

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 21, 2026**

CASE NO. 25951

*SAN JUAN 29-5 UNIT 61C GOBERNADOR PICTURES CLIFFS
WELL DENSITY*

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
GOBERNADOR PICTURED CLIFFS POOL,
RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 25951

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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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GOBERNADOR PICTURED CLIFFS POOL,
RIO ARRIBA COUNTY, NEW MEXICO.**

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Hilcorp Energy Company
Hearing Date: April 21, 2026
Case No. 25951**

CASE NO. 25951

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 Gobernador Pictured Cliffs (Gas) Pool (77440), Rio Arriba County, New Mexico. Specifically, Hilcorp seeks an exception to the well density requirements of Rule 19.15.15.10 NMAC for the Gobernador Pictured Cliffs (Gas) Pool to permit it to complete one additional Pictured Cliffs vertical gas well, making a total of two vertical gas wells within the same 320-acre, more or less, standard spacing and proration unit. In support of this application, Hilcorp states:

1. Hilcorp is the operator of a 320-acre, more or less, standard spacing¹ and proration unit for the Gobernador Pictured Cliffs (Gas) Pool comprised of the E/2 of Section 9, Township 29 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, in which the following vertical well was drilled and completed, and is currently producing:

a. San Juan 29 5 Unit 61A (API No. 30-039-29759), which is vertically drilled with a surface location in SW/4 SE/4 (Unit O) of said Section 9.

2. Rule 19.15.15.10 NMAC governs gas spacing unit size, well density, and well setbacks within the Gobernador Pictured Cliffs (Gas) Pool. Subsection C of said rule states that a

¹ The spacing is standard, in accordance with Division Director approval, dated September 2, 1955.

shallow [vertical] gas well in New Mexico (those wells not covered by preceding portions of 19.15.15.10 NMAC) shall be located in a spacing unit consisting of 160 surface contiguous acres, more or less, substantially in the form of a square that is a quarter section and a legal subdivision of the United States public land surveys and shall be located no closer than 660 feet to an outer boundary of the unit and no closer than 10 feet to a quarter-quarter section or subdivision inner boundary.

3. Subsection C of 19.15.15.11 NMAC specifies that the director may grant exceptions to the [limited] number of [vertical] wells per spacing unit after notice to all affected persons, as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, and opportunity for hearing.

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 29 5 Unit 61C** (API No. 30-039-29758), a vertical well to be recompleted at a surface location in the SE/4 SE/4 (Unit P).

5. Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule 19.15.15.10 NMAC to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 29 5 Unit 61C** (API No. 30-039-29758), within the standard spacing unit comprised of E/2 of Section 9, Township 29 North, Range 5 West, permitting the total number of vertical wells dedicated and producing within said spacing and proration unit to two.

6. Approval of this application will not impair the correlative rights of any other interest owner in the Gobernador Pictured Cliffs (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, 2026, and, after notice and hearing as required by law, that the Division enter an order:

- A. Granting an exception to the well density requirements of Rule 19.15.15.10 NMAC for the Gobernador Pictured Cliffs (Gas) Pool (77440) permitting the total number of vertical wells dedicated and producing within this spacing and proration unit to two; and
- B. Authorizing Hilcorp to complete and produce the **San Juan 29 5 Unit 61C** (API No. 30-039-29758) from the Gobernador Pictured Cliffs (Gas) Pool.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Paula M. Vance
A. Raylee Starnes
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ATTORNEYS FOR HILCORP ENERGY COMPANY

CASE _____: **Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Gobernador Pictured Cliffs (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 19.15.15.10 NMAC for the Gobernador Pictured Cliffs Pool (77440), Rio Arriba County, New Mexico, to permit it to complete and produce one additional Pictured Cliffs vertical gas well, the **San Juan 29 5 Unit 61C** (API No. 30-039-29758) with a surface hole location in the SE/4 SE/4 (Unit P), making a total of two vertical gas wells within the same 320-acre, more or less, standard spacing and proration unit in the E/2 of Section 9, Township 29 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. Said area is located approximately 35 miles east of Aztec, New Mexico.

**STATE OF NEW MEXICO
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RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 25951

SELF-AFFIRMED STATEMENT OF ROB CARLSON

1. My name is Rob Carlson. 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 19.15.15.10 NMAC of the Gobernador Pictured Cliffs (Gas) Pool (77440) to permit it to complete one additional Pictured Cliffs vertical gas well, making a total of two vertical gas wells within the same 320-acre, more or less, standard spacing and proration unit.
6. Rule 19.15.15.10 NMAC governs gas spacing unit size, well density, and well setbacks within the Gobernador Pictured Cliffs (Gas) Pool. Subsection C of said rule states that a shallow [vertical] gas well in New Mexico (those wells not covered by preceding portions of

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Hilcorp Energy Company
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19.15.15.10 NMAC) shall be located in a spacing unit consisting of 160 surface contiguous acres, more or less, substantially in the form of a square that is a quarter section and a legal subdivision of the United States public land surveys and shall be located no closer than 660 feet to an outer boundary of the unit and no closer than 10 feet to a quarter-quarter section or subdivision inner boundary.

7. Subsection C of 19.15.15.11 NMAC specifies that the director may grant exceptions to the [limited] number of [vertical] wells per spacing unit after notice to all affected persons, as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, and opportunity for hearing.

8. Hilcorp is the operator of a 320-acre, more or less, standard spacing¹ and proration unit for the Gobernador Pictured Cliffs (Gas) Pool comprised of the E/2 of Section 9, Township 29 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, in which the following vertical well was drilled and completed, and is currently producing:

- a. San Juan 29 5 Unit 61A (API No. 30-039-29759), which is vertically drilled with a surface location in SW/4 SE/4 (Unit O) of said Section 9.

