

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 7, 2025**

CASE NO. 25488

WELL INCREASED DENSITY – STATE COM Q 013Q

SAN JUAN COUNTY, NEW MEXICO



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF HILCORP ENERGY COMPANY FOR
AN EXCEPTION TO THE WELL DENSITY
REQUIREMENTS OF THE SPECIAL RULES AND
REGULATIONS FOR THE BASIN-DAKOTA GAS POOL,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 25488

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**STATE OF NEW MEXICO
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CASE NO. 25488

APPLICATION

Hilcorp Energy Company, ("Hilcorp") (OGRID No. 372171), through its undersigned counsel, hereby files this application with the Oil Conservation Division for an order for an exception to the well density requirements of the Basin-Dakota Gas Pool (71599), San Juan County, New Mexico. Specifically, Hilcorp seeks an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Gas Pool to permit it to drill and complete an additional Dakota vertical and/or directional gas well, with a total of five wells in the same standard 320-acre, more or less, spacing and proration unit. In support of this application, Hilcorp states:

1. Hilcorp is the operator of a standard 320-acre, more or less, spacing and proration unit in the Basin-Dakota Gas Pool comprised of the E/2 of Section 36, Township 29 North, Range 8 West, San Juan County, New Mexico, in which the following two vertical and/or directional wells were drilled and completed, and are currently producing:

- a. State Com Q 013R Well (API No. 30-045-29083), which is vertically drilled with a surface hole location in the SE/4 NE/4 (Unit H) of said Section 36; and
- b. State Com Q 013M Well (API No. 30-045-30428), which is vertically drilled with a surface location in SE/4 SE/4 (Unit P) of said Section 36.

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Exhibit No. A
Submitted by: Hilcorp Energy Company
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2. Hilcorp recently filed Case No. 25437 to request that the following two additional wells be included in the spacing and proration unit:

- a. **State Com Q 013N Well** (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 NE/4 (Unit H and bottom-hole location in the NE/4 NE/4 (Unit A); and
- b. **State Com Q 013P Well** (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 NE/4 (Unit H) and bottom-hole location in the NW/4 NE/4 (Unit B)

3. The Basin-Dakota Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled. See Order No. R-8170, as amended by Order No. R-10987-B, and superseded by Order No. R-10987-B(1), effective January 29, 2002. These Special Pool Rules and Regulations provide:

I. ACREAGE AND WELL LOCATION REQUIREMENTS

A. Standard GPU (Gas Proration Unit): *A standard GPU in the Basin-Dakota Pool shall be 320 acres, more or less, comprising any two contiguous quarter sections of a single section that is a legal subdivision of the U. S. Public Land Surveys.*

B. Well density:

(1) *Up to four (4) wells may be drilled on a GPU, as follows:*

- (a) *the FIRST OPTIONAL INFILL WELL drilled on a GPU shall be located in the quarter section not containing the INITIAL Dakota well;*
- (b) *the SECOND OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section not containing a Dakota well and within a quarter section of the GPU not containing more than one (1) Dakota well;*
- (c) *the THIRD OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section of the GPU not containing a Dakota well and within a*

quarter section of the GPU not containing more than one (1) Dakota well;

- (d) at the discretion of the operator, the second or third optional infill well may be drilled prior to the drilling of the first optional infill well;*
- (e) no more than two wells shall be located within either quarter section in a GPU; and*
- (f) any deviation from the above-described well density requirements shall be authorized only after hearing.*

4. The objective formation in each of the above-described wells in Paragraph 1 is the Basin-Dakota Gas Pool, and each well was permitted and drilled with a Dakota completion. Similarly, the wells described in Paragraph 2 are to be drilled with a Dakota completion.

5. Hilcorp now proposes to simultaneously dedicate and produce the following additional well within the same standard spacing and proration unit, at the following location:

- a. **State Com Q 013Q Well** (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 SW/4 (Unit N) and bottom-hole location in the SW/4 SE/4 (Unit O).

6. Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Pool to authorize Hilcorp to simultaneously dedicate and produce the **State Com Q 013Q Well** (API No. 30-045-PENDING) within the E/2 of Section 36, Township 29 North, Range 8 West, permitting five wells to produce within the spacing unit.

7. Approval of this application will not impair the correlative rights of any other interest owner in the Basin-Dakota Gas Pool and will afford Hilcorp the opportunity to produce incremental reserves from this spacing unit, avoiding waste.

8. Approval of this application will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Hilcorp Energy Company requests that this application be set before an Examiner of the Oil Conservation Division on August 7, 2025, and, after notice and hearing as required by law, that the Division enter an order:

- Granting an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Gas Pool (71599) permitting five wells to produce within the spacing unit; and
- Authorizing Hilcorp to simultaneously complete and produce the **State Com Q 013Q Well** (API No. 30-045-PENDING) from the Basin-Dakota Gas Pool.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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ATTORNEYS FOR HILCORP ENERGY COMPANY

CASE _____: **Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Basin-Dakota Gas Pool, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule II.B of the Special Rules and Regulations for the Basin-Dakota Gas Pool (71599), San Juan County, New Mexico, to permit it to drill and complete an additional Basin-Dakota vertical and/or directional gas well, making a total of five vertical and/or directional gas wells within the same standard 320-acre, more or less, spacing and proration unit comprised of the E/2 of Section 36, Township 29 North, Range 8 West, San Juan County, New Mexico, with three wells producing from the same quarter section. Hilcorp further seeks approval for the proposed locations of the **State Com Q 013Q Well** (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 SW/4 (Unit N) and bottom-hole location in the SW/4 SE/4 (Unit O), and authorization to simultaneously complete and produce the well from the Basin-Dakota Gas Pool. Said area is located approximately 11 miles southeast of Blanco, NM.

