

ID NO. 265771

NSP - 2175

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2326151141
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: <u>HILCORP ENERGY COMPANY</u>	OGRID Number: <u>372171</u>
Well Name: <u>ALLISON UNIT 123H</u>	API: <u>30-045-35611</u>
Pool: <u>BASIN FRUITLAND COAL</u>	Pool Code: <u>71629</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

ROBERT CARLSON

 Print or Type Name



 Signature

SEPTEMBER 15, 2023

 Date

(832) 839-4596

 Phone Number

rcarlson@hilcorp.com

 e-mail Address



September 15, 2023

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

VIA Email: Leonard.Lowe@state.nm.us

Re: Application for Amendment to NSP-2108
Allison Unit 123H
API: 30-045-35611
T32N-R7W-Section 9, Unit Letter: I
San Juan County, NM

Dear Mr. Lowe:

Hilcorp Energy Company (“Hilcorp”) requests approval for a non-standard spacing unit, specifically in the form of an amendment to the existing NSP-2108 order, for the subject horizontal well as outlined in Subsection E. of 19.15.16.15 NMAC.

The subject well is currently producing from two horizontal laterals (“Lateral 1 & 2”) dedicated to an existing non-standard spacing unit (NSP-2108) totaling 652.70 acres covering Township 32 North, Range 7 West, Section 10: All & Section 11: W/2 *equivalent*.

Hilcorp intends to drill a third lateral (“Lateral 3”), using the same pilot hole shared by Lateral 1 & 2, to an interval within the Fruitland Coal formation that lies above those intervals attributed to Lateral 1 & 2. To exploit this shallower target, Hilcorp must exit the pilot hole earlier. This results in a first take-point for Lateral 3 located just outside of the western boundary of NSP-2108 in Lot 10 of Section 9.

To ensure Lateral 3’s first-take point is within compliance, an amendment to NSP-2108 is hereby requested to include an additional 106.70 acres, being the E/2 E/2 *equivalent* of Section 9, resulting in a new NSP totaling 759.40 acres covering:

Township 32 North, Range 7 West,
Section 9: E/2 E/2 (aka Lots 5, 10 & 11)
Section 10: All (aka N/2 SE/4, SE/4 SE/4, Lots 1-2, Lots 5-11)
Section 11: W/2 (aka SW/4, S/2 NW/4, Lots 3-4)

Order R-8768 prescribes a 320-acre standard spacing unit in the Basin Fruitland Coal; however, the spacing units derived from sections along the New Mexico and Colorado state border are non-standard in nature due to variations in the legal subdivisions.

To note, while the inclusion of the E/2 E/2 *equivalent* of Section 9 is less than the acreage prescribed under Order R-8768, the requested NSP area, in its amended form, is fully situated within and completely surrounded by offsetting spacing units dedicated to the Allison Unit Fruitland Coal Participating Area. Therefore, given the nature of identical ownership. No notice is required.

Hilcorp Energy Company
P.O. Box 61229, Houston, TX 77208-1229

To support this request, the following has been attached:

- 1) Administrative Application Checklist
- 2) OCD C-102 for Laterals 1, 2 & 3 (Exhibits A-1 through A-3)
- 3) Map identifying existing NSP area, requested land for inclusion, Laterals 1-3 & take-point locations and Federal Unit/Participating Area boundaries. (Exhibit B)

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at the email or number provided below.

Regards,

Hilcorp Energy Company



Robert T. Carlson

Landman

(832) 839-4596

rcarlson@hilcorp.com

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
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DISTRICT II
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Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-8178 Fax: (505) 334-8170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AS DRILLED PLAT

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number (30-045-35611), Pool Code (71629), Pool Name (BASIN FRUITLAND COAL LATERAL#1), Property Code (318864), Property Name (ALLISON UNIT), Well Number (123H), OGRID No. (372171), Operator Name (HILCORP ENERGY COMPANY), Elevation (6629')

Surface Location

Table with 10 columns: UL or lot no. (I), Section (9), Township (32-N), Range (7-W), Lot Idn (10), Feet from the (1591), North/South line (SOUTH), Feet from the (776), East/West line (EAST), County (SAN JUAN)