9. 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 29 5 Unit 61C** (API No. 30-039-29758), a vertical well to be recompleted at a surface location in the SE/4 SE/4 (Unit P).

10. Hilcorp therefore requests that the Division enter an order granting an exception to the well density requirements of Rule 19.15.15.10 NMAC to authorize Hilcorp to simultaneously dedicate and produce the **San Juan 29 5 Unit 61C** (API No. 30-039-29758), within the standard

¹ The spacing is standard, in accordance with Division Director approval, dated September 2, 1955.

spacing unit comprised of the E/2 of Section 9, Township 29 North, Range 5 West, permitting the total number of vertical wells dedicated and producing within said spacing and proration unit to two.

11. The proposed simultaneous dedication of the proposed well will target development of incremental Gobernador Pictured Cliffs gas reserves in areas where there is not adequate gas drainage.

12. Pursuant to Division precedent, Hilcorp provided notice to all Division-designated operators in offsetting spacing units and offsetting 160-acre tracts. 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.

13. **Hilcorp Exhibit B-1** is an overview map identifying the location of the subject Gobernador Pictured Cliffs spacing unit to which the proposed well will be dedicated.

14. Exhibit B-1 also identifies the locations of the existing Gobernador Pictured Cliffs well as green circle and depicts the proposed well as a yellow star.

15. Exhibit B-1 also depicts the notice area, which is the outlined red and green area 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. In one instance, Hilcorp is not the operator of, nor an owner of working interest in, an offsetting spacing unit that is no longer producing, in which case Hilcorp confirmed the identity of the working interest owner therein through inquiry with the former operator, Dugan Production Company.

16. **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.

17. 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.

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

19. 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.



Rob Carlson

4/30/2026

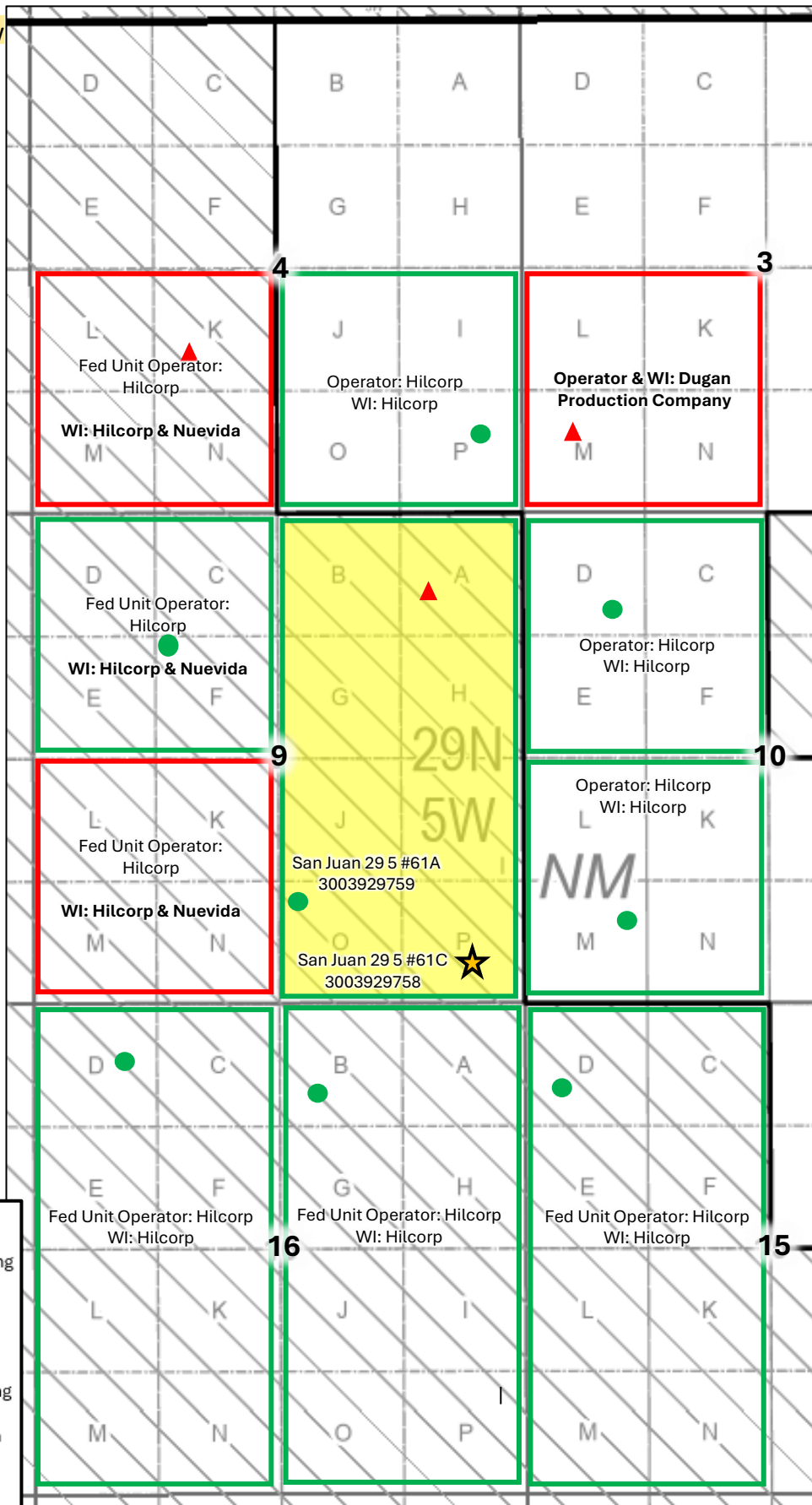
Date

Exhibit No. B-1

Submitted by: Hilcorp Energy Company

Hearing Date: April 21, 2026

Case No. 25951



- P&A'd Pictured Cliffs Well
- Non-Producing PC Spacing
- Producing PC Well
- Producing PC Spacing
- Subject Producing Spacing
- Subject PC Recompletion
- Federal Unit Area

