

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Erin Taylor**  
Acting Cabinet Secretary

**Ben Shelton**  
Deputy Secretary

**Albert C.S. Chang**  
Division Director  
Oil Conservation Division



Robert Carlson  
[rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com)

**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL - 9199**

**Hilcorp Energy Company [OGRID 372171]  
Reese Mesa 101 Federal Com Well No. 001H  
API No. 30-045-PENDING**

Reference is made to your application received on November 13<sup>th</sup>, 2025

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	1679 FSL & 2034 FEL	J	11	32N	08W	San Juan
First Take Point	1098 FSL & 1316 FWL	O	11	32N	08W	San Juan
Last Take Point/ Terminus	153 FSL & 424 FEL	P	12	32N	08W	San Juan

**Proposed Horizontal Spacing Unit**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
SE/4 Section 11 S/2 Section 12	456.62	Basin Fruitland Coal	71629

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced proposed pools or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator to dedicate each horizontal well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter section or equivalent. The set back

Administrative Order NSL – 9199  
Hilcorp Energy Company  
Page 2 of 2

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requirements as directed by 19.15.16.15 (C)(1)(a) NMAC, orders the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval, shall be a minimum of 660 feet for a gas well. 19.15.16.15 (C) (1) (b) NMAC directs that the take points shall be no closer than 330 feet, in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) 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.

This well's completed interval is as close as 153 feet to the southern boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 13, encroachment to the N/2

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.

The Division understands you are seeking this unorthodox location to allow for maximum recovery of reserves and to minimize surface disturbance within the Fruitland formation underlying the SE/4 Section 11 and the S/2 of Section 12.

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 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.

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

**Date:** 1/26/2026

Revised March 23, 2017

ID NO. 526379

NSL - 9199

RECEIVED: <b>11/13/25</b>	REVIEWER:	TYPE:	APP NO: <b>pLEL2532150650</b>
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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:** REESE MESA 101 FEDERAL COM #001H **API:** 30-045-PENDING  
**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 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.

ROB CARLSON, CPL

Print or Type Name

Signature

11/7/2025  
Date

(832) 839-4596  
Phone Number

RCARLSON@HILCORP.COM  
e-mail Address



November 6, 2025

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

**Re: Unorthodox Well Location Application**

Reese Mesa 101 Federal Com #001H (API: 30-045-*PENDING*)  
Surface Location: 1,679' FSL / 2,034' FEL - Section 11, T32N, R8W  
First Take Point: 1,098' FSL / 1,316' FEL - Section 11, T32N, R8W  
Last Take & Bottomhole: 153' FSL / 424' FEL - Section 12, T32N, R8W  
Spacing Unit: Township 32 North, Range 8 West, N.M.P.M  
Sec. 11: SE/4;  
Sec. 12: S/2  
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 Reese Mesa 101 Federal Com 1H (the "Well"), a defining horizontal well targeting the Basin-Fruitland Coal Gas Pool (71629).

In lieu of the established spacing unit requirements for the Basin-Fruitland Coal Gas Pool, Hilcorp elected, as provided under Paragraph (3) of Subsection B of 19.15.16.15.B.3 NMAC, to form the subject 456.62-acre horizontal spacing unit ("HSU") comprised of the quarter sections (or their equivalents rather) penetrated by the lateral of this Well. There are no Fruitland Coal horizontal wells producing within the subject HSU.

Paragraph (1) of Subsection C of 19.15.16.15 NMAC prescribes minimum setbacks from the outer boundary of the HSU at 660 feet, measured perpendicularly from any point in the completed interval of the lateral, and 330 feet, measured in the horizontal plan, from the first take point ("FTP") and last take point ("LTP").

The FTP and LTP of the Well are compliant with the 330-foot setback requirement from the western and eastern boundary of the HSU.

*However*, approximately half of the completed interval, starting in Lot 16 of Section 12 and ending at the LTP, **is not compliant** with the 660-foot setback from the southern boundary of the HSU and encroaches upon the following quarter sections: NW/4 & NE/4 of Section 13, T32N-R8W.

Hilcorp is the operator and owner of 100% working interest in the affected quarter sections being encroached upon. Therefore, 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 is the Bureau of Land Management (federal lease covers Section 13).

Hilcorp believes this unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance.



