

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**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](mailto:gabrown@hilcorp.com)

**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL - 9114**

**Hilcorp Energy Company [OGRID 372171]  
San Juan 29 7 Unit Well No. 81N  
API No. 30-039-29703**

Reference is made to your application received on September 5<sup>th</sup>, 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	2180 FSL & 265 FEL	I	18	29N	07W	Rio Arriba

**Proposed Gas Unit**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 Section 18	160	Blanco Pictured Cliffs	72359

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 spacing unit.

Administrative Order NSL - 9114  
Hilcorp Energy Company  
Page 2 of 2

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This well's completed interval is as close as 265 feet to the eastern edge of the spacing unit. Encroachment will impact the following tracts.

Section 17, encroachment to the SW/4

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 to maximize the recovery of oil and gas reserves and minimize surface disturbance. This will prevent waste within the Basin Fruitland Coal formation underlying the SE/4 of section 18.

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.



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**Albert C.S. Chang**  
Division Director  
AC/lrl

**Date:** 11/10/2025

ID NO. 503229

NSL - 9114

Revised March 23, 2017

RECEIVED: <b>09/05/25</b>	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 81N **API:** 30-039-29703  
**Pool:** Blanco Pictured Cliffs **Pool Code:** 72359

**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

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

Gatewood Brown

Print or Type Name

Gabrown

Signature

8/14/2025  
Date

713.757.7108  
Phone Number

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: <a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a>	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	<b>C-102</b> Revised July 9, 2024 Submit Electronically via OCD Permitting
		Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

**WELL LOCATION INFORMATION**

API Number 30-039-29703	Pool Code 72359	Pool Name BLANCO PICTURED CLIFFS
Property Code 318713	Property Name SAN JUAN 29-7 UNIT	Well Number 81N
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6794'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	18	29N	07W		2180' FSL	265' FEL	36.7247047	-107.6042099	RIO ARRIBA

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	18	29N	07W		2180' FSL	265' FEL	36.7247047	-107.6042099	RIO ARRIBA

Dedicated Acres 160.00	Infill or Defining Well DEFINING	Defining Well API	Overlapping Spacing Unit (Y/N) NO	Consolidation Code UNIT
Order Numbers.			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

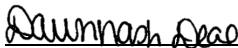
**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

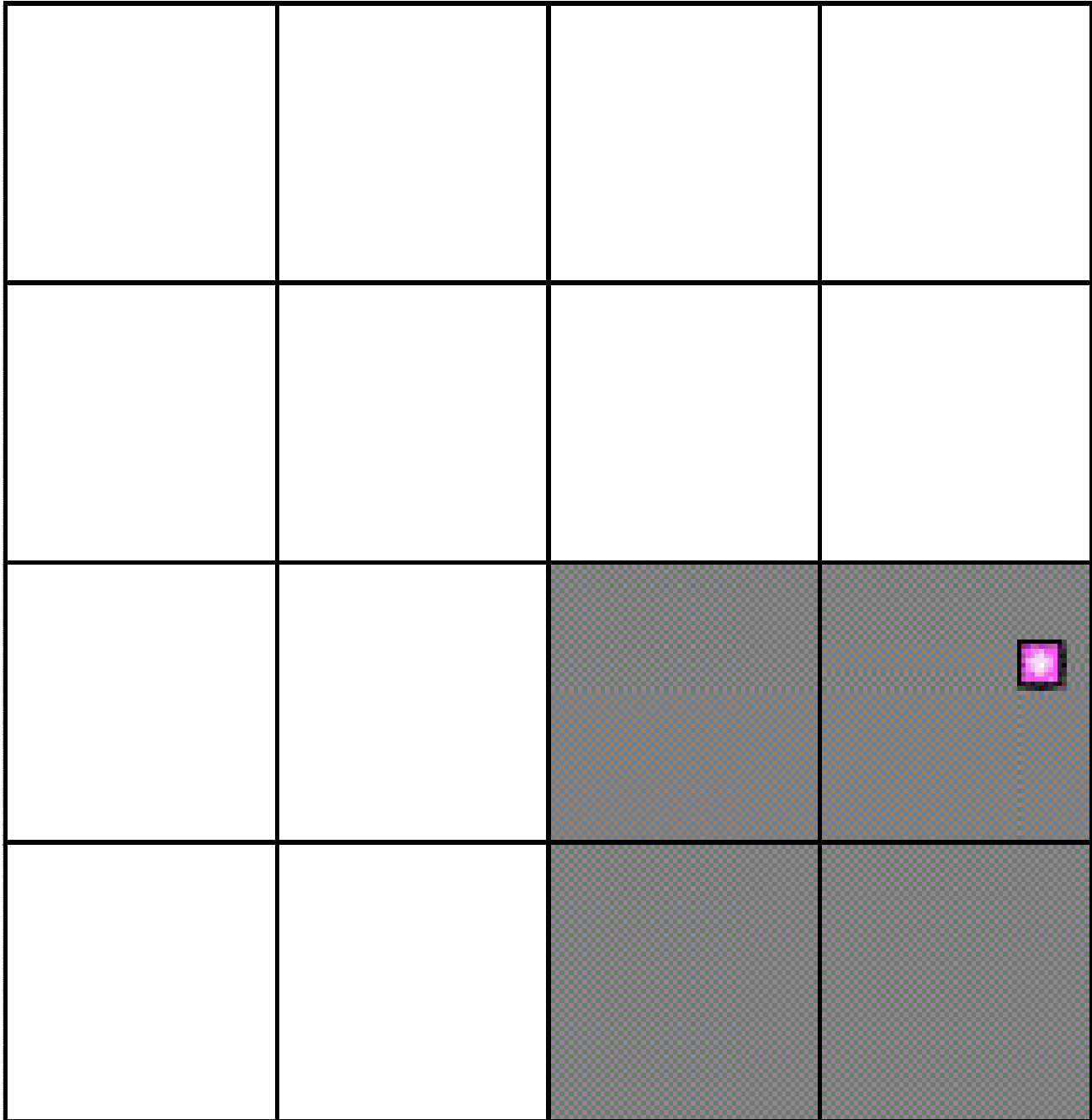
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6794'
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<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information 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.</i></p> <p><i>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.</i></p> <p> 08/15/2025                  _____                  Signature Date</p> <p>Dawn Nash-Deal                  _____                  Printed Name</p> <p>Dnash@hilcorp.com                  _____                  Email Address</p>	<p><b>SURVEYOR CERTIFICATIONS</b></p> <p><i>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.</i></p> <p>Glen Russell                  _____                  Signature and Seal of Professional Surveyor</p> <p>15703 9-19-2005                  _____                  Certificate Number Date of Survey</p>
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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 Blanco Pictured Cliffs  
San Juan 29-7 Unit 81N (API: 30-039-29703)  
SHL/BHL: Unit I (NE/SE), 2,180' FSL & 265' FEL  
Spacing Unit: SE/4 160 acres in Section 18, 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 Blanco Pictured Cliffs Gas Pool (72359).