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SELF-AFFIRMED STATEMENT OF GATEWOOD BROWN

1. My name is Gatewood Brown. I work for Hilcorp Energy Company (“Hilcorp”) as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Hilcorp in this case, and I am familiar with the status of the lands in the subject areas.
4. None of the affected parties in this case has indicated opposition, and therefore I do not expect any opposition at the hearing.
5. Hilcorp seeks an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Gas Pool (71599) to permit it to drill and complete an additional Basin-Dakota vertical and/or directional gas well, making a total of five vertical and/or directional gas wells within the same standard 320-acre, more or less, spacing and proration unit.
6. The Basin-Dakota Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled.

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See Order No. R-8170, as amended by Order No. R-10987-B, and superseded by Order No. R-10987-B(1), effective January 29, 2002. The Special Rules also provide that well density exceptions can be approved only after notice and hearing.

7. Hilcorp is the operator of a standard 320-acre, more or less, spacing and proration units in the Basin-Dakota Gas Pool comprised of the E/2 of Section 36, Township 29 North, Range 8 West, San Juan County, New Mexico, in which the following two vertical and/or directional wells were drilled and completed, and are currently producing:

- a. State Com Q 013R Well (API No. 30-045-29083), which is vertically drilled with a surface hole location in the SE/4 NE/4 (Unit H) of said Section 36; and
- b. State Com Q 013M Well (API No. 30-045-30428), which is vertically drilled with a surface location in SE/4 SE/4 (Unit P) of said Section 36.

8. Hilcorp recently filed Case No. 25437 to request that the following two additional wells be included in the spacing and proration unit:

- a. **State Com Q 013N Well** (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 NE/4 (Unit H) and bottom-hole location in the NE/4 NE/4 (Unit A); and
- b. **State Com Q 013P Well** (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 NE/4 (Unit H) and bottom-hole location in the NW/4 NE/4 (Unit B).

9. Hilcorp now proposes to simultaneously dedicate and produce the following additional well within the same standard spacing and proration unit, at the following location:

- a. **State Com Q 013Q Well** (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 SW/4 (Unit N) and bottom-hole location in the SW/4 SE/4 (Unit O).

10. Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Pool to authorize Hilcorp to simultaneously dedicate and produce the **State Com Q 013Q Well** (API No. 30-045-PENDING) within the E/2 of Section 36, Township 29 North, Range 8 West, permitting five wells to produce within the spacing unit.

11. The proposed simultaneous dedication of the proposed well will target development of incremental Basin-Dakota gas reserves in areas where there is not adequate gas drainage.

12. Pursuant to the Special Rules and Division precedent, Hilcorp provided notice to all Division-designated operators in offsetting 320-acre spacing units. Where Hilcorp is the operator, Hilcorp identified all working interest owners in offsetting spacing units as affected parties requiring notice. In some offsetting spacing units, Hilcorp may own 100% of the working interest, in which case there are no affected parties to notice.

13. **Hilcorp Exhibit B-1** is an overview map identifying the location of the subject Basin-Dakota Gas Pool spacing unit to which the proposed well will be dedicated.

14. Exhibit B-1 also identifies the locations of the existing Basin-Dakota wells as black circles. Also depicted are the proposed wells as red squares, including the wells from Case No. 25437.

15. Exhibit B-1 also depicts the notice area, which is the area within the orange shading surrounding the subject spacing unit. Hilcorp has provided notice of this application to the operators within the notice area. In some instances, Hilcorp may be the operator of offsetting

spacing units within the notice area, in which case notice of the application was provided to all the working interest owners within the notice area.

16. **Hilcorp Exhibit B-2** identifies the affected parties within the offsetting tracts/spacing units who are required to be noticed. I provided a list of all affected parties requiring notice to Holland & Hart LLP. All parties were locatable.

17. To the best of my knowledge, the addresses used to provide notice are valid and correct addresses which have been recently used by Hilcorp and at which mail has been received by the notice parties.

18. **Hilcorp Exhibits B-1 through B-2** were prepared by me or under my direction and supervision.

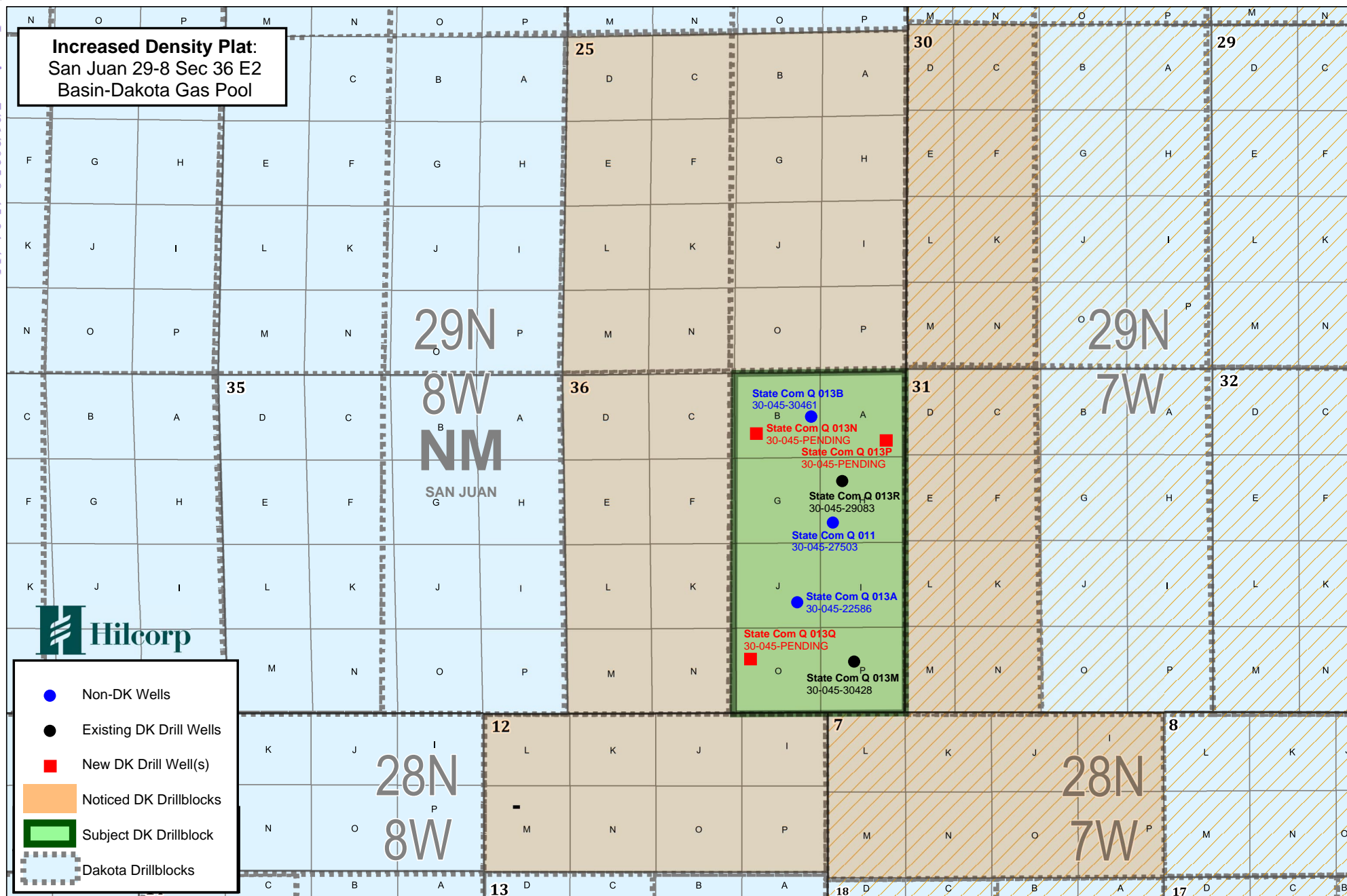
19. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Gatewood Brown

