

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MARCH 5, 2026**

**CASE NO. 25938**

*DK – SAN JUAN 28-7 UNIT 233N*

**RIO ARRIBA COUNTY, NEW MEXICO**



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF HILCORP ENERGY COMPANY FOR  
AN EXCEPTION TO THE WELL DENSITY  
REQUIREMENTS OF THE SPECIAL RULES AND  
REGULATIONS FOR THE BASIN-DAKOTA GAS POOL,  
RIO ARRIBA COUNTY, NEW MEXICO.**

**CASE NO. 25938**

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**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
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AN EXCEPTION TO THE WELL DENSITY  
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RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 25938

**APPLICATION**

Hilcorp Energy Company, (“Hilcorp”) (OGRID No. 372171), through its undersigned counsel, hereby files this application with the Oil Conservation Division for an order for an exception to the well density requirements of the Basin-Dakota Gas Pool (71599), Rio Arriba County, New Mexico. Specifically, Hilcorp seeks an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Gas Pool to permit it to drill and complete an additional Dakota vertical and/or directional gas well, in the NW/4 with a total of three wells in the same 160-acre quarter section, and five wells within the standard 320-acre, more or less, spacing and proration unit. In support of this application, Hilcorp states:

1. Hilcorp is the operator of a standard 320-acre, more or less, spacing and proration unit in the Basin-Dakota Gas Pool comprised of the N/2 of Section 14, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, in which the following four vertical and/or directional wells were drilled and completed, and are currently producing:

- a. San Juan 28-7 Unit 233E Well (API No. 30-039-22619), which is vertically drilled with a surface hole location in the SW/4 NE/4 (Unit G) of said Section 14;

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
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- b. San Juan 28-7 Unit 233F Well (API No. 30-039-26967), which is vertically drilled with a surface hole location in the NW/4 NW/4 (Unit D) of said Section 14;
- c. San Juan 28-7 Unit 233G Well (API No. 30-039-27005), which is vertically drilled with a surface hole location in the SE/4 NE/4 (Unit H) of said Section 14; and
- d. San Juan 28-7 Unit 233M Well (API No. 30-039-21328), which is vertically drilled with a surface hole location in the SW/4 NW/4 (Unit E) of said Section 14.

2. The Basin-Dakota Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled, and no more than two wells located within either quarter section. See Order No. R-8170, as amended by Order No. R-10987-B, and superseded by Order No. R-10987-B(1), effective January 29, 2002. These Special Pool Rules and Regulations provide:

***I. ACREAGE AND WELL LOCATION REQUIREMENTS***

***A. Standard GPU (Gas Proration Unit):*** *A standard GPU in the Basin-Dakota Pool shall be 320 acres, more or less, comprising any two contiguous quarter sections of a single section that is a legal subdivision of the U. S. Public Land Surveys.*

***B. Well density:***

*(1) Up to four (4) wells may be drilled on a GPU, as follows:*

*(a) the FIRST OPTIONAL INFILL WELL drilled on a GPU shall be located in the quarter section not containing the INITIAL Dakota well;*

*(b) the SECOND OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section not containing a Dakota well and within a quarter section of the GPU not containing more than one (1) Dakota well;*

- (c) *the THIRD OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section of the GPU not containing a Dakota well and within a quarter section of the GPU not containing more than one (1) Dakota well;*
- (d) *at the discretion of the operator, the second or third optional infill well may be drilled prior to the drilling of the first optional infill well;*
- (e) *no more than two wells shall be located within either quarter section in a GPU; and*
- (f) *any deviation from the above-described well density requirements shall be authorized only after hearing.*

3. The objective formation in each of the above-described wells in Paragraph 1 is the Basin-Dakota Gas Pool, and each well was permitted and drilled with a Dakota completion.

4. Hilcorp now proposes to simultaneously dedicate and produce the following additional well within the same standard spacing and proration unit, at the following location:

- a. **San Juan 28-7 Unit 233N Well** (API No. 30-039-PENDING), to be vertically drilled with a surface hole location in the NE/4 NW/4 (Unit C) of said Section 14.

5. Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Pool to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-7 Unit 233N Well** (API No. 30-039-PENDING) within the N/2 of Section 14, Township 28 North, Range 7 West, permitting three wells to produce within the NW/4 of the spacing unit, and produce five wells within the standard 320-acre, more or less, N/2 spacing and proration.

6. Approval of this application will not impair the correlative rights of any other interest owner in the Basin-Dakota Gas Pool and will afford Hilcorp the opportunity to produce incremental reserves from this spacing unit, avoiding waste.

7. Approval of this application will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Hilcorp Energy Company requests that this application be set before an Examiner of the Oil Conservation Division on March 5, 2025, and, after notice and hearing as required by law, that the Division enter an order:

- Granting an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Gas Pool (71599) permitting three wells to produce within the NW/4 of the spacing unit, and permitting five wells to produce within the spacing unit; and
- Authorizing Hilcorp to simultaneously complete and produce the **San Juan 28-7 Unit 233N Well** (API No. 30-039-PENDING) from the Basin-Dakota Gas Pool.

Respectfully submitted,

HOLLAND & HART LLP

By:  \_\_\_\_\_

Adam G. Rankin  
Paula M. Vance  
A. Raylee Starnes  
Post Office Box 2208  
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505-983-6043 Facsimile  
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arstarnes@hollandhart.com

**ATTORNEYS FOR HILCORP ENERGY COMPANY**

CASE \_\_\_\_\_: **Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Basin-Dakota Gas Pool, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule II.B of the Special Rules and Regulations for the Basin-Dakota Gas Pool (71599), Rio Arriba County, New Mexico, to permit it to drill and complete an additional Basin-Dakota vertical and/or directional gas well, making a total of five vertical and/or directional gas wells within the same standard 320-acre, more or less, spacing and proration unit comprised of the N/2 of Section 14, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, with three wells producing from the same quarter section. Hilcorp further seeks approval for the proposed location of the **San Juan 28-7 Unit 233N Well** (API No. 30-039-PENDING), to be vertically drilled with a surface hole location in the NE/4 NW/4 (Unit C) of said Section 14, and authorization to simultaneously complete and produce the well from the Basin-Dakota Gas Pool. Said area is located approximately 8.5 miles southeast of Navajo City, New Mexico.