Hilcorp intends to utilize the subject wellbore for a recompletion attempt to the Blanco Pictured Cliffs formation; dedicated to a standard 160-acre gas spacing unit in the SE/4 of Section 18, T29N, R07W.

Rule (7) of the Special Rules and Regulations for the Blanco Pictured Cliffs Gas Pool (Order R-8768-B) provides "*wells drilled or recompleted on every standard or non-standard unit in the Blanco Pictured Cliffs 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 265 feet from the east line boundary of the E/2 spacing unit. Thus, the Blanco Pictured Cliffs 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 SW/4 of Section 17, T29N, R07W. Hilcorp operates and owns a majority working interest in the San Juan 29-7 Unit 81N (API 30-039-29703). 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 Blanco Pictured Cliffs 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.

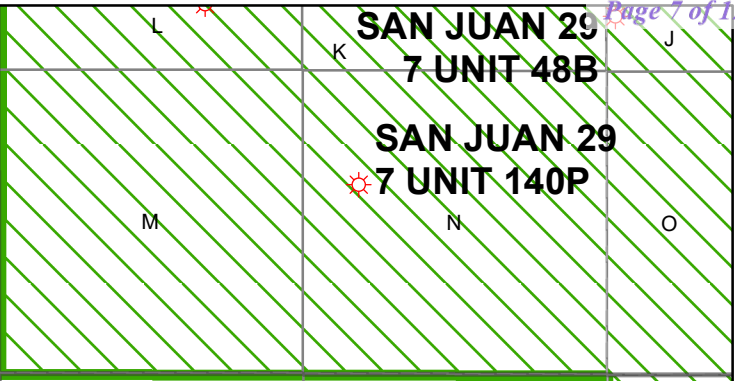
Sincerely,

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

Gatewood D. Brown  
Landman  
713.757.7108  
[gabrown@hilcorp.com](mailto:gabrown@hilcorp.com)