Bottom Hole Location If Different From Surface

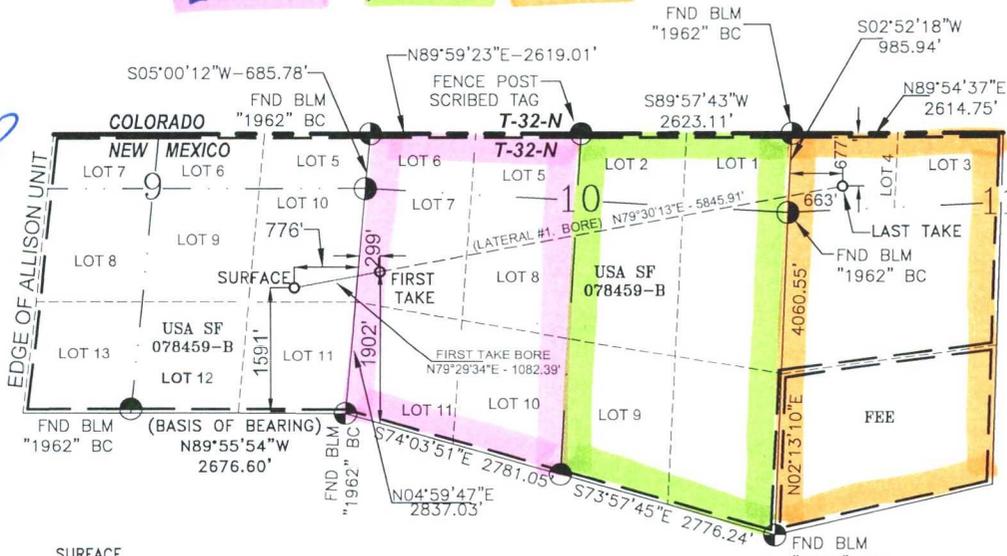
Table with 10 columns: UL or lot no. (E), Section (11), Township (32-N), Range (7-W), Lot Idn (4), Feet from the (677), North/South line (NORTH), Feet from the (663), East/West line (WEST), County (SAN JUAN)

Table with 4 columns: Dedicated Acres (FC = 652.7 ACRES), Joint or Infill, Consolidation Code, Order No. (NSP 2108)

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

239.19 214.5 199.01



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Priscilla Shorty, Date: 7/13/18

Printed Name: Priscilla Shorty
E-mail Address: pshorty@hilcorp.com

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

See original C-102 for certification

NMOCD
JUL 14 2018
DISTRICT III

SURFACE
LATITUDE: 36°59.6845' N
LONGITUDE: 107°33.9043' W
NAD27
FIRST TAKE
1902' FSL 299' FWL SEC. 10
LATITUDE: 36.995266 N
LONGITUDE: 107.561277 W
NAD27
LAST TAKE
677' FNL 663' FWL SEC. 11
LATITUDE: 36.998259 N
LONGITUDE: 107.5417448 W
NAD27
LINE BEARS: N 89°55'54" W A DISTANCE OF 2676.60 FEET AS MEASURED BY G.P.S. LOCAL GRID NAD83.



BASIS OF BEARING:
BETWEEN FOUND MONUMENTS AT THE SOUTHEAST CORNER AND THE SOUTH QUARTER CORNER OF SECTION 9, TOWNSHIP 32 NORTH, RANGE 7 WEST, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO.

AV

27.

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
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DISTRICT IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011
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District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

AS DRILLED PLAT

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number (30-045-35611), Pool Code (71629), Pool Name (BASIN FRUITLAND COAL LATERAL#2), Property Code, Property Name (ALLISON UNIT), Well Number (123H), OGRID No. (372171), Operator Name (HILCORP ENERGY COMPANY), Elevation (6629')

Surface Location

Table with 10 columns: UL or lot no. (I), Section (9), Township (32-N), Range (7-W), Lot Idn (10), Feet from the (1591), North/South line (SOUTH), Feet from the (776), East/West line (EAST), County (SAN JUAN)

