

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



ADMINISTRATIVE NON-STANDARD LOCATION

Carson Rice
carice@hilcorp.com

Administrative Order NSL - 9139

**Hilcorp Energy Company [OGRID 372171]
Hubbard Well No. 4C
API No. 30-045-38481**

Reference is made to your application received on October 3rd, 2025.

Surface Location; Vertical Well

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
SHL/BHL	2373 FSL & 2586 FEL	J	15	32N	12W	San Juan

Proposed Gas Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 Section 15	320	Blanco Dakota	71599

This vertical well is intended to be drilled at an unorthodox location described above in the referenced pool or formation. Special pool rule R-10987-B-2 governs this well which provides for 320-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 and 2.C.III of R-10987-B-2. It is understood that you are seeking this exception in order

Administrative Order NSL - 9139
Hilcorp Energy Company
Page 2 of 2

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 260 feet to the northern edge of the spacing unit. Encroachment will impact the following tracts.

Section 15, encroachment to the N/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 in order to maximize recovery of oil and gas reserves and to minimize surface disturbance. This will prevent waste within the Blanco Dakota formation underlying the S/2 of section 15, T32N, R12W.

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: 1/5/2026

ID NO. 512036

NSL - 9139

Revised March 23, 2017

RECEIVED: 10/03/25	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: Hubbard 4C **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

9/26/2025

Date

713-757-7108

Phone Number

carice@hilcorp.com

e-mail Address



October 3, 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
Hubbard 4C (API: TBD)
SHL/BHL: Unit J, 260' FNL & 2,586' FEL
Spacing Unit: S/320 T32N-R12W, Sec. 15
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 SE/4 of Sec. 15, T32N-R12W. Spacing for the Dakota is the S/2 of Section 15. 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 **260** feet from the north line boundary of the S/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 15, T32N, R12W; comprised of Fee and Federal leases. According to Hilcorp's leasehold records, **Hilcorp owns 100% working interest in the leasehold in the affected spacing unit from the surface to the base of the Dakota. There are no existing Dakota completions in the N/2.**

This unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. An APD will be filed soon 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 318571	Property Name HUBBARD	Well Number 4C
OGRID No. 372171	Operator Name HILCORP ENERGY COMPANY	Ground Level Elevation 6,106.1'
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 J	Section 15	Township 32N	Range 12W	Lot	Ft. from N/S 2,373 SOUTH	Ft. from E/W 2,586 EAST	Latitude (NAD 83) 36.985373°	Longitude (NAD 83) -108.082771°	County SAN JUAN
---------	---------------	-----------------	--------------	-----	-----------------------------	----------------------------	---------------------------------	------------------------------------	--------------------

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
----	---------	----------	-------	-----	--------------	--------------	-------------------	--------------------	--------

Dedicated Acres S/2 - 320	Infill or Defining Well Parent	Defining Well API	Overlapping Spacing Unit (Y/N) N	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	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
----	---------	----------	-------	-----	--------------	--------------	-------------------	--------------------	--------

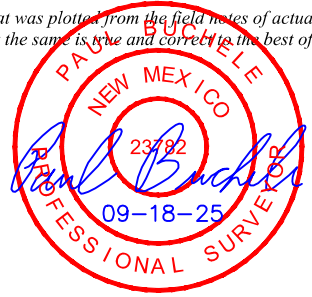
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
----	---------	----------	-------	-----	--------------	--------------	-------------------	--------------------	--------

Last Take Point (LTP)