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**CASE NO. 25938**

**SELF-AFFIRMED STATEMENT OF GATEWOOD BROWN**

1. My name is Gatewood Brown. I work for Hilcorp Energy Company (“Hilcorp”) as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters and my credentials have been accepted as a matter of record.
3. I am familiar with the application filed by Hilcorp in this case, and I am familiar with the status of the lands in the subject areas.
4. None of the affected parties in this case has indicated opposition, and therefore I do not expect any opposition at the hearing.
5. Hilcorp seeks an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Gas Pool to permit it to drill and complete an additional Dakota vertical and/or directional gas well, in the NW/4 with a total of three wells in the same 160-acre quarter section, and five wells within the standard 320-acre, more or less, spacing and proration unit.
6. The Basin-Dakota Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled,

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Submitted by: Hilcorp Energy Company  
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and no more than two wells located within either quarter section. *See* Order No. R-8170, as amended by Order No. R-10987-B, and superseded by Order No. R-10987-B(1), effective January 29, 2002.

7. Hilcorp is the operator of a standard 320-acre, more or less, spacing and proration unit in the Basin-Dakota Gas Pool comprised of the N/2 of Section 14, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, in which the following three vertical and/or directional wells were drilled and completed, and are currently producing:

- a. San Juan 28-7 Unit 233E Well (API No. 30-039-22619), which is vertically drilled with a surface hole location in the SW/4 NE/4 (Unit G) of said Section 14;
- b. San Juan 28-7 Unit 233F Well (API No. 30-039-26967), which is vertically drilled with a surface hole location in the NW/4 NW/4 (Unit D) of said Section 14;
- c. San Juan 28-7 Unit 233G Well (API No. 30-039-27005), which is vertically drilled with a surface hole location in the SE/4 NE/4 (Unit H) of said Section 14; and
- d. San Juan 28-7 Unit 233M Well (API No. 30-039-21328), which is vertically drilled with a surface hole location in the SW/4 NW/4 (Unit E) of said Section 14.

8. Hilcorp now proposes to simultaneously dedicate and produce the following additional well within the same standard spacing and proration unit, at the following location:

- a. **San Juan 28-7 Unit 233N Well** (API No. 30-039-PENDING), to be directionally drilled with a surface hole location in the SW/4 NW/4 (Unit E) of said Section 14, to the NE/4 NW/4 (Unit C) of said Section 14.

9. Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule II.B of the Special Rules and Regulations of the Basin-Dakota Pool to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 28-7 Unit 233N Well** (API No. 30-039-PENDING) within the N/2 of Section 14, Township 28 North, Range 7 West, permitting three wells to produce within the NW/4 of the spacing unit, and produce five wells within the standard 320-acre, more or less, N/2 spacing and proration.

10. The proposed simultaneous dedication of the proposed well will target development of incremental Basin-Dakota gas reserves in areas where there is not adequate gas drainage.

11. Pursuant to the Special Rules and Division precedent, Hilcorp provided notice to all Division-designated operators in offsetting 320-acre spacing units. Where Hilcorp is the operator, Hilcorp identified all working interest owners in offsetting spacing units as affected parties requiring notice. In some offsetting spacing units, Hilcorp may own 100% of the working interest, in which case there are no affected parties to notice.

12. **Hilcorp Exhibit B-1** is an overview map identifying the location of the subject Basin-Dakota Gas Pool spacing unit to which the proposed well will be dedicated.

13. Exhibit B-1 also identifies the locations of the existing Basin-Dakota wells as blue circles and non-Dakota and recompleted Dakota wells as black circles. Also depicted is the proposed well as a red square.

14. Exhibit B-1 also depicts the notice area, which is the area within the tan shading surrounding the subject spacing unit. Hilcorp has provided notice of this application to the

operators within the notice area. In some instances, Hilcorp may be the operator of offsetting spacing units within the notice area, in which case notice of the application was provided to all the working interest owners within the notice area.

15. **Hilcorp Exhibit B-2** identifies the affected parties within the offsetting tracts/spacing units who are required to be noticed. I provided a list of all affected parties requiring notice to Holland & Hart LLP. All parties were locatable.

16. To the best of my knowledge, the addresses used to provide notice are valid and correct addresses which have been recently used by Hilcorp and at which mail has been received by the notice parties.

17. **Hilcorp Exhibits B-1 through B-2** were prepared by me or under my direction and supervision.

18. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



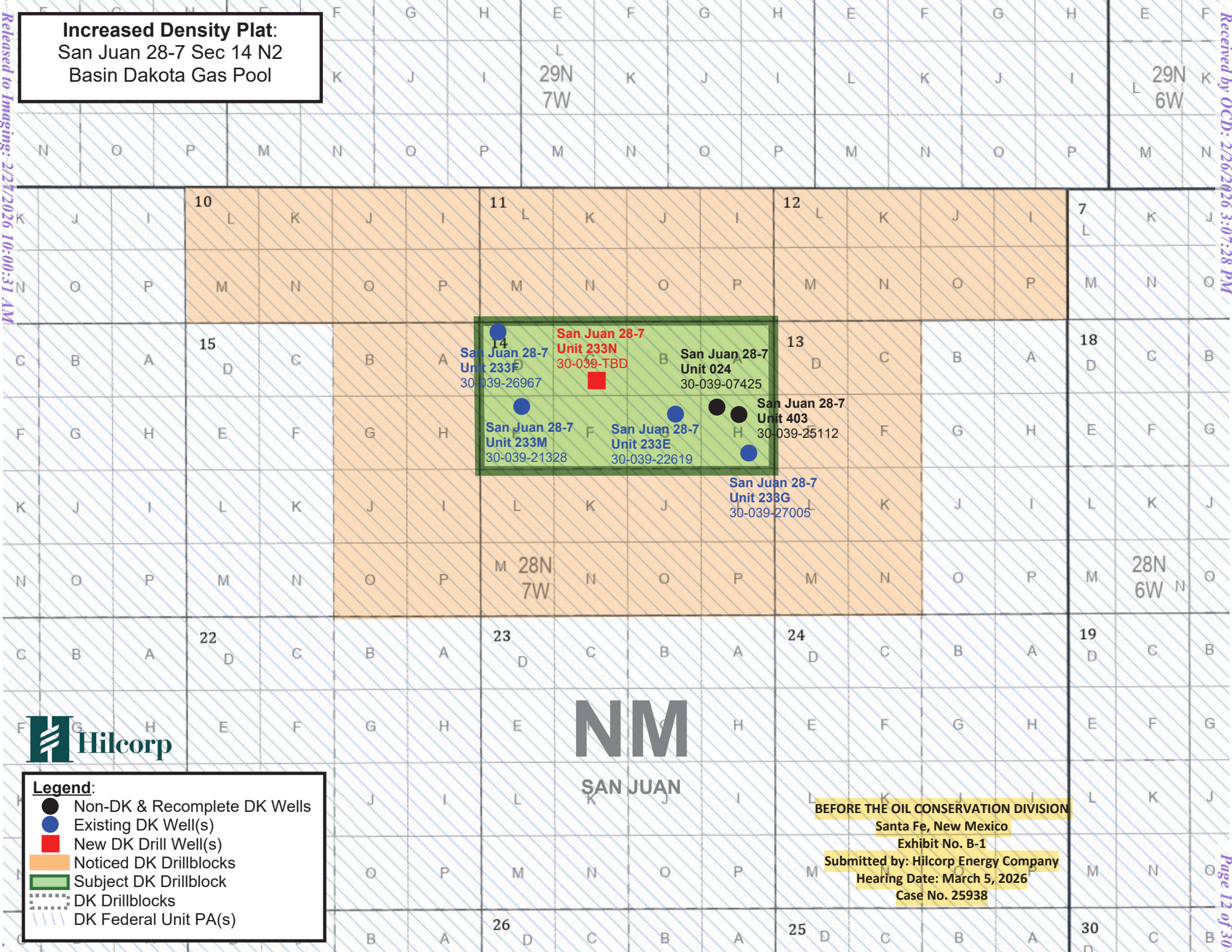
\_\_\_\_\_  
Gatewood Brown

2/26/2026

\_\_\_\_\_  
Date



**Increased Density Plat:  
San Juan 28-7 Sec 14 N2  
Basin Dakota Gas Pool**



**San Juan 28-7 Unit 233N**  
 30-039-TBD

**San Juan 28-7 Unit 024**  
 30-039-07425

**San Juan 28-7 Unit 233M**  
 30-039-21328

**San Juan 28-7 Unit 233E**  
 30-039-22619

**San Juan 28-7 Unit 403**  
 30-039-25112

**San Juan 28-7 Unit 233G**  
 30-039-27005

- Legend:**
- Non-DK & Recomplete DK Wells
  - Existing DK Well(s)
  - New DK Drill Well(s)
  - Noticed DK Drillblocks
  - Subject DK Drillblock
  - DK Drillblocks
  - DK Federal Unit PA(s)



**NM**  
SAN JUAN

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-1  
 Submitted by: Hilcorp Energy Company  
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Name 1	Name 2	Street	City	Postal Code	State	Note
JAMES R BEAMON		317 S SIDNEY BAKER ST SUITE 400 #10	KERRVILLE	78028	TX	SJ 28-7 DK PA
ROBERT WALTER LUNDELL		2450 FONDREN STE 304	HOUSTON	77063-2318	TX	SJ 28-7 DK PA
SHARON BEAMON BURNS		1512 MARYLAND	HOUSTON	77006	TX	SJ 28-7 DK PA
SUSAN BEAMON PORTER		319 KNIPP FOREST	HOUSTON	77024-5030	TX	SJ 28-7 DK PA
DUGAN PRODUCTION CORP.		PO BOX 420	FARMINGTON	87499	NM	SJ 28-7 DK PA
MARY F TURNER JR REV TRUST	C/O E MICHEL AND ASSOCIATES	PO BOX 381	ALLEN	75013	TX	SJ 28-7 DK PA
LINDA JEANNE LUNDELL LINDSEY		PO BOX 631565	NACOGDOCHES	75963	TX	SJ 28-7 DK PA
DENISE TURNBULL WILLIAMS		5507 YACHT CLUB DR	ROCKWALL	75032	TX	SJ 28-7 DK PA
DERRICK J TURNBULL		3214 BLACKBURN ST	DALLAS	75204	TX	SJ 28-7 DK PA
JUNE SIMMONS LIVELY		3529 BELLAIRE DR N	FORT WORTH	76109-2110	TX	SJ 28-7 DK PA
CLAUDIA MARCIA LUNDELL GILMER		723 W UNIVERSITY AVE STE 300-371	GEORGETOWN	78626	TX	SJ 28-7 DK PA
CINDY M HARTNER		10854 26TH AVE S	SEATTLE	98168	WA	SJ 28-7 DK PA
NOBLE ONSHORE INC		15303 N DALLAS PKWY SUITE 1350	ADDISON	75001	TX	SJ 28-7 DK PA
LORELEI VON SCHILLING		4008 INWOOD ROAD	FORT WORTH	76109	TX	SJ 28-7 DK PA
CAROLYN BEAMON TILLEY		4 LAWRESTON PLACE	DALLAS	75225	TX	SJ 28-7 DK PA
BOFB LTD		1413 FAIRWAY	KYLE	78640-8783	TX	SJ 28-7 DK PA
KATHLEEN M MCLANE TR DEC 1 1976	B CHENAULT DAVID G MCLANE SYLVIA A	PO BOX 12125	DALLAS	75225-2125	TX	SJ 28-7 DK PA
MICHAEL S MCLANE TRUST DEC 1 1976	B CHENAULT DAVID G MCLANE SYLVIA A	PO BOX 12125	DALLAS	75225-2125	TX	SJ 28-7 DK PA
CB LIFELINE PARTNERSHIP	C/O CAROLYN TILLEY AGENT	4 LAURESTON PLACE	DALLAS	75225	TX	SJ 28-7 DK PA
ENDURING RESOURCES IV, LLC		6300 S SYRACUSE WAY STE 525	CENTENNIAL	80111	CO	SJ 28-7 DK PA
W G PEAVY OIL COMPANY		221 WOODCREST DR	RICHARDSON	75080-2038	TX	SJ 28-7 DK PA
GB SAFEWAY PROPERTY LTD		317 S SIDNEY BAKER ST SUITE 400 #10	KERRVILLE	78028	TX	SJ 28-7 DK PA
MUSTANG ENERGY RESOURCES LLC		PO BOX 56647	HOUSTON	77256	TX	SJ 28-7 DK PA
LANA S SMITH		8979 BAYTOWNE LOOP	FORT MYERS	33908	FL	SJ 28-7 DK PA
VICKI SMITH THAXTON		6704 ASHBROOK DR	FT WORTH	76132	TX	SJ 28-7 DK PA
JOHN L TURNER LLC		PO BOX 823648	DALLAS	75231	TX	SJ 28-7 DK PA
ROYALET PARTNERS LLC		PO BOX 191767	DALLAS	75219-1767	TX	SJ 28-7 DK PA
JAMES G TURNER JR ESTATE	CYNTHIA M TURNER IND EXEC	6800 GOLF DRIVE	DALLAS	75205	TX	SJ 28-7 DK PA

