

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Carson Rice
carice@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9096

**Hilcorp Energy Company [OGRID 372171]
Yager Com Well No. 1M
API No. 30-045-PENDING**

Reference is made to your application received on August 15th, 2025.

Location; Vertical Well

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
SHL	2167 FNL & 364 FWL	E/5	06	30N	11W	San Juan
BHL	1870 FNL & 101 FWL	E/5	06	30N	11W	San Juan

Proposed Gas Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 of Section 06	319.27	Basin Dakota	71599

This deviated well will be completed into an unorthodox location described above in the referenced pool or formation. 19.15.15.10.C NMAC governs this well which provides for 160-acre spacing units with setbacks no closer than 660 feet, nor closer than 10 feet to any interior quarter – quarter section line.

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 Last Take referenced above within the described Unit.

Administrative Order NSL - 9096
Hilcorp Energy Company
Page 2 of 2

This well's completed interval is as close as 101 feet to the western edge of the spacing unit. Encroachment will impact the following tracts.

Section 01, T30N, R10W, encroachment to the NE/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. OCD understands that the Applicant is 100% Working Interest within the encroachment area and public notice is not required.

Division understands you are requesting this unorthodox location in order to maximize the recovery of resources and to minimize surface disturbance within the Basin Dakota formation underlying the N/2 of section 06. All while protecting the correlative rights of and the disposition of waste from oil and gas operations.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



Albert C.S. Chang
Division Director
AC/lrl

Date: 10/24/2025

ID NO. 497896

NSL - 9096

Revised March 23, 2017

RECEIVED: 08/20/25	REVIEWER:	TYPE:	APP NO:
------------------------------	-----------	-------	---------

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Hilcorp Energy Company **OGRID Number:** 372171
Well Name: Yager Com 1M **API:** TBD
Pool: Basin Dakota **Pool Code:** 71599

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Carson Rice

Print or Type Name

Signature

8/12/2025

Date

713-757-7108

Phone Number

carice@hilcorp.com

e-mail Address



August 20, 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 for Basin-Dakota
Yager Com 1M (API: TBD)
SHL: Unit E, 2167' FNL & 364' FWL
BHL: Unit E, 101' FWL & 1870' FNL
Dakota Spacing Unit: N/319.27 acres in Section 6, T30N, R11W
San Juan County, New Mexico**

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, Hilcorp Energy Company ("Hilcorp") hereby requests administrative approval for an unorthodox gas well location in the Basin-Dakota Gas Pool (71599).

Hilcorp intends to drill a Basin-Dakota gas well with a BHL in the NW/4 of Section 6, T30N-R11W. Spacing for the Dakota is the N/2 of Section 6. The Dakota BHL will be in a non-standard location.

Rule (II.C.1) of the Special Rules and Regulations for the Basin-Dakota Gas Pool (Order R-10982-B-1) provides wells "Drilled on a GPU shall be located not closer than 660' to the outer boundary of the GPU and not closer than 10' to any interior quarter or quarter-quarter section line or subdivision inner boundary". The subject wellbore, however, is situated approximately **101** feet from the west line boundary of the N/2 spacing unit. Thus, the Basin-Dakota completion contemplated herein becomes unorthodox by default.

Referring to the enclosed map titled "Unorthodox Location Plat":

Pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC, the affected spacing unit encroached upon by this unorthodox location (shaded in red on the map enclosed) is N/2 of Section 1, T30N, R12W; comprised of Fee and Federal leases. **Hilcorp operates and owns 100% working interest in the Scott Gas Com #1 (30-045-09991), Scott Gas Com 1F (30-045-32872); the two (2) producing Basin-Dakota wells in the affected spacing unit.**

This unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. An APD has been filed with the State. Attached is the C-102, an unorthodox location map and the proof of notification as required by 19.15.4.12.A.2. For questions, please contact me at the email/number below.