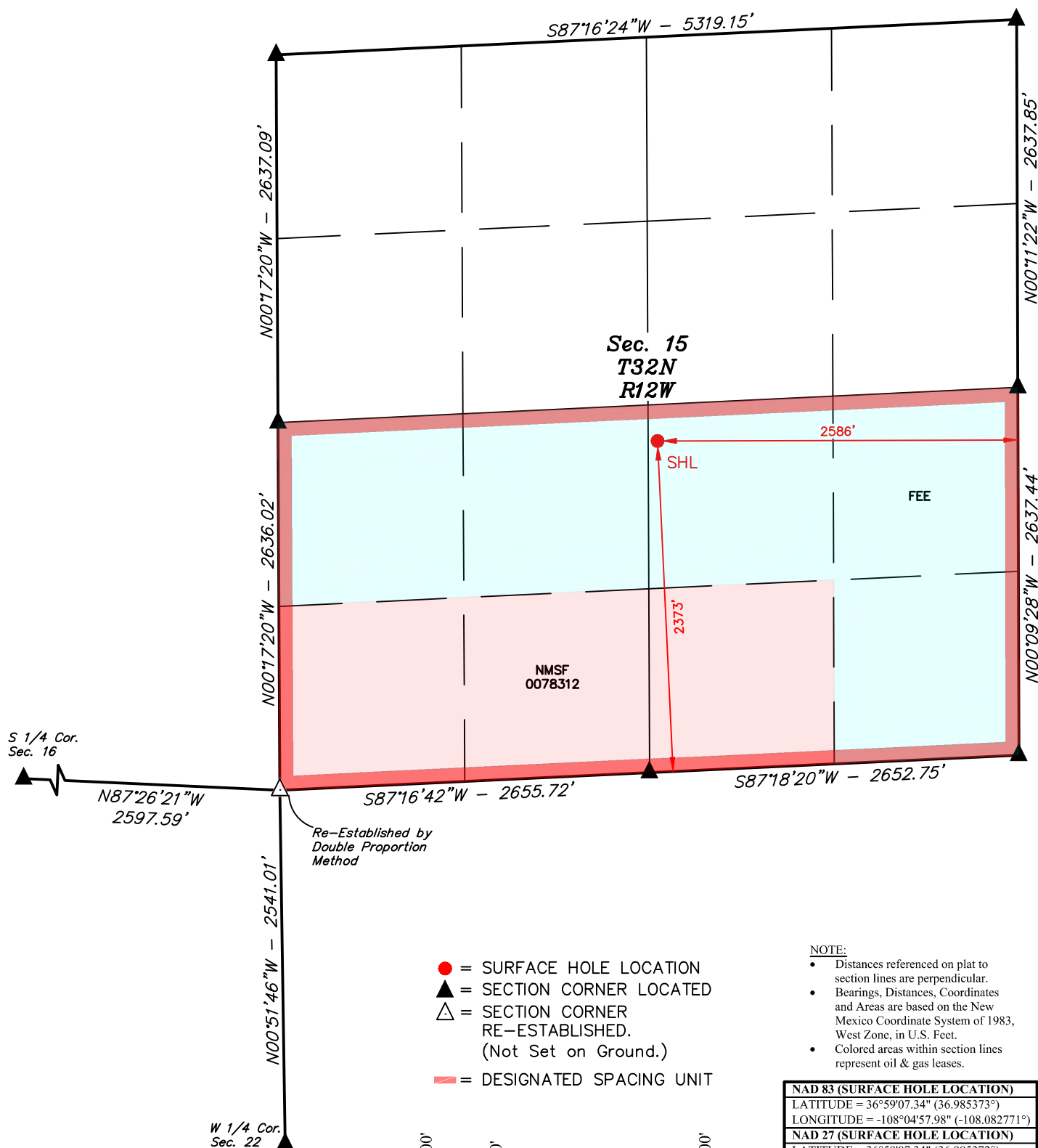
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
----	---------	----------	-------	-----	--------------	--------------	-------------------	--------------------	--------

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6106'
---	--	-------------------------------

OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> Cherylene Weston 9/26/2025	SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from the field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  Signature and Seal of Professional Surveyor 23782 August 28, 2025 Certificate Number Date of Survey
Signature Cherylene Weston, Operations/Regulatory Tech-Sr. Printed Name cweston@hilcorp.com Email Address	

