

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



Gatewood Brown
gabrown@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9244

**Hilcorp Energy Company [OGRID 372171]
San Juan 28 6 Unit Well No. 128M
API No. 30-039-27845**

Reference is made to your application received on January 26th, 2026.

Proposed Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
1350 FSL & 395 FEL	I	17	28N	06W	Rio Arriba

Proposed Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 Section 17	160	South Blanco Pictured Cliffs	72439

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 – 9244
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 395 feet to the eastern edge of the spacing unit. Encroachment will impact the following tracts.

Section 16, 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 recovery of oil and gas reserves and minimize surface disturbance. This will prevent waste within the South Blanco Pictured Cliffs formation underlying the SE/4 of Section 17.

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. 543265

NSL - 9244

Revised March 23, 2017

RECEIVED: 01/26/26	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: _____ 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



January 14, 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, 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 28-6 Unit #128M (API: 30-039-27845)

Type – Vertical Gas Well to be Recompleted

SHL – Unit I, 1,350' FSL & 395' FEL

BHL – Unit I, 1,350' FSL & 395' FEL

Subject Proration Unit – Standard SE/160 acres in Section 17, T28N, R06W

Affected Proration Unit – Standard SW/160 acres in Section 16, T28N, R06W

South Blanco Pictured Cliffs Gas Pool (Code 72439) – Special Rules and Regulations: (Order R-8768)

Rule 7 – “wells drilled or recompleted on every standard or non-standard unit in the South Blanco Pictured Cliffs Gas Pool...shall be located no closer than **660 feet** to any outer boundary of a proration unit”. The proposed BHL is **395 feet** from the outer boundary 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: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 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 30-039-27845	Pool Code 72439	Pool Name SOUTH BLANCO PICTURED CLIFFS
Property Code 318710	Property Name SAN JUAN 28-6 UNIT	Well Number 128M
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6628'
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	17	28N	06W		1350' FSL	395' FEL	36.6576958	-107.4828186	RIO ARRIBA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	17	28N	06W		1350' FSL	395' FEL	36.6576958	-107.4828186	RIO ARRIBA

Dedicated Acres 160.00	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 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

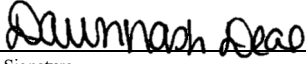
First Take Point (FTP)

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

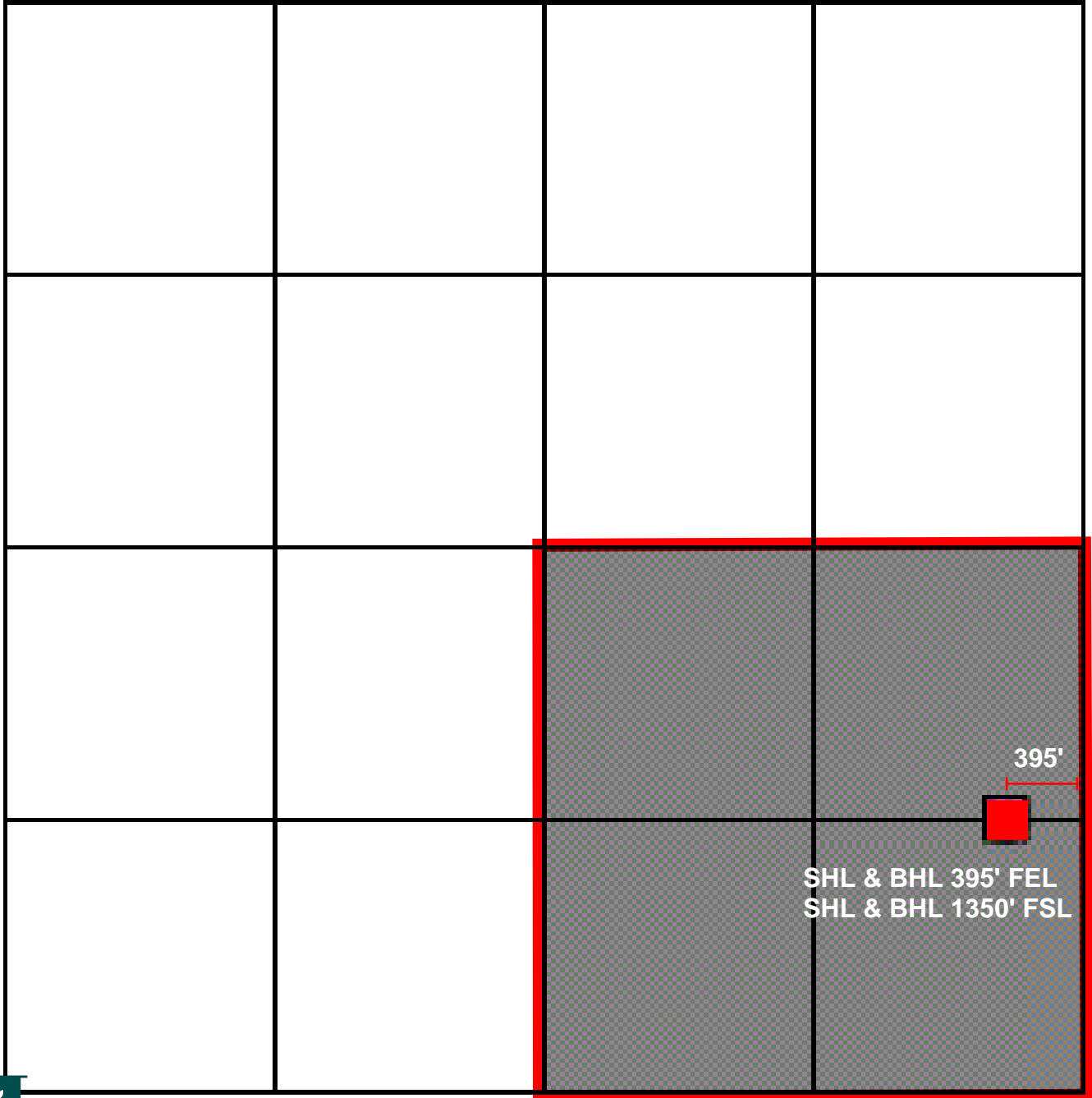
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6628'
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<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained 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> 1/14/2026 _____ Signature Date</p> <p>Dawn Nash-Deal _____ Printed Name</p> <p>Dnash@hilcorp.com _____ Email Address</p>	<p>SURVEYOR CERTIFICATIONS</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 Edwards _____ Signature and Seal of Professional Surveyor</p> <p>15269 11/18/2003 _____ 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:

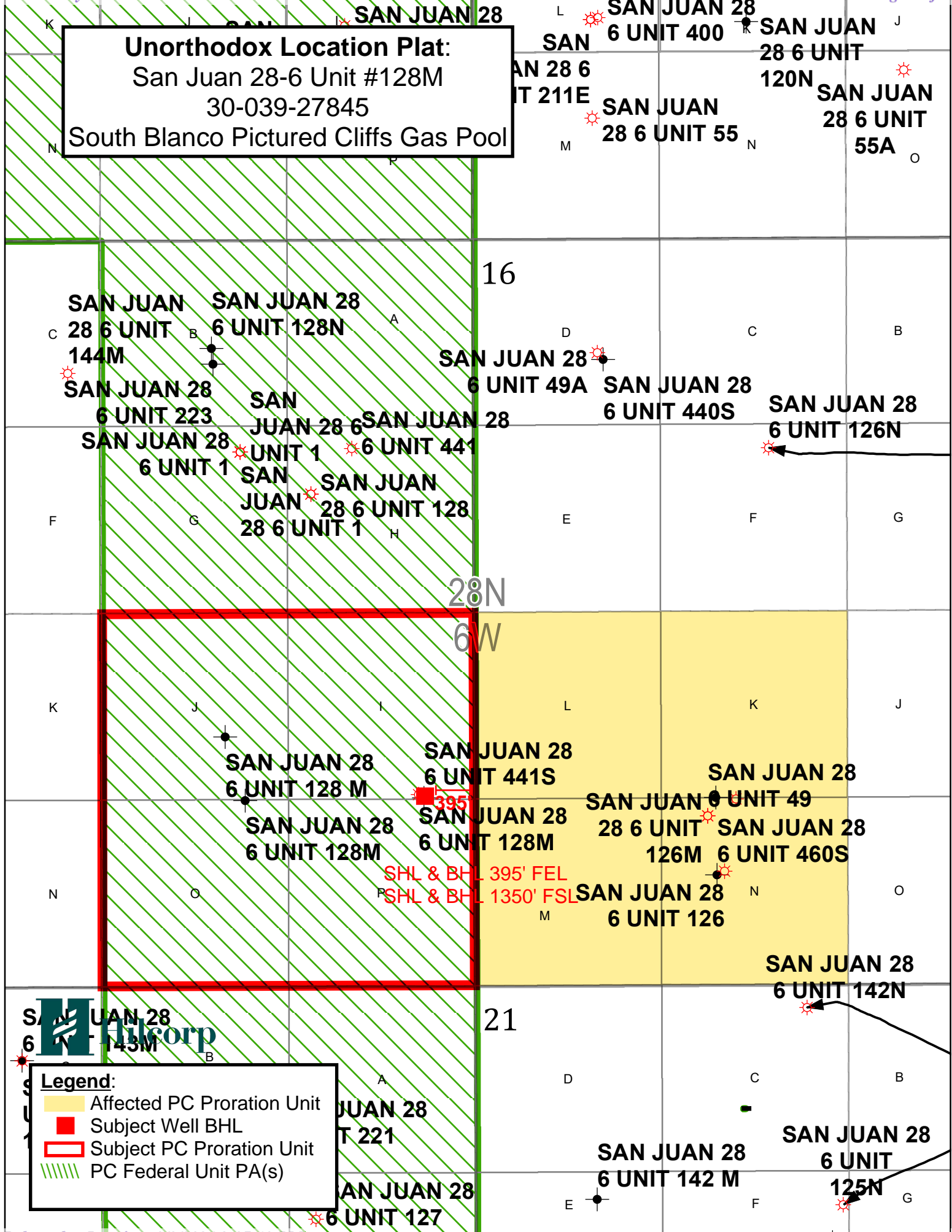
San Juan 28-6 Unit #128M
30-039-27845
South Blanco Pictured Cliffs Gas Pool



Legend:

- Subject Well BHL
- Subject PC Proration Unit

Unorthodox Location Plat:
 San Juan 28-6 Unit #128M
 30-039-27845
 South Blanco Pictured Cliffs Gas Pool



Legend:
 Affected PC Proration Unit
 Subject Well BHL
 Subject PC Proration Unit
 PC Federal Unit PA(s)

USPS Tracking Number	Party to Notify	Date Sent
92148969009997901852361872	, Bureau of Land Management, 6251 College Blvd A, FARMINGTON, NM, 87402 Code: PC NSL - San Juan 28-6 Unit 128M	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

From: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrn.nm.gov>
Sent: Monday, January 26, 2026 1:53 PM
To: Mandi Walker <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

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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 543265

COMMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 543265
	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

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Santa Fe, NM 87505

CONDITIONS

Action 543265

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 543265
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

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