

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Gatewood Brown
gabrown@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9316

**Hilcorp Energy Company [OGRID 372171]
San Juan 29 05 Unit Well No. 70G
API No. 30-039-29653**

Reference is made to your application received on March 29th, 2026.

Proposed Location; Vertical Well

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	570 FNL & 2480 FEL	B	28	29N	05W	Rio Arriba

Proposed Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 Section 28	320	Basin Fruitland Coal	71629

This vertical well was completed into an unorthodox location described above in the referenced pool or formation. Special pool rule R-8768 governs this well to provide for 320-acre spacing units with setbacks no closer than 790 feet to any outer boundary of the proration unit, nor closer than 130 feet to any interior quarter – quarter section line.

Administrative Order NSL – 9316
Hilcorp Energy Company
Page 2 of 2

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 perforated zone referenced above within the proposed spacing unit.

This well's completed interval is as close as 170 feet to the western edge, 595 feet to the northwestern edge and 570 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 28, encroachment to the E/2
Section 21, entire section

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 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 28.

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: 5/8/26

ID NO. 568652

NSL - 9316

Revised March 23, 2017

RECEIVED: 03/29/26	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 29-5 Unit #70G **API:** 30-039-29653
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

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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

Gabrown

Signature

3/27/2026
Date

713.289.2767
Phone Number

gabrown@hilcorp.com
e-mail Address



March 27, 2026

NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
ATTN: MR. LEONARD LOWE

Re: Unorthodox Well Location Application – San Juan Basin, Rio Arriba County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, Hilcorp Energy Company hereby requests administrative approval for an unorthodox well location with the following details:

Well Details & Relevant Proration Units:

Well – San Juan 29-5 Unit #70G (API: 30-039-29653)

Type – Vertical Gas Well to be Recompleted

SHL – Unit B, 570’ FNL & 170’ FWL

BHL – Unit B, 570’ FNL & 170’ FWL

Subject Proration Unit – Standard E/320 acres in Section 28, T29N, R05W

Affected Proration Unit 1 – Standard W/320 acres in Section 28, T29N, R05W

Affected Proration Unit 2 – Standard E/320 acres in Section 21, T29N, R05W

Affected Proration Unit 3 – Standard W/320 acres in Section 21, T29N, R05W

Basin Fruitland Coal Gas Pool (Code 71629) – Special Rules and Regulations: (Order R-8768)

Rule 7 – “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 proposed BHL is **170** feet from the outer boundary of the western proration unit and **570** feet from the outer boundary of the northern proration unit

To Support this request, the following information is hereby submitted for your review:

1. Administrative Application Checklist
2. C-102
3. Unorthodox Location Plat pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC
4. Affected offset parties list noticed pursuant to Paragraph (8) of Subsection A of 19.15.2.7 NMAC

This unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. For questions, please contact me at the email/number below.

Sincerely,

HILCORP SAN JUAN, L.P.
By: HILCORP ENERGY COMPANY,
Its General Partner

Gatewood D. Brown
Senior Landman – New Mexico
Phone No. 713-289-2767
Email: gabrown@hilcorp.com

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 30-039-29653	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 318837	Property Name SAN JUAN 29-5 UNIT	Well Number 70G
OGRID No. 372171	Operator Name Hilcorp Energy Company	Ground Level Elevation 6674'
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 B	Section 28	Township 29N	Range 05W	Lot	Ft. from N/S 570' FNL	Ft. from E/W 2480' FEL	Latitude 36.7022629	Longitude -107.3622665	County RIO ARRIBA
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Bottom Hole Location

UL B	Section 28	Township 29N	Range 05W	Lot	Ft. from N/S 570' FNL	Ft. from E/W 2480' FEL	Latitude 36.7022629	Longitude -107.3622665	County RIO ARRIBA
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Dedicated Acres 320.00	Infill or Defining Well DEFINING	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code U
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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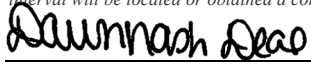
First Take Point (FTP)

