

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Rob Carlson
rcarlson@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9212

**Hilcorp Energy Company [OGRID 372171]
San Juan 32 08 701 Federal Com Well No. 602H
API No. 30-045-38388**

Reference is made to your application received on December 8th, 2025

Proposed Location

| | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 696 FSL & 2199 FWL | N | 27 | 32N | 08W | San Juan |
| First Take Point | 2160 FSL & 2549 FWL | K | 27 | 32N | 08W | San Juan |
| Last Take Point | 2066 FSL & 2297 FEL | J | 25 | 32N | 09W | San Juan |
| Terminus | 2066 FSL & 2368 FEL | J | 25 | 32N | 09W | San Juan |

Proposed Horizontal Spacing Unit

| Description | Acres | Pool | Pool Code |
|------------------------------|--------------|--------------|------------------|
| SW/4 Section 27 | 1231.26 | Basin Mancos | 97232 |
| S/2 Section 28 | | | |
| S/2 Section 29 | | | |
| S/2 Section 30 | | | |
| SE/4 (equivalent) Section 25 | | | |

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 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

Administrative Order NSL – 9212
Hilcorp Energy Company
Page 2 of 2

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 44 feet to the eastern boundary and 488 feet towards the northern boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

- Section 27, T32N, R08W, encroachment to the SE/4 & NW/4
- Section 28, T32N, R08W, encroachment to the N/2
- Section 29, T32N, R08W, encroachment to the N/2
- Section 30, T32N, R08W, encroachment to the N/2
- Section 25, T32N, R09W, encroachment to the NE/4 (equivalent)

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 to maximum recovery of reserves and to minimize surface disturbance within the Basin Mancos formation underlying the SW/4 Section 27, S/2 Section 28, S/2 Section 29, S/2 Section 30 and the SE/4 (equivalent) of Section 25.

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.



Albert C.S. Chang
Division Director
AC/lrl

Date: 2/1/2026

ID NO. 532736

NSL - 9212

| | | | |
|---------------------------|-----------|-------|---------|
| RECEIVED: 12/08/25 | 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 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: HILCORP ENERGY COMPANY **OGRID Number:** 372171
Well Name: SAN JUAN 32 8 701 FEDERAL COM 602H **API:** 30-045-38388
Pool: BASIN MANCOS **Pool Code:** 97232

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

| <u>FOR OCD ONLY</u> | |
|--------------------------|------------------------------|
| <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.

ROB CARLSON, CPL

Print or Type Name

Signature

11/19/2025
Date

(832) 839-4596
Phone Number

RCARLSON@HILCORP.COM
e-mail Address



November 19, 2025

Attn: Leonard Lowe
 New Mexico Oil Conservation Division
 1220 South St. Francis Drive
 Santa Fe, New Mexico 87505

Re: **Unorthodox Well Location Application**

San Juan 32 8 701 Federal Com 602H (API: 3004538388)
 Surface Location: 696' FSL / 2,199' FWL - Section 27, T32N, R8W
 First Take Point: 2,160' FSL / 2,549' FWL - Section 27, T32N, R8W
 Last Take Point: 2,066' FSL / 2,297' FEL - Section 25, T32N, R9W
 Bottomhole Location: 2,066' FSL / 2,368' FEL - Section 25, T32N, R9W
 Spacing Unit: Township 32 North, Range 9 West, N.M.P.M
 Sec. 25: SE/4;
Township 32 North, Range 8 West, N.M.P.M
 Sec. 27: SW/4; Sec. 28: S/2; Sec. 29: S/2; Sec. 30: S/2;
 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 San Juan 32 8 701 Federal Com 602H (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 1,231.26-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.

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 356 feet from the western boundary of the HSU. The completed interval of the Well's lateral is also compliant with the 660-foot setback requirement from the southern boundary of the HSU.

However, the FTP, situated approximately 44 feet from the eastern boundary of the HSU, and the entire length of the completed interval, situated approximately 488 feet from the northern boundary of the HSU (at its closest point), **are not compliant** and encroach upon the following quarter sections:

- Encroachment by FTP: SE/4 of Section 27, T32N-R8W
- Encroachment by Lateral:
 - NW/4 of Section 27, T32N-R8W
 - NE/4 & NW/4 of Section 28, T32N-R8W
 - NE/4 & NW/4 of Section 29, T32N-R8W
 - NE/4 & NW/4 (equivalent) of Section 30, T32N-R8W
 - NE/4 (equivalent) of Section 25, T32N-R9W



NSL: San Juan 32 8 701 Federal Com 602H

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 sections 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.

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.

| Type | Affected Party | Tract Description | Date Sent | Tracking # |
|---------------|---------------------------|---------------------|------------|----------------------------------|
| Mineral Owner | Bureau of Land Management | All Affected Tracts | 11/19/2025 | 9214 8969 0099 9790 1851 9209 88 |

| | | |
|--|--|---|
| 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 <input type="checkbox"/> Initial Submittal <input checked="" type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled |
|--|--|---|

WELL LOCATION INFORMATION

| | | |
|--|--|--|
| API Number 30-045-38388 | Pool Code 97232 | Pool Name BASIN MANCOS |
| Property Code 336550 | Property Name SAN JUAN 32 8 701 FEDERAL COM | Well Number 602H |
| OGRID No. 372171 | Operator Name HILCORP ENERGY COMPANY | Ground Level Elevation 6703' |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal | | Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal |

Surface Location

| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W Line | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------------|--------------------|--------------|----------------|----------|
| N | 27 | 32N | 8W | | 696' SOUTH | 2199' WEST | 36.949352 °N | -107.663830 °W | SAN JUAN |

Bottom Hole Location

| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W Line | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------------|--------------------|--------------|----------------|----------|
| J | 25 | 32N | 9W | | 2066' SOUTH | 2368' EAST | 36.953941 °N | -107.730422 °W | SAN JUAN |

| | | | | | |
|----------------------------