

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



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

**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL - 9243**

**Hilcorp Energy Company [OGRID 372171]  
San Juan 28 5 Unit Well No. 42N  
API No. 30-039-27705**

Reference is made to your application received on January 26<sup>th</sup>, 2026.

**Proposed Location; Vertical Well**

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
2310 FSL & 2350 FEL	J	31	28N	05W	Rio Arriba

**Proposed Unit**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 Section 31	320	Basin Fruitland Coal	71629

This directional well was completed into an unorthodox location described above in the referenced pool or formation. Special pool rule R-8768 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 – 9243  
Hilcorp Energy Company  
Page 2 of 2

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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 350 feet to the northern edge of the spacing unit. Encroachment will impact the following tracts.

Section 31, 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 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 Basin Fruitland Coal formation underlying the S/2 of Section 31.

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.



Gerasimos Razatos for Albert Chang

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

**Date:** 2/24/2026

ID NO. 542420

NSL - 9243

Revised March 23, 2017

RECEIVED: <b>01/26/26</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: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

**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.

\_\_\_\_\_  
Print or Type Name

*Gawn*  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
e-mail Address



December 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 – San Juan Basin, Rio Arriba County, 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** – San Juan 28-5 Unit #42N (API: 30-039-27705)

**Type** – Vertical Gas Well to be Recompleted

**SHL** – Unit J, 350' FNL & 2,350' FEL

**BHL** – Unit J, 350' FNL & 2,350' FEL

**Subject Proration Unit** – Standard S/320 acres in Section 31, T28N, R05W

**Affected Proration Unit** – Standard N/320 acres in Section 31, T28N, R05W

**Basin Fruitland Coal Gas Pool (Code 71629) – Special Rules and Regulations:** (Order R-8768-F)

**Rule 7** – “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 proposed BHL is **350 feet** from the outer boundary of the proration unit

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. Affected offset parties list noticed pursuant to Paragraph (8) of Subsection A of 19.15.2.7 NMAC

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

Gatewood D. Brown  
Senior Landman – New Mexico  
Phone No. 713-289-2767  
Email: gabrown@hilcorp.com

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>	<p style="text-align: right;"><b>C-102</b></p> Revised July 9, 2024 Submit Electronically via OCD Permitting			
		Submittal Type: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input type="checkbox"/> Initial Submittal</td> </tr> <tr> <td><input type="checkbox"/> Amended Report</td> </tr> <tr> <td><input type="checkbox"/> As Drilled</td> </tr> </table>	<input type="checkbox"/> Initial Submittal	<input type="checkbox"/> Amended Report	<input type="checkbox"/> As Drilled
<input type="checkbox"/> Initial Submittal					
<input type="checkbox"/> Amended Report					
<input type="checkbox"/> As Drilled					

**WELL LOCATION INFORMATION**

API Number 30-039-27705	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 318708	Property Name SAN JUAN 28-5 UNIT	Well Number 42N
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6389'
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
J	31	28N	05W		2310' FSL	2350' FEL	36.616806	-107.3995361	RIO ARRIBA

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
J	31	28N	05W		2310' FSL	2350' FEL	36.616806	-107.3995361	RIO ARRIBA

Dedicated Acres 320.00	Infill or Defining Well Defining	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code U
Order Numbers. N/A			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