Sincerely,

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

Rob Carlson, CPL  
Landman  
(832) 839-4596  
[rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com)

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

C-102  Submit Electronically Via OCD Permitting	<b>State of New Mexico</b> <b>Energy, Minerals &amp; Natural Resources Department</b>  <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024  Submittal Type <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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**WELL LOCATION INFORMATION**

API Number	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code	Property Name REESE MESA 101 FEDERAL COM	Well Number 001H
OGRID No. 372171	Operator Name HILCORP ENERGY COMPANY	Ground Level Elevation 7034'
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	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
J	11	32N	8W	11	1679' SOUTH	2034' EAST	36.995321°N	-107.641821°W	SAN JUAN

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
P	12	32N	8W	13	153' SOUTH	424' EAST	36.989391°N	-107.619671°W	SAN JUAN

Dedicated Acres 456.62	Penetrated Spacing Unit SE/4 - Section 11, T32N, R8W S/2 - Section 12, T32N, R8W	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit <input type="checkbox"/> Yes <input type="checkbox"/> No	Consolidation Code
Order Numbers			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
J	11	32N	8W	11	1679' SOUTH	2034' EAST	36.995321°N	-107.641821°W	SAN JUAN

**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
O	11	32N	8W	14	1098' SOUTH	1316' EAST	36.993678°N	-107.639772°W	SAN JUAN

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
P	12	32N	8W	13	153' SOUTH	424' EAST	36.989391°N	-107.619671°W	SAN JUAN

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical <input type="checkbox"/> Directional	Ground Floor Elevation
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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.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
E-mail Address

**SURVEYOR CERTIFICATION**

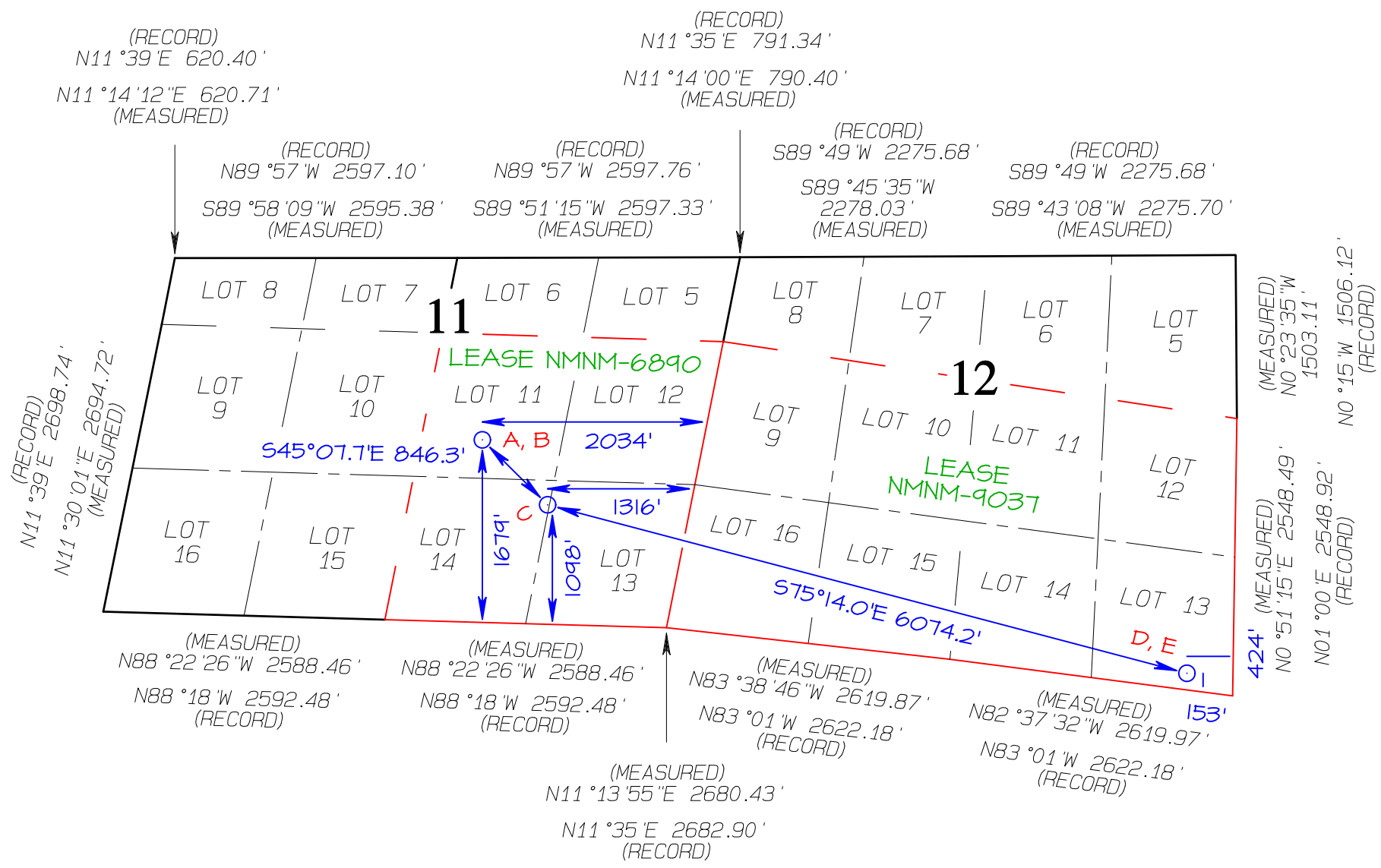
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.