Sincerely,

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

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

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number	Pool Code 71599	Pool Name BASIN DAKOTA
Property Code	Property Name YAGER COM	Well Number 1M
OGRID No. 372171	Operator Name HILCORP ENERGY COMPANY	Ground Level Elevation 5767'
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL E	Section 6	Township 30N	Range 11W	Lot 5	Feet from N/S Line 2167' NORTH	Feet from E/W Line 364' WEST	Latitude 36.842347 °N	Longitude -108.039726 °W	County SAN JUAN
---------	--------------	-----------------	--------------	----------	-----------------------------------	---------------------------------	--------------------------	-----------------------------	--------------------

Bottom Hole Location

UL E	Section 6	Township 30N	Range 11W	Lot 5	Feet from N/S Line 1870' NORTH	Feet from E/W Line 101' WEST	Latitude 36.843163 °N	Longitude -108.040615 °W	County SAN JUAN
---------	--------------	-----------------	--------------	----------	-----------------------------------	---------------------------------	--------------------------	-----------------------------	--------------------

Dedicated Acres 319.27	Penetrated Spacing Unit N/2 - Section 6, T30N, R11W	Infill or Defining Well Infill	Defining Well API 30-045-24015	Overlapping Spacing Unit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Consolidation Code C
Order Numbers		Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No			

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------------	--------------------	----------	-----------	--------


First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------------	--------------------	----------	-----------	--------

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------------	--------------------	----------	-----------	--------

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Directional	Ground Floor Elevation 5767'
---	--	---------------------------------

<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p>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.</p> <div><div>Cherylene Weston</div><div>Signature</div></div> <div><div>8/13/2025</div><div>Date</div></div> <div><div>Cherylene Weston, Operations/Regulatory Tech-Sr.</div><div>Printed Name</div></div> <div><div>cweston@hilcorp.com</div><div>E-mail Address</div></div>	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <div></div> <div><div>JASON C. EDWARDS</div><div>Signature and Seal of Professional Surveyor</div></div> <div><div>Certificate Number 15269</div><div>Date of Survey JULY 23, 2025</div></div>
--	--

BOTTOM HOLE LOCATION (B)
1870' FNL 101' FWL
LAT 36.843160 °N
LONG -108.039990 °W
DATUM: NAD1927

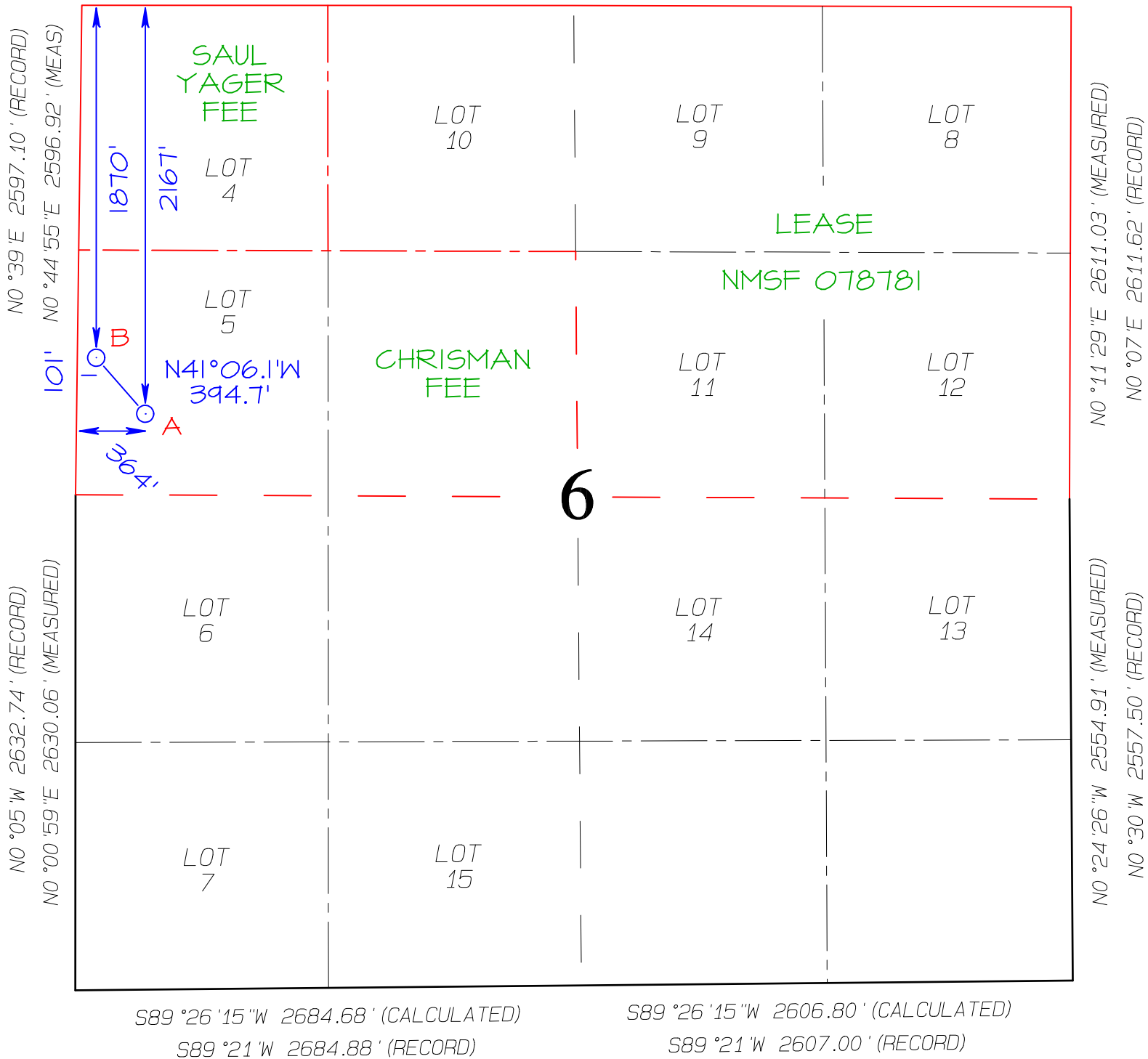
LAT 36.843163 °N
LONG -108.040615 °W
DATUM: NAD1983

