

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



February 26, 2018

Kandis Roland
Hilcorp Energy Company
kroland@hilcorp.com

NON-STANDARD LOCATION

Administrative Order NSL-352-A

Hilcorp Energy Company [OGRID 318455]
Blanco Wash Federal Well No. 2
API No. 30-045-07090

Non-Standard Location

Proposed Surface Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
400' FNL & 860' FEL	A	34	25S	35E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 of Section 34	320	Blanco-Mesaverde (Prorated Gas)	72319

Reference is made to your application received on February 13, 2018.

You have requested to drill this well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Division Rule 19.15.15.10.B NMAC, which provides for 320-acre units, with wells to be located at least 660 feet from outer unit boundaries.

This well's completed interval is as close as 400 feet from the eastern edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 27, encroachment to the E/2


It is our understanding that the Applicant is to commingle this existing well within the Basin Dakota and Blanco Mesaverde pools. The Well was initially approved for a NSL – 352 for the Basin Dakota pool. This Well will now include the Blanco Mesaverde underlying the N/2 of Section 34.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Aztec District Office
Bureau of Land Management – Farmington Field Office