7/30/2025

Date



Owner Name

R L BOLIN PROPERTIES LTD
WILDCARD FAMILY LIMITED PARTNERSHIP
CROSS TIMBERS ENERGY LLC
T H MCELVAIN OIL & GAS LLLP
TAMACAM LLC
J&M RAYMOND LTD
BOLIN RESOURCES LP
LANCE REEMTSMA
DIRK VANHORN REEMTSMA
DAVID PIERCE & MAXINE PIERCE REV TR
ENDURING RESOURCES IV LLC
SIMCOE LLC
SILVERADO OIL & GAS LLP
PIONEER NATURAL RES USA INC
JAMES R BEAMON
ROBERT WALTER LUNDELL
SHARON BEAMON BURNS
SUSAN BEAMON PORTER
DUGAN PRODUCTION CORP
LINDA JEANNE LUNDELL LINDSEY
JUNE SIMMONS LIVELY
CLAUDIA MARCIA LUNDELL GILMER
W G PEAVY OIL COMPANY
LORELEI VON SCHILLING
CAROLYN BEAMON TILLEY
BOFB LTD
CB LIFELINE PARTNERSHIP
GB SAFEWAY PROPERTY LTD
MUSTANG ENERGY RESOURCES LLC
LANA S. SMITH
VICKI SMITH THAXTON
HAL AND JEAN RIDDLE TRUST

DUPLICATES

SILVERADO OIL & GAS LLP
PIONEER NATURAL RES USA INC
ENDURING RESOURCES IV LLC
ENDURING RESOURCES IV LLC
HAL AND JEAN RIDDLE TRUST
BP AMERICA PRODUCTION COMPANY

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SELF-AFFIRMED STATEMENT OF WILLIAM (MARCUS) HILL, P.E.

1. My name is William (Marcus) Hill, P.E. I work for Hilcorp Energy Company ("Hilcorp") as a reservoir engineer.
2. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in reservoir engineering matters. My credentials as a reservoir engineer have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Hilcorp in this case and have conducted an engineering study of the subject area and of the Basin-Dakota Gas Pool.
4. I used a decline curve analysis on existing wells to estimate ultimate recoveries for the subject spacing unit under the existing well density. I then compared the estimated ultimate gas recoveries against log-derived volumetric calculations for the original gas in place with the cumulative gas production in the spacing unit.
5. Using this approach, we identified areas, including the subject spacing unit, that have substantial remaining recoverable gas and lower-than-expected gas recoveries where additional well bores or well completions are necessary to adequately drain remaining gas reserves.

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6. **Hilcorp Exhibit C-1** contains information relating to the subject spacing unit and the general location of the additional wells proposed to be drilled, including the wells from Case No. 25437, and simultaneously dedicated within the subject spacing unit:

- a. **State Com Q 013N Well** (API No. 30-045-PENDING) (*See* Case No. 25437), to be directionally drilled with a surface hole location in the SE/4 NE/4 (Unit H and bottom-hole location in the NE/4 NE/4 (Unit A);
- b. **State Com Q 013P Well** (API No. 30-045-PENDING) (*See* Case No. 25437), to be directionally drilled with a surface hole location in the SE/4 NE/4 (Unit H) and bottom-hole location in the NW/4 NE/4 (Unit B);
- c. **State Com Q 013Q Well** (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 SW/4 (Unit N) and bottom-hole location in the SW/4 SE/4 (Unit O).

7. This additional well will be the fifth Basin-Dakota completion within the spacing unit. I anticipate that it will help drain the northern portion of the spacing unit.

8. **Hilcorp Exhibit C-2** is a basin-wide map reflecting Hilcorp's calculations for original gas in place across the Basin-Dakota Gas Pool. The warmer colors represent areas where there is more original gas in place. The cooler colors indicate areas where there is less original gas in place. The yellow star indicates the location of the subject wells, which is in an area where Hilcorp calculated moderately high volumes of original gas in place.

9. **Exhibit C-3** is a map depicting the calculated cumulative gas production from the Basin-Dakota Gas Pool. The yellow star identifies the location of the subject wells where there is relatively low cumulative gas production.

