



Approved

NSL

Order

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Gabriel Wade, Acting Director
Oil Conservation Division



April 1, 2019

Mr. Bradley Pearson
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NON-STANDARD LOCATION

Administrative Order NSL-7847

Hilcorp Energy Company [OGRID 372171]
Hughes Well No. 003
API No. 30-039-60063

Surface Location; Vertical Well

<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
128 FWL & 97 FSL	M	34	26N	7W	Rio Arriba

Proposed gas Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW4 of Section 34	160	Ballard; Pictured Cliffs (Gas)	71439

Reference is made to your application received on March 5, 2019.

This vertical well was drilled at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by statewide rules, which provides for 160-acre units, with wells to be located at least 10 from the QTR/QTR line and 660 feet from outer unit boundaries.

This well's completed interval is as close as 97 feet to the southern edge, 160 feet to the southwestern edge and 128 feet to the western edge of the spacing unit. Encroachments will impact the following tract.

Section 3, encroachment to the NW4
Section 4, encroachment to the NE4
Section 33, encroachment to the SE4

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.

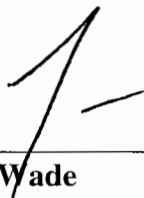
The Division understands that you are seeking this approval via a resurvey of the surface location determining to be located at an unorthodox location underlying the spacing unit within the SW4 of Section 34.

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