State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Melanie A. Kenderdine Cabinent Secretary

Ben Shelton Deputy Secretary

Erin Taylor Deputy Secretary **Gerasimos "Gerry" Razatos** Division Director (Acting) Oil Conservation Division



Mr. Robert T. Carlson rcarlson@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8969

Hilcorp Energy Company [OGRID 372171] Allison 602 Federal Com Well No. 606H API No. 30-045-38450

Reference is made to your application received on May 2nd, 2025.

Proposed Location

-	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	207 FSL & 1782 FWL	Ν	12	32N	07W	San Juan
First Take Point	2160 FNL & 2567 FEL	G	13	32N	07W	San Juan
Last Take Point	1937 FNL & 2300 FWL	F	16	32N	06W	San Juan
Terminus	1934 FNL & 2370 FWL	F	16	32N	06W	San Juan

Proposed Horizontal Gas Units

Description	Acres	Pool	Pool Code
NE/4 SEC 13,	958.77	Basin Mancos	97232
NW/4 SEC 16,			
N/2 SEC 17, T32N, R07W			
L1, L2, E/2 NW/4, NE/4 SEC	18, T32N, R06W		

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

1220 South St. Francis Drive - Santa Fe, New Mexico 87505

Phone (505) 476-3441 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

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Administrative Order NSL – 8969 Hilcorp Energy Company Page 2 of 2

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 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 20 feet to the western boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 13, T32N, R07W, encroachment to the Lot 1, Lot 2, E/2 NW/4

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 in order to maximize recovery of reserves and to minimize surface disturbance, thereby preventing waste of resources within the Mancos formation underlying NE/4 SEC 13 (T32N, R07W), NW/4 SEC 16 (T32N, R06W), N/2 SEC 17 (T32N, R06W), and in L1, L2, E/2 NW/4, NE/4 SEC 18 (T32N, R06W).

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.

Gerasimos Razatos Division Director (Acting) GR/lrl

Date: 6-12-2025

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ID NO. 458112		NSL - 8969		
RECEIVED: 05/02/25	REVIEWER:	TYPE:	APP NO:	
1	- Geologi	ABOVE THIS TABLE FOR OCD DIVI CO OIL CONSERVA ical & Engineering rancis Drive, Santa	TION DIVISION Bureau –	· · · · · · · · · · · · · · · · · · ·
	T IS MANDATORY FOR A	RATIVE APPLICATIC ALL ADMINISTRATIVE APPLICAT REQUIRE PROCESSING AT THE D	IONS FOR EXCEPTIONS TO	
Applicant: <u>HILCORP ENE</u> Well Name: <u>ALLISON 60</u> Pool: <u>BASIN MANCOS</u>		606H	API: <u>30</u>	D Number: <u>372171</u> -045-38450 Code: <u>97232</u>
SUBMIT ACCURATE AN	ID COMPLETE IN	FORMATION REQUIR		HE TYPE OF APPLICATION
 TYPE OF APPLICATIO A. Location – Space NSL B. Check one only 	cing Unit – Simul NSP _@	Itaneous Dedication	(proration unit)	D
[I] Comminglir DHC [II] Injection -	ng – Storage – M	PLC PC OL ure Increase – Enhai	nced Oil Recove	FOR OCD ONLY
B. Royalty, ove C. Application D. Notification E. Notification F. Surface owr	ators or lease ho erriding royalty o requires publish and/or concurr and/or concurr ner e above, proof c	olders owners, revenue owr) /	Notice Complete Application Content Complete
3) CERTIFICATION: I her administrative appro- understand that no a notifications are sub	oval is accurate action will be ta	and complete to th aken on this applicat	e best of my kno	

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

ROB CARLSON

Print or Type Name

5/2/2025 Date

(832) 839-4596

Phone Number

RCARLSON@HILCORP.COM e-mail Address

RS	Tea-

Signature



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

Hilcorp

Re: Unorthodox Well Location Application Allison 602 Federal Com 606H (API: 30-045-38450) Surface Location: 207' FSL / 1,782' FWL - Sec. 12, T32N-R7W First Take Point: 2,160' FNL / 2,567' FEL - Sec. 13, T32N-R7W Last Take Point: 1,937' FNL / 2,300' FWL - Sec. 16, T32N-R6W Bottomhole Location: 1,934' FNL / 2,370' FWL - Sec. 16, T32N-R6W Spacing Unit: Township 32 North, Range 7 West, N.M.P.M Sec. 13: NE/4; Township 32 North, Range 6 West, N.M.P.M Sec. 16: NW/4; Sec. 17: N/2; Sec. 18: Lots 1-2, E/2 NW/4, NE/4 San Juan County, New Mexico

Dear Mr. Lowe:

Received by OCD: 5/2/2025 12:19:49 PM

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 Allison 602 Federal Com 606H (the "Well"), an infill horizontal well targeting the Basin-Mancos Gas Pool (97232).

