

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



Gatewood Brown
gabrown@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9113

Hilcorp Energy Company [OGRID 372171]
San Juan 29 7 Unit Well No. 81N
API No. 30-039-29703

Reference is made to your application received on September 5th, 2025.

Location Vertical Well

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
SHL/BHL	2180 FSL & 265 FEL	I	18	29N	07W	Rio Arriba

Proposed Gas Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 Section 18	320	Basin Fruitland Coal	71629

This vertical well was recompleted into an unorthodox location described above in the referenced pool or formation. Special pool rule R-8768-B 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 First and Last Take Points referenced above within the described spacing unit.

Administrative Order NSL - 9113
Hilcorp Energy Company
Page 2 of 2

This well's completed interval is as close as 265 feet to the eastern edge of the spacing unit. Encroachment will impact the following tracts.

Section 17, encroachment to the W/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 the recovery of oil and gas reserves and minimize surface disturbance. This will prevent waste within the Basin Fruitland Coal formation underlying the E/2 of section 18.

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: 11/10/2025

ID NO. 503227

NSL - 9113

Revised March 23, 2017

RECEIVED: 09/05/25	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: Hilcorp Energy Company **OGRID Number:** 372171
Well Name: San Juan 29-7 Unit 81N **API:** 30-039-29703
Pool: Basin Fruitland Coal **Pool Code:** 71629

**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.

Gatewood Brown

Print or Type Name

Signature

8/14/2025

Date

713.757.7108

Phone Number

gabrown@hilcorp.com

e-mail Address

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 30-039-29703	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 318713	Property Name SAN JUAN 29-7 UNIT	Well Number 81N
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6794'
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 I	Section 18	Township 29N	Range 07W	Lot	Ft. from N/S 2180' FSL	Ft. from E/W 265' FEL	Latitude 36.7247047	Longitude -107.6042099	County RIO ARRIBA
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Bottom Hole Location

UL I	Section 18	Township 29N	Range 07W	Lot	Ft. from N/S 2180' FSL	Ft. from E/W 265' FEL	Latitude 36.7247047	Longitude -107.6042099	County RIO ARRIBA
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Dedicated Acres 320.00	Infill or Defining Well DEFINING	Defining Well API	Overlapping Spacing Unit (Y/N) NO	Consolidation Code UNIT
Order Numbers.			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
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First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Last Take Point (LTP)

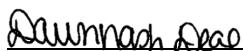
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6794'
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OPERATOR CERTIFICATIONS

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.

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.



08/15/2025

Signature

Date

Dawn Nash-Deal

Printed Name

Dnash@hilcorp.com

Email Address

SURVEYOR CERTIFICATIONS

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.