Note: No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

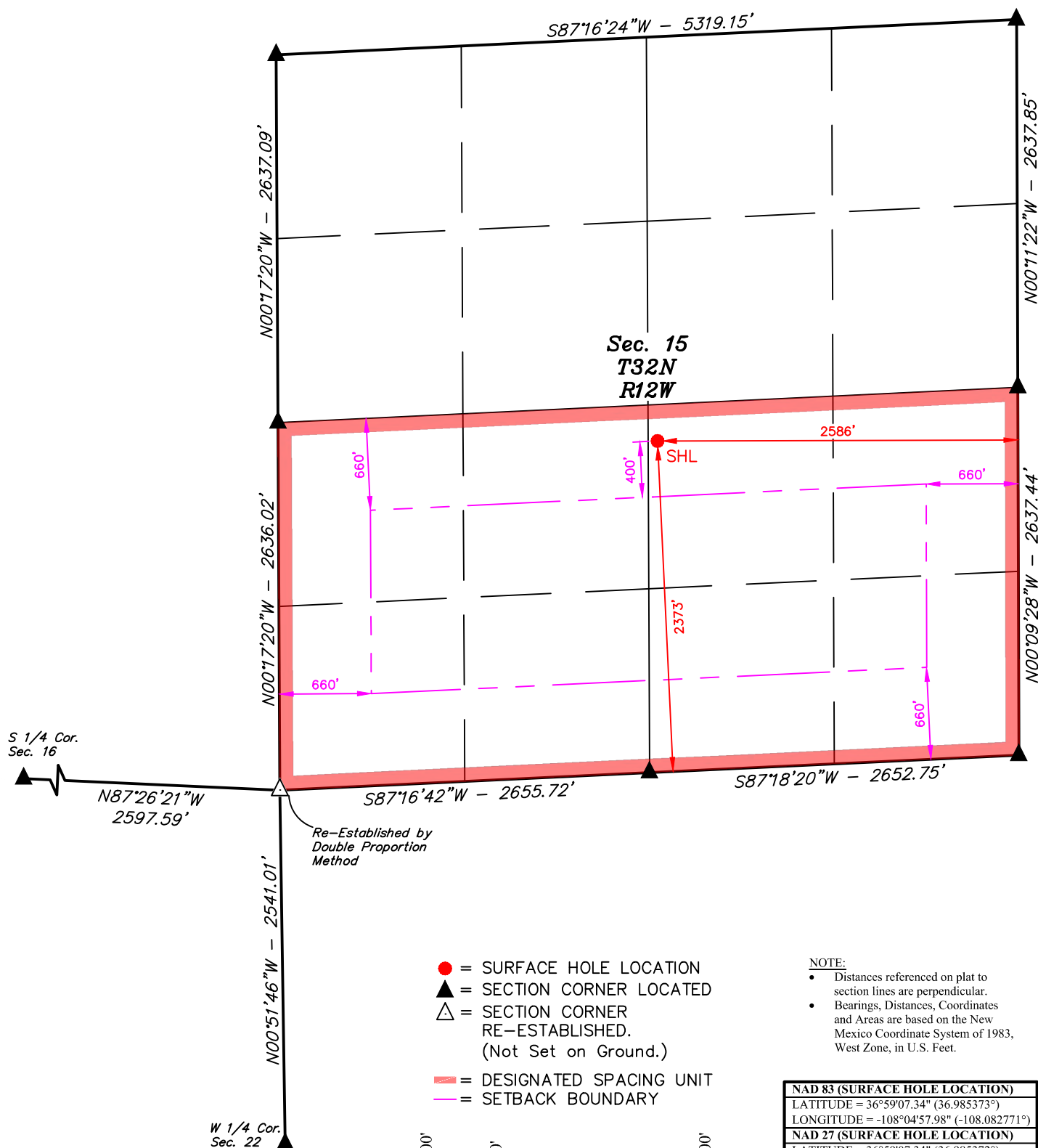
Property Name HUBBARD	Well Number 4C	Drawn By H.S.S. 09-18-25	Revised By
--------------------------	-------------------	-----------------------------	------------

