

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Carson Rice
carice@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9228

**Hilcorp Energy Company [OGRID 372171]
Ruby Jones Well No. 1M
API No. 30-045-38520**

Reference is made to your application received on January 7th, 2026.

Proposed Location; Directional Well

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1054 FSL & 2332 FWL	N	07	30N	11W	San Juan
Terminus	1888 FSL & 2424 FEL	J	07	30N	11W	San Juan

Proposed Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 Section 07	320	Basin Dakota	71599

This directional well was completed into an unorthodox location described above in the referenced pool or formation. Special pool rule R-10987-B-2 governs this well to provide for 320-acre spacing units with setbacks no closer than 660 feet, nor closer than 10 feet to any interior quarter – quarter section line.

Administrative Order NSL - 9228
Hilcorp Energy Company
Page 2 of 2

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 the perforated zone referenced above within the proposed spacing unit.

This well's completed interval is as close as 206 feet to the western edge of the spacing unit. Encroachment will impact the following tracts.

Section 07, 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 to maximize recovery of oil and gas reserves and minimize surface disturbance. This will prevent waste within the Dakota formation underlying the E/2 of Section 07.

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: 2/6/26

ID NO. 540826

NSL - 9228

RECEIVED: 01/07/26	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: Ruby Jones 1M **API:** TBD
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 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.

Carson Rice

Print or Type Name

Signature

1/05/2026
Date

713-757-7108
Phone Number

carice@hilcorp.com
e-mail Address



January 5, 2026

NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
ATTN: MR. LEONARD LOWE

Re: Unorthodox Well Location Application – San Juan Basin, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, Hilcorp Energy Company hereby requests administrative approval for an unorthodox well location with the following details:

Well Details & Relevant Proration Units:

- Well** – Ruby Jones 1M (API: 30-045-TBD)
- Type** – Directional
- SHL** – Unit N, 1,054’ FSL & 2,332’ FWL
- BHL** – Unit J, 206’ FWL & 1,888’ FSL
- Subject Proration Unit** – E/2 of Section 7, T30N, R11W
- Affected Proration Unit** – W/2 of Section 7, T30N, R11W

Basin Dakota Gas Pool (Code 71599) – Order R-10987-B-2)

Rule (I.C.1) provides wells, “Drilled on a GPU shall be located not closer than 660’ to the outer boundary of the GPU and not closer than 10’ to any interior quarter or quarter-quarter section line or subdivision inner boundary”. The subject wellbore, however, is situated approximately 206 feet from the west line boundary of the E/2 spacing unit. Thus, the Basin Dakota completion contemplated herein becomes unorthodox by default.

Pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC, the affected spacing unit encroached upon by this unorthodox location (shaded in red on the map enclosed) is the W/2 of Section 7, T30N, R11W; and contains a Federal lease. **Hilcorp operates & owns 98.97% working interest in the Nell Hall #1 (30-045-09619), the only Dakota completion in the affected W/2 spacing unit. Notice has been sent via certified mail to the BLM and affected working interest parties.**

To Support this request, the following information is hereby submitted for your review:

1. Administrative Application Checklist
2. C-102
3. Unorthodox Location Plat pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC
4. Proof of notification to BLM for federal minerals in affected spacing unit
5. Proof of notification to the affected working interest owners