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-2  
Submitted by: Hilcorp Energy Company  
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**SELF-AFFIRMED STATEMENT OF William Marc Hill Jr.**

1. My name is William Marc Hill Jr. I work for Hilcorp Energy Company (“Hilcorp”) as a reservoir engineer.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in reservoir engineering matters and my credentials have been accepted as a matter of record.
3. I am familiar with the application filed by Hilcorp in this case and have conducted an engineering study of the subject area and of the Basin-Dakota Gas Pool.
4. I used a decline curve analysis on existing wells to estimate ultimate recoveries for the subject spacing unit under the existing well density. I then compared the estimated ultimate gas recoveries against log-derived volumetric calculations for the original gas in place with the cumulative gas production in the spacing unit.
5. Using this approach, we identified areas, including the subject spacing unit, that have substantial remaining recoverable gas and lower-than-expected gas recoveries where additional well bores or well completions are necessary to adequately drain remaining gas reserves.

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6. **Hilcorp Exhibit C-1** contains information relating to the subject spacing unit and the general location of the additional well proposed to be drilled and simultaneously dedicated within the subject spacing unit:

- a. **San Juan 28-7 Unit 233N Well** (API No. 30-039-PENDING), to be directionally drilled with a surface hole location in the SW/4 NW/4 (Unit E) of said Section 14, to the NE/4 NW/4 (Unit C) of said Section 14.

7. This will be the third Basin-Dakota completion within the same 160-acre quarter section of the spacing and proration unit. I anticipate that it will help drain the northwestern portion of the spacing unit.

8. **Hilcorp Exhibit C-2** is a basin-wide map reflecting Hilcorp's calculations for original gas in place across the Basin-Dakota Gas Pool. The warmer colors represent areas where there is more original gas in place. The cooler colors indicate areas where there is less original gas in place. The yellow star indicates the location of the subject well, which is in an area where Hilcorp calculated moderately high volumes of original gas in place.

9. **Hilcorp Exhibit C-3** is a map depicting the calculated cumulative gas production from the Basin-Dakota Gas Pool. The yellow star identifies the location of the subject well where there is relatively low cumulative gas production.

10. **Hilcorp Exhibit C-4** is a map depicting calculated remaining recoverable gas. The cooler colors indicate areas where there is relatively less remaining recoverable gas. The warmer colors reflect areas where there is relatively more remaining recoverable gas. The yellow star identifies the location of the subject well, which is in an area where Hilcorp calculated that there is remaining recoverable gas and relatively low cumulative production under the existing well density.

11. **Hilcorp Exhibit C-5** is a table that supports this volumetric analysis. The first column titled "Volumetric OGIP" reflects the calculated volumetric original gas in place on a section basis around the subject spacing unit. The column titled "CTD/RF%" shows the cumulative gas production to date on a section basis and the calculated recovery factor. The column titled "EUR/RF%" shows the estimated ultimate gas recovery and recovery factor calculated on a section basis. And the last column tabulates the total recoverable gas remaining on a section basis. I calculated the recoverable gas remaining within the subject spacing unit is approximately 3.5 Bcf.

12. I would expect recovery factors of approximately 80% in a gas pool of this type. The relatively low recovery factors in Hilcorp Exhibit C-5 indicate that this area is not being sufficiently drained by the existing wells in the subject spacing unit under the existing well density and that additional well bores, or completions, are necessary to adequately drain the Basin-Dakota Gas Pool in this area.

13. Approval of Hilcorp's application is therefore necessary to drain the unrecovered gas reserves that will otherwise be left in place under the existing well density within the subject spacing unit.

14. In my opinion, granting this application will not impair the Basin-Dakota Gas Pool, and will be in the interest of conservation, the prevention of waste and will protect correlative rights.

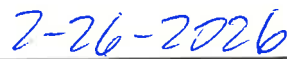
15. **Hilcorp Exhibits C-1 through C-5** were prepared by me or under my direction and supervision.

16. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be



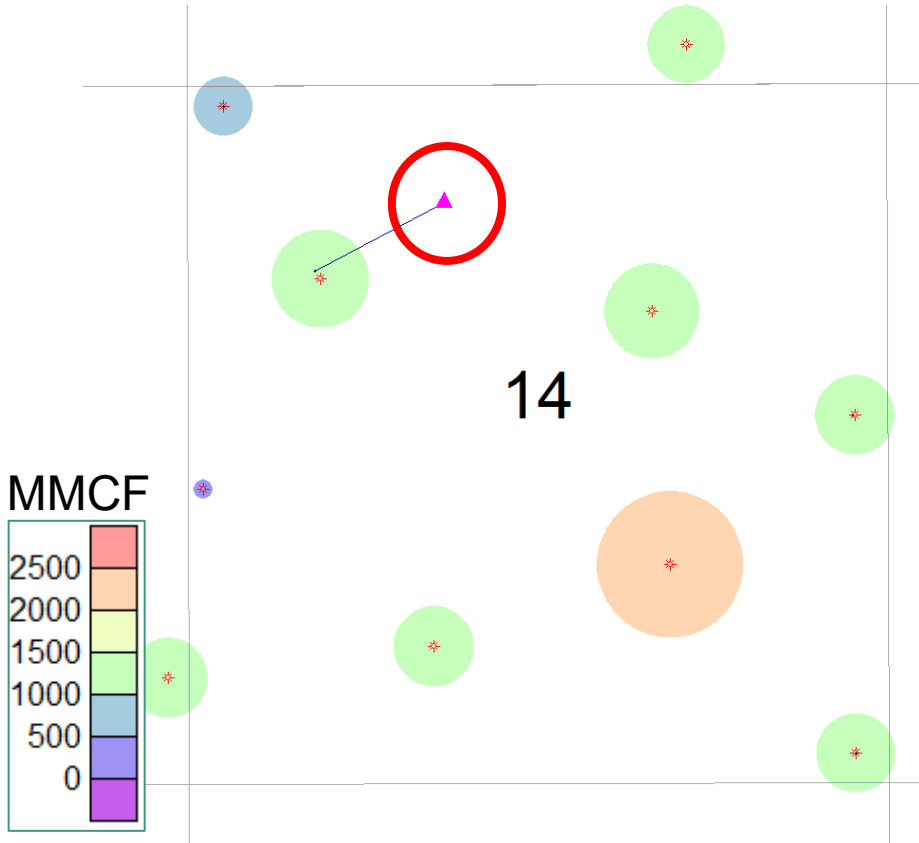
used as written testimony in this case. This statement is made on the date next to my signature below.