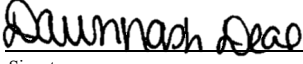
**First Take Point (FTP)**

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

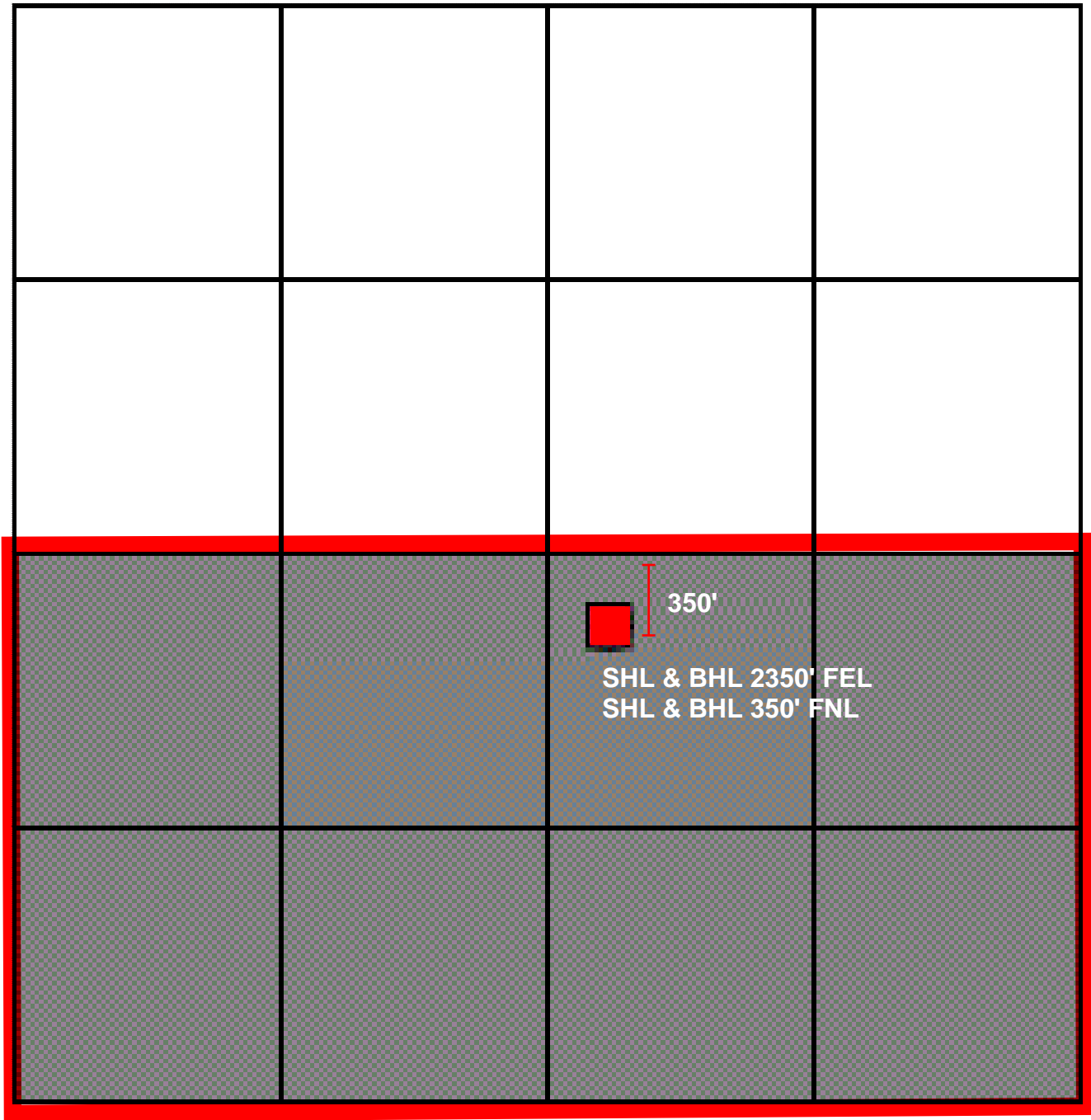
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6389'
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<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information 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> 11/4/2025</p> <p>Signature Date</p> <p>Dawn Nash-Deal</p> <p>Printed Name</p> <p>Dnash@hilcorp.com</p> <p>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>Jason C. Edwards</p> <p>Signature and Seal of Professional Surveyor</p> <p>15269 7/22/2003</p> <p>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.

