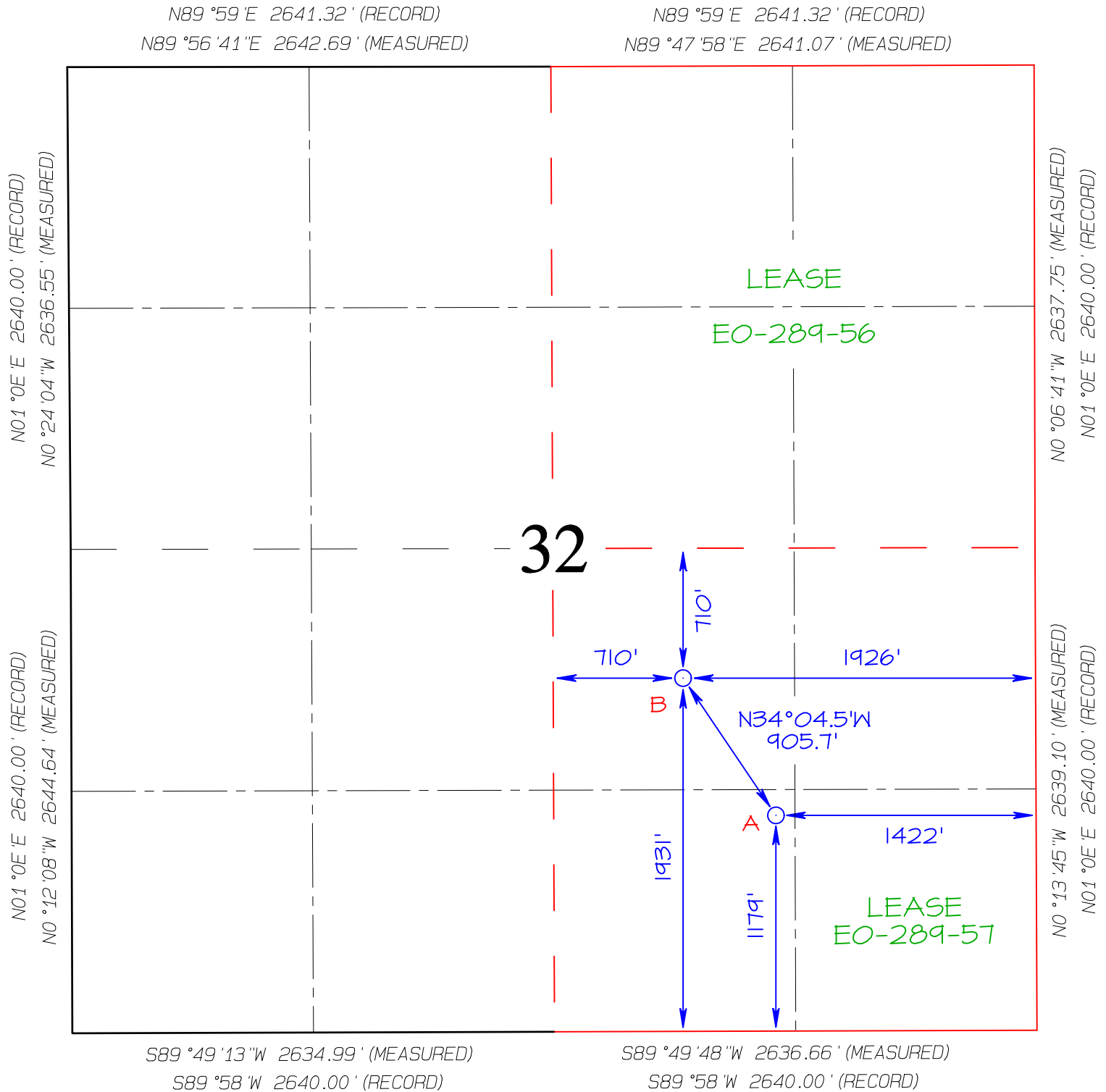
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed 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. <u>Dawn Nash Deal</u> 05/02/2025 Signature Date DAWN NASH-DEAL Printed Name DNASH@HILCORP.COM E-mail Address	SURVEYOR CERTIFICATION 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.  JASON C. EDWARDS Signature and Seal of Professional Surveyor <table><tr><td>Certificate Number 15269</td><td>Date of Survey JUNE 6, 2024</td></tr></table>	Certificate Number 15269	Date of Survey JUNE 6, 2024
Certificate Number 15269	Date of Survey JUNE 6, 2024		