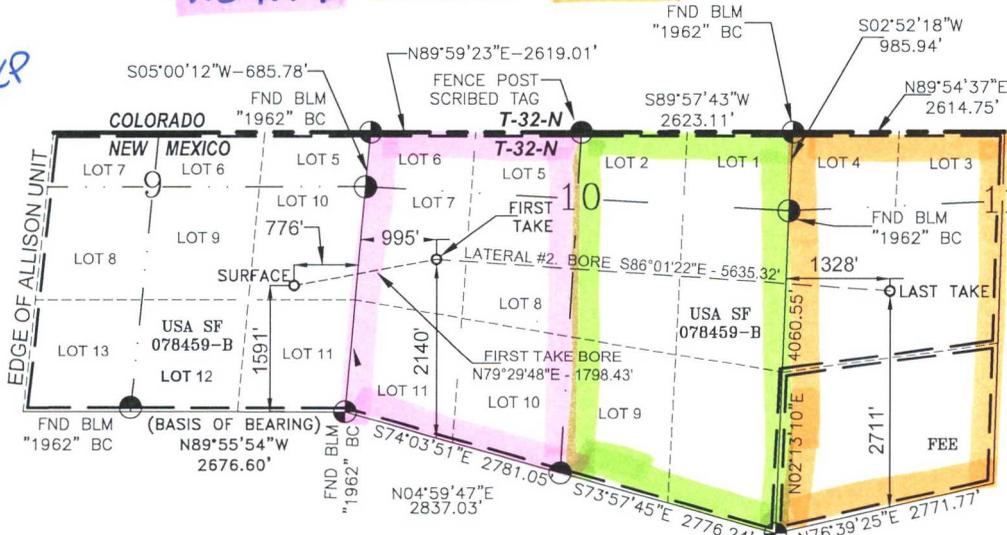
Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (L), Section (11), Township (32-N), Range (7-W), Lot Idn, Feet from the (2711'), North/South line (SOUTH), Feet from the (1328'), East/West line (WEST), County (SAN JUAN)

Table with 4 columns: Dedicated Acres (FC = 652.7 ACRES), Joint or Infill, Consolidation Code, Order No. (ASP 2108)

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Handwritten numbers: 239.19, 214.5, 199.01



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Priscilla Shorty
Date: 7/13/18

Printed Name: Priscilla Shorty
E-mail Address: pshorty@hilcorp.com

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

See original C-102 for certification

NMOC
JUL 14 2018
DISTRICT III

SURFACE
LATITUDE: 36.59.6845' N
LONGITUDE: 107.33.9043' W
NAD27
LATITUDE: 36.994746' N
LONGITUDE: 107.565681' W
NAD83

FIRST TAKE
2140' FSL 995' FWL SEC. 10
LATITUDE: 36.9953620 N
LONGITUDE: 107.5589156 W
NAD27
LATITUDE: 36.995366 N
LONGITUDE: 107.559524 W
NAD83

LAST TAKE
2711' FSL 1328' FWL SEC. 11
LATITUDE: 36.9946083 N
LONGITUDE: 107.5396563 W
NAD27
LATITUDE: 36.994613 N
LONGITUDE: 107.540264 W
NAD83



BASIS OF BEARING:

BETWEEN FOUND MONUMENTS AT THE SOUTHEAST CORNER AND THE SOUTH QUARTER CORNER OF SECTION 9, TOWNSHIP 32 NORTH, RANGE 7 WEST, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO.

LINE BEARS: N 89°55'54" W A DISTANCE OF 2676.60 FEET AS MEASURED BY G.P.S. LOCAL GRID NAD83.