10. **Exhibit C-4** is a map depicting calculated remaining recoverable gas. The cooler colors indicate areas where there is relatively less remaining recoverable gas. The warmer colors reflect areas where there is relatively more remaining recoverable gas. The yellow star identifies the location of the subject wells, which are in an area where Hilcorp calculated that there is remaining recoverable gas and relatively low cumulative production under the existing well density.

11. **Exhibit C-5** is a table that supports this volumetric analysis. The first column titled "Volumetric OGIP" reflects the calculated volumetric original gas in place on a section basis around the subject spacing unit. The column titled "CTD/RF%" shows the cumulative gas production to date on a section basis and the calculated recovery factor. The column titled "EUR/RF%" shows the estimated ultimate gas recovery and recovery factor calculated on a section basis. And the last column tabulates the total recoverable gas remaining on a section basis. I calculated the recoverable gas remaining within the subject spacing unit is approximately 9.84 Bcf.

12. I would expect recovery factors of approximately 70-80% in a gas pool of this type. The relatively low recovery factors in Exhibit C-5 indicate that this area is not being sufficiently drained by the existing wells in the subject spacing unit under the existing well density and that additional well bores, or completions, are necessary to adequately drain the Basin-Dakota Gas Pool in this area.

13. Approval of Hilcorp's application is therefore necessary to drain the unrecovered gas reserves that will otherwise be left in place under the existing well density within the subject spacing unit.

14. In my opinion, granting this application will not impair the Basin-Dakota Gas Pool, and will be in the interest of conservation, the prevention of waste and will protect correlative rights.

15. **Hilcorp Exhibits C-1 through C-5** were prepared by me or under my direction and supervision.

16. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


William (Marcus) Hill P.E.