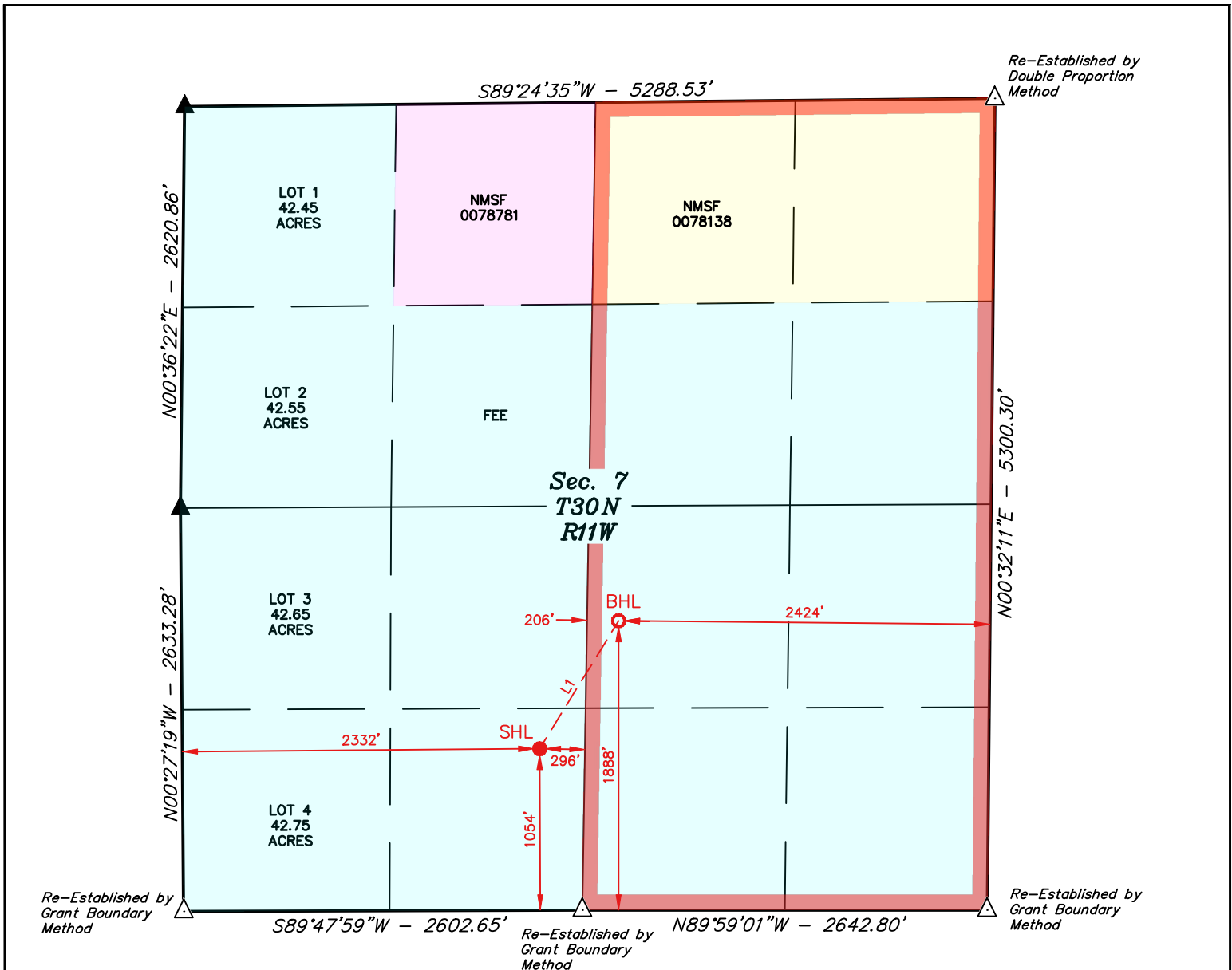
This unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. For questions, please contact me at the email/number below.

Sincerely,

HILCORP SAN JUAN, L.P.
By: HILCORP ENERGY COMPANY,
Its General Partner

Carson Rice - Sr. Landman
713-757-7108
carice@hilcorp.com

Property Name RUBY JONES	Well Number 1M	Drawn By H.S.S. 11-05-25	Revised By REV. 1 T.I.R. 12-17-25 (WELL MOVE)
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LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N31°41'49"E	981.57'

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Bearings, Distances, Coordinates, and Areas are based on the New Mexico Coordinate System of 1983, West Zone, in U.S. Feet.
- Colored areas within section lines represent oil & gas leases.
- Section Breakdown information for this plat may be obtained from Uintah Engineering and Land Surveying.