**NOTE:**

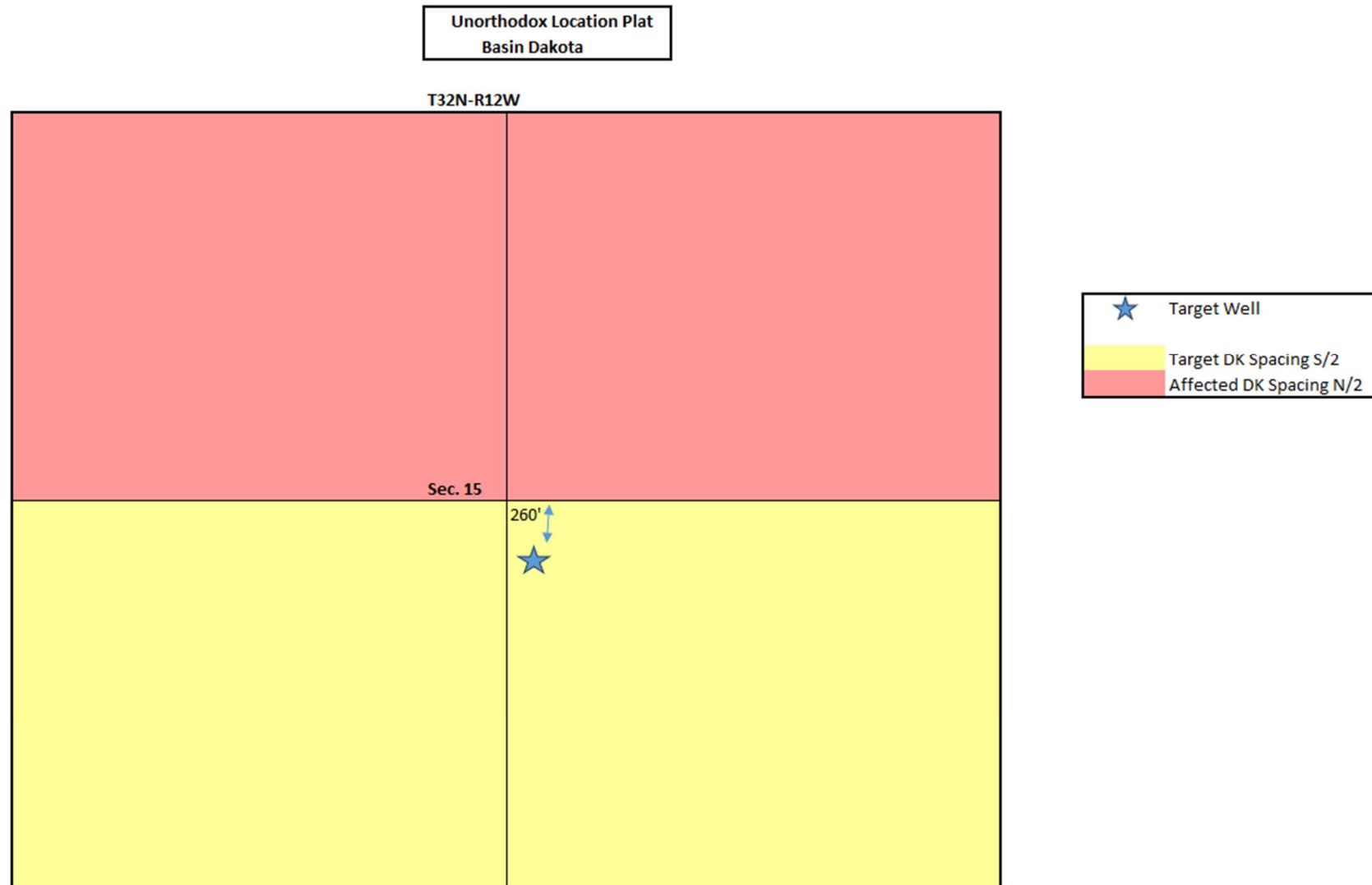
- Distances referenced on plat to section lines are perpendicular.
- Bearings, Distances, Coordinates and Areas are based on the New Mexico Coordinate System of 1983, West Zone, in U.S. Feet.
- Colored areas within section lines represent oil & gas leases.

NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = $36^{\circ}59'07.34''$ (36.985373°)	
LONGITUDE = $-108^{\circ}04'57.98''$ (-108.082771°)	
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = $36^{\circ}59'07.34''$ (36.985372°)	
LONGITUDE = $-108^{\circ}04'55.72''$ (-108.082144°)	
STATE PLANE NAD 83 (N.M. WEST)	
N: 2178103.06' E: 2650239.76'	
STATE PLANE NAD 27 (N.M. WEST)	
N: 2178039.07' E: 427329.61'	

Property Name HUBBARD	Well Number 4C	Drawn By H.S.S. 09-18-25	Revised By
--------------------------	-------------------	-----------------------------	------------



NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 36°59'07.34" (36.985373°)	
LONGITUDE = -108°04'57.98" (-108.082771°)	
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 36°59'07.34" (36.985372°)	
LONGITUDE = -108°04'55.72" (-108.082144°)	
STATE PLANE NAD 83 (N.M. WEST)	
N: 2178103.06' E: 2650239.76'	
STATE PLANE NAD 27 (N.M. WEST)	
N: 2178039.07' E: 427329.61'	





October 3, 2025

Sent via Certified Mail
9214 8969 0099 9790 1850 7246 93

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

Re: Unorthodox Well Location Application for Basin-Dakota
Hubbard #4C (API: TBD)
BHL: Unit J, 2586' FEL & 260' FNL
Dakota Spacing Unit: S/320 acres in Section 15, T32N, R12W
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', is placed over a faint, light blue rectangular background.

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

From: [Carson Rice](#)
To: [Lowe, Leonard, EMNRD](#)
Cc: [Rikala, Ward, EMNRD](#)
Subject: RE: [EXTERNAL] NSL application - Hubbard 4C - Hearing Order reference
Date: Tuesday, December 23, 2025 8:03:35 AM
Attachments: [image002.png](#)
[image003.png](#)
[image001.png](#)
[Dakota - R-10987-B-2.pdf](#)

Leonard,

Apologies for the confusion here as I must have mistyped the Order # for the Special Rules for the Basin-Dakota Pool.

Correct order # is **R-10987-B-2** (attached). Rule II.C.1 shown below (*Page 14 on the PDF*):

C. Well locations:

- (1) Except as provided in subparagraph II.C (2) below, wells drilled on a GPU shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary.

Thanks,

Carson Rice
Sr. Landman – San Juan North
Hilcorp Energy Company
1111 Travis Street
Houston, Texas 77002
713-209-2400 Main
713-757-7108 Direct

From: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>
Sent: Friday, December 19, 2025 5:39 PM
To: Carson Rice <carice@hilcorp.com>
Cc: Rikala, Ward, EMNRD <Ward.Rikala@emnrd.nm.gov>
Subject: [EXTERNAL] NSL application - Hubbard 4C - Hearing Order reference
Importance: High

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

C.R.,

The OCD has a few questions pertaining to the Hubbard Well No. 4C's NSL application.

The NSL application has the following information.

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 260 feet from the north line boundary of the S/2 spacing unit. Thus, the Basin-Dakota completion contemplated herein becomes unorthodox by default.

The NSL application for the above subject well references Hearing Order No. R – 10982 within its application. OCD records have the following information for that Hearing order.

Order Number: R-10982
Case Number: 11972
Applicants (Operators): Nearburg Exploration Company L.L.C.
Examiners: Catanach
Pools: East Gem-Morrow Gas Pool

Case Types: Examiner Authorized Non-Standard Location (ENSL)
Hearing Dates: 04/30/1998
Order Dates: 05/01/1998
Counties: Lea (25)

There is no record of a Hearing Order "R-10982-B-1". The OCD does not even have revision Hearing Orders labeled as such. What is "Rule (11.C.1)"?

What is Hilcorp trying to request for the Hearing Order reference?

Leonard R. Lowe

Engineering Bureau
OCD/EMNRD
5400 Oakland Ave.
Albuquerque, N.M 87113
Cell/Office Phone: 505-584-8351
E-mail: Leonard.Lowe@emnrd.nm.gov

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

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 512036

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 512036
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	10/6/2025