  
\_\_\_\_\_  
William Marc Hill Jr.

  
\_\_\_\_\_  
Date



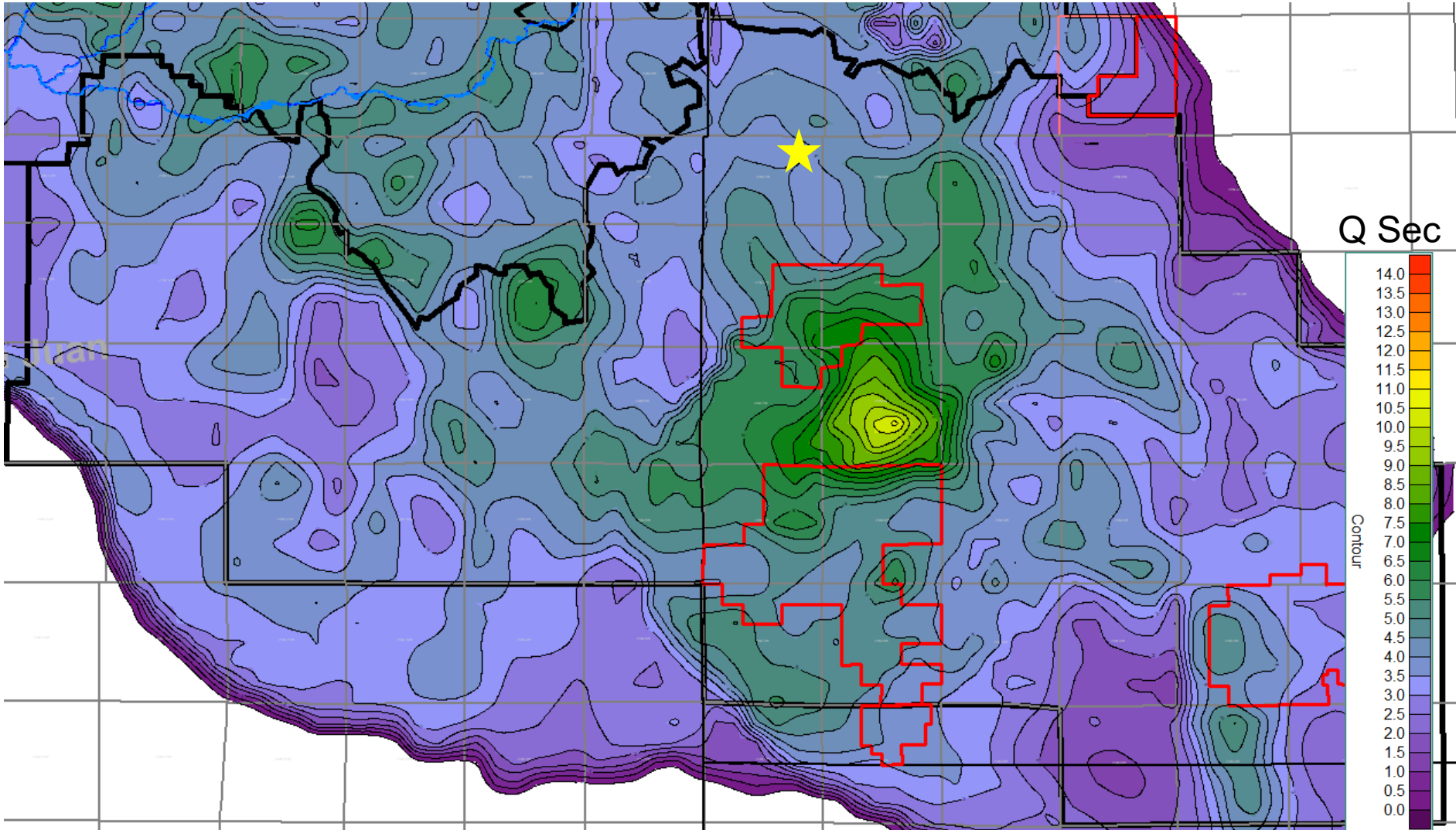
# 28-7 14 Dakota



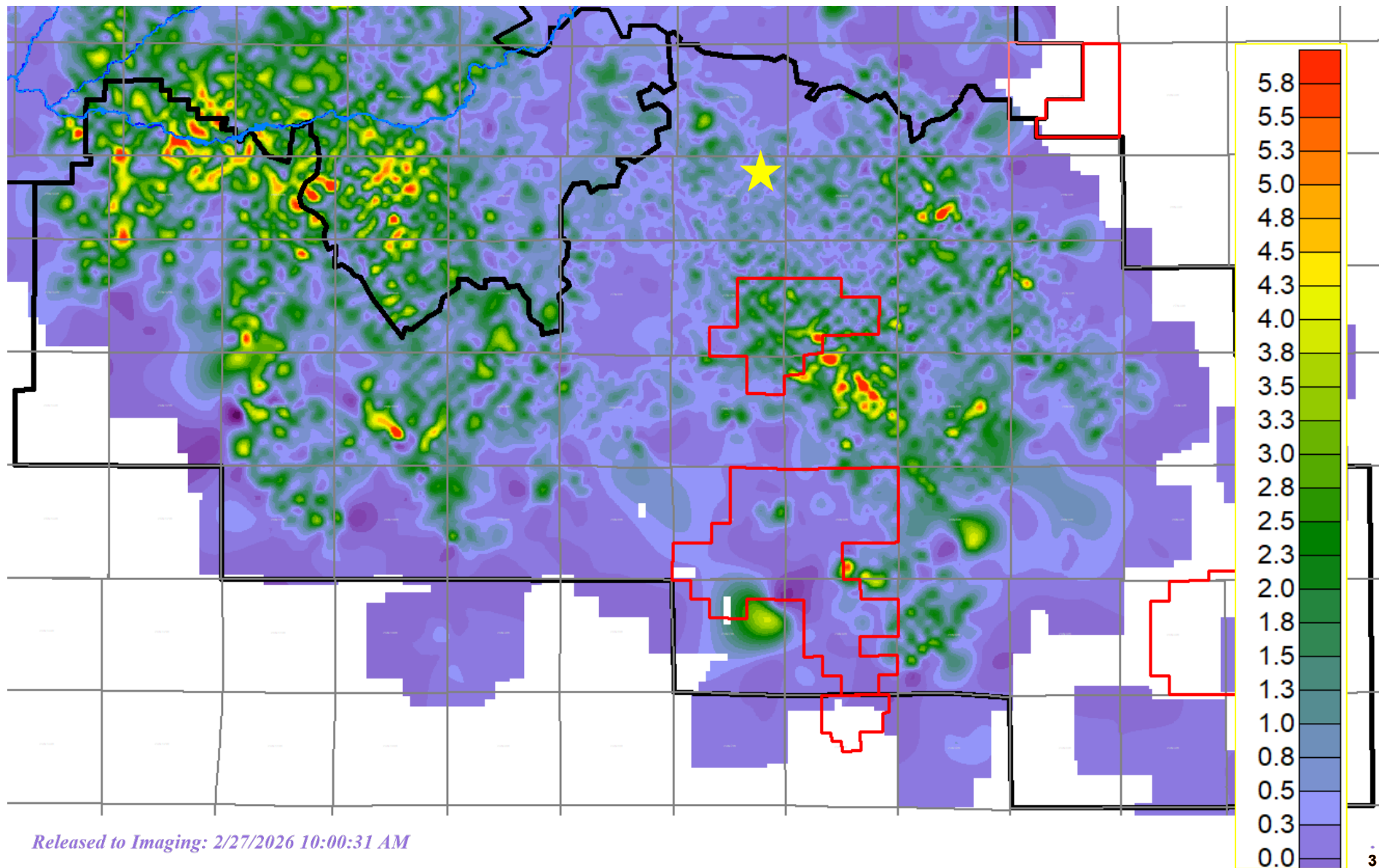
## Overview

- Dakota developed at 8 wells per section (4 wells per 320 acres, 2 wells per 160 acres)
- Proposing one additional infill well to further deplete the reservoir