**JASON C. EDWARDS**

Signature and Seal of Professional Surveyor

Certificate Number 15269 Date of Survey FEBRUARY 5, 2025



SURFACE LOCATION (A)  
 1679' FSL 2034' FEL  
 SECTION 11, T32N, R8W  
 LAT 36.995318 °N  
 LONG -107.641208 °W  
 DATUM: NAD1927

KICK OFF POINT (B)  
 1679' FSL 2034' FEL  
 SECTION 11, T32N, R8W  
 LAT 36.995318 °N  
 LONG -107.641208 °W  
 DATUM: NAD1927

FIRST TAKE POINT (C)  
 1098' FSL 1316' FEL  
 SECTION 11, T32N, R8W  
 LAT 36.993674 °N  
 LONG -107.639159 °W  
 DATUM: NAD1927

LAST TAKE POINT (D)  
 153' FSL 424' FEL  
 SECTION 12, T32N, R8W  
 LAT 36.989387 °N  
 LONG -107.619059 °W  
 DATUM: NAD1927

BOTTOM HOLE LOCATION (E)  
 153' FSL 424' FEL  
 SECTION 12, T32N, R8W  
 LAT 36.989387 °N  
 LONG -107.619059 °W  
 DATUM: NAD1927

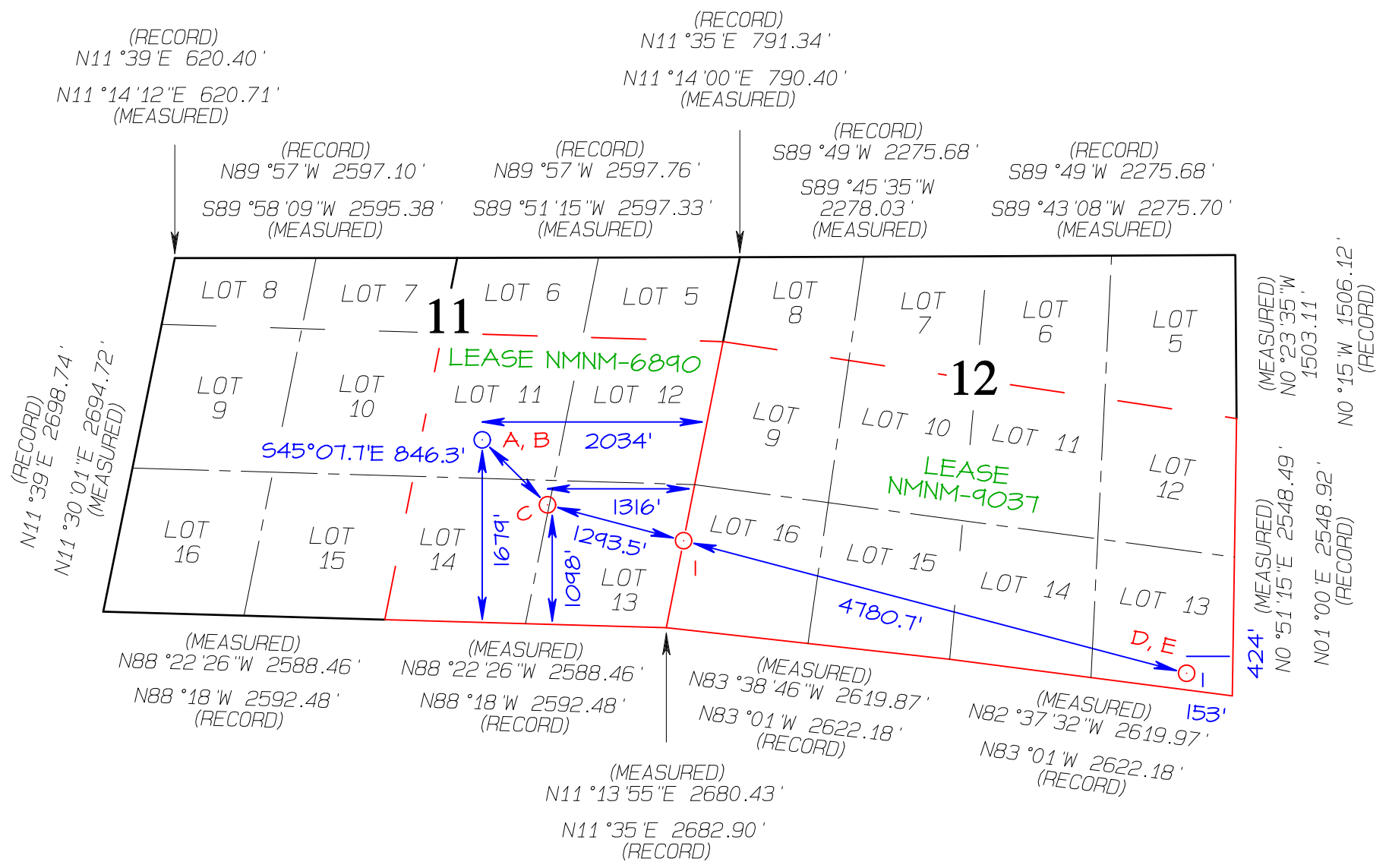
LAT 36.995321 °N  
 LONG -107.641821 °W  
 DATUM: NAD1983