Date



Dakota Spacing Rule Exceptions

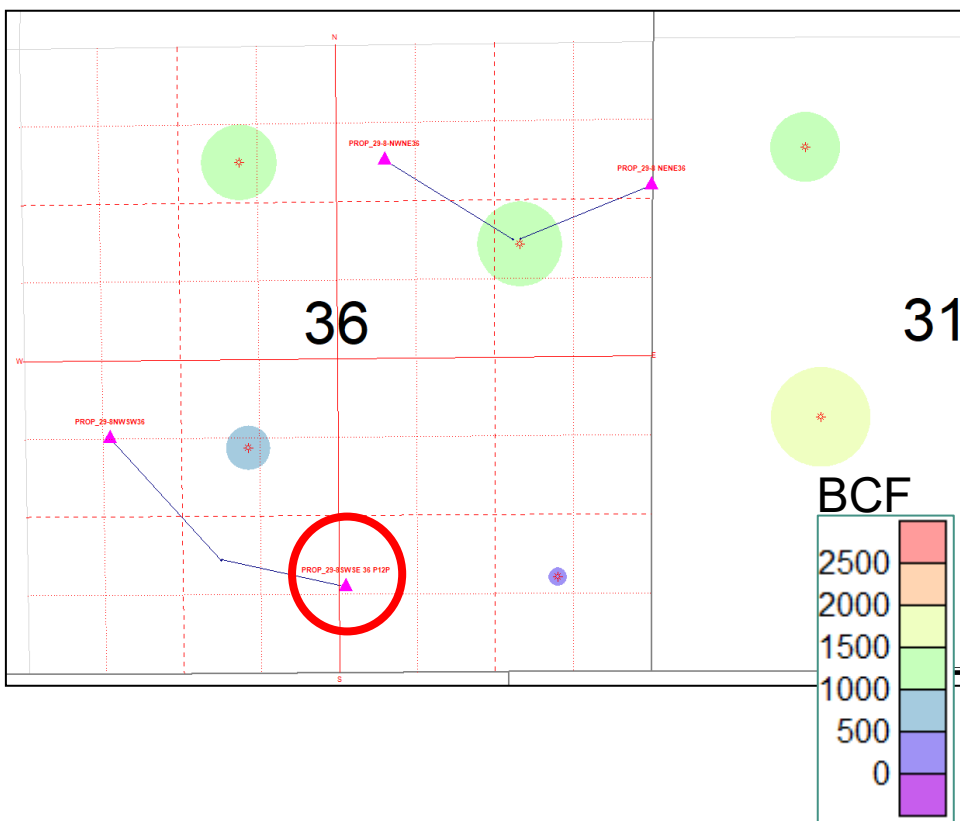
Scott Matthews / Marcus Hill

July 10, 2025

29-8 36



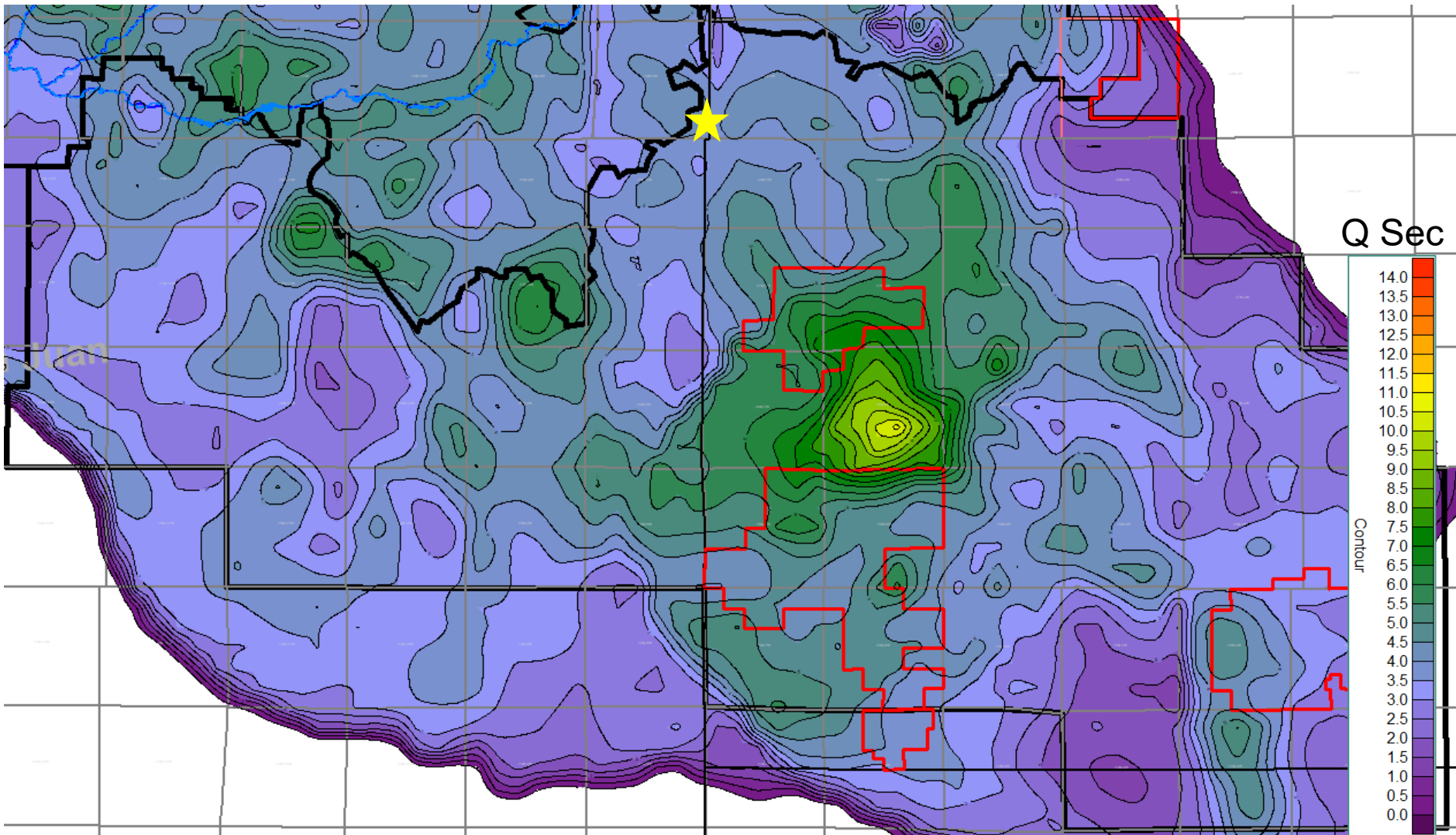
Overview



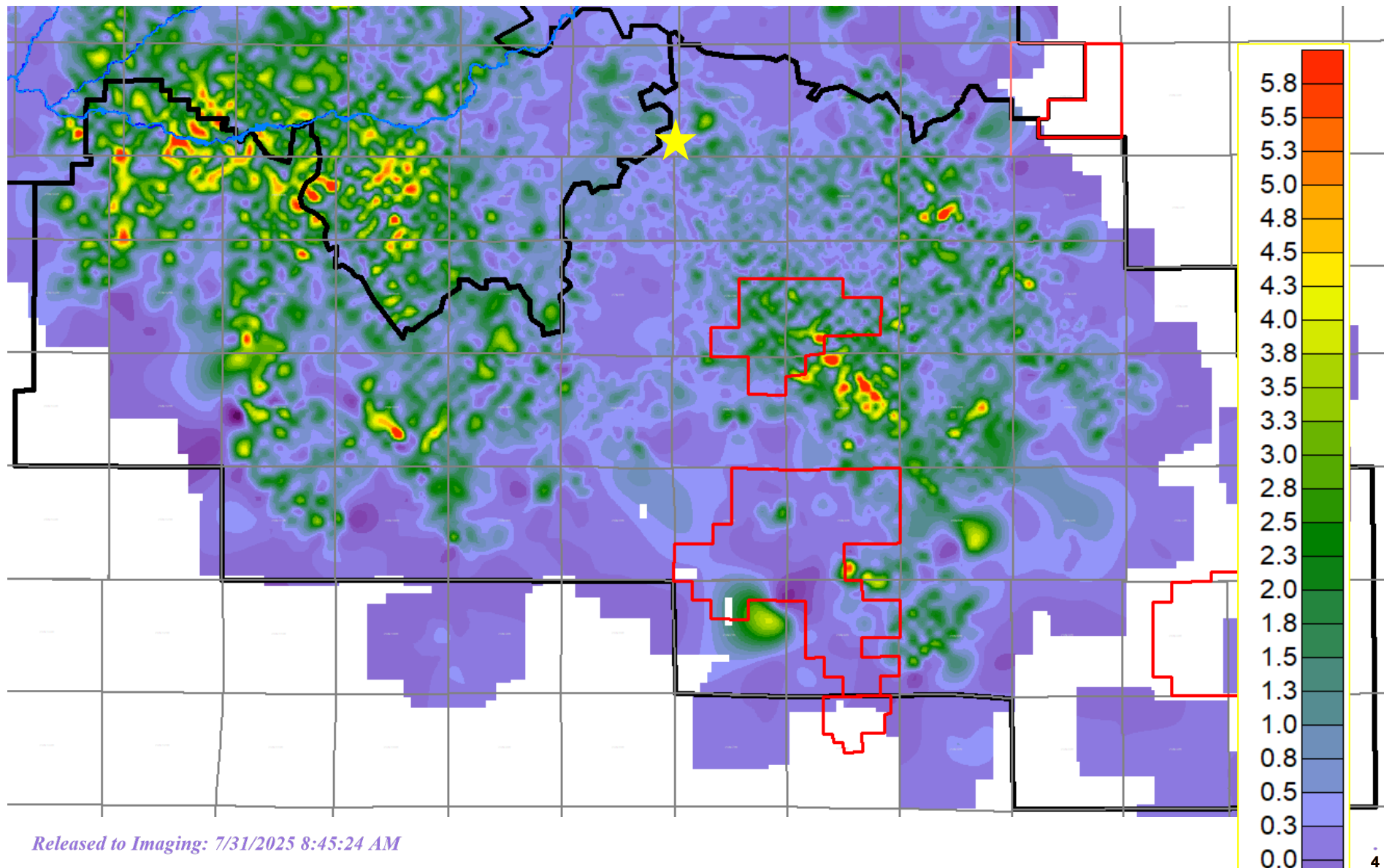
- Dakota developed at 8 wells per section (4 wells per 320 acres, 2 wells per 160 acres)
- Proposing 3 additional infill well to fully deplete the reservoir
- Drilling from existing disturbances
- Will commingle Dakota with Mesaverde and Gallup reservoirs

