

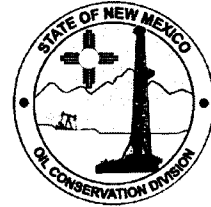
State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Division Director
Oil Conservation Division



April 25, 2019

Mr. Bradley Pearson
bpearson@hilcorp.com

NON-STANDARD LOCATION

Administrative Order NSL-7875

Hilcorp Energy Company [OGRID 372171]
Howell E Well No. 001
API No. 30-045-09089

Proposed Surface Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
525 FSL & 1292 FWL	N/14	29	30N	08W	San Juan

Proposed Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 of Section 29	281.24	Blanco-Mesaverde (Prorated Gas)	72319

Reference is made to your application received on April 4, 2019.

You have requested to recomplete this vertical well within another formation at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by special pool rules R-10987, which provides for 320-acre units, with wells to be located at least 660 feet from outer unit boundaries and 10 feet from the quarter-quarter line.

This well's completed interval is as close as 545 feet to the southern edge of the spacing area. Encroachments will impact the following tracts.

Section 32, encroachment to the NW4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

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Page 2 of 2

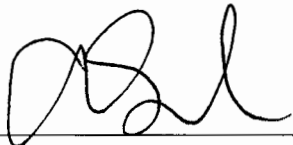
Division understands that you are seeking this approval via a resurvey of the surface location determining to be located at an unorthodox location underlying the spacing unit within the W2 of Section 29.

Your application has been filed under 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.



ADRIENNE E. SANDOVAL
Oil Conservation Division Director

AES/lrl

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