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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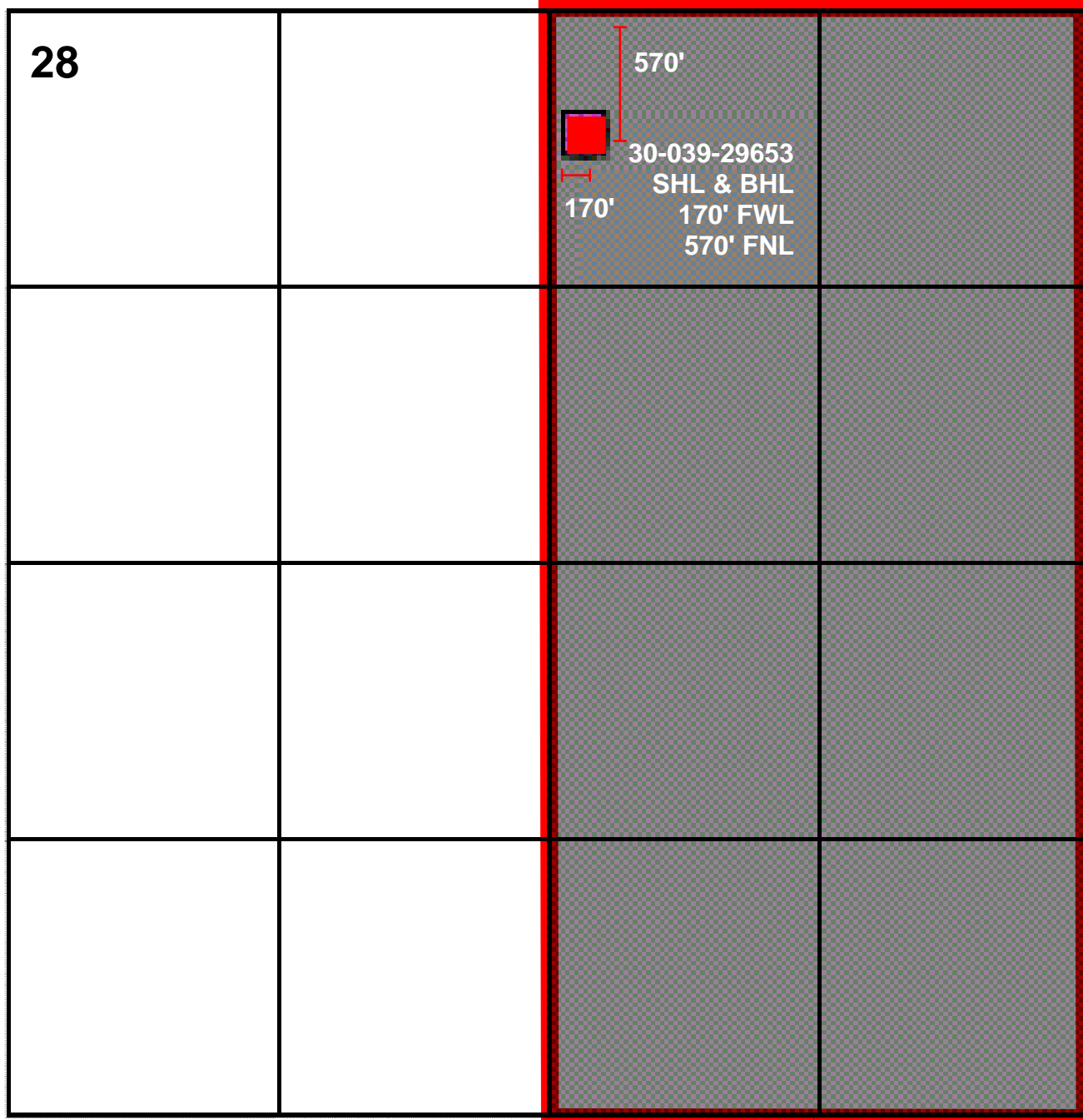
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 6674'
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<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained 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></p> <p><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></p> <p> 03/25/2026</p> <p>Signature _____ Date _____</p> <p>DAWN NASH-DEAL</p> <p>Printed Name _____</p> <p>DNASH@HILCORP.COM</p> <p>Email Address _____</p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>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.</i></p> <p>JASON C. EDWARDS</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>15269 07/20/2005</p> <p>Certificate Number _____ Date of Survey _____</p>
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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.