- Drilling from existing disturbances
- Will commingle Dakota with Mesaverde and Gallup reservoirs

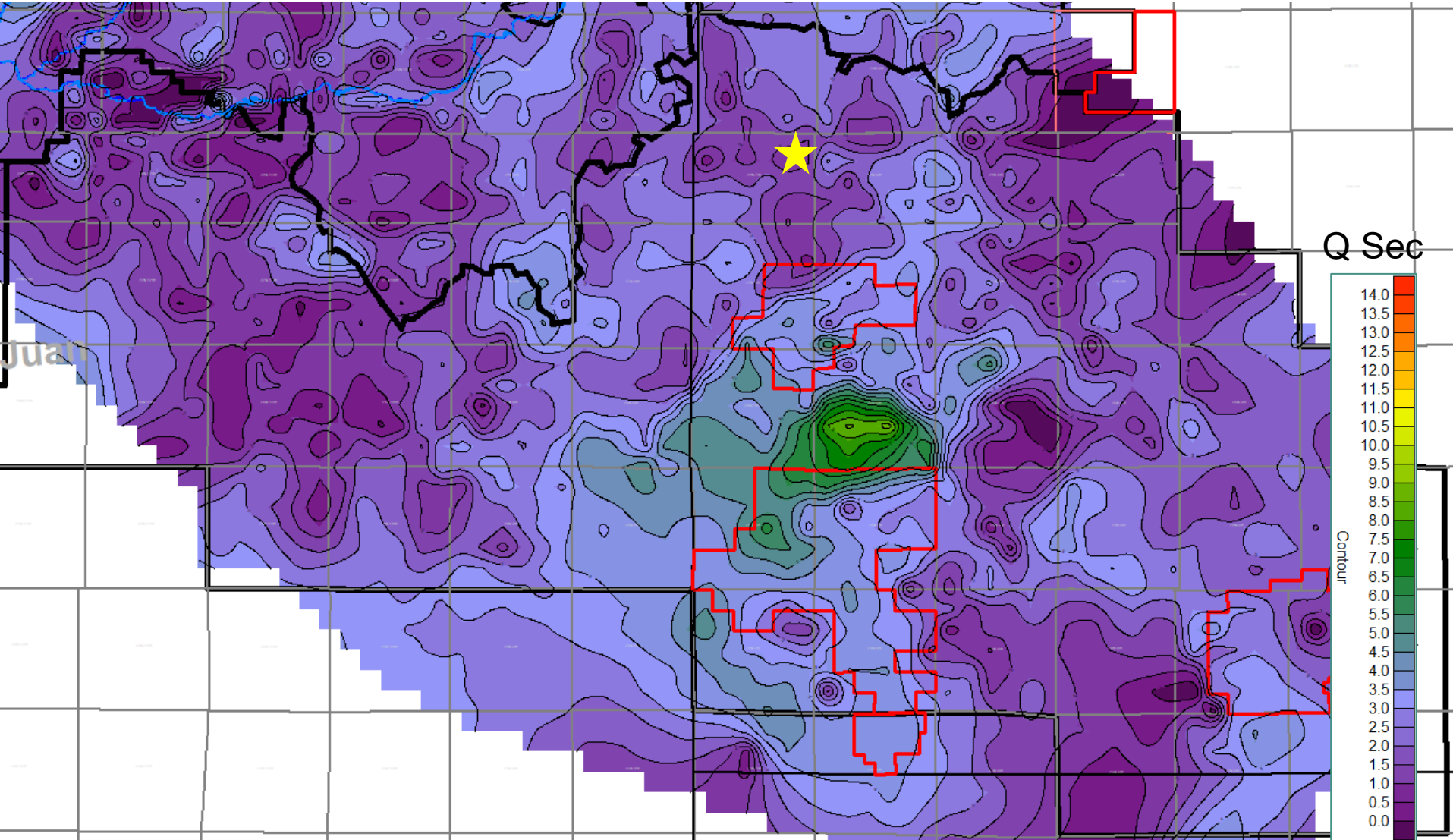
# Dakota OGIP



# Dakota Production



# Dakota RGIP





# 28-7 Section 14 Reserve Summary

Formation	Volumetric OGIP	CTD / RF%	EUR / RF%	Recoverable Gas Remaining
Dakota	16.33 BCF	8.2 BCF / 50%	9.59 BCF / 59%	3.5 BCF