NOTICED SPACING UNIT(S)	PRODUCING WELL API	OPERATOR	PARTY TYPE	PARTY NAME	ADDRESS 1	ADDRESS 2	CITY	STATE	ZIP
T29N-R5W-Sec. 9: NW/4	3003926542	HILCORP ENERGY COMPANY (Federal Unit Area)	WORKING INTEREST OWNER (PC PA)	NUEVIDA RESOURCES, LLC	ATTN: JIM BOB BYRD	332 CO. ROAD 3100	AZTEC	NM	87410
			WORKING INTEREST OWNER (PC PA) AGENCY	HILCORP SAN JUAN, LLC BUREAU OF LAND MANAGEMENT	NO NOTICE APPLICABLE ATTN: KYLE PARADIS				
T29N-R5W-Sec. 9: SW/4	N/A	HILCORP ENERGY COMPANY (Federal Unit Area)	WORKING INTEREST OWNER (PC PA)	NUEVIDA RESOURCES, LLC	ATTN: JIM BOB BYRD	332 CO. ROAD 3100	AZTEC	NM	87410
			WORKING INTEREST OWNER (PC PA) AGENCY	HILCORP SAN JUAN, LLC BUREAU OF LAND MANAGEMENT	NO NOTICE APPLICABLE ATTN: KYLE PARADIS				
T29N-R5W-Sec. 16: W/2	3003929681	HILCORP ENERGY COMPANY (Federal Unit Area)	WORKING INTEREST OWNER AGENCY	HILCORP SAN JUAN, LLC NEW MEXICO STATE LAND OFFICE	NO NOTICE APPLICABLE ATTN: BAYLEN LAMKIN	310 OLD SANTA FE TRAIL	SANTA FE	NM	87501
T29N-R5W-Sec. 16: E/2	3003930047	HILCORP ENERGY COMPANY (Federal Unit Area)	WORKING INTEREST OWNER AGENCY	HILCORP SAN JUAN, LLC NEW MEXICO STATE LAND OFFICE	NO NOTICE APPLICABLE ATTN: BAYLEN LAMKIN	310 OLD SANTA FE TRAIL	SANTA FE	NM	87501
T29N-R5W-Sec. 15: E/2	3003929896	HILCORP ENERGY COMPANY (Federal Unit Area)	WORKING INTEREST OWNER	HILCORP SAN JUAN, LLC	NO NOTICE APPLICABLE				
T29N-R5W-Sec. 10: SW/4	3003923054	HILCORP ENERGY COMPANY	WORKING INTEREST OWNER AGENCY	HILCORP SAN JUAN, LLC BUREAU OF LAND MANAGEMENT	NO NOTICE APPLICABLE ATTN: KYLE PARADIS	301 DINOSAUR TRAIL	SANTA FE	NM	87508
T29N-R5W-Sec. 10: NW/4	3003922044	HILCORP ENERGY COMPANY	WORKING INTEREST OWNER AGENCY	HILCORP SAN JUAN, LLC BUREAU OF LAND MANAGEMENT	NO NOTICE APPLICABLE ATTN: KYLE PARADIS	301 DINOSAUR TRAIL	SANTA FE	NM	87508
T29N-R5W-Sec. 3: SW/4	N/A - PLUGGED	DUGAN PRODUCTION COMPANY (Formerly)	WORKING INTEREST OWNER AGENCY	DUGAN PRODUCTION COMPANY BUREAU OF LAND MANAGEMENT	ATTN: TRUDY PINGREE ATTN: KYLE PARADIS	P.O. BOX 420 301 DINOSAUR TRAIL	FARMINGTON	NM	87499
T29N-R5W-Sec. 4: SE/4	3003922091	HILCORP ENERGY COMPANY	WORKING INTEREST OWNER AGENCY	HILCORP SAN JUAN, LLC BUREAU OF LAND MANAGEMENT	NO NOTICE APPLICABLE ATTN: KYLE PARADIS	301 DINOSAUR TRAIL	SANTA FE	NM	87508
T29N-R5W-Sec. 4: SW/4	N/A - PLUGGED	HILCORP ENERGY COMPANY (Federal Unit Area)	WORKING INTEREST OWNER (PC PA)	NUEVIDA RESOURCES, LLC	ATTN: JIM BOB BYRD	332 CO. ROAD 3100	AZTEC	NM	87410
			WORKING INTEREST OWNER (PC PA) AGENCY	HILCORP SAN JUAN, LLC BUREAU OF LAND MANAGEMENT	NO NOTICE APPLICABLE ATTN: KYLE PARADIS				

CONDENSED LIST OF PARTIES NOTICED

NUEVIDA RESOURCES, LLC	ATTN: JIM BOB BYRD	332 CO. ROAD 3100	AZTEC	NM	87410
DUGAN PRODUCTION COMPANY	ATTN: TRUDY PINGREE	P.O. BOX 420	FARMINGTON	NM	87499
BUREAU OF LAND MANAGEMENT	ATTN: KYLE PARADIS	301 DINOSAUR TRAIL	SANTA FE	NM	87508
NEW MEXICO STATE LAND OFFICE	ATTN: BAYLEN LAMKIN	310 OLD SANTA FE TRAIL	SANTA FE	NM	87501

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-2
 Submitted by: Hilcorp Energy Company
 Hearing Date: April 21, 2026
 Case No. 25951

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 25951

SELF-AFFIRMED STATEMENT OF SHANE SMITH

1. My name is Shane Smith. 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 Gobernador Pictured Cliffs (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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Santa Fe, New Mexico
Exhibit No. C
Submitted by: Hilcorp Energy Company
Hearing Date: April 21, 2026
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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 29 5 Unit 61C** (API No. 30-039-29758), a vertical well to be recompleted at a surface location in the SE/4 SE/4 (Unit P).