LAT 36.995321 °N  
 LONG -107.641821 °W  
 DATUM: NAD1983

LAT 36.993678 °N  
 LONG -107.639772 °W  
 DATUM: NAD1983

LAT 36.989391 °N  
 LONG -107.619671 °W  
 DATUM: NAD1983

LAT 36.989391 °N  
 LONG -107.619671 °W  
 DATUM: NAD1983



SURFACE LOCATION (A)  
 1679' FSL 2034' FEL  
 SECTION 11, T32N, R8W  
 LAT 36.995318 °N  
 LONG -107.641208 °W  
 DATUM: NAD1927

FIRST TAKE POINT (C)  
 1098' FSL 1316' FEL  
 SECTION 11, T32N, R8W  
 LAT 36.993674 °N  
 LONG -107.639159 °W  
 DATUM: NAD1927

LEASE X-ING (1)  
 804' FSL 0' FEL  
 SECTION 11, T32N, R8W  
 LAT 36.992762 °N  
 LONG -107.634879 °W  
 DATUM: NAD1927

LAST TAKE POINT (D)  
 153' FSL 424' FEL  
 SECTION 12, T32N, R8W  
 LAT 36.989387 °N  
 LONG -107.619059 °W  
 DATUM: NAD1927

BOTTOM HOLE LOCATION (E)  
 153' FSL 424' FEL  
 SECTION 12, T32N, R8W  
 LAT 36.989387 °N  
 LONG -107.619059 °W  
 DATUM: NAD1927