In lieu of the established spacing unit requirements for the Basin-Mancos Gas Pool, Hilcorp elected, as provided under Paragraph (3) of Subsection B of 19.15.16.15.B.3 NMAC, to form the subject 958.77-acre horizontal spacing unit ("HSU") comprised of the quarter sections penetrated by the lateral of the defining horizontal well Allison 602 Federal Com 605H (API: 30-045-38449). There are no Mancos horizontal wells producing within the subject HSU or any of the adjoining quarter sections thereto.

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 LTP of the Well is compliant with the 330-foot setback requirement at approximately 372 feet from the eastern boundary of the HSU. The completed interval of the Well's lateral is also compliant with the 660-foot setback requirement from the northern and southern boundary of the HSU.

<u>*However*</u>, the FTP, situated approximately 20 feet from the western boundary of the HSU, **is not compliant** and encroaches upon the quarter section comprised of Lots 1-2 & E/2 NW/4 (aka NW/4) of Section 13, T32N-R7W.

Hilcorp believes this unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. Hilcorp is the operator and owner of 100% working interest in the affected quarter section 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 due to the federal lease covering Lots 1 & 2 of the aforementioned quarter section.

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Sincerely,

Killer

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

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

PO Box 61229, Houston, TX 77208-1229 1111 Travis Street, Houston, TX 77002 Phone: (832) 839-4596 Fax 713/209-2478 rcarlson@hilcorp.com

Received by OCD: 5/2/2025.12:19.	:49 RM		PPgge 6 of 14					
<u>C-102</u>	State of New Mexico		Revised July 9, 2024					
Submit Electronically	Energy, Minerals & Natural Resources Department		🛛 Initial Submittal					
Via OCD Permitting	OIL CONSERVATION DIVISION	Submittal Type	🗌 Amended Report					
		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	🗆 As Drilled					
WELL LOCATION INFORMATION								

API Number 30-045-38450	Pool Code 97232		Pool Name BASIN MANCOS		
Property Code 337190	Property Name	ALLISON 602 FEDERAL COM		Well Number 606H	
OGRID No. 372171	Operator Name	HILCORP ENERGY COMPAN	١Y	Ground Level Elevation 6563'	
Surface Owner: 🗌 State 🛛 Fee 🗌 T	ribal 🗌 Federal	Mineral Owner	∵ ⊠ State ⊠ Fee [] Tribal 🛛 Federal	

	Surface Location											
UL	Section	Township		Lot	Feet from N/S	5 Line	Feet from E/W	/ Line	Latitude	Longitude	County	
N	12	32N	7W		207 '	SOUTH	1782 '	WEST	36.989470 °N	-107.520962 °W	SAN JUAN	

	Bottom Hole Location											
UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County			
F	16	32N	6W		1934' NORTH	2370' WEST	36.982446 °N	-107.464606 °W	SAN JUAN			

Dedicated Acres	Penetrated Spacing Unit:	Infill or Defining Well	Defining Well API	Overlappin	g Spacing Unit	Consolidation Code
958.77	NE/4 – Section 13, T32N, R7W NW/4 – Section 16, T32N, R6W N/2 – Section 17, T32N, R6W	Infill	Allison 601 Federal Com 603H API: TBD	🗌 🗆 Yes	🛛 No	Com
Lot 1 & 2	2, E/2 NW/4, NE/4 – Section 18, T32N, R6W	Order Numbers			Well setbacks Common Owr	are under 🛛 Yes 🗌 No

	Kick Off Point (KOP)											
UL	Section	Township	Range	Lot	Feet from N/S	3 Line	Feet from E/V	l Line	Latitude	Longitude	County	
N	12	32N	7W		207 '	SOUTH	1782 '	WEST	36.989470 °N	-107.520962 °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		
G	13	32N	7W		2160' NORTH	2567' EAST	36.982609 °N	-107.518004 °W	SAN JUAN		
					,	aat Taka Daiat (17	וח				

Last Take Point (LTP)											
UL	Section	Township	Range	Lot	Feet from N/S	S Line	Feet from E/W	Line	Latitude	Longitude	County
F	16	32N	6W		1937 '	NORTH	2300 '	WEST	36.982445 °N	-107.464846 °W	SAN JUAN

Unitized Area or Area of Uniform Interest	Spacing Unit Type 🛛 Horizontal	🗌 Vertical	🗌 Directional	Ground Floor Elevation

OPERATOR CERTIFICATION	SURVEYOR 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	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.
interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	SON C. EDWARD
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.	J SK CO 3
	H (15269) E 3/24/2025 E 3/24/2025
A Watter 3/24/2025	3/24/2025 BS
Signature Date	10 E3310
Amanda Walker	Jason C. Edwards
Printeo Name	Signature and Seal of Professional Surveyor
_mwalker@hilcorp.com E-mail Address	Certificate Number 15269 Date of Survey MARCH 12, 2024

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. *Released to Imaging: 6/16/2025 5:23:23 PM*







Application for Unorthodox Well Location: Allison 602 Federal Com 606H (API: 30-045-38450) Mancos Formation Page 9 of 14

Hilcorp



Released to Imaging: 6/16/2025 5:23:23* Plifcorp is the Operator and 100% Working Interest Owner of all "Affected Offset Acreage" shaded in yellow*



May 2, 2025

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

Re: Notice of Unorthodox Well Location Application

To Whom it May Concern:

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 as such relates to Hilcorp's intent to file an application for unorthodox location with the New Mexico Oil Conservation Division ("NMOCD").