SURFACE LOCATION (A)
2167' FNL 364' FWL
LAT 36.842344N
LONG -108.039101 °W
DATUM: NAD1927

LAT 36.842347 °N
LONG -108.039726 °W
DATUM: NAD1983

S89 °58'W 2611.62' (RECORD)
N89 °58'12"W 2608.53' (MEASURED)

N89 °54'W 2638.02' (RECORD)
N89 °50'07"W 2638.60' (MEASURED)



BOTTOM HOLE LOCATION (B)
1870' FNL 101' FWL
LAT 36.843160 °N
LONG -108.039990 °W
DATUM: NAD1927

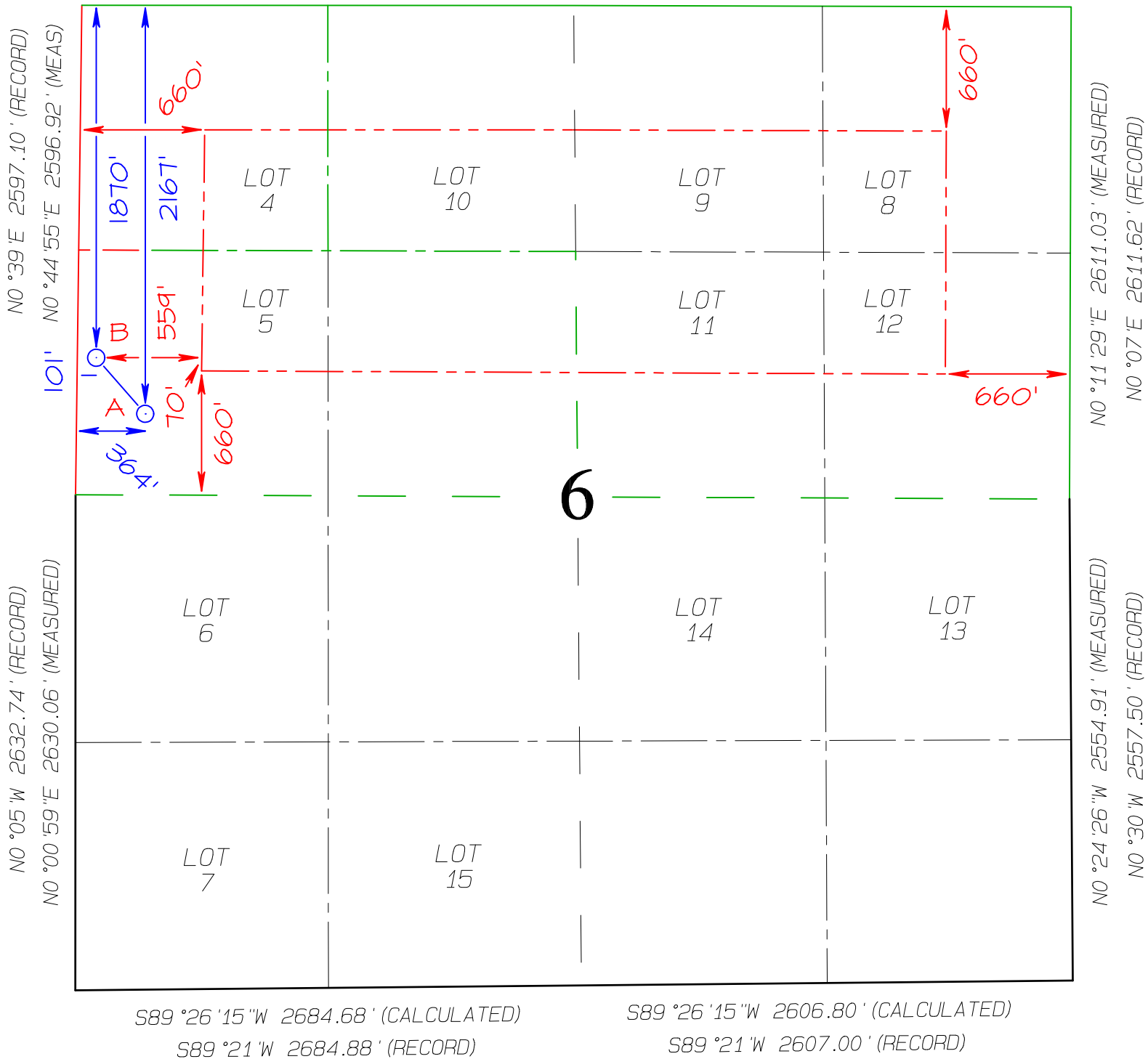
LAT 36.843163 °N
LONG -108.040615 °W
DATUM: NAD1983