LAT 36.995321 °N  
 LONG -107.641821 °W  
 DATUM: NAD1983

LAT 36.993678 °N  
 LONG -107.639772 °W  
 DATUM: NAD1983

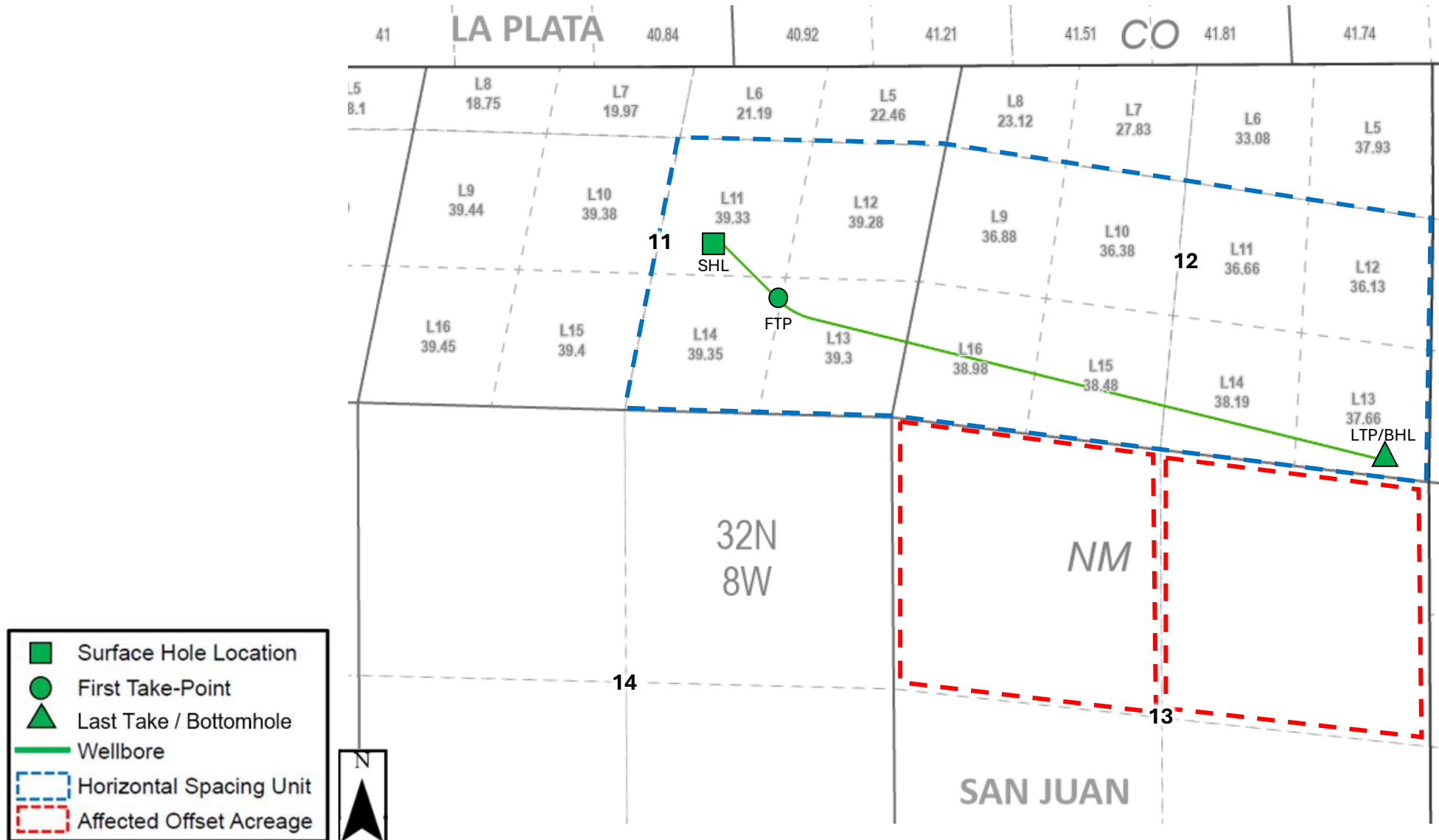
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 LONG -107.635491 °W  
 DATUM: NAD1983

LAT 36.989391 °N  
 LONG -107.619671 °W  
 DATUM: NAD1983

LAT 36.989391 °N  
 LONG -107.619671 °W  
 DATUM: NAD1983



### Application for Unorthodox Well Location: Reese Mesa 101 Federal Com #001H (API: 30-045-PENDING) Mancos Formation



Note: Hilcorp is the Operator and 100% Working Interest Owner of all Affected Tracts





November 13, 2025

Attn: Kyle Paradis  
Bureau of Land Management, NMSO  
301 Dinosaur Trail  
Santa Fe, NM 87508

Re: **Notice of Unorthodox Well Location Application**  
Reese Mesa 101 Federal Com #001H (API: 30-045-*PENDING*)

Mr. Paradis:

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 associated with Hilcorp's intent to file an application for unorthodox location with the New Mexico Oil Conservation Division ("NMOCD") for the subject well.

Should you have an objection to this application, please notify the NMOCD within 20 days and subsequently contact me for further discussion.

Sincerely,

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

Rob Carlson, CPL  
Landman  
(832) 839-4596  
[rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com)

<b>Certified Number</b>	<b>Sender</b>	<b>Recipient</b>	<b>Date Mailed</b>	<b>Delivery Status</b>
92148969009997901851685931	Cole Gorman	Bureau of Land Management, NMSO , ATTN: Kyle Paradis, 310 Dinosaur Trail, Santa Fe, NM, 87508	11/12/2025	<b>Signature Pending</b>

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 526379

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 526379
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	This NSL order was approved with a pending API number. The owner of the NSL shall update the OCD when an API number is assigned to the pending APD by sending an e-mail to <a href="mailto:ocd.engineer@emnrd.nm.gov">ocd.engineer@emnrd.nm.gov</a> . TITLED: (Updating NSL-XXX with API number of the Well Name). The text of the email shall contain: NSL order number, API number and Well Name. If the Well name does not match the name on the NSL order. The order will be annulled.	1/28/2026