7. This will be the second Gobernador Pictured Cliffs completion within the same 320-acre spacing and proration unit. I anticipate that it will help drain the Southern 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 Gobernador Pictured Cliffs (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 Gobernador Pictured Cliffs (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 more remaining recoverable gas. The warmer colors reflect areas where there is relatively less 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 16.9 Bcf.

12. I would expect recovery factors of approximately ~50% 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 Gobernador Pictured Cliffs (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 Gobernador Pictured Cliffs (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.

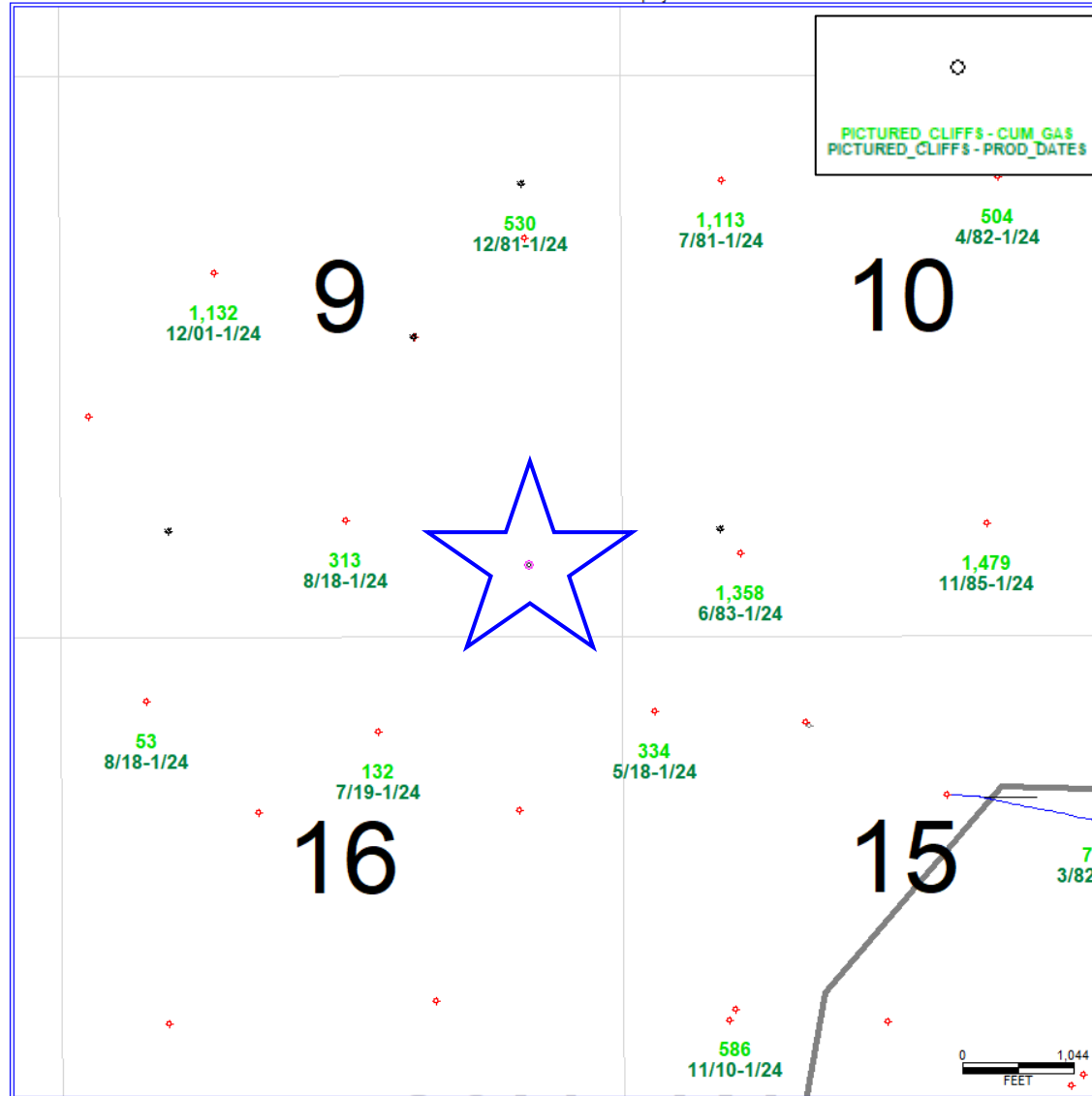


Shane Smith

3.13.26

Date

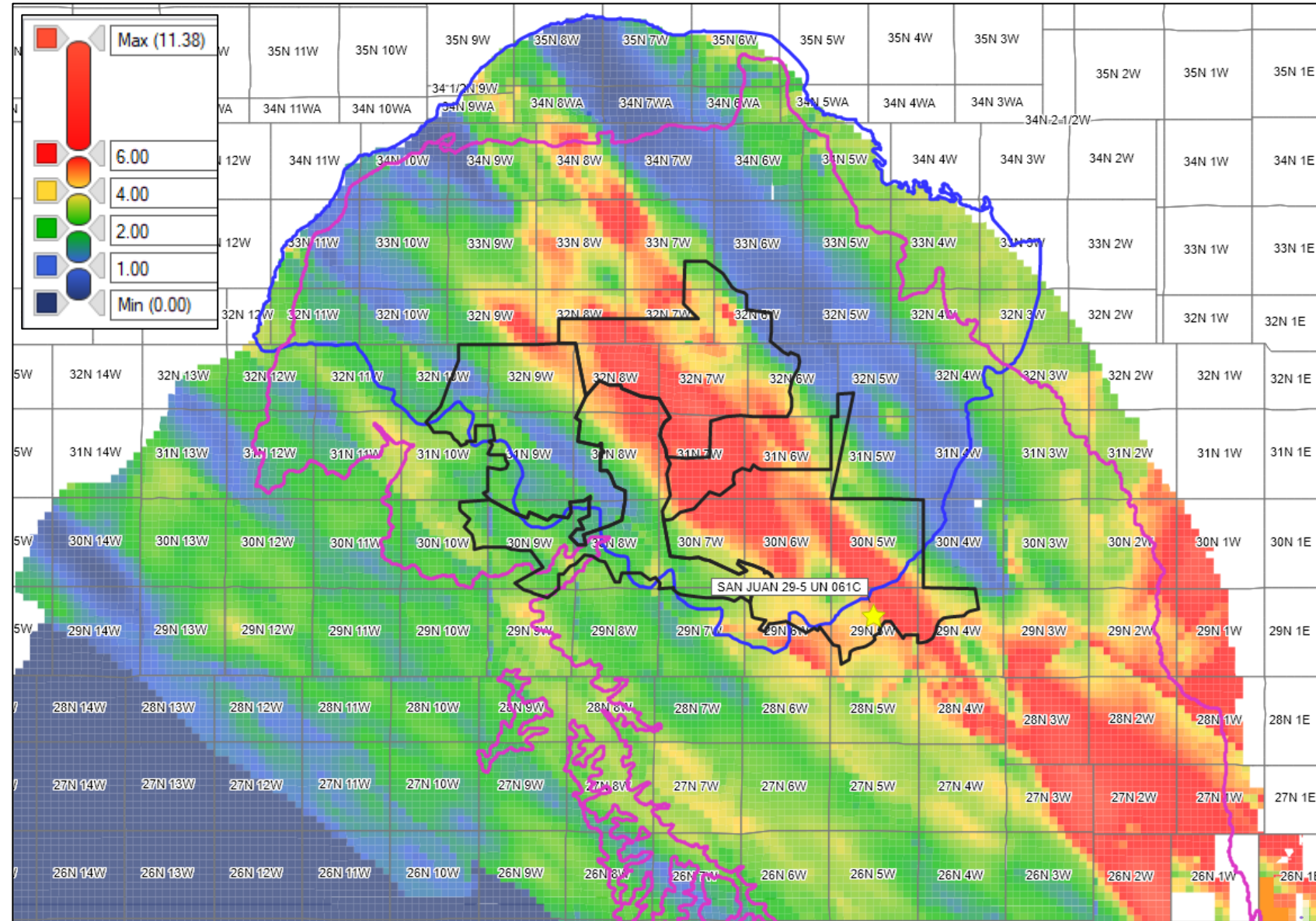
Exhibit C-1: General Location



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C-1
 Submitted by: Hilcorp Energy Company
 Hearing Date: April 21, 2026
 Case No. 25951