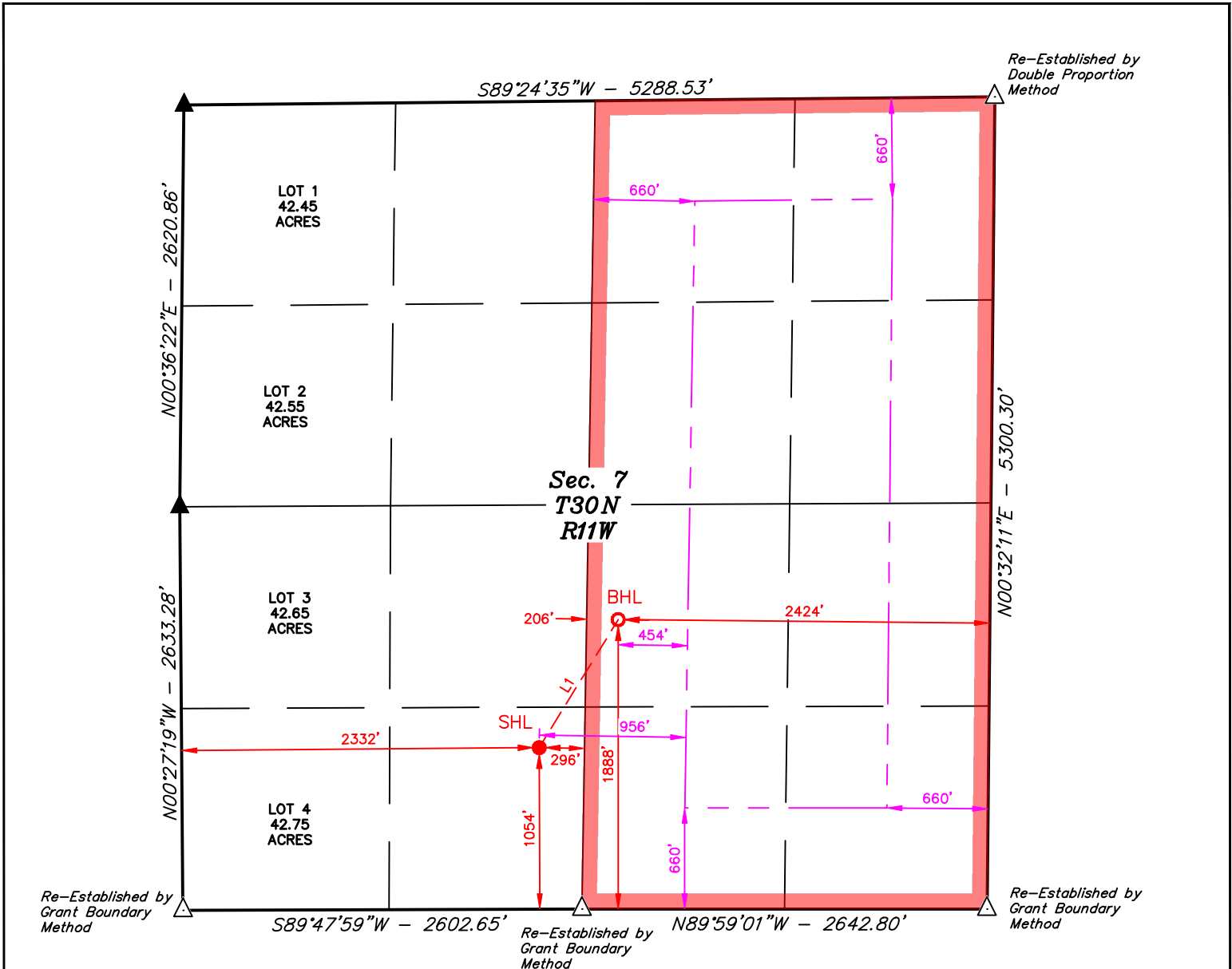


- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED.
(Not Set on Ground.)
- = DESIGNATED SPACING UNIT

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 36°49'20.79" (36.822441°)
LONGITUDE = -108°01'58.88" (-108.033023°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 36°49'20.77" (36.822437°)
LONGITUDE = -108°01'56.63" (-108.032398°)
STATE PLANE NAD 83 (N.M. WEST)
N: 2118751.18' E: 2664645.43'
STATE PLANE NAD 27 (N.M. WEST)
N: 2118687.84' E: 441735.19'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 36°49'29.06" (36.824738°)
LONGITUDE = -108°01'52.56" (-108.031266°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 36°49'29.04" (36.824734°)
LONGITUDE = -108°01'50.31" (-108.030642°)
STATE PLANE NAD 83 (N.M. WEST)
N: 2119586.34' E: 2665161.17'
STATE PLANE NAD 27 (N.M. WEST)
N: 2119522.98' E: 442250.92'