BEFORE THE OIL CONSERVATION DIVISION
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 Exhibit No. C-1
 Submitted by: Hilcorp Energy Company
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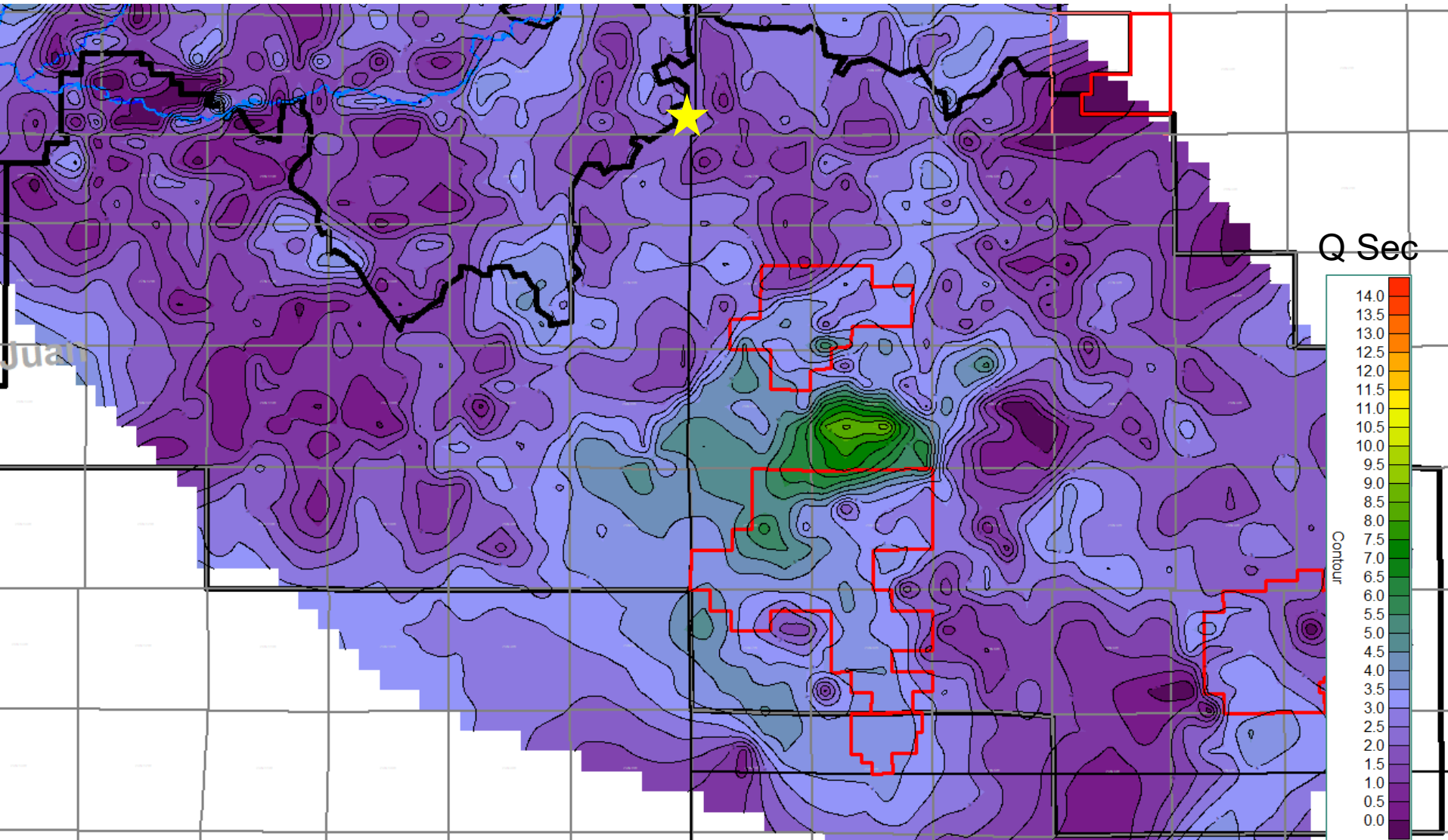
Dakota OGIP



Dakota Production



Dakota RGIP





Section Reserve Summary

Reference Area	Volumetric OGIP	CTD / RF%	EUR / RF%	Recoverable Gas Remaining
29-8 Section 36	16.68 BCF	2.5 BCF / 15%	3.5 BCF / 21%	9.84 BCF

- CTD= Cumulative Production to Date
- EUR= Estimated Ultimate Recovery and is based of Decline Curve Analysis
- Recoverable Gas Remaining assumes an 80% Recovery Factor

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**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Hilcorp Energy Company (“Hilcorp”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of July 28, 2025.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Hilcorp Energy Company
Hearing Date: August 7, 2025
Case No. 25488**



Paula M. Vance

July 30, 2025

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

July 18, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Basin-Dakota Gas Pool, San Juan County, New Mexico: State Com Q 013Q Well

Ladies & Gentlemen:

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 7, 2025, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/oed/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Gatewood D. Brown at (713) 289-2767 or gabrown@hilcorp.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paula M. Vance'.