### C-102 Plat:

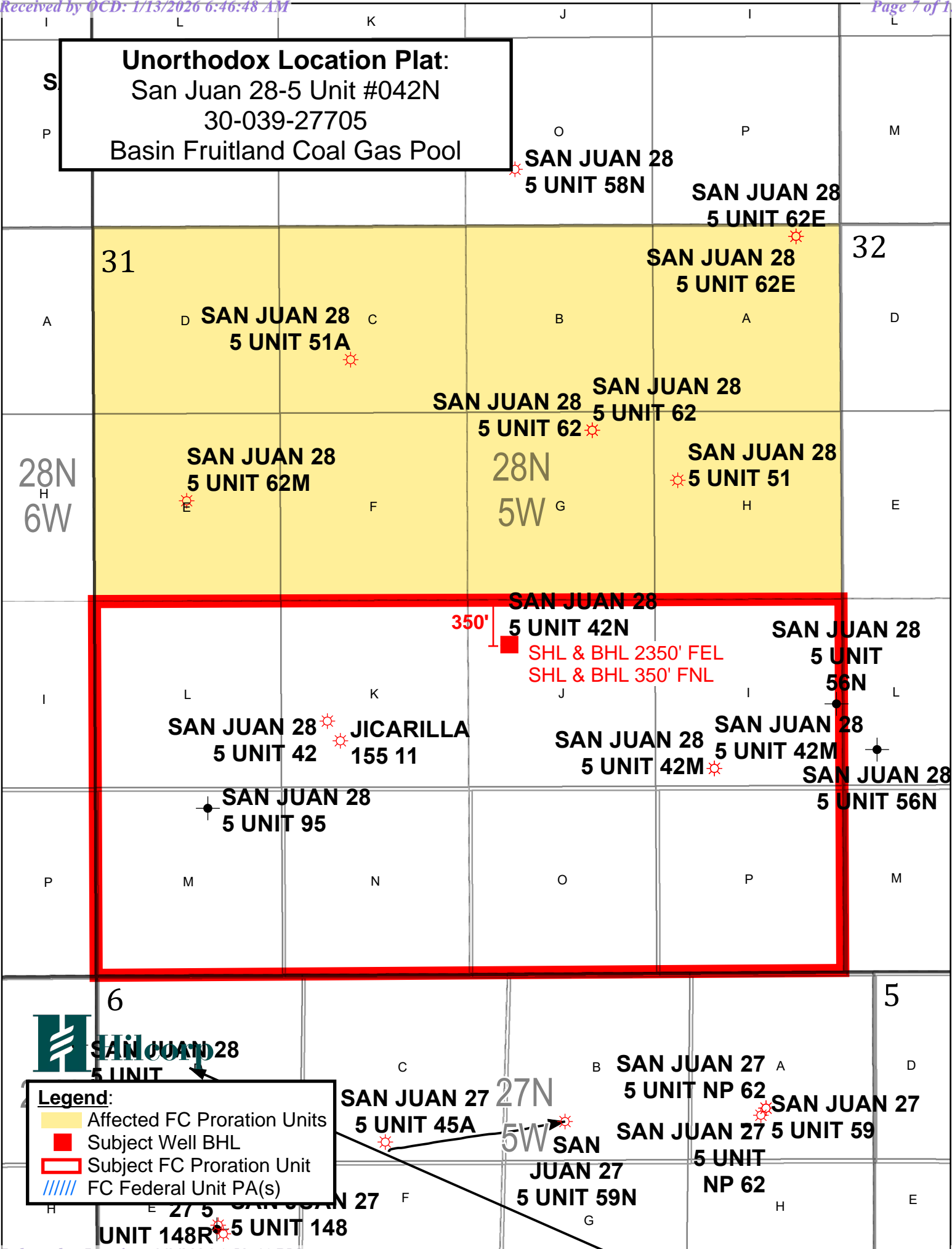
San Juan 28-5 Unit #042N  
30-039-27705  
Basin Fruitland Coal Gas Pool