- CTD= Cumulative Production to Date
- EUR= Estimated Ultimate Recovery and is based of Decline Curve Analysis
- Recoverable Gas Remaining assumes an 80% Recovery Factor



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**SELF-AFFIRMED STATEMENT OF  
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Hilcorp Energy Company (“Hilcorp”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of February 23, 2026.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

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Hearing Date: March 5, 2026  
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---

Paula M. Vance

02/25/26

---

Date





**Paula M. Vance**  
**Associate**  
**Phone** (505) 988-4421  
**Fax** (505)819-5579  
pmvance@hollandhart.com

February 13, 2026

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: AFFECTED PARTIES**

**Re: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Basin-Dakota Gas Pool, Rio Arriba County, New Mexico: San Juan 28-7 Unit 233N Well**

Ladies & Gentlemen:

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on March 5, 2026, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

**It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Gatewood D. Brown at (713) 289-2767 or gabrown@hilcorp.com.

Sincerely,

Paula M. Vance  
**ATTORNEY FOR HILCORP ENERGY COMPANY**

**Location**  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501-1849

**Mailing Address**  
P.O. Box 2208  
Santa Fe, NM 87504-2208

**Contact**  
p: 505.988.4421 | f: 505.983.6043  
[www.hollandhart.com](http://www.hollandhart.com)

Hilcorp - DK - San Juan 28-7 Unit 233N - Case no. 25938  
Postal Delivery Report

9414811898765438906683	BOFB Ltd	1413 Fairway	Kyle	TX	78640-8783	Your item arrived at our AUSTIN TX DISTRIBUTION CENTER destination facility on February 15, 2026 at 8:50 am. The item is currently in transit to the destination.
9414811898765438906638	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to the front desk, reception area, or mail room at 1:19 pm on February 17, 2026 in CARLSBAD, NM 88220.
9414811898765438906119	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to the front desk, reception area, or mail room at 2:44 pm on February 17, 2026 in SANTA FE, NM 87508.
9414811898765438906157	Carolyn Beamon Tilley	4 Laureston Pl	Dallas	TX	75225-1830	Your item was delivered to an individual at the address at 5:37 pm on February 18, 2026 in DALLAS, TX 75225.
9414811898765438906164	CB Lifeline Partnership, C/O Carolyn Tilley Agent	4 Laureston Pl	Dallas	TX	75225-1830	Your item was delivered to an individual at the address at 5:37 pm on February 18, 2026 in DALLAS, TX 75225.
9414811898765438906126	Cindy M Hartner	10854 26th Ave S	Seattle	WA	98168-1811	Your item was delivered to an individual at the address at 4:42 pm on February 17, 2026 in SEATTLE, WA 98168.
9414811898765438906102	Claudia Marcia Lundell Gilmer	723 W University Ave Ste 300-371	Georgetown	TX	78626-2662	Your item arrived at our AUSTIN TX DISTRIBUTION CENTER destination facility on February 15, 2026 at 8:50 am. The item is currently in transit to the destination.
9414811898765438906195	Denise Turnbull Williams	5507 Yacht Club Dr	Rockwall	TX	75032-5764	Your item was delivered to an individual at the address at 11:19 am on February 18, 2026 in ROCKWALL, TX 75032.
9414811898765438906140	Derrick J Turnbull	3214 Blackburn St	Dallas	TX	75204-1504	Your item was delivered to an individual at the address at 12:12 pm on February 18, 2026 in DALLAS, TX 75204.
9414811898765438906188	Dugan Production Corp.	PO Box 420	Farmington	NM	87499-0420	Your item was picked up at the post office at 1:43 pm on February 19, 2026 in FARMINGTON, NM 87401.
9414811898765438906133	Enduring Resources IV, LLC	6300 S Syracuse Way Ste 525	Centennial	CO	80111-6743	Your item was delivered to the front desk, reception area, or mail room at 11:37 am on February 17, 2026 in ENGLEWOOD, CO 80111.
9414811898765438906171	GB Safeway Property Ltd	317 Sidney Baker St S Ste 400 PMB 10	Kerrville	TX	78028-6150	Your item was delivered to an individual at the address at 10:26 am on February 17, 2026 in KERRVILLE, TX 78028.
9414811898765438906355	James G Turner Jr Estate, Cynthia M Turner Ind Exec	6800 Golf Dr	Dallas	TX	75205-1216	Your item arrived at our DALLAS TX DISTRIBUTION CENTER destination facility on February 16, 2026 at 10:54 am. The item is currently in transit to the destination.

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9414811898765438906362	James R Beamon	317 Sidney Baker St S Ste 400 PMB 10	Kerrville	TX	78028-6150	Your item was delivered to an individual at the address at 10:26 am on February 17, 2026 in KERRVILLE, TX 78028.
9414811898765438906324	John L Turner LLC	PO Box 823648	Dallas	TX	75382-3648	Your item has been delivered and is available at a PO Box at 8:31 am on February 18, 2026 in DALLAS, TX 75382.
9414811898765438906393	June Simmons Lively	3529 Bellaire Dr N	Fort Worth	TX	76109-2110	Your item was delivered to the front desk, reception area, or mail room at 10:50 am on February 19, 2026 in FORT WORTH, TX 76109.
9414811898765438906348	Kathleen M Mclane Tr Dec 1 1976, B Chenault David G Mclane Sylvia A	PO Box 12125	Dallas	TX	75225-0125	Your item arrived at our DALLAS TX DISTRIBUTION CENTER destination facility on February 16, 2026 at 10:54 am. The item is currently in transit to the destination.
9414811898765438906386	Lana S Smith	8979 Baytowne Loop	Fort Myers	FL	33908-9609	Your item was delivered to an individual at the address at 2:15 pm on February 19, 2026 in FORT MYERS, FL 33908.
9414811898765438906331	Linda Jeanne Lundell Lindsey	PO Box 631565	Nacogdoches	TX	75963-1565	Your item was picked up at the post office at 12:55 pm on February 18, 2026 in NACOGDOCHES, TX 75965.
9414811898765438906379	Lorelei Von Schilling	4008 Inwood Rd	Fort Worth	TX	76109-2603	Your item was delivered to an individual at the address at 11:21 am on February 17, 2026 in FORT WORTH, TX 76109.
9414811898765438906010	Mary F Turner Jr Rev Trust, C/O E Michel And Associates	PO Box 381	Allen	TX	75013-0007	Your item arrived at our COPPELL TX DISTRIBUTION CENTER destination facility on February 15, 2026 at 10:23 am. The item is currently in transit to the destination.
9414811898765438906027	Michael S Mclane Trust Dec 1 1976, B Chenault David G Mclane Sylvia A	PO Box 12125	Dallas	TX	75225-0125	Your item arrived at our DALLAS TX DISTRIBUTION CENTER destination facility on February 16, 2026 at 10:54 am. The item is currently in transit to the destination.
9414811898765438906041	Mustang Energy Resources LLC	PO Box 56647	Houston	TX	77256-6647	Your item arrived at our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on February 16, 2026 at 11:39 am. The item is currently in transit to the destination.
9414811898765438906089	Noble Onshore Inc	15303 Dallas Pkwy Ste 1350	Addison	TX	75001-6701	Your item was delivered to the front desk, reception area, or mail room at 1:06 pm on February 17, 2026 in ADDISON, TX 75001.
9414811898765438906034	Robert Walter Lundell	2450 Fondren Rd Ste 304	Houston	TX	77063-2316	Your item arrived at our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on February 17, 2026 at 4:43 pm. The item is currently in transit to the destination.