Paula M. Vance
ATTORNEY FOR HILCORP ENERGY COMPANY

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

Contact
p: 505.988.4421 | f: 505.983.6043
www.hollandhart.com

Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

Hilcorp - Well Increased Density - State Com 013Q - Case no. 25488
Postal Delivery Report

9414811898765441945495	BOFB LTD	2104 Winter Sunday Way	Arlington	TX	76012-4941	We attempted to deliver your item at 4:15 pm on July 23, 2025 in ARLINGTON, TX 76012 and a notice was left because an authorized recipient was not available.
9414811898765441945488	Bolin Resources LP	2525 Kell Blvd Ste 510	Wichita Falls	TX	76308-1061	Your item was delivered to an individual at the address at 10:40 am on July 23, 2025 in WICHITA FALLS, TX 76308.
9414811898765441945471	Carolyn Beamon Tilley	4 Laureston Pl	Dallas	TX	75225-1830	Your item was delivered to an individual at the address at 4:54 pm on July 21, 2025 in DALLAS, TX 75225.
9414811898765441945556	CB Lifeline Partnership, C/O Carolyn Tilley Agent	4 Laureston Pl	Dallas	TX	75225-1830	Your item was delivered to an individual at the address at 4:54 pm on July 21, 2025 in DALLAS, TX 75225.
9414811898765441945525	Claudia Marcia Lundell Gilmer	723 W University Ave Ste 300-371	Georgetown	TX	78626-2662	Your item was delivered to the front desk, reception area, or mail room at 10:57 am on July 21, 2025 in GEORGETOWN, TX 78626.
9414811898765441945501	Cross Timbers Energy LLC	400 W 7th St	Fort Worth	TX	76102-4701	Your item was picked up at a postal facility at 9:06 am on July 23, 2025 in FORT WORTH, TX 76102.
9414811898765441945594	David Pierce & Maxine Pierce Rev Tr	PO Box 4140	Farmington	NM	87499-4140	Your item was picked up at the post office at 7:07 am on July 23, 2025 in FARMINGTON, NM 87401.
9414811898765441945549	Dirk Vanhorn Reemtsma	556 Crestwood Dr	Oceanside	CA	92058-7484	Your item was delivered to an individual at the address at 11:03 am on July 21, 2025 in OCEANSIDE, CA 92058.
9414811898765441945532	Dugan Production Corp	709 E Murray Dr	Farmington	NM	87401-6649	Your item was delivered to the front desk, reception area, or mail room at 4:09 pm on July 21, 2025 in FARMINGTON, NM 87401.

Hilcorp - Well Increased Density - State Com 013Q - Case no. 25488
Postal Delivery Report

9414811898765441945570	Enduring Resources IV LLC	6300 S Syracuse Way Ste 525	Centennial	CO	80111-6743	Your item was delivered to the front desk, reception area, or mail room at 12:25 pm on July 21, 2025 in ENGLEWOOD, CO 80111.
9414811898765441942210	GB Safeway Property LTD	6140 Highway 6 PMB 154	Missouri City	TX	77459-3802	Your item was delivered to an individual at the address at 1:48 pm on July 22, 2025 in MISSOURI CITY, TX 77459.
9414811898765441942258	Hal and Jean Riddle Trust	PO Box 9938	Amarillo	TX	79105-5938	Your item was picked up at a postal facility at 9:49 am on July 21, 2025 in AMARILLO, TX 79105.
9414811898765441942265	J&M Raymond LTD	PO Box 291445	Kerrville	TX	78029-1445	Your item has been delivered and is available at a PO Box at 12:03 pm on July 21, 2025 in KERRVILLE, TX 78028.
9414811898765441942203	James R Beamon	6140 Highway 6 PMB 154	Missouri City	TX	77459-3802	Your item was delivered to an individual at the address at 1:48 pm on July 22, 2025 in MISSOURI CITY, TX 77459.
9414811898765441942296	June Simmons Lively	3529 Bellaire Dr N	Fort Worth	TX	76109-2110	We could not access the delivery location to deliver your package at 5:30 pm on July 23, 2025 in FORT WORTH, TX 76109. We will redeliver on the next delivery day. No action needed.
9414811898765441942289	Lana S. Smith	8979 Baytowne Loop	Fort Myers	FL	33908-9609	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765441942234	Lance Reemtsma	2601 Grant St	Berkeley	CA	94703-1915	Your item was delivered to an individual at the address at 9:40 am on July 22, 2025 in BERKELEY, CA 94703.
9414811898765441942272	Linda Jeanne Lundell Lindsey	PO Box 631565	Nacogdoches	TX	75963-1565	This is a reminder to please pick up your item at the NACOGDOCHES, TX 75963 Post Office.

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9414811898765441942814	Lorelei Von Schilling	4008 Inwood Rd	Fort Worth	TX	76109-2603	Your item was delivered to an individual at the address at 11:53 am on July 23, 2025 in FORT WORTH, TX 76109.
9414811898765441942852	Mustang Energy Resources LLC	1660 Lincoln St Ste 1450	Denver	CO	80264-1401	Your item was returned to the sender at 10:49 am on July 21, 2025 in DENVER, CO 80203 because the forwarding order for this address is no longer valid.
9414811898765441942821	Pioneer Natural Res USA Inc.	Attn San Juan Land, PO Box 3178	Midland	TX	79702	Your item was picked up at a postal facility at 7:18 am on July 22, 2025 in MIDLAND, TX 79701.
9414811898765441942807	R L Bolin Properties LTD	2525 Kell Blvd Ste 510	Wichita Falls	TX	76308-1061	Your item was delivered to an individual at the address at 10:40 am on July 23, 2025 in WICHITA FALLS, TX 76308.
9414811898765441942883	Robert Walter Lundell	2450 Fondren Rd Ste 304	Houston	TX	77063-2316	Your item was delivered to the front desk, reception area, or mail room at 4:26 pm on July 22, 2025 in HOUSTON, TX 77063.
9414811898765441942876	Sharon Beamon Burns	1512 Maryland St	Houston	TX	77006-1822	Your item was delivered to an individual at the address at 9:55 am on July 23, 2025 in HOUSTON, TX 77006.
9414811898765441942760	Silverado Oil & Gas LLP	PO Box 52308	Tulsa	OK	74152-0308	Your item has been delivered and is available at a PO Box at 11:09 am on July 22, 2025 in TULSA, OK 74152.
9414811898765441942722	Simcoe LLC	1199 Main Ave Ste 101	Durango	CO	81301-5170	Your item has been delivered to an agent. The item was picked up at USPS at 12:00 pm on July 21, 2025 in DURANGO, CO 81301.
9414811898765441942791	Susan Beamon Porter	319 Knipp Forest St	Houston	TX	77024-5030	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765441942746	T H Mcelvain Oil & Gas LLP	1819 Denver West Dr Ste 260	Lakewood	CO	80401-3118	Your item was delivered to an individual at the address at 12:05 pm on July 21, 2025 in GOLDEN, CO 80401.