Glen Russell

Signature and Seal of Professional Surveyor

15703

Certificate Number

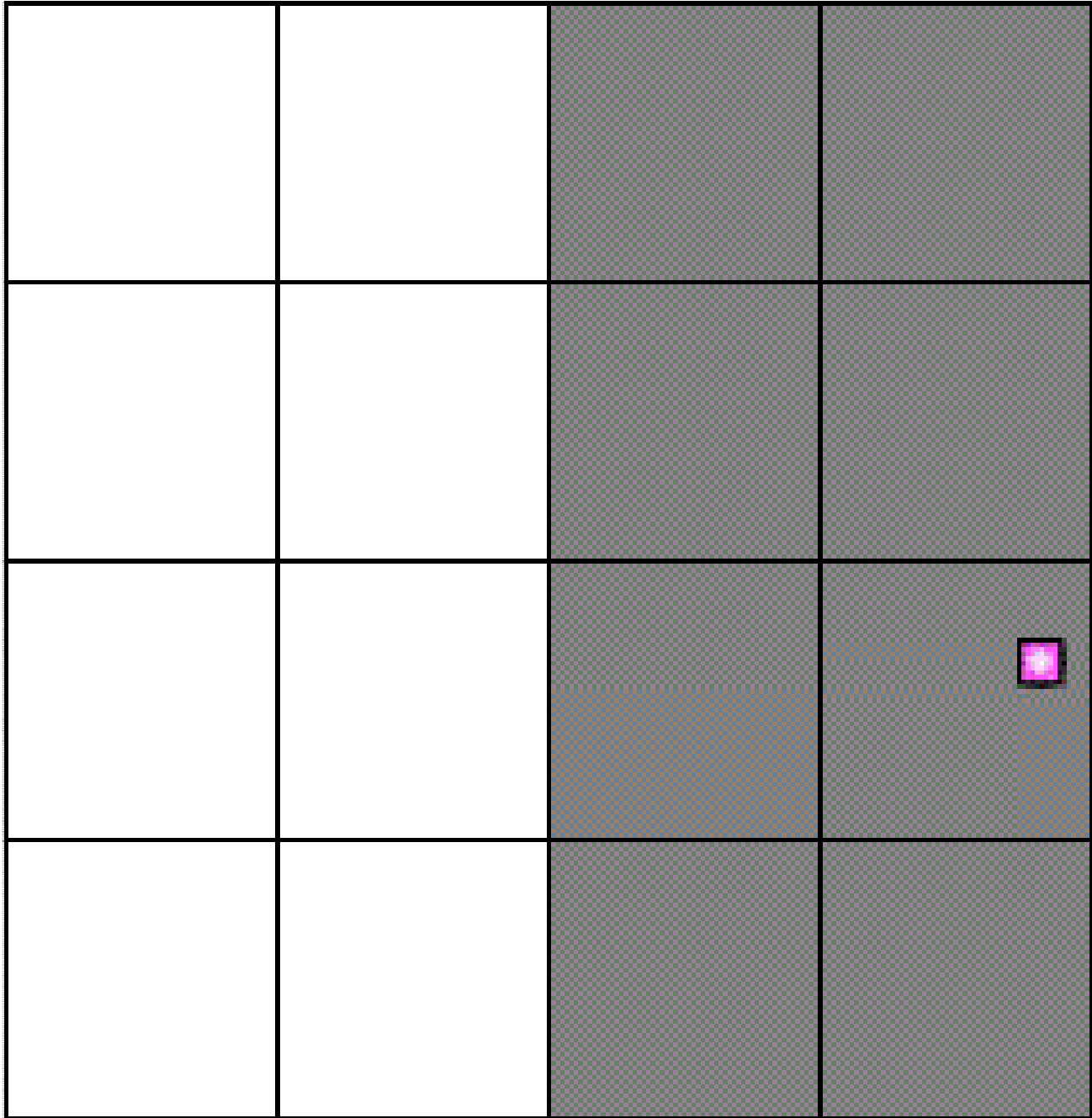
9-19-2005

Date of Survey

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.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.





September 4, 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 Fruitland Coal
San Juan 29-7 Unit 81N (API: 30-039-29703)
SHL/BHL: Unit I (NE/SE), 2,180' FSL & 265' FEL
Spacing Unit: E/320 acres in Section 18, T29N, R07W
Rio Arriba 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 Fruitland Coal Gas Pool (71629).

Hilcorp intends to utilize the subject wellbore for a recompletion attempt to the Basin Fruitland Coal formation; dedicated to a standard 320-acre gas spacing unit in the E/2 of Section 18, T29N, R07W.

Rule (7) of the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool (Order R-8768-B) provides "*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 subject vertical wellbore, however, is situated approximately 265 feet from the east line boundary of the E/2 spacing unit. Thus, the Basin Fruitland Coal recompletion 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 (shown in red on the map enclosed) is the W/2 of Section 17, T29N, R07W. Hilcorp operates and owns a majority working interest in the San Juan 29-7 Unit 81N (API 30-039-29703). Thus, pursuant to Paragraph (8) of Subsection A of 19.15.2.7 NMAC, Hilcorp, as of the date of this letter, has provided notice to all working interest owners in the affected spacing unit and the Bureau of Land Management.

This unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. A notice of intent to recomplete the Basin Fruitland Coal Gas Pool has or will be soon filed with the Aztec OCD district office. Attached is the C-102 for the formation, an unorthodox location map and the notice parties/proof of notification as required by 19.15.4.12.A.2. For questions, please contact me at the email/number below.

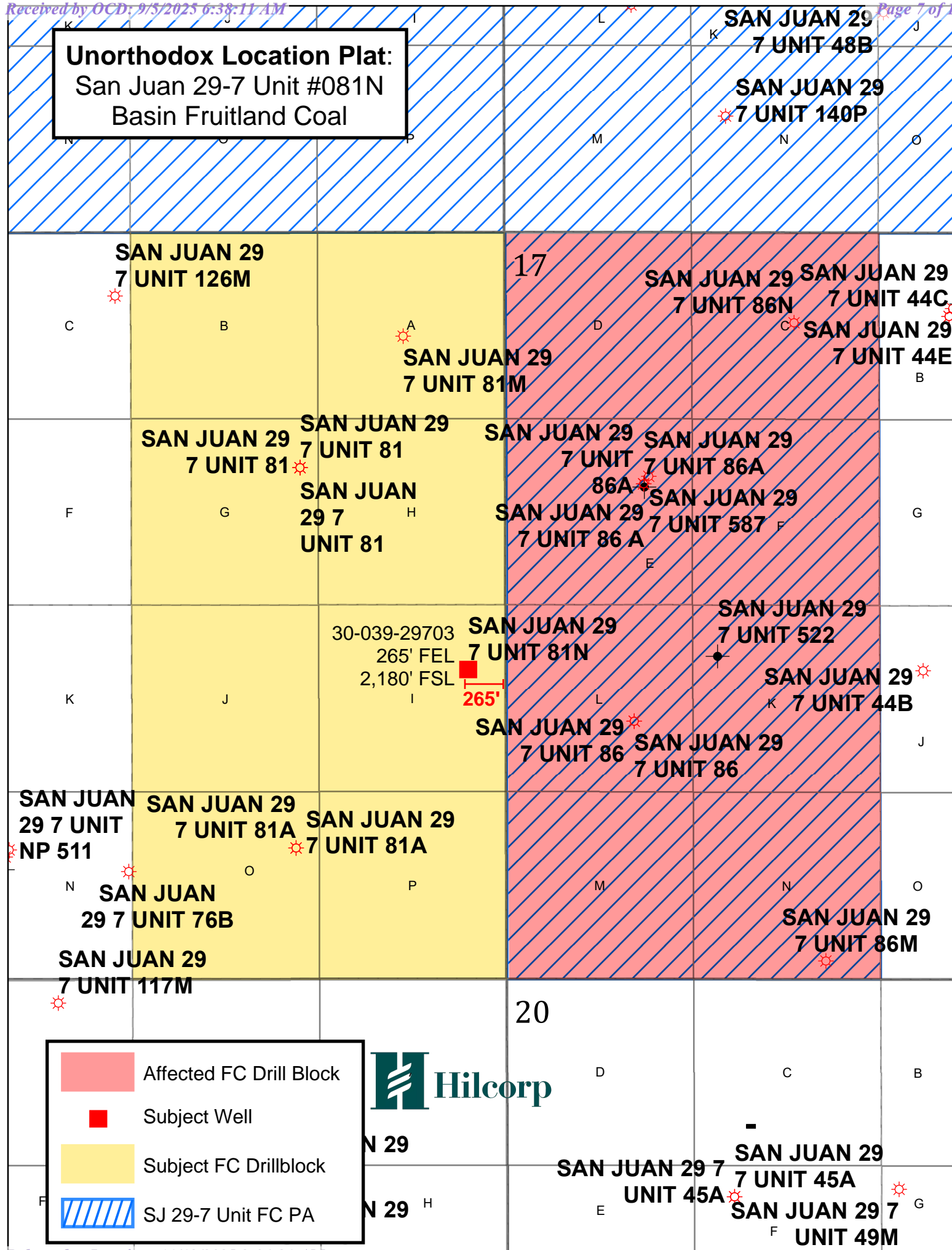
Sincerely,

A handwritten signature in blue ink that reads 'G Brown'.