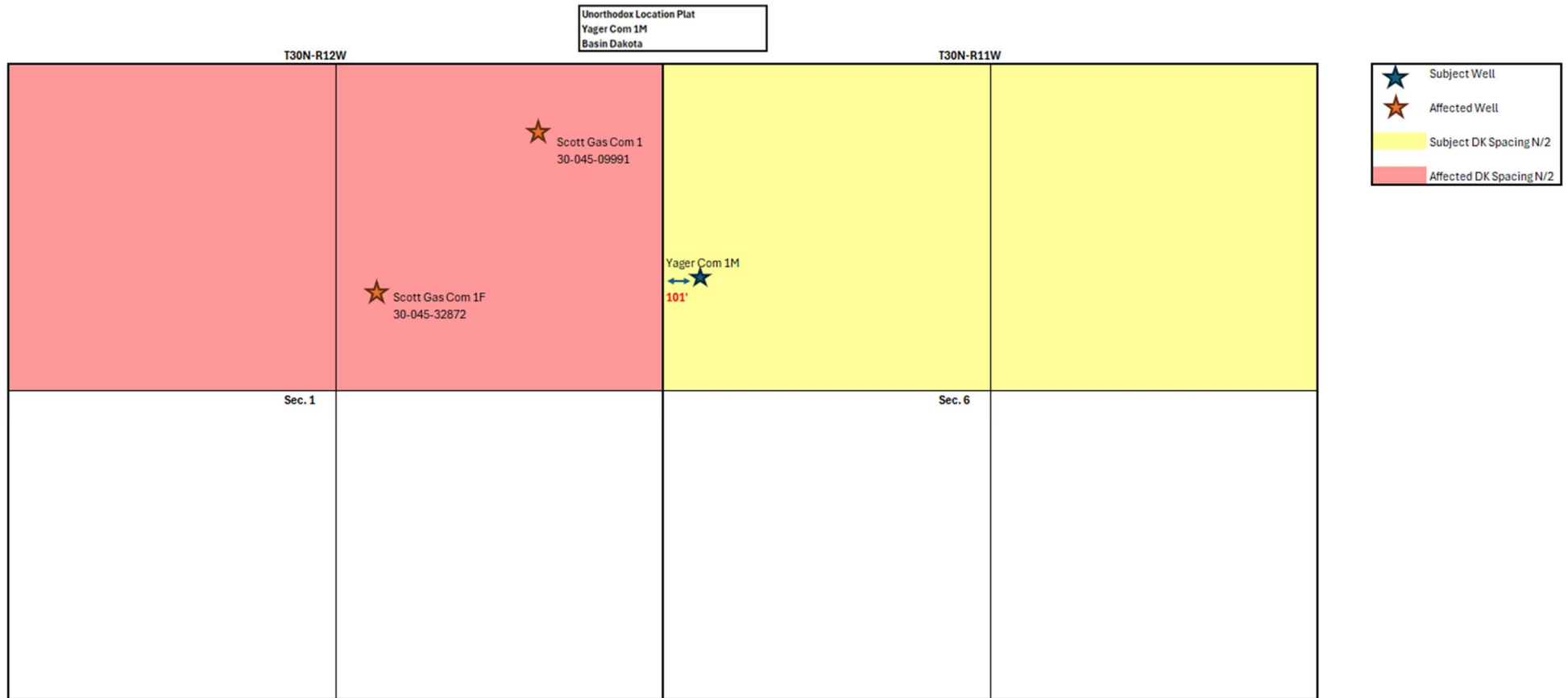
SURFACE LOCATION (A)
2167' FNL 364' FWL
LAT 36.842344N
LONG -108.039101 °W
DATUM: NAD1927