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9414811898765441942739	Tamacam LLC	263 Joe Rocky Rd	Raymond	WA	98577-9650	Your item was delivered to an individual at the address at 11:56 am on July 21, 2025 in RAYMOND, WA 98577.
9414811898765441942913	Vicki Smith Thaxton	PO Box 52308	Tulsa	OK	74152-0308	Your item has been delivered and is available at a PO Box at 11:09 am on July 22, 2025 in TULSA, OK 74152.
9414811898765441942968	W G Peavy Oil Company	221 Woodcrest Dr	Richardson	TX	75080-2038	Your item was delivered to an individual at the address at 5:14 pm on July 23, 2025 in RICHARDSON, TX 75080.
9414811898765441942906	Wildcard Family Limited Partnership	1601 Bryan St Ste 4300	Dallas	TX	75201-3477	Your item was forwarded to a different address at 8:56 am on July 21, 2025 in DALLAS, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 83
Ad Number: 55750
Description: Hilcorp - Well Increased Densi
Ad Cost: \$114.48

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

July 19, 2025

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Sherry Groves

Agent

Subscribed to and sworn to me this 19th day of July 2025.

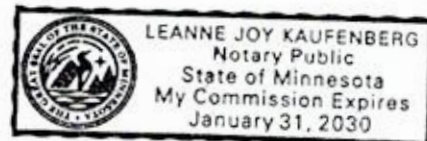
Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County
Minnesota

Case No. 25488: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Basin-Dakota Gas Pool, San Juan County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: BOFB LTD; Bolin Resources LP; Carolyn Beamon Tilley; CB Lifeline Partnership C/O Carolyn Tilley Agent; Claudia Marcia Lundell Gilmer; Cross Timbers Energy LLC; David Pierce & Maxine Pierce Rev Trust; Dirk Vanhorn Reemtsma; Dugan Production Corp; Enduring Resources IV LLC; GB Safeway Property LTD; Hal and Jean Riddle Trust; J&M Raymond LTD; James R Beamon; June Simmons Lively; Lana S. Smith; Lance Reemtsma; Linda Jeanne Lundell Lindsey; Lorelei Von Schilling; Mustang Energy Resources LLC; Pioneer Natural Res USA Inc.; R L Bolin Properties LTD; Robert Walter Lundell; Sharon Beamon Burns; Silverado Oil & Gas LLP; Simcoe LLC; Susan Beamon Porter; T H McElvain Oil & Gas LLP; Tamacam LLC; Vicki Smith Thaxton; W G Peavy Oil Company; and Wildcard Family Limited Partnership. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on August 7, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule II.B of the Special Rules and Regulations for the Basin-Dakota Gas Pool (71599), San Juan County, New Mexico, to permit it to drill and complete an additional Basin-Dakota vertical and/or directional gas well, making a total of five vertical and/or directional gas wells within the same standard 320-acre, more or less, spacing and proration unit comprised of the E/2 of Section 36, Township 29 North, Range 8 West, San Juan County, New Mexico, with three wells producing from the same quarter section. Hilcorp further seeks approval for the proposed locations of the State Com Q 013Q Well (API No. 30-045-PENDING), to be directionally drilled with a surface hole location in the SE/4 SW/4 (Unit N) and bottom-hole location in the SW/4 SE/4 (Unit O), and authorization to simultaneously complete and produce the well from the Basin-Dakota Gas Pool. Said area is located approximately 11 miles southeast of Blanco, NM.

Published in the Carlsbad Current-Argus July 19, 2025.
#55750

Holland And Hart
HOLLAND AND HART
110 N Guadalupe ST # 1
Santa Fe, NM 87501-1849
kethaggard@hollandhart.com



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Hilcorp Energy Company
Hearing Date: August 7, 2025
Case No. 25488

BALLANTINE

COMMUNICATIONS

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of San Juan

Odette Zamora, the undersigned, authorized Representative of the Tri-City Record, on oath states that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Law of 1937, that payment therefore has been made of assessed as court cost; and that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

7/18/2025

Sworn and subscribed before me, a notary public in and for the county of La Plata and the State of Colorado, 7-21-25

Gail Lynn Vitarius
Notary Public

PRICE: \$ 181.76

Statement to come at the end of the month.

ACCOUNT NUMBER: 110454

GAIL LYNN VITARIUS
Notary Public
State of Colorado
Notary ID # 20254005989
My Commission Expires 02-12-2029

COPY OF ADVERTISEMENT

29837

Case No. 25488: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Basin-Dakota Gas Pool, San Juan County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: BOFB LTD; Bolin Resources LP; Carolyn Beamon Tilley; CB Lifeline Partnership C/O Carolyn Tilley Agent; Claudia Marcia Lundell Gilmer; Cross Timbers Energy LLC; David Pierce & Maxine Pierce Rev Trust; Dirk Vanhorn Reemtsma; Dugan Production Corp; Enduring Resources IV LLC; GB Safeway Property LTD; Hal and Jean Riddle Trust; J&M Raymond LTD; James R Beamon; June Simmons Lively; Lana S. Smith; Lance Reemtsma; Linda Jeanne Lundell Lindsey; Lorelei Von Schilling; Mustang Energy Resources LLC; Pioneer Natural Res USA Inc.; R L Bolin Properties LTD; Robert Walter Lundell; Sharon Beamon Burns; Silverado Oil & Gas LLP; Simcoe LLC;

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Published in Tri-City Record
July 18, 2025