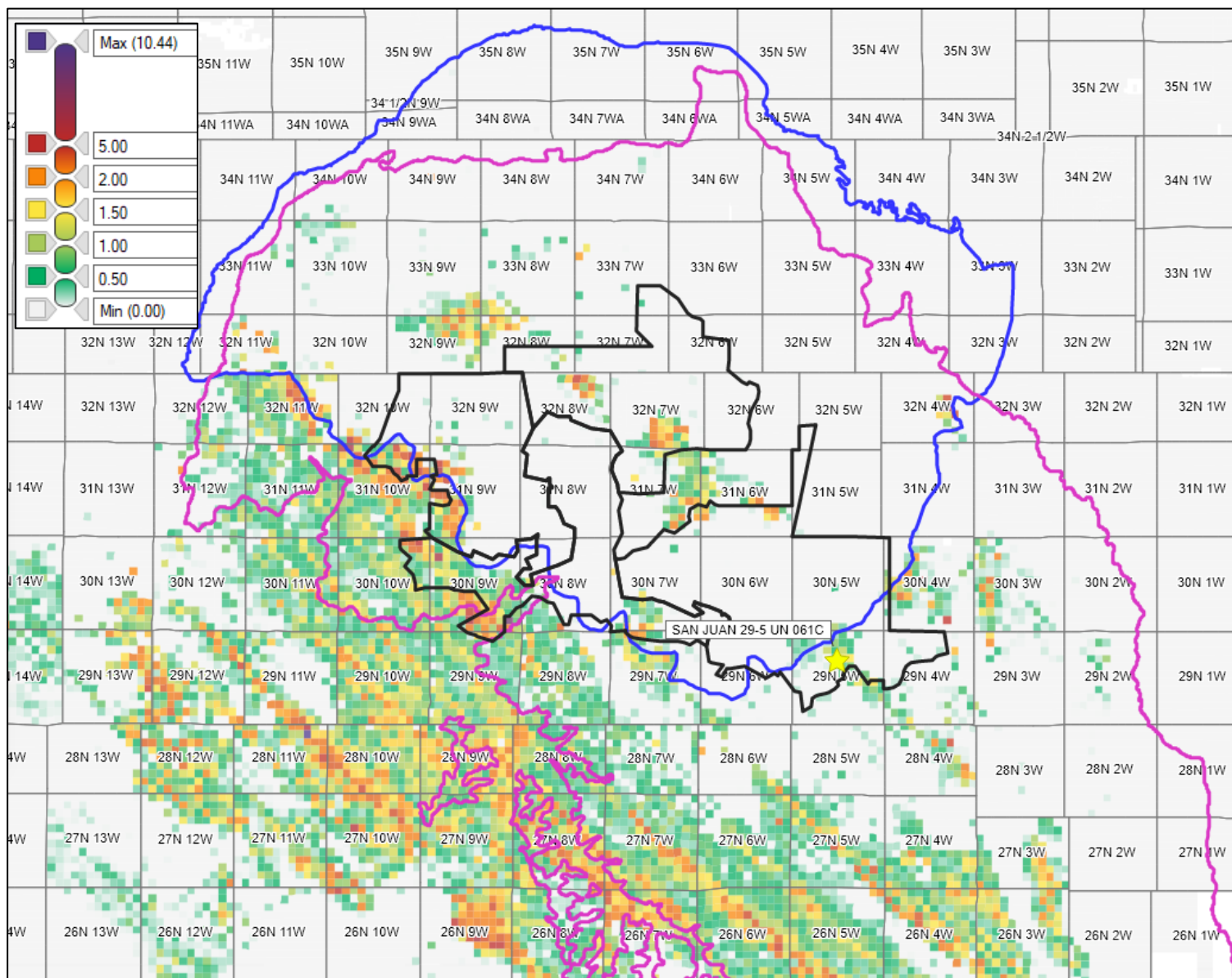
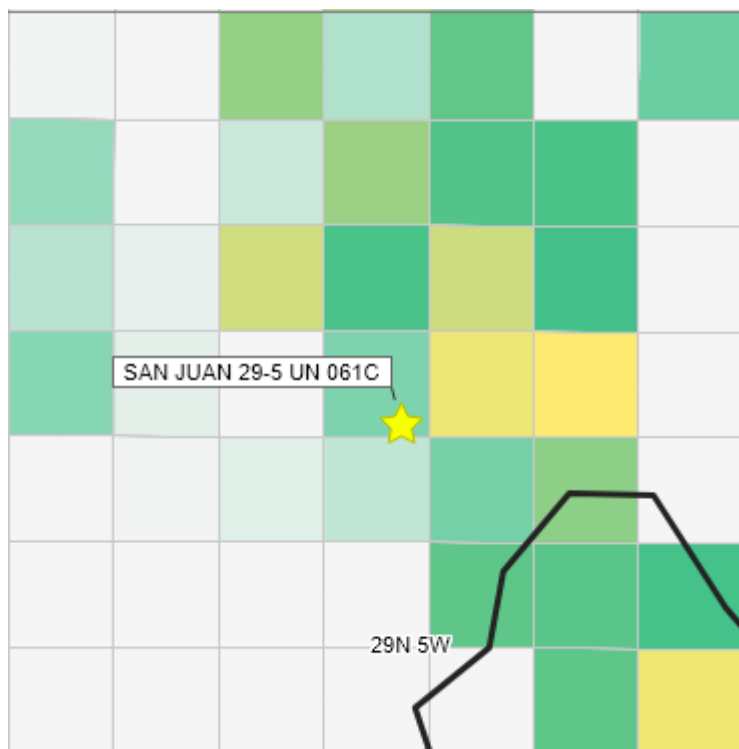
Exhibit C-2: Basin Wide Map of PC OGIP



BEFORE THE OIL CONSERVATION DIVISION
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 Exhibit No. C-2
 Submitted by: Hilcorp Energy Company
 Hearing Date: April 21, 2026