Exhibit A-3

*Plat attached to NOI recently approved on 8/17/23 *Markups added by Landman 8/22/23 for NSP Application purposes*

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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Phone: (505) 476-3460 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35611		² Pool Code 71629		³ Pool Name BASIN FRUITLAND COAL LATERAL#3	
⁴ Property Code 313977		⁵ Property Name ALLISON UNIT HZFC			⁶ Well Number 123H
⁷ GRID No. 372171		⁸ Operator Name HILCORP ENERGY COMPANY			⁹ Elevation 6629'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	9	32-N	7-W	10	1591	SOUTH	776	EAST	SAN JUAN

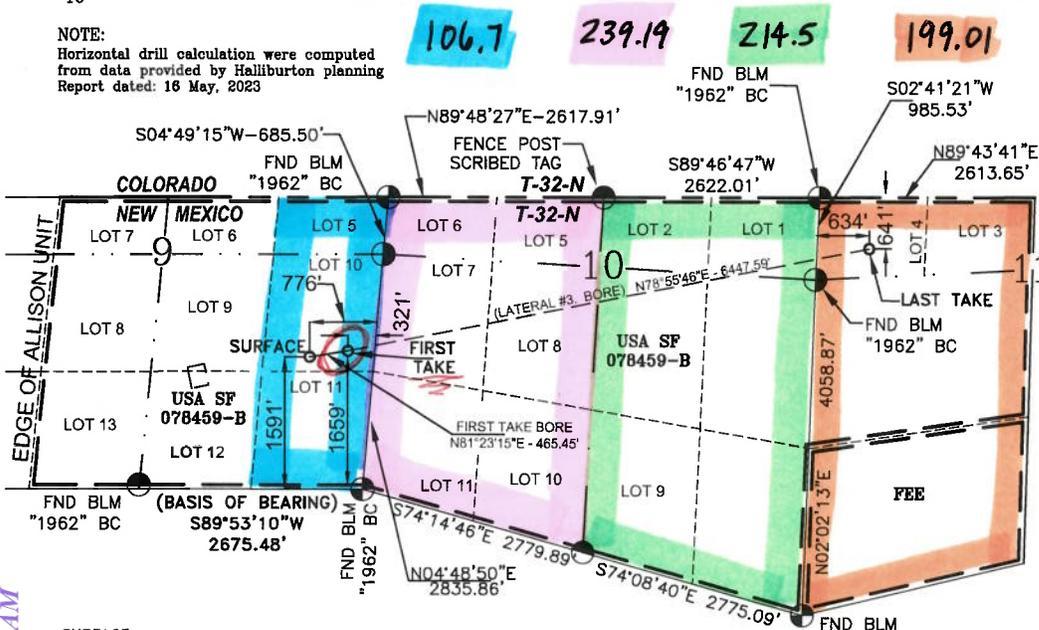
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	11	32-N	7-W	4	634	NORTH	641	WEST	SAN JUAN

¹² Dedicated Acres FC = 972.64 ACRES 759.40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSP 2108 (if proposed amendment to include Sec. 9 lands approved)
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

NOTE:
Horizontal drill calculation were computed from data provided by Halliburton planning Report dated: 18 May, 2023



SURFACE
LATITUDE: 36°59.6845' N
LONGITUDE: 107°33.9043' W
NAD27

LATITUDE: 36.994746° N
LONGITUDE: 107.565681° W
NAD83

FIRST TAKE
1659' FSL 321' FEL SEC. 9
LATITUDE: 36°59.6957' N
LONGITUDE: 107°33.8097' W
NAD27

LATITUDE: 36.994934° N
LONGITUDE: 107.564104° W
NAD83

LAST TAKE
634' FNL 641' FWL SEC. 11
LATITUDE: 36°59.8967' N
LONGITUDE: 107°32.5089' W
NAD27

LATITUDE: 36.998283° N
LONGITUDE: 107.542423° W
NAD83

BASIS OF BEARING:

BETWEEN FOUND MONUMENTS AT THE SOUTHEAST CORNER AND THE SOUTH QUARTER CORNER OF SECTION 9, TOWNSHIP 32 NORTH, RANGE 7 WEST, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO.

LINE BEARS: S 89°53'10" W A DISTANCE OF 2675.48 FEET AS MEASURED BY G.P.S. STATE PLANE NM WEST NAD27.

