State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Melanie A. Kenderdine Cabinent Secretary

Ben Shelton
Deputy Secretary

Gerasimos "Gerry" Razatos Division Director (Acting) Oil Conservation Division



Erin Taylor Deputy Secretary

Mr. Robert T. Carlson rearlson@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8968

Hilcorp Energy Company [OGRID 372171] Allison 602 Federal Com Well No. 605H API No. 30-045-38449

Reference is made to your application received on May 2nd, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	248 FSL & 1786 FWL	N	12	32N	07W	San Juan
First Take Point	909 FNL & 2566 FEL	В	13	32N	07W	San Juan
Last Take Point	681 FNL & 2306 FWL	C	16	32N	06W	San Juan
Terminus	679 FNL & 2376 FWL	\mathbf{C}	16	32N	06W	San Juan

Proposed Horizontal Gas Units

Description	Acres	Pool	Pool Code
NE/4 SEC 13, T32N R07W	958.77	Basin Mancos	97232
L1, L2, E/2 NW/4, NE/4 SEC 18			
N/2 SEC 17			
NW/4 SEC 16, T32N R06W			

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced proposed pools or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator to dedicate each horizontal well a standard horizontal spacing

Administrative Order NSL – 8968 Hilcorp Energy Company Page 2 of 2

unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter section or equivalent. The set back requirements as directed by 19.15.16.15 (C)(1)(a) NMAC, orders the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval, shall be a minimum of 660 feet for a gas well. 19.15.16.15 (C) (1) (b) NMAC directs that the take points shall be no closer than 330 feet, in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

This well's completed interval is as close as 20 feet to the western boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 13, T32N, R07W, encroachment to the Lot 1, Lot 2, E/2 NW/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.

The Division understands you are seeking this unorthodox location in order to maximize recovery of reserves and to minimize surface disturbance, thereby preventing waste of resources within the Mancos formation underlying the following spacing unit, NE/4 SEC 13, (T32N R07W), L1, L2, E/2 NW/4, NE/4 SEC 18 (T32N R06W), N/2 SEC 17, (T32N R06W), and NW/4 SEC 16, (T32N R06W).

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

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

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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.

Date: 6-12-2025

Gerasimos Razatos

Division Director (Acting)

GR/lrl

NSL - 8968 ID NO. 458111

15 1101 150111					
RECEIVED: 05/02/25	REVIEWER:	TYPE:	APP NO:		
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 APPL	
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE REGULATIONS WHICH REQUIRE PROCESSIN	E APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND NG AT THE DIVISION LEVEL IN SANTA FE
Applicant: HILCORP ENERGY COMPANY	OGRID Number: <u>372171</u>
Well Name: ALLISON 602 FEDERAL COM 605H	API: 30-045-38449
Pool: BASIN MANCOS	Pool Code: 97232
SUBMIT ACCURATE AND COMPLETE INFORMATION INDICATE	
1) TYPE OF APPLICATION: Check those which apply A. Location – Spacing Unit – Simultaneous Dec	
B. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC CTB PLC PC [11] Injection – Disposal – Pressure Increase WFX PMX SWD IPI 2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders B. Royalty, overriding royalty owners, rever C. Application requires published notice D. Notification and/or concurrent approva E. Notification and/or concurrent approva F. Surface owner G. For all of the above, proof of notification H. No notice required 3) CERTIFICATION: I hereby certify that the information administrative approval is accurate and complete understand that no action will be taken on this accurate.	OLS OLM - Enhanced Oil Recovery
notifications are submitted to the Division.	
Note: Statement must be completed by an individual	dual with managerial and/or supervisory capacity.
	5/2/2025
ROB CARLSON	Date
Print or Type Name	(832) 839-4596
	Phone Number
RACO	RCARLSON@HILCORP.COM
Signature	e-mail Address



May 2, 2025

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

Attn: Mr. Leonard Lowe

Unorthodox Well Location Application Re:

Allison 602 Federal Com 605H (API: 30-045-38449)

Surface Location: 248' FSL / 1,786' FWL - Sec. 12, T32N-R7W First Take Point: 909' FNL / 2,566' FEL - Sec. 13, T32N-R7W Last Take Point: 681' FNL / 2,306' FWL - Sec. 16, T32N-R6W Bottomhole Location: 679' FNL / 2,376' FWL - Sec. 16, T32N-R6W