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9414811898765438906416	Royalet Partners LLC	PO Box 191767	Dallas	TX	75219-8506	Your item arrived at our DALLAS TX DISTRIBUTION CENTER destination facility on February 20, 2026 at 6:58 am. The item is currently in transit to the destination.
9414811898765438906454	Sharon Beamon Burns	1512 Maryland St	Houston	TX	77006-1822	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765438906461	Susan Beamon Porter	319 Knipp Forest St	Houston	TX	77024-5030	Your item has been delivered to an agent and left with an individual at the address at 4:36 pm on February 17, 2026 in HOUSTON, TX 77024.
9414811898765438906423	Vicki Smith Thaxton	6704 Ashbrook Dr	Ft Worth	TX	76132-1140	Your item was delivered to an individual at the address at 1:50 pm on February 17, 2026 in FORT WORTH, TX 76132.
9414811898765438906409	W G Peavy Oil Company	221 Woodcrest Dr	Richardson	TX	75080-2038	Your item was delivered to an individual at the address at 3:36 pm on February 17, 2026 in RICHARDSON, TX 75080.

Santa Fe, New Mexico

Exhibit No. E

Submitted by: Hilcorp Energy Company

Hearing Date: March 5, 2026

Case No. 25938

# SANTA FE NEW MEXICAN

Founded 1849

HOLLAND AND HART  
110 N Guadalupe St Ste 1  
Santa Fe, NM 87501-1849

ACCOUNT: S1200  
AD NUMBER: 113145  
TAG LINE: LEGAL #94894  
P.O.#:

1 TIME(S) \$147.00  
AFFIDAVIT 10.00  
TAX 12.85  
TOTAL 169.85

### AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO  
COUNTY OF SANTA FE

I, Alejandra Molina, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe, Rio Arriba, San Miguel, and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the Legal No 94894 a copy of which is hereto attached was published in said newspaper 1 day(s) between 02/16/2026 and 02/16/2026 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 16th day of February, 2026 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

ISI

LEGAL ADVERTISEMENT REPRESENTATIVE

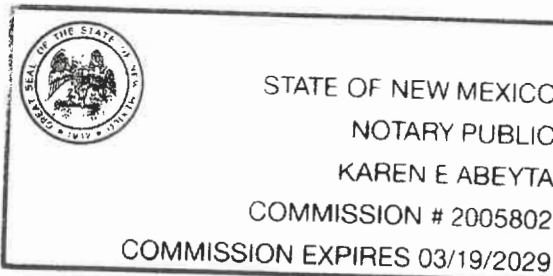
Subscribed and sworn to before me on this 20th day of February, 2026

Notary

*Karen E. Abeyta*

Commission Expires:

*3/19/29*



LEGAL #94894

Legal Notice  
(Publication)

Case No. 25938: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Special Rules and Regulations of the Basin-Dakota Gas Pool, Rio Arriba County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Bureau of Land Management; Carolyn Beamon Tilley; CB Lifeline Partnership, C/O Carolyn Tilley Agent; Cindy M Hartner; Claudia Marcia Lundell Gilmer; Denise Turnbull Williams; Derrick J Turnbull; Dugan Production Corp.; Enduring Resources IV, LLC; GB Safeway Property Ltd; James G Turner Jr Estate, Cynthia M Turner Ind Exec; James R Beamon; John L Turner LLC; June Simmons Lively; Kathleen M McLane Tr Dec 1 1976, B Chenault David G McLane Sylvia A; Lana S Smith; Linda Jeanne Lundell Lindsey; Lorelei Von Schilling; Mary F Turner Jr Rev Trust, C/O E Michel And Associates; Michael S McLane Trust Dec 1 1976, B Chenault David G McLane Sylvia A; Mustang Energy Resources LLC; Noble Onshore Inc; Robert Walter Lundell; Royalet Partners LLC; Sharon Beamon Burns; Susan Beamon Porter; Vicki Smith Thaxton; and W G Peavy Oil Company. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on March 5, 2026, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the Instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/oed/hearing-info/> or contact Freya Tschantz, at [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov) Applicant in the above-styled

for an exception to the well density requirements of Rule II.B of the Special Rules and Regulations for the Basin-Dakota Gas Pool (71599), Rio Arriba County, New Mexico, to permit it to drill and complete an additional Basin-Dakota vertical and/or directional gas well, making a total of five vertical and/or directional gas wells within the same standard 320-acre, more or less, spacing and proration unit comprised of the N/2 of Section 14, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, with three wells producing from the same quarter section. Hilcorp further seeks approval for the proposed location of the San Juan 28-7 Unit 233N Well (API No. 30-039-PENDING), to be vertically drilled with a surface hole location in the NE/4 NW/4 (Unit C) of said Section 14, and authorization to simultaneously complete and produce the well from the Basin-Dakota Gas Pool. Said area is located approximately 8.5 miles southeast of Navajo City, New Mexico.

PUB: Feb. 16, 2026