GDB:adb

**Unorthodox Location Plat:**  
San Juan 29-7 Unit #081N  
Blanco Pictured Cliffs



**SAN JUAN 29**  
**7 UNIT 48B**  
**SAN JUAN 29**  
**7 UNIT 140P**

**SAN JUAN 29**  
**7 UNIT 126M**

17

**SAN JUAN 29**  
**7 UNIT 86N** **SAN JUAN 29**  
**7 UNIT 44C**  
**SAN JUAN 29**  
**7 UNIT 44E**

**SAN JUAN 29**  
**7 UNIT 81M**

**SAN JUAN 29**  
**7 UNIT 81**

**SAN JUAN 29**  
**7 UNIT 81**

**SAN JUAN 29**  
**7 UNIT 86A** **SAN JUAN 29**  
**7 UNIT 86A**  
**SAN JUAN 29**  
**7 UNIT 587**

**SAN JUAN**  
**29 7**  
**UNIT 81**

**SAN JUAN 29**  
**7 UNIT 522**

30-039-29703  
265' FEL  
2,180' FSL

**SAN JUAN 29**  
**7 UNIT 81N**

**SAN JUAN 29**  
**7 UNIT 44B**

**SAN JUAN 29**  
**7 UNIT 86** **SAN JUAN 29**  
**7 UNIT 86**

**SAN JUAN**  
**29 7 UNIT**  
**NP 511**

**SAN JUAN 29**  
**7 UNIT 81A**

**SAN JUAN 29**  
**7 UNIT 81A**


**SAN JUAN**  
**29 7 UNIT 76B**


**SAN JUAN 29**  
**7 UNIT 117M**


**SAN JUAN 29**  
**7 UNIT 86M**

20

**SAN JUAN 29 7**  
**UNIT 45A** **SAN JUAN 29**  
**7 UNIT 45A**  
**SAN JUAN 29 7**  
**UNIT 49M**

 Subject Well

 Subject PC Drill Block

 Affected SJ 29-7 PC Drill Block





August 14, 2025

*Sent via Certified Mail:*

To: All Affected Working Interest Owners

Re: Unorthodox Well Location Application for Blanco Pictured Cliffs  
San Juan 29-7 Unit 81N (API: 30-039-29703)  
SHL/BHL: Unit I (NE/SE), 2,180' FSL & 265' FEL  
Spacing Unit: E/160 acres in Section 18, 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. 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  
713.757.7108  
[gabrown@hilcorp.com](mailto:gabrown@hilcorp.com)

GDB:adb





August 14, 2025

*Sent via Certified Mail*

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

Re: Unorthodox Well Location Application for Blanco Pictured Cliffs  
San Juan 29-7 Unit 81N (API: 30-039-29703)  
SHL/BHL: Unit I (NE/SE), 2,180' FSL & 265' FEL  
Spacing Unit: E/160 acres in Section 18, 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 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.

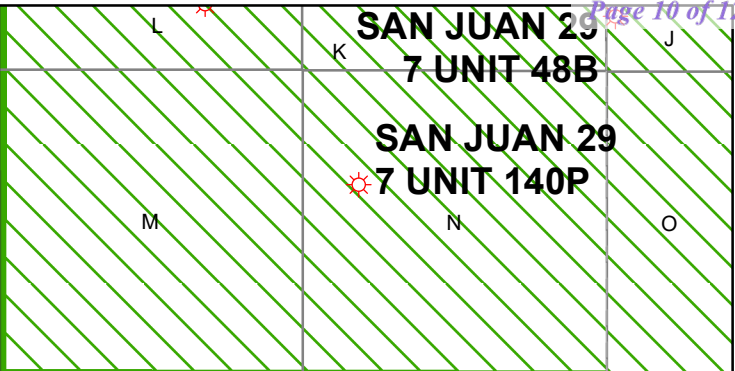
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**Unorthodox Location Plat:**  
San Juan 29-7 Unit #081N  
Blanco Pictured Cliffs



**SAN JUAN 29**  
**7 UNIT 48B**  
**SAN JUAN 29**  
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30-039-29703  
265' FEL  
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**SAN JUAN**  
**29 7 UNIT**  
**NP 511**

**SAN JUAN 29**  
**7 UNIT 81A**

**SAN JUAN 29**  
**7 UNIT 81A**

**SAN JUAN**  
**29 7 UNIT 76B**


**SAN JUAN 29**  
**7 UNIT 117M**


**SAN JUAN 29**  
**7 UNIT 86M**


20

**SAN JUAN 29 7**  
**UNIT 45A** **SAN JUAN 29**  
**7 UNIT 45A**

**SAN JUAN 29 7**  
**UNIT 49M**

 Subject Well

 Subject PC Drill Block

 Affected SJ 29-7 PC Drill Block



92148969009997901849520435	SIMCOE LLC, 1199 MAIN AVENUE, SUITE 101, DURANGO, CO, 81301 Code: 29-7 Un 81N FC/PC NSL	8/14/2025	Delivered to Agent, Picked up at USPS August 22, 2025 <b>Signature Pending</b>
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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 503229

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 503229
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

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