Gatewood D. Brown
Landman
713.289.2767
gabrown@hilcorp.com

GDB;adb

Unorthodox Location Plat:
San Juan 29-7 Unit #081N
Basin Fruitland Coal





August 14, 2025

Sent via Certified Mail:

To: All Affected Working Interest Owners

Re: Unorthodox Well Location Application for Basin Fruitland Coal
San Juan 29-7 Unit 81N (API: 30-039-29703)
SHL/BHL: Unit I (NE/SE), 2,180' FSL & 265' FEL
Spacing Unit: E/320 acres in Section 18, T29N, R07W
Rio Arriba County, New Mexico

Dear Working Interest Owner:

Pursuant to 19.15.15.13 NMAC, Hilcorp has filed an Unorthodox Location Application for the subject well. This letter serves to provide you, an owner of working interest in the affected spacing unit this unorthodox location encroaches upon, with notice of said application 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 you support this effort, no action is required on your part. For questions, please contact me at the email/number below.

Sincerely,

A handwritten signature in blue ink that reads 'G Brown'.

Gatewood D. Brown
Landman
713.757.7108
gabrown@hilcorp.com

GDB:adb



August 14, 2025

Sent via Certified Mail

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

Re: Unorthodox Well Location Application for Basin Fruitland Coal
San Juan 29-7 Unit 81N (API: 30-039-29703)
SHL/BHL: Unit I (NE/SE), 2,180' FSL & 265' FEL
Spacing Unit: E/320 acres in Section 18, T29N, R07W
Rio Arriba 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 is partially comprised of one 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 that reads 'G Brown'.

Gatewood D. Brown
Landman
713.757.7108
gabrown@hilcorp.com

GDB:adb

92148969009997901849520268	, LOGOS RESOURCES II LLC, 2010 AFTON PL, FARMINGTON, NM, 87401 Code: 29-7 Un 81N FC NSL	8/14/2025	Delivered, Left with Individual August 22, 2025 Signature Pending
92148969009997901849520275	, LANCE REEMTSMA, 2601 GRANT ST, BERKELEY, CA, 94703 Code: 29-7 Un 81N FC NSL	8/14/2025	Notice Left (No Authorized Recipient Available) August 23, 2025 Signature Pending
92148969009997901849520282	, DIRK VANHORN REEMTSMA, 556 CRESTWOOD DR, OCEANSIDE, CA, 92058 Code: 29-7 Un 81N FC NSL	8/14/2025	Delivered, Left with Individual August 22, 2025 Signature Pending
92148969009997901849520299	, DAVID PIERCE and MAXINE PIERCE REV TR, PO BOX 4140, FARMINGTON, NM, 87499-4140 Code: 29-7 Un 81N FC NSL	8/14/2025	In Transit to Next Facility, Arriving Late Signature Pending
92148969009997901849520305	, ENDURING RESOURCES IV, LLC, 6300 S SYRACUSE WAY STE 525, CENTENNIAL, CO, 80111 Code: 29-7 Un 81N FC NSL	8/14/2025	Delivered, Front Desk/Reception/Mail Room August 21, 2025 Signature Pending
92148969009997901849520435	SIMCOE LLC, 1199 MAIN AVENUE, SUITE 101, DURANGO, CO, 81301 Code: 29-7 Un 81N FC/PC NSL	8/14/2025	Delivered to Agent, Picked up at USPS August 22, 2025 Signature Pending

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 503227

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 503227
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	9/19/2025