

Approved

NSL

Order

Approved: 03/11/20

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, Director
Oil Conservation Division



March 11, 2020

Mr. Clay Padgett
cpadgett@hilcorp.com

NON-STANDARD LOCATION

Administrative Order NSL-8021

**Hilcorp Energy Company [OGRID 372171]
Helms Federal Well No. 1B
API No. 30-045-29998**

Surface Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
1160 FSL & 1060 FWL	M/13	22	30N	10W	San Juan

Proposed Oil Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 SW/4 of Section 22	39.61	Wildcat; Farmington Sand	98339

Reference is made to your application received on March 11, 2020.

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide rules, which provides for 40-acre units, with wells to be located at least 330 from the QTR/QTR line.

This well's completed interval is as close as 160 feet to the northern edge, 260 feet to the eastern edge and 305 feet to the northeastern edge of the spacing unit. Encroachment will impact the following tracts.

Section 22, encroachment to the NW/4, NE/4 & SE/4, all within the SW/4

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 within all the affected tracts; therefore, notice is not required.

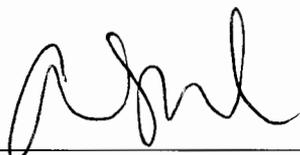
Division understands you seek this unorthodox location in order to flow test this existing well into another formation that is considered to be non-standard within this location and thereby preventing waste within the formation underlying the SW/4 SW/4 of Section 22.

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, March 23, 2020 2:10 PM
To: 'cpadgett@hilcorp.com'
Cc: Powell, Brandon, EMNRD; Pickford, Katherine, EMNRD; 'lisa@rwbyram.com'; Goetze, Phillip, EMNRD; Terry Warnell; Murphy, Kathleen A, EMNRD; Rose-Coss, Dylan H, EMNRD; Lamkin, Baylen, EMNRD; McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Garcia, John A, EMNRD
Subject: APPROVED NSL-8021_Hilcorp_Helms Federal Well No. 001H_SEC 22 30N 10W
Attachments: NSL-8021_ORDER.pdf

Importance: High

Mr. Clay Padgett,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

A copy of the approved order is also attached.

NSL - 8021

OPERATOR: Hilcorp Energy Company

WELL: Helms Federal Well No. 001H [30-045-29998]

POOL: Wildcat; Farmington Sand [98339]

Leonard R. Lowe

Engineering Bureau

OCD-EMNRD

1220 S. St. Francis

Santa Fe, N.M. 87004

O:505-476-3492

C: 505-930-6717

F: 505-476-3462

<http://www.emnrd.state.nm.us/ocd/>