**Legend:**

- Subject Well BHL
- Subject FC Proration Unit

**Unorthodox Location Plat:**  
 San Juan 28-5 Unit #042N  
 30-039-27705  
 Basin Fruitland Coal Gas Pool



**Legend:**  
 Affected FC Proration Units  
 Subject Well BHL  
 Subject FC Proration Unit  
 FC Federal Unit PA(s)

USPS Tracking Number	WI Party Noticed	Date Sent
92148969009997901852380378	, ROY G and OPAL BARTON SR REV TR, 1919 NORTH TURNER, HOBBS, NM, 88240-2712 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025
92148969009997901852380385	, PROVIDENCE MINERALS LLC, 16400 NORTH DALLAS PKWY STE 400, DALLAS, TX, 75248 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025
92148969009997901852380392	, JABCO LLP, 2600 DALLAS PKWY STE 270, FRISCO, TX, 75034-8108 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025
92148969009997901852380408	, DUGAN PRODUCTION CORP., PO BOX 420, FARMINGTON, NM, 87499 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025
92148969009997901852380415	, JandM RAYMOND LTD, PO BOX 291445, KERRVILLE, TX, 78029-1445 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025
92148969009997901852380422	, RUTH ZIMMERMAN TRUST, 1513 HERITAGE PL, MCPHERSON, KS, 67460 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025
92148969009997901852380439	, TINMIL A NM LLC, 1331 PARK AVE SW UNIT 1403, ALBUQUERQUE, NM, 87102 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025



92148969009997901852380446	, THOMAS P TINNIN, 2303 CANDELARIA RD NW, ALBUQUERQUE, NM, 87107 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025
USPS Tracking Number	Party Notified	Date Sent
92148969009997901852380453	, Bureau of Land Management, 6251 College Blvd A, FARMINGTON, NM, 87402 Code: FRC NSL - San Juan 28-5 Unit 042N	12/11/2025

**From:** [Dawn Nash-Deal](#)  
**To:** [Lowe, Leonard, EMNRD](#)  
**Subject:** [EXTERNAL] NSL Applications  
**Date:** Monday, January 26, 2026 2:29:59 PM  
**Attachments:** [542414 San Juan 29-6 Unit 075F PC.pdf](#)  
[542420 San Juan 28-5 Unit 42N FRC.pdf](#)  
[542417 San Juan 28-6 Unit 153N FRC.pdf](#)  
[543265 San Juan 28-6 Unit 128M PC.pdf](#)  
[542418 San Juan 28-6 Unit 153N PC.pdf](#)  
[542413 San Juan 29-6 Unit 75F FRC.pdf](#)  
[536190 San Juan 29-7 Unit 072C PC.pdf](#)

**CAUTION:** This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good afternoon Leonard,

Please find the attached updated NSL packets per your instructions below. I did include the formation because some of the wells have multiple applications.

These files should replace the previously submitted files with the corresponding Action ID (listed on each PDF file).

Also, we really appreciate you working with us on these NSLs. Going forward we are clear on what is needed.

Please let me know if there is anything else needed.

Thanks,

Dawn Nash-Deal  
SJS Regulatory Technician  
Hilcorp Energy Company  
1111 Travis St, Houston TX 77002 | 12.240  
Office: 346.237.2143 | [dnash@hilcorp.com](mailto:dnash@hilcorp.com)

**From:** Lowe, Leonard, EMNRD <[Leonard.Lowe@emnrd.nm.gov](mailto:Leonard.Lowe@emnrd.nm.gov)>  
**Sent:** Monday, January 26, 2026 1:53 PM  
**To:** Mandi Walker <[mwalker@hilcorp.com](mailto:mwalker@hilcorp.com)>  
**Subject:** [EXTERNAL] NSL applications

**CAUTION:** External sender. DO NOT open links or attachments from UNKNOWN senders.

Mandi,

I got your V.M.

I need to reject a few or one of your NSL applications, the one I spoke with Gatewood last

week. I have yet to work on the Hilcorp applications. There are 3 more applications I need to finish before I get to Hilcorp's.

**Just for this instance**, send me corrected/updated applications for the NSL applications you have.

**Label each Application separately with their Action ID No. and Well Name ONLY. Failure to do so, the applications will be rejected. I'm trying to work with Hilcorp.**

**Example:**

**532736\_San Juan 32 08 701 Federal Com Well No. 602H**

**Leonard R. Lowe**

Engineering Bureau

OCD/EMNRD

5400 Oakland Ave.

Albuquerque, N.M 87113

Cell/Office Phone: 505-584-8351

E-mail: [Leonard.Lowe@emnrd.nm.gov](mailto:Leonard.Lowe@emnrd.nm.gov)

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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**

COMMENTS

Action 542420

**COMMENTS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 542420
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**COMMENTS**

Created By	Comment	Comment Date
llowe	Application updated 01/26/26	2/11/2026

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 542420

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 542420
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	2/11/2026