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

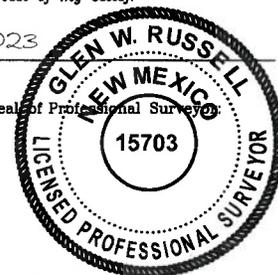
18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 5, 2023

Date of Survey

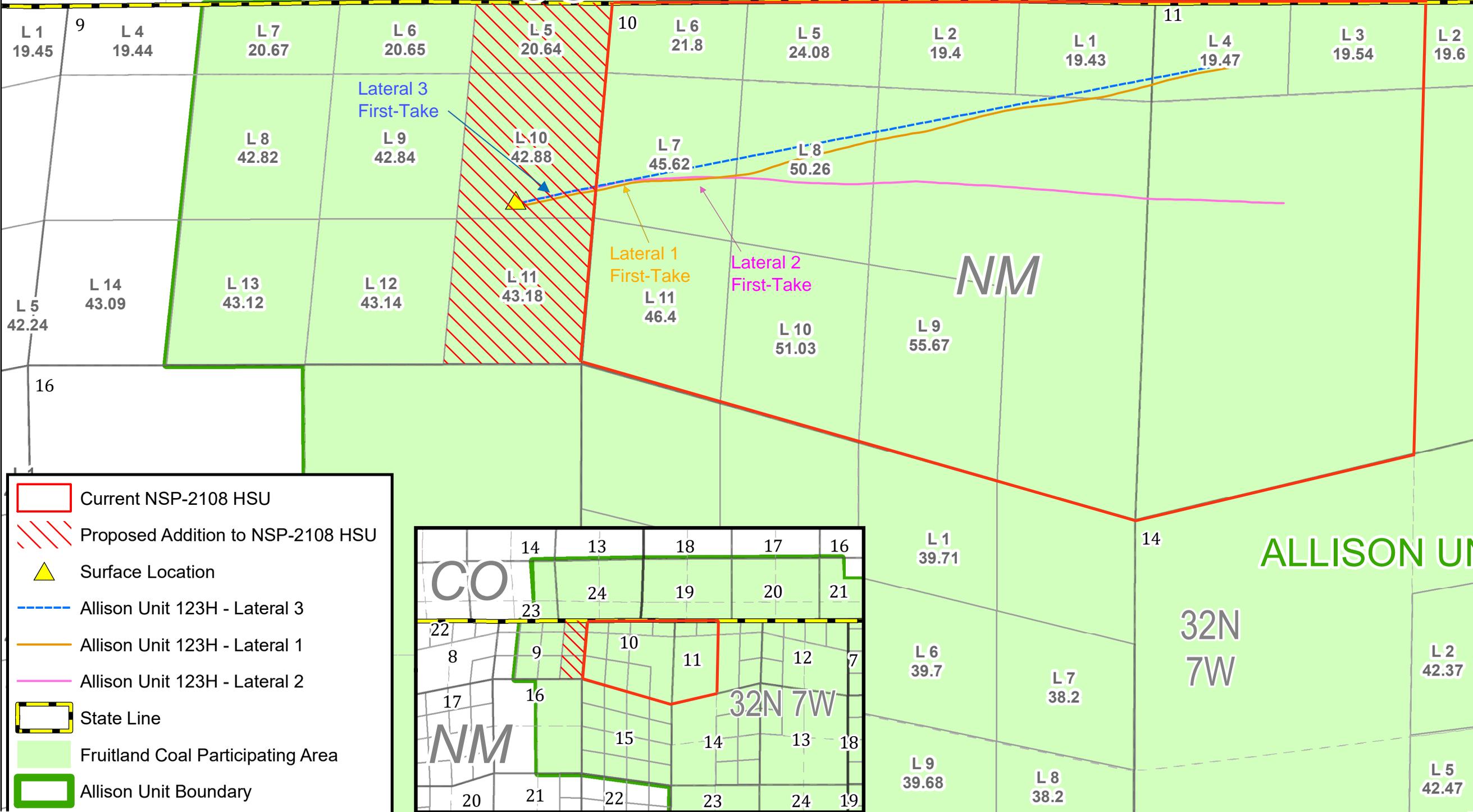
Signature and Seal of Professional Surveyor



GLEN W. RUSSELL
Certificate Number

15703

CO Exhibit B



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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 277165

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 277165
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	10/18/2023