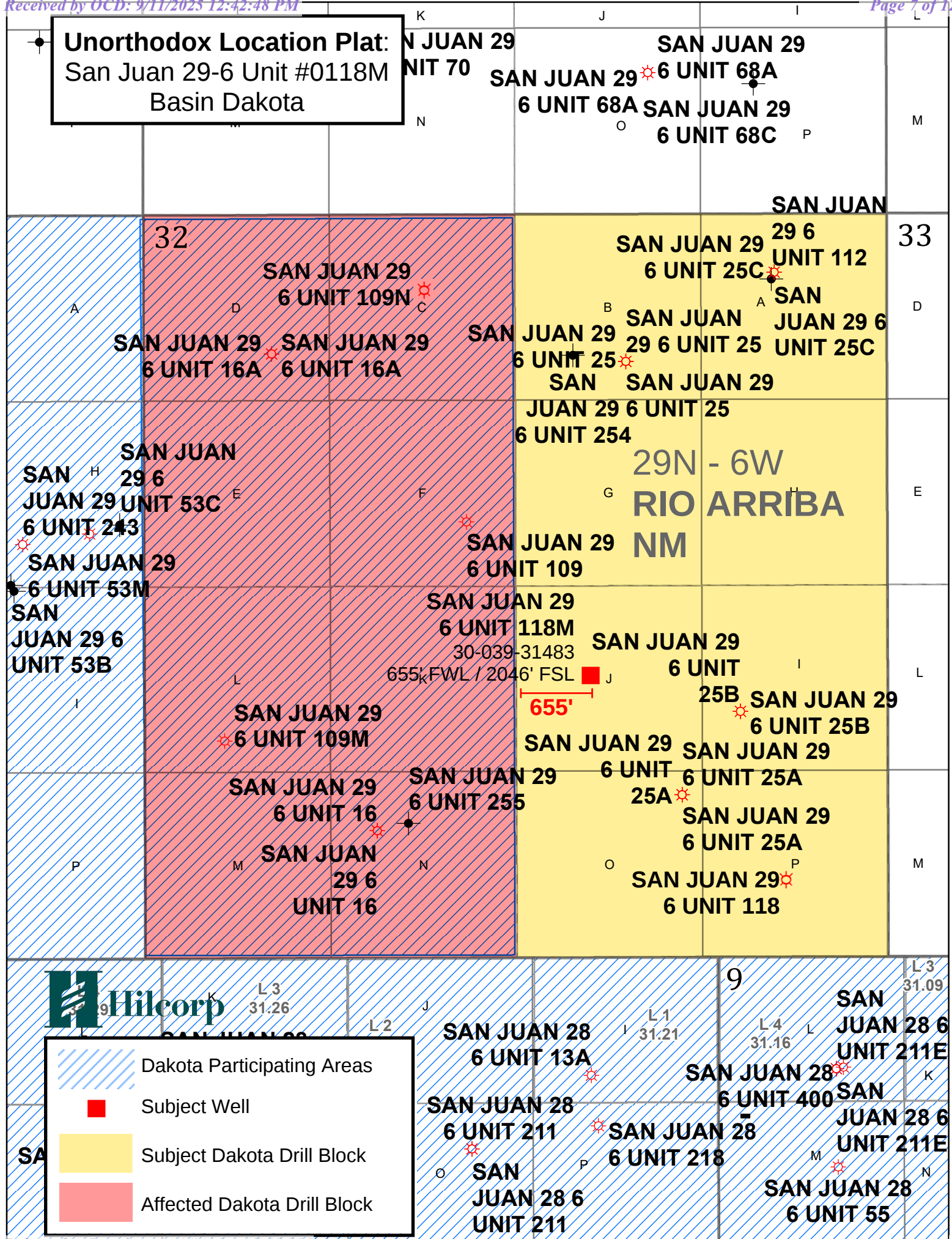
SURFACE LOCATION (A)
1179' FSL 1422' FEL
LAT 36.678188 °N
LONG -107.481605 °W
DATUM: NAD1927