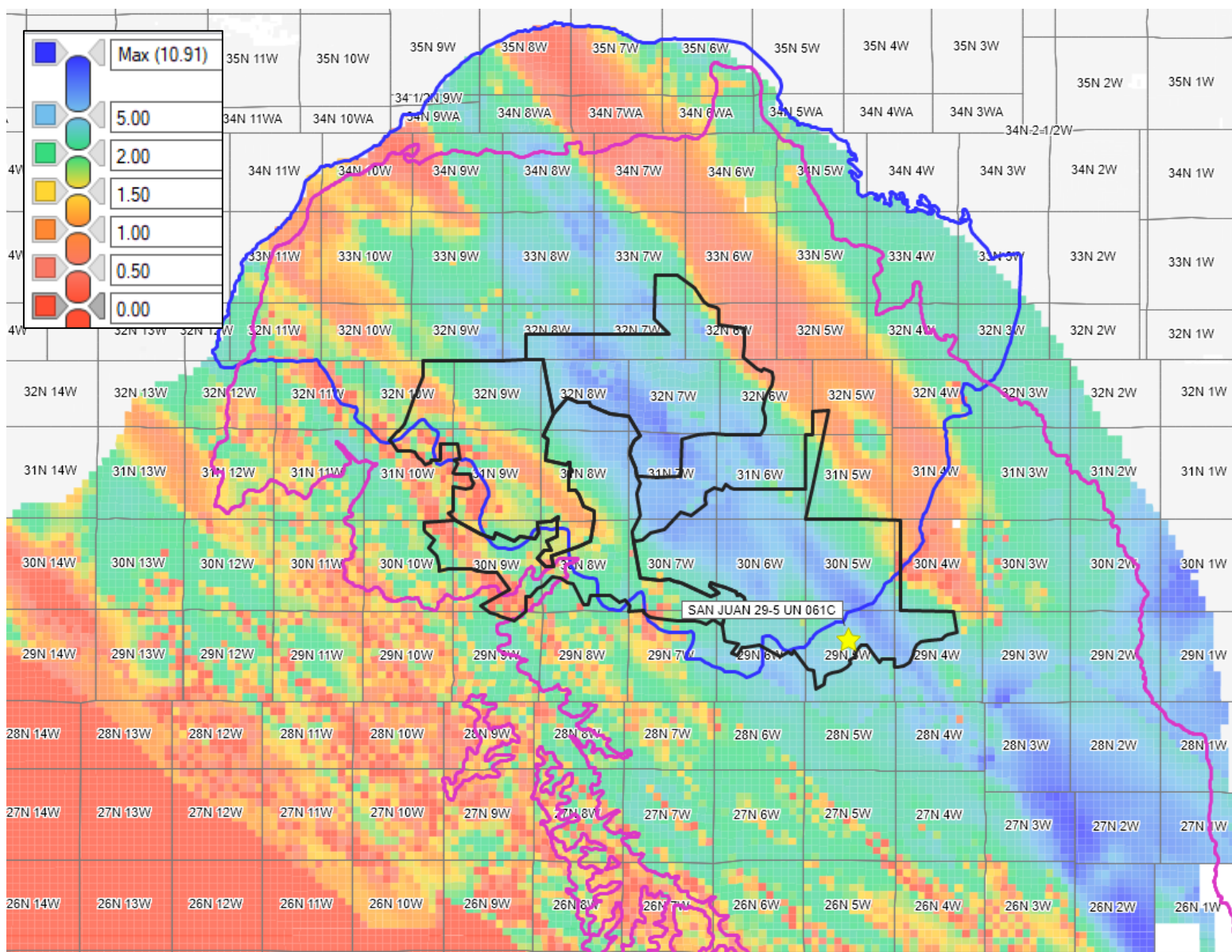
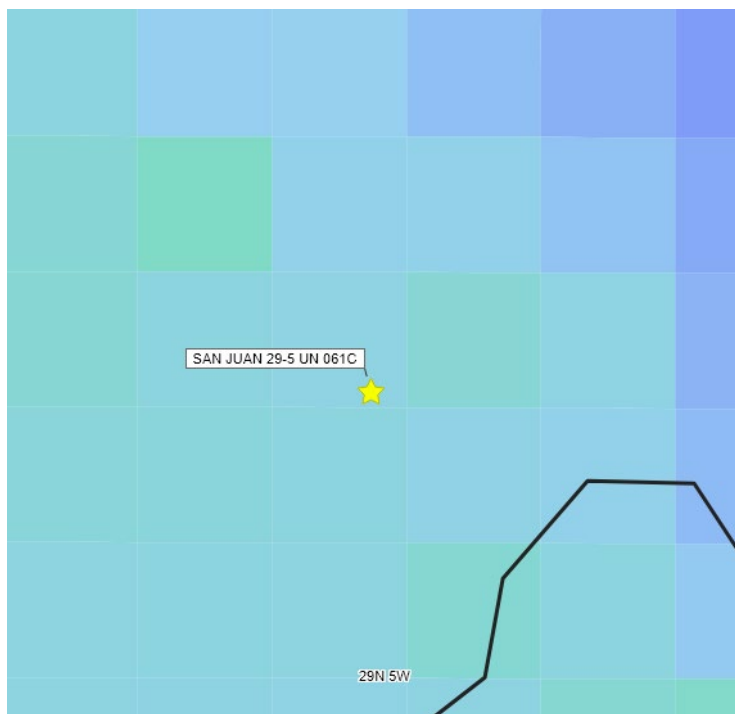


Exhibit C-3: Map of Cum Gas in PC



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Hilcorp Energy Company
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Exhibit C-4: RRg



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Hilcorp Energy Company
Hearing Date: April 21, 2026
Case No. 25951



Exhibit C-5:

Section	Volumetric OGIP	CTD/RF%	EUR/RF%	RRg
29N-5W-9	18.87 BCF	1.975 BCF/10.5%	3.46 BCF/18.3%	16.9 BCF

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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 April 13, 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.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Hilcorp Energy Company
Hearing Date: April 21, 2026
Case No. 25951**



Paula M. Vance

04/13/26

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email 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 Gobernador Pictured Cliffs (Gas) Pool, Rio Arriba County, New Mexico: *San Juan 29 5 Unit 61C 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 Ave., 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 Rob Carlson at (832) 839-4596 or at rcarlson@hilcorp.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR HILCORP ENERGY COMPANY

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

April 1, 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 Gobernador Pictured Cliffs (Gas) Pool, Rio Arriba County, New Mexico: San Juan 29 5 Unit 61C 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 May 7, 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 Ave., 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 Rob Carlson at (832) 839-4596 or at rcarlson@hilcorp.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR HILCORP ENERGY COMPANY

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Hilcorp - San Juan 29-5 Unit 61C Gobernador Pictures Cliffs Well Density - Case no. 25951
 Postal Delivery Report

9414811898765430013525	Nuevidsa Resources, LLC	Attn Jim Bob Byrd, 332 County Road 3100	Aztec	NM	87410-9532	Your item has been delivered to an agent for final delivery in AZTEC, NM 87410 on February 17, 2026 at 12:29 pm.
9414811898765430013501	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to an individual at the address at 11:10 am on February 20, 2026 in CARLSBAD, NM 88220.
9414811898765430013594	Bureau of Land Management, Att Kyle Paradis	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to the front desk, reception area, or mail room at 2:45 pm on February 17, 2026 in SANTA FE, NM 87508.
9414811898765430013549	New Mexico State Land Office, Attn Baylen Lamkin	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at the post office at 8:06 am on February 19, 2026 in SANTA FE, NM 87501.
9414811898765430013570	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at the post office at 7:59 am on February 17, 2026 in SANTA FE, NM 87501.