LAT 36.842347 °N
LONG -108.039726 °W
DATUM: NAD1983

S89 °58'W 2611.62' (RECORD)
N89 °58'12"W 2608.53' (MEASURED)

N89 °54'W 2638.02' (RECORD)
N89 °50'07"W 2638.60' (MEASURED)







August 20, 2025

Sent via Certified Mail
9214 8969 0099 9790 1657 3846 49

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

Re: Unorthodox Well Location Application for Basin-Dakota
Yager Com 1M (API: TBD)
SHL: Unit E, 2167' FNL & 364' FWL
BHL: Unit E, 101' FWL & 1870' FNL
Dakota Spacing Unit: N/319.27 acres in Section 6, T30N, R11W
San Juan County, New Mexico

To Whom it May Concern:

Pursuant to 19.15.15.13 NMAC, Hilcorp has filed an Unorthodox Location Application with the New Mexico Oil Conservation Division. The spacing unit the subject unorthodox location encroaches upon contains a federal lease. Thus, this letter serves to provide the BLM with notice as required by 19.15.4.12.A.2 NMAC.

Please refer to copies of the application materials enclosed for further details. Per 19.15.15.13 NMAC, objections shall be made in writing with the NMOCD within twenty (20) days from the date of this letter.

Should have any questions concerning this application, please feel free to call me at the number below.

Sincerely,

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

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

9214 8969 0099 9790 1657 3846 49

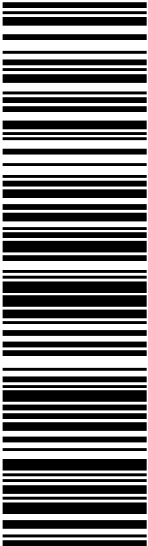
\$0.740
\$5.30
\$2.82
\$0.00
\$8.860

Electronic Return Receipt Requested

BUREAU OF LAND MANAGEMENT
6251 COLLEGE BLVD A
FARMINGTON, NM 87402

8/20/2025 10:44:51AM

Code: YAGER COM 1M DK NSL BLM



9214 8969 0099 9790 1657 3846 49

BUREAU OF LAND MANAGEMENT
6251 COLLEGE BLVD A
FARMINGTON, NM 87402

Batch #: 9
Article #: 9214896900997901657384649
Date/Time: 8/20/2025 10:44:51AM
Code: YAGER COM 1M DK NSL BLM

Internal File #:
Internal Code:

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 497896

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 497896
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	This NSL order was approved with a pending API number. The owner of the NSL shall update the OCD when an API number is assigned to the pending APD by sending an e-mail to ocd.engineer@emnrd.nm.gov . TITLED: (Updating NSL-XXX with API number of the Well Name). The text of the email shall contain: NSL order number, API number and Well Name. If the Well name does not match the name on the NSL order. The order will be annulled.	10/30/2025