LAT 36.678196 °N
LONG -107.482210 °W
DATUM: NAD1983

BOTTOM-HOLE LOCATION (B)
1931' FSL 1926' FEL
LAT 36.680254 °N
LONG -107.483326 °W
DATUM: NAD1927

LAT 36.680261 °N
LONG -107.483931 °W
DATUM: NAD1983







September 11, 2025

Sent via Certified Mail:

To: All Affected Working Interest Owners

Re: Unorthodox Well Location Application for Basin Dakota
San Juan 29-6 Unit 118M (API: 30-039-31483)
SHL/BHL: Unit J (NW/SW), 2,046' FSL & 655' FWL
Spacing Unit: E/320 acres in Section 32, T29N, R06W
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. 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



September 11, 2025

Sent via Certified Mail

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

Re: Unorthodox Well Location Application for Basin Dakota
San Juan 29-6 Unit 118M (API: 30-039-31483)
SHL/BHL: Unit J (NW/SW), 2,046' FSL & 655' FWL
Spacing Unit: E/320 acres in Section 32, T29N, R06W
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 one federal lease. 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 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

92148969009997901850061903	, FRANK N GIBBARD JR, 346 PLEASANT ST STE 349, PORTSMOUTH, NH, 03801 Code: 118M DK NSL	9/11/2025
92148969009997901850061910	, JandM RAYMOND LTD, PO BOX 291445, KERRVILLE, TX, 78029-1445 Code: 118M DK NSL	9/11/2025
92148969009997901850061927	, ELAINE G HOWE, PO BOX 624, SULPHUR, OK, 73086-0624 Code: 118M DK NSL	9/11/2025
92148969009997901850061934	, SABLE ENERGY LTD, 1801 EAST 71ST STREET, TULSA, OK, 74136 Code: 118M DK NSL	9/11/2025
92148969009997901850061941	, GRAYFORE PARTNERS LP, PO BOX 98670, LUBBOCK, TX, 79499-8670 Code: 118M DK NSL	9/11/2025
92148969009997901850061958	, BETTY T JOHNSTON MARITAL TRUST, 17347 VILLAGE GREEN DR STE #101, HOUSTON, TX, 77040 Code: 118M DK NSL	9/11/2025
92148969009997901850061965	, V A JOHNSTON LTD, PO BOX 303247, AUSTIN, TX, 78703 Code: 118M DK NSL	9/11/2025
92148969009997901850061972	, VAUGHAN-MCELVAIN ENERGY INC, PO BOX 970, KENNETT SQUARE, PA, 19348 Code: 118M DK NSL	9/11/2025
92148969009997901850061989	, MCELVAIN OIL COMPANY, PO BOX 801888, DALLAS, TX, 75380-1888 Code: 118M DK NSL	9/11/2025

92148969009997901850061996	, EULA MAY JOHNSTON TRUST 661, PO BOX 840738, DALLAS, TX, 75284-0738 Code: 118M DK NSL	9/11/2025
92148969009997901850062825	, SIMCOE, LLC, 1199 Main Avenue, Durango, CO, 81301 Code: 118M DK NSL	9/11/2025
92148969009997901850062016	, MAYBOLE COMPANY LLC, 7 CROWNWOOD CT, DALLAS, TX, 75225 Code: 118M DK NSL	9/11/2025

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 505373

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 505373
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	11/3/2025