Holland & Hart

110 North Guadalupe, Suite 1, Santa Fe, N

CERTIFIED MAIL



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FIRST-CLASS MAIL

IMI

\$010.44⁰

04/01/2026 ZIP 87501

043M31218135

US POSTAGE

Dugan Production Company
ATTN: Trudy Pingree
P.O. Box 420
Farmington, NM 87499



7017 0190 0000 4284 7275

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CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

Certified Mail Fee \$ 5.30

Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$ 4.40
 Return Receipt (electronic) \$ _____
 Certified Mail Restricted Delivery \$ _____
 Adult Signature Required \$ _____
 Adult Signature Restricted Delivery \$ _____

Postage \$ 1.74

Total Postage and Fees \$ 10.44


Sent To _____

Street and Apt. No., or PO Box No. _____

City, State, Zip+4® _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY												
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>												
<p>1. Article Addressed to: <u>Dugan Production Co.</u> <u>ATTN: Trudy Pingree</u> <u>P.O. Box 420</u> <u>Farmington, NM 87499</u></p>  <p>9590 9402 3723 7335 4809 82</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®												
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™												
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery												
<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise												
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™												
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery												
<p>2. Article Number (Transfer from service label) <u>7017 0190 0000 4284 7275</u></p>	<p>4. Mail Restricted Delivery (over \$500)</p>												

Tracking Number:

70170190000042847275



Copy



Add to Informed Delivery

Latest Update

Your item was picked up at the post office at 9:38 am on April 6, 2026 in FARMINGTON, NM 87401.

Santa Fe, New Mexico

Exhibit No. E

Submitted by: Hilcorp Energy Company

Hearing Date: April 21, 2026

Case No. 25951

SANTA FE NEW MEXICAN

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

ACCOUNT: S1200
AD NUMBER: 113138
TAG LINE LEGAL #94891
P.O.#:

1 TIME(S) \$91.70
AFFIDAVIT 10.00
TAX 8.33
TOTAL 110.03

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 94891 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.

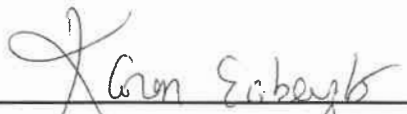
ISI



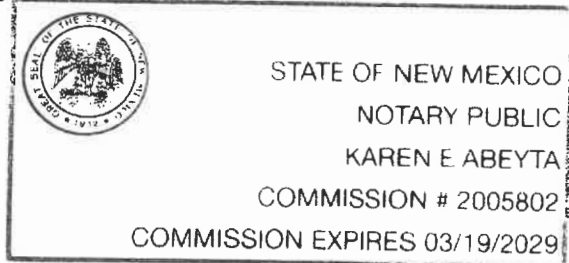
LEGAL ADVERTISEMENT REPRESENTATIVE

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

Notary



Commission Expires: 3/19/29



LEGAL #94891**Legal Notice
(Publication)**

Case No. 25951: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Gobernador Pictured Cliffs (Gas) Pool, Rio Arriba County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of Nuevidsa Resources, LLC; Bureau of Land Management; and New Mexico State Land Office. 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/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule 19.15.15.10 NMAC for the Gobernador Pictured Cliffs Pool (77440), Rio Arriba County, New Mexico, to permit it to complete and produce one additional Pictured Cliffs vertical gas well, the San Juan 29-5 Unit 61C (API No. 30-039-29758) with a surface hole location in the SE/4 SE/4 (Unit P), making a total of two vertical gas wells within the same 320-acre, more or less, standard spacing and proration unit in the E/2 of Section 9, Township 29 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. Said area is located approximately 35 miles east of Aztec, New Mexico.

PUB: Feb. 16, 2026

SANTA FE NEW MEXICAN

Founded 1849

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

ACCOUNT: S1200
AD NUMBER: 116672
TAG LINE LEGAL #95169
P.O.#:

1 TIME(S) \$92.40
AFFIDAVIT 10.00
TAX 8.38
TOTAL 110.78

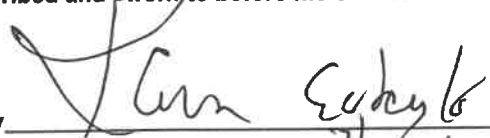
AFFIDAVIT OF PUBLICATION


STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, Sebastian Garcia, 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 a copy of which is hereto attached was published in said newspaper 1 day(s) between 04/09/2026 and 04/09/2026 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 09th day of April, 2026 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

ISI 
LEGAL ADVERTISEMENT RESPRESENTATIVE

Subscribed and sworn to before me on this 10th day of April, 2026

Notary 
Commission Expires: 3/19/29

 STATE OF NEW MEXICO
NOTARY PUBLIC
KAREN E ABEYTA
COMMISSION # 2005802
COMMISSION EXPIRES 03/19/2029

LEGAL #95169

**Legal Notice
(Publication)**

Case No. 25951: Application of Hilcorp Energy Company for an Exception to the Well Density Requirements of the Gobernador Pictured Cliffs (Gas) Pool, Rio Arriba County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Dugan Production 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 April 21, 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/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order for an exception to the well density requirements of Rule 19.15.15.10 NMAC for the Gobernador Pictured Cliffs Pool (77440), Rio Arriba County, New Mexico, to permit it to complete and produce one additional Pictured Cliffs vertical gas well, the San Juan 29 5 Unit 61C (API No. 30-039-29758) with a surface hole location in the SE/4 SE/4 (Unit P), making a total of two vertical gas wells within the same 320-acre, more or less, standard spacing and proration unit in the E/2 of Section 9, Township 29 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. Said area is located approximately 35 miles east of Aztec, New Mexico.

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PUB: April 9, 2026