

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



January 31, 2019

Mr. Bradley Pearson
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NON-STANDARD LOCATION

Administrative Order NSL-7825

**Hilcorp Energy Company [OGRID 372171]
Huerfanito Unit Well No. 085M
API No. 30-045-35287**

Surface Location; Vertical Well

<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
710 FNL & 1385 FWL	C	26	27N	09W	San Juan

Proposed Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NW4 of Section 26	160	Blanco P.C., South (Prorated Gas)	72439

Reference is made to your application received on January 25, 2019.

You have requested to recomplete this well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Hearing Order R-565-C, which provides for 160-acre units, with wells to be located at least 990 feet from outer unit boundaries.

This well's completed interval is as close as 280 feet to the northern edge of the spacing unit. Encroachments will impact the following tract.

Section 23, encroachment to the SW4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. However, the ownership is identical in the SW4 of Section 23; therefore, notice is not required.


The Division understands that you request this unorthodox well location to maximize recovery of oil and gas reserves within this formation and to minimize surface disturbance underlying the spacing unit within the NW4 of Section 26.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

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.



Gabriel Wade
Acting Division Director

GW/lrl

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