C-102 Plat:

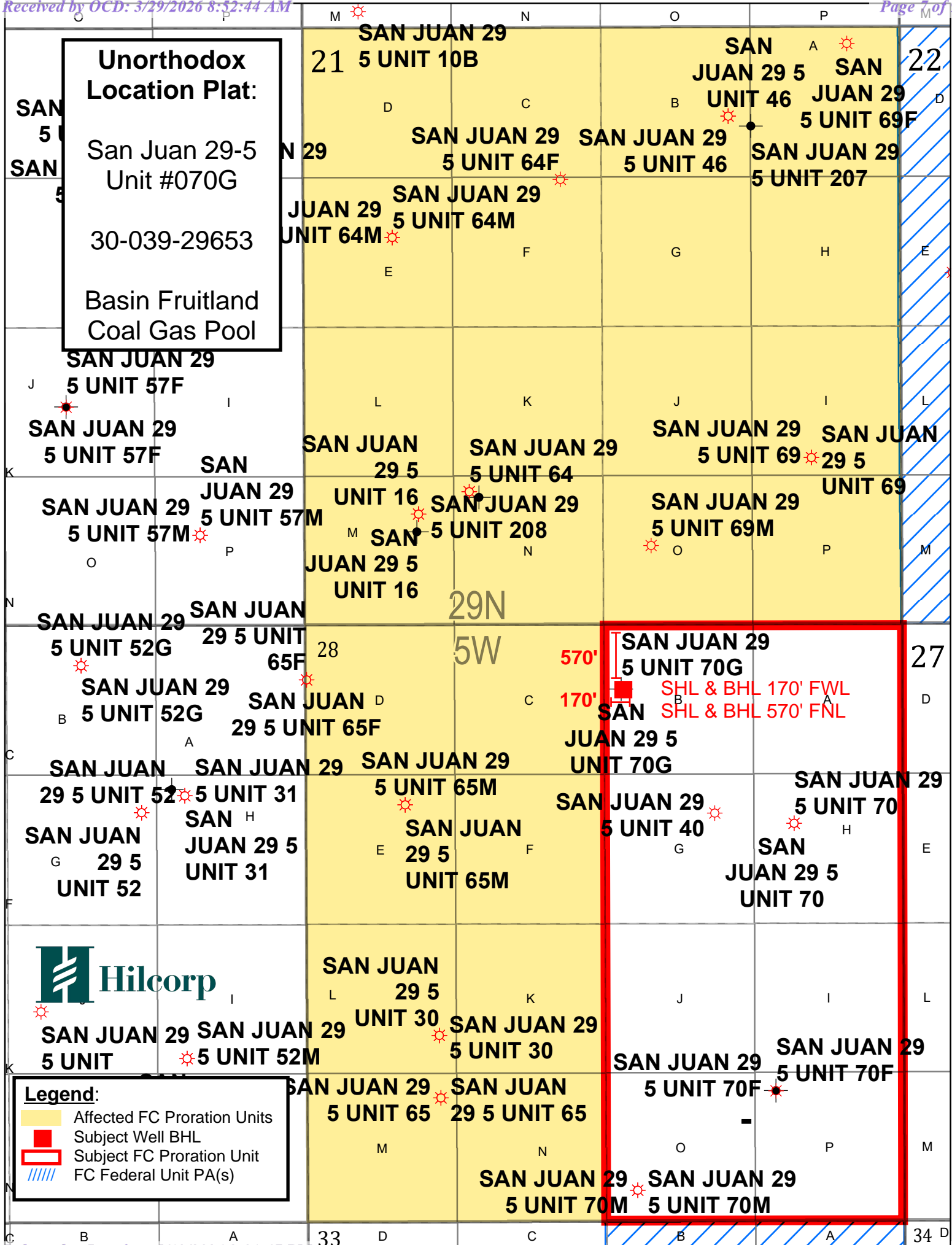
San Juan 29-5 Unit #070G
30-039-29653
Basin Fruitland Coal Gas Pool



Legend:

- Subject Well BHL
- Subject FRC Proration Unit

Unorthodox Location Plat:
 San Juan 29-5 Unit #070G
 30-039-29653
 Basin Fruitland Coal Gas Pool



Legend:
 Affected FC Proration Units
 Subject Well BHL
 Subject FC Proration Unit
 FC Federal Unit PA(s)

Certified Number	Recipient	Date Mailed
92148969009997901854778739	, Bureau of Land Management, , Farmington, NM, 87402 Code: FC-PC - SJ 29-5 Unit 70G NSL	3/27/2026
92148969009997901854778746	, LOGOS RESOURCES II LLC, , FARMINGTON, NM, 87401 Code: FC - SJ 29-5 Unit 70G NSL	3/27/2026

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 568652

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 568652
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	4/2/2026