Township 32 North, Range 7 West, N.M.P.M Spacing Unit:

Sec. 13: NE/4:

Township 32 North, Range 6 West, N.M.P.M

Sec. 16: NW/4; Sec. 17: N/2; Sec. 18: Lots 1-2, E/2 NW/4, NE/4

San Juan County, New Mexico

Dear Mr. Lowe:

Pursuant to Paragraph (3) of Subsection B of 19.15.16.15 NMAC, and 19.15.15.13 NMAC, Hilcorp Energy Company ("Hilcorp") respectfully requests administrative approval of an unorthodox gas well location for the Allison 602 Federal Com 605H (the "Well"), a defining horizontal well targeting the Basin-Mancos Gas Pool (97232).

In lieu of the established spacing unit requirements for the Basin-Mancos Gas Pool, Hilcorp elected, as provided under Paragraph (3) of Subsection B of 19.15.16.15.B.3 NMAC, to form the subject 958.77-acre horizontal spacing unit ("HSU") comprised of the quarter sections penetrated by the lateral of this Well. There are no Mancos horizontal wells producing within the subject HSU or any of the adjoining quarter sections thereto.

Paragraph (1) of Subsection C of 19.15.16.15 NMAC prescribes minimum setbacks from the outer boundary of the HSU at 660 feet, measured perpendicularly from any point in the completed interval of the lateral, and 330 feet, measured in the horizontal plan, from the first take point ("FTP") and last take point ("LTP"). The LTP of the Well is compliant with the 330-foot setback requirement at approximately 365 feet from the eastern boundary of the HSU. The completed interval of the Well's lateral is also compliant with the 660-foot setback requirement from the northern and southern boundary of the HSU.

However, the FTP, situated approximately 20 feet from the western boundary of the HSU, is not compliant and encroaches upon the quarter section comprised of Lots 1-2 & E/2 NW/4 (aka NW/4) of Section 13, T32N-R7W.

Hilcorp believes this unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. Hilcorp is the operator and owner of 100% working interest in the affected quarter section being encroached upon. Therefore, pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC and Paragraph (8) of Subsection A of 19.15.2.7 NMAC, the only "affected persons" entitled to notice is the Bureau of Land Management due to the federal lease covering the Lots 1 & 2 of the aforementioned quarter section.



Sincerely,

Rob Carlson, CPL Landman

(832) 839-4596

rcarlson@hilcorp.com

Attachments: 1) administrative application checklist, 2) plat survey, and 3) a map visualizing the pertinent details discussed herein.

C-102
Submit Electronically
Via OCD Permitting

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

	Revised July 9, 2024
Submittal Type	☑ Initial Submittal
	☐ Amended Report
. , po	☐ As Drilled

											0. 111		
					WELL	LOCATION INF	ORMATIO	N		·			
API NU		5-3844	9	P001	Code 9723	32	Pool	Name		BASIN MANC	os		
	ty Code 33719	0		Prop	erty Name AL	LISON 602 FEDE	RAL COM		We:	ll Number	605H		
OGRID	No.	372171		Open	ator Name H.	ILCORP ENERGY (COMPANY		Gro	ound Level Elevatio	n 65	63'	
Surfaci	e Owner:	☐ State	⊠ Fee □	Tribal	☐ Federal	Miner	ral Owner: ⊠	State 🛛 Fee	☐ Trit	oal ⊠ Federal			
						Surface Locat	ion						
UL N	Section 12	Township 32N	Range 7W	Lot	Feet from N/S Line 248' SOUTH	Feet from E/W Line 1786' WEST	Latitud	te 36.989578		ongitude -107.52094	12 °W	County SAN JL	JAN
					ı	Bottom Hole Loc	ation		•				
UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitud	de	L	ongitude		County	
С	16	32N	6W		679' NORTH	2376' WEST		36.985893	°N	-107.46457	78 °W	SAN JL	JAN
	1				ı								
	icated cres	F	Penetrated 9	Spacing U	nit:	Infill or Defining W	Well Definin	g Well API	Overlap	ping Spacing Unit	Consoli	dation Code	
	3 77	NW/4 -	Section	n 16,	T32N, R7W T32N, R6W ⁻ 32N, R6W	Defining			☐ Y6	es 🛚 No		Com	
Lot	1 & 2,	E/2 NW	1/4, NE/	′4 – S	ection 18, T32N, R6V	Order Numbers				Well setbacks Common Own	are unde ership	^r Ⅺ Yes □	No
					ı	Kick Off Point	(KOP)						
UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitud			ongitude		County	
N	12	32N	7W		248' SOUTH	1786' WEST		36.989578	°N	-107.52094	12 °W	SAN JL	JAN
					F:	irst Take Point	(FTP)		•				
UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitud	de	L	ongitude		County	
В	13	32N	7W		909' NORTH	2566' EAST		36.986043	°N	-107.51797	70 °W	SAN JL	JAN
					L	ast Take Point	(LTP)		I				
UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitud	de	L	ongitude		County	
С	16	32N	6W		681' NORTH	2306' WEST		36.985894	°N	-107.4648	19 °W	SAN JL	JAN
		I							1				
Unitize	d Area or	Area of Ur	iform Inter	est	Spacing Unit Type	izontal □ Vert	ical 🗆	Directiona.		cround Floor Elevat	ion		
								0/10/1	-1400	00077070			

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Albaklar Signature	3/21/2025 Date
Amanda Walker	
Printed Name	
mwalker@hilcorp.com	
E-mail Address	

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.



JASON C. EDWARDS

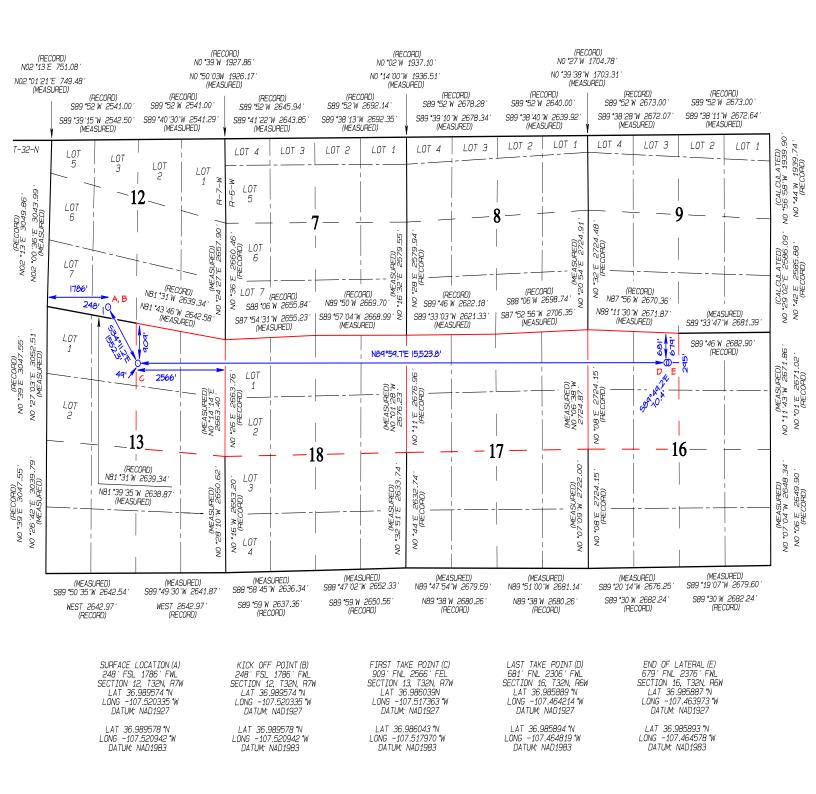
Signature and Seal of Professional Surveyor

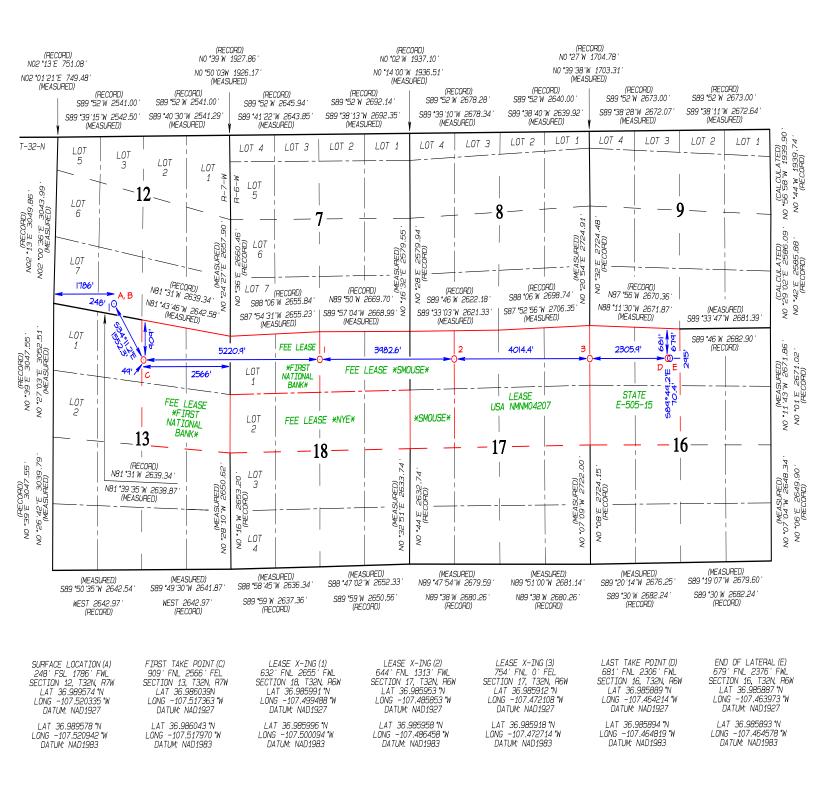
Certificate Number

15269

Date of Survey

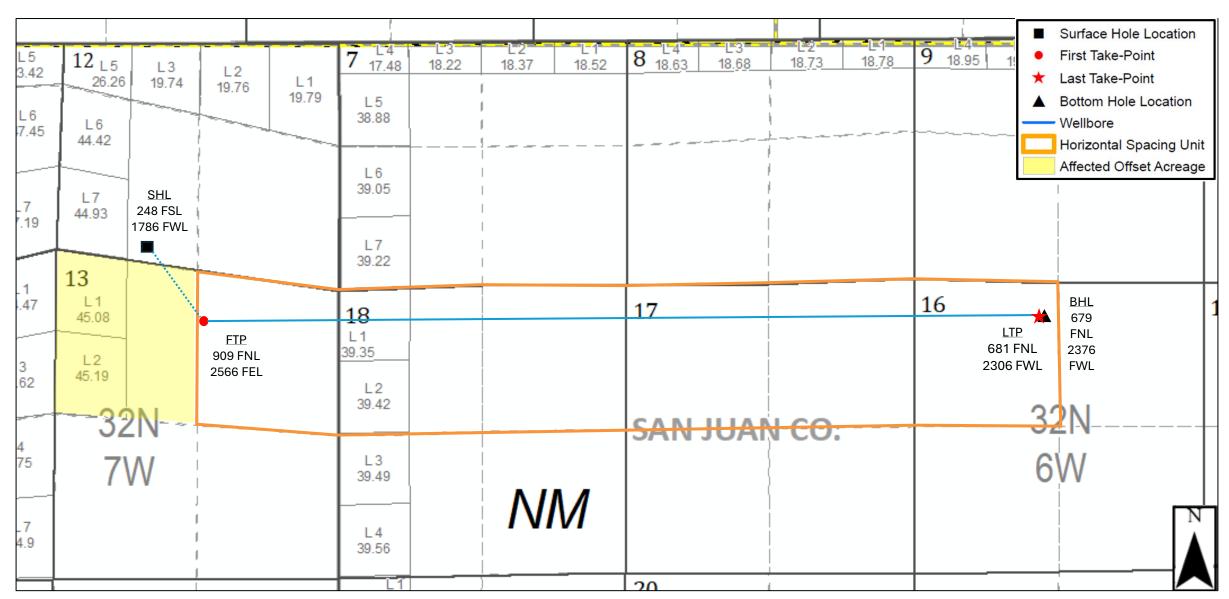
MARCH 12, 2024





Application for Unorthodox Well Location: Allison 602 Federal Com 605H (API: 30-045-38449) Mancos Formation







May 2, 2025

Attn: Kyle Paradis Bureau of Land Management, NMSO 301 Dinosaur Trail Santa Fe, NM 87508

Re: Notice of Unorthodox Well Location Application

To Whom it May Concern:

In accordance with Paragraph (2) of Subsection A of 19.15.4.12 NMAC and Paragraph (8) of Subsection A of 19.15.2.7 NMAC, the enclosed materials are being provided to satisfy notice obligations as such relates to Hilcorp's intent to file an application for unorthodox location with the New Mexico Oil Conservation Division ("NMOCD").

Should you have any questions or concerns that warrant a potential protest, please notify the NMOCD within 20 days and, separately, contact the undersigned for further discussion.

Sincerely,

Rob Carlson, CPL

Landman

(832) 839-4596

rcarlson@hilcorp.com

Form 3160-5

UNITED STATES

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

(June 2019)	DEP	ARTMENT OF THE I	NTERIOR		Ex	pires: October 31, 2021
	BURI	EAU OF LAND MAN	AGEMENT		5. Lease Serial No.	NMNM04207
	not use this f	OTICES AND REPO Form for proposals of Tuber Form 3160-3 (A	to drill or to re-	enter an	6. If Indian, Allottee or Tribe	Name
	SUBMIT IN 1	TRIPLICATE - Other instr	uctions on page 2		7. If Unit of CA/Agreement,	Name and/or No.
1. Type of Well Oil W	Vell 🔽 Gas W	/ell Other			8. Well Name and No. ALLISON 602 FEDERAL COM/605H	
2. Name of Operator	HILCORP ENER	RGY COMPANY			9. API Well No. 300453844	9
3a. Address 1111 T	TRAVIS STREET	HOUSTON, TX 77002	3b. Phone No. (inch (713) 209-2400	ıde area code)	10. Field and Pool or Explora	atory Area
4. Location of Well (SEC 12/T32N/R0	_	.,M., or Survey Description,			11. Country or Parish, State SAN JUAN/NM	
	12. CHE	CK THE APPROPRIATE B	OX(ES) TO INDICA	TE NATURE C	F NOTICE, REPORT OR OT	HER DATA
TYPE OF SU	BMISSION			ТҮРЕ	OF ACTION	
Notice of Inte	ent	Acidize Alter Casing		Fracturing [Production (Start/Resume) Reclamation	Well Integrity
Subsequent R Final Abando		Casing Repair Change Plans Convert to Injection	New Cons Plug and A Plug Back	Abandon	Recomplete Temporarily Abandon Water Disposal	✓ Other
is ready for final	inspection.)	cation of the NSL applicat				the operator has detennined that the site
14. I hereby certify the		true and correct. Name (Pr. 9-2400)	inted/Typed) Title	Operations/l	Regulatory Technician	
Signature (Elec	ctronic Submissio	n)	Date	e	05/02/2	2025
		THE SPACE	FOR FEDERA	AL OR STA	TE OFICE USE	
Approved by				Datasta	um Facinaer	05/00/0005
KENNETH G REI	NNICK / Ph: (505)) 564-7742 / Accepted		Title	um Engineer	05/02/2025 Date
		ned. Approval of this notice quitable title to those rights		Office FARM	MINGTON	

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

which would entitle the applicant to conduct operations thereon.

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SESW / 227 FSL / 1931 FWL / TWSP: 32N / RANGE: 07W / SECTION: 12 / LAT: 36.989463 / LONG: -107.520453 (TVD: 0 feet, MD: 0 feet) PPP: NWNW / 866 FNL / 0 FEL / TWSP: 32N / RANGE: 06W / SECTION: 17 / LAT: 36.98594 / LONG: -107.490995 (TVD: 7131 feet, MD: 20265 feet) PPP: LOT 1 / 866 FNL / 0 FEL / TWSP: 32N / RANGE: 06W / SECTION: 18 / LAT: 36.98594 / LONG: -107.490995 (TVD: 7131 feet, MD: 20265 feet) PPP: NWNE / 866 FNL / 0 FEL / TWSP: 32N / RANGE: 06W / SECTION: 13 / LAT: 36.986026 / LONG: -107.509234 (TVD: 7131 feet, MD: 20265 feet) PPP: NWNE / 866 FNL / 2276 FEL / TWSP: 32N / RANGE: 07W / SECTION: 13 / LAT: 36.986043 / LONG: -107.516976 (TVD: 7131 feet, MD: 20265 feet) PPP: NENW / 866 FNL / 0 FEL / TWSP: 32N / RANGE: 06W / SECTION: 17 / LAT: 36.98594 / LONG: -107.4790995 (TVD: 7131 feet, MD: 20265 feet) BHL: NENE / 756 FNL / 247 FEL / TWSP: 32N / RANGE: 06W / SECTION: 17 / LAT: 36.985896 / LONG: -107.473558 (TVD: 7131 feet, MD: 20265 feet)



Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 458111

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	458111
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Cre By	eated	Condition	Condition Date
llo	owe	None	5/9/2025