Property Name RUBY JONES	Well Number 1M	Drawn By H.S.S. 11-05-25	Revised By REV. 1 T.I.R. 12-17-25 (WELL MOVE)
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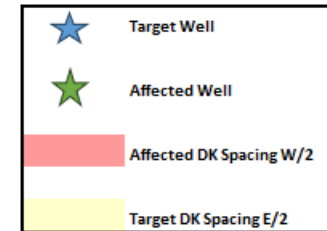
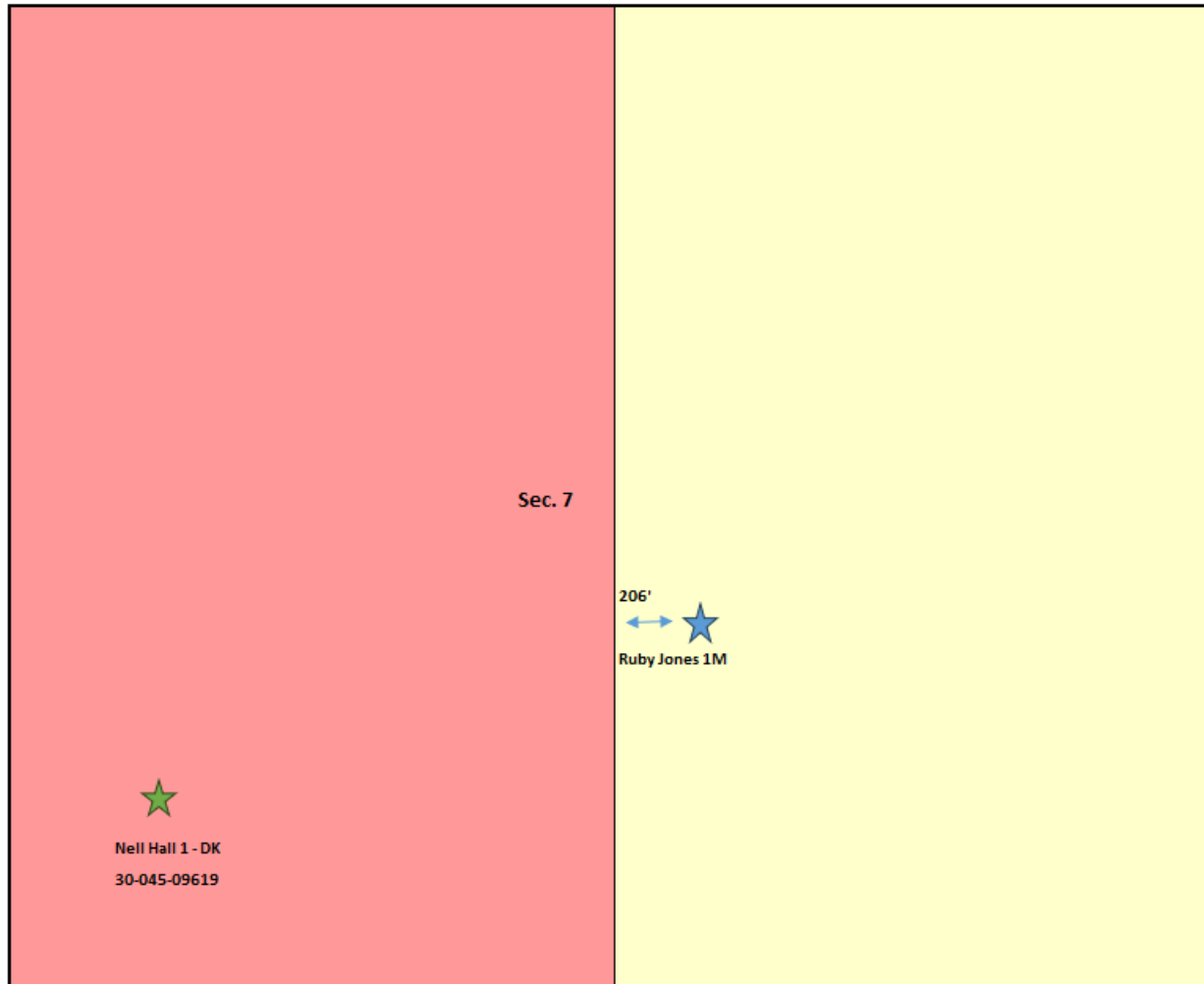
SCALE

- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)
- = DESIGNATED SPACING UNIT
- - - = SETBACK BOUNDARY

NAD 83 (SURFACE HOLE LOCATION)
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Unorthodox Location Plat
Basin Dakota
T30N-R11W





Sent via Certified Mail
9214 8969 0099 9790 1658 9020 40

January 6, 2026

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

**Re: Unorthodox Well Location Application for Basin Dakota
Ruby Jones 1M (API: TBD)
SHL – Unit N, 1,054' FSL & 2,332' FWL
BHL – Unit J, 206' FWL & 1,888' FSL
Dakota Spacing Unit: E/320 acres in Section 7, T30N, R11W
San Juan 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 contains a 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 you have any questions concerning this application, please feel free to call me at the number below.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carson Rice'.

Carson Rice
Sr. Landman
713-757-7108
carice@hilcorp.com



January 6, 2026

Sent via Certified Mail

9214 8969 0099 9790 1658 9019 75

To: All Affected Working Interest Owners

**Re: Unorthodox Well Location Application for Basin Dakota
Ruby Jones 1M (API: TBD)
SHL – Unit N, 1,054' FSL & 2,332' FWL
BHL – Unit J, 206' FWL & 1,888' FSL
Dakota Spacing Unit: E/320 acres in Section 7, T30N, R11W
San Juan 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. 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.

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Carson Rice
Sr. Landman
713-757-7108
carice@hilcorp.com

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 540826

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 540826
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	1/14/2026