Should you have any questions or concerns that warrant a potential protest, please notify the NMOCD within 20 days and, separately, contact the undersigned for further discussion.

Sincerely,

Killen

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

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Form 3160-5 (June 2019) DE		UNITED STATE PARTMENT OF THE I		FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2021		
	BUR	EAU OF LAND MAN	AGEMENT	5. Lease Serial No. NMNM04207		
Do not u	use this f		DRTS ON WELLS to drill or to re-enter an PD) for such proposals.	6. If Indian, Allottee or Tribe N	ame	
	SUBMIT IN	TRIPLICATE - Other instru	uctions on page 2	7. If Unit of CA/Agreement, Na	ame and/or No.	
1. Type of Well	🖌 Gas V			8. Well Name and No. Allison 602 Federal Com/606H		
2. Name of Operator HILC	CORP ENE	RGY COMPANY		9. API Well No. 3004538450		
3a. Address 1111 TRAV			10. Field and Pool or Exploratory Area BASIN MANCOS/BASIN MANCOS			
4. Location of Well (Foota SEC 12/T32N/R07W/N	0	R.,M., or Survey Description)		11. Country or Parish, State SAN JUAN/NM		
	12. CHE	CK THE APPROPRIATE B	OX(ES) TO INDICATE NATURE (OF NOTICE, REPORT OR OTH	ER DATA	
TYPE OF SUBMIS	SION		TYPE	E OF ACTION		
Notice of Intent		Acidize	Deepen [Hydraulic Fracturing [Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity	
Subsequent Report		Casing Repair Change Plans	New Construction Plug and Abandon	Recomplete Temporarily Abandon	✓ Other	
Final Abandonment	t Notice	Convert to Injection	Plug Back	Water Disposal		
the proposal is to deep the Bond under which completion of the invo	en directiona the work wil lved operation donment No	Ily or recomplete horizontal be perfonned or provide the ons. If the operation results in	ly, give subsurface locations and mea e Bond No. on file with BLM/BIA. I n a multiple completion or recomple	asured and true vertical depths of Required subsequent reports mus tion in a new interval, a Form 31	k and approximate duration thereof. If f all pertinent markers and zones. Attach t be filed within 30 days following 60-4 must be filed once testing has been e operator has detennined that the site	

Please see the attached notification of the NSL application that will be filed with NMOCD today.

14. I hereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i>) AMANDA WALKER / Ph: (713) 209-2400	Op Title	perations/Regulatory Technician	
(Electronic Submission) Signature	Date 05/02/2025		
THE SPACE FOR FEDE		OR STATE OFICE USE	
Approved by			
KENNETH G RENNICK / Ph: (505) 564-7742 / Accepted	Titl	Petroleum Engineer le	05/02/2025 Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject lead which would entitle the applicant to conduct operations thereon.		_{âce} FARMINGTON	
Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for an any false, fictitious or fraudulent statements or representations as to any matter within			lepartment or agency of the United States

(Instructions on page 2)

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SESW / 202 FSL / 1931 FWL / TWSP: 32N / RANGE: 07W / SECTION: 12 / LAT: 36.989395 / LONG: -107.520453 (TVD: 0 feet, MD: 0 feet) PPP: LOT 2 / 0 FNL / 0 FEL / TWSP: 32N / RANGE: 06W / SECTION: 18 / LAT: 36.982512 / LONG: -107.491017 (TVD: 7131 feet, MD: 20630 feet) PPP: SWNE / 0 FNL / 0 FEL / TWSP: 32N / RANGE: 07W / SECTION: 13 / LAT: 36.982581 / LONG: -107.509234 (TVD: 7131 feet, MD: 20630 feet) PPP: SWNE / 2117 FNL / 2276 FEL / TWSP: 32N / RANGE: 07W / SECTION: 13 / LAT: 36.982609 / LONG: -107.517009 (TVD: 7131 feet, MD: 20630 feet) PPP: SWNW / 0 FNL / 0 FEL / TWSP: 32N / RANGE: 06W / SECTION: 17 / LAT: 36.982512 / LONG: -107.491017 (TVD: 7131 feet, MD: 20630 feet) BHL: SENE / 2011 FNL / 247 FEL / TWSP: 32N / RANGE: 06W / SECTION: 17 / LAT: 36.98245 / LONG: -107.473566 (TVD: 7131 feet, MD: 20630 feet) 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

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	458112
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	5/9/2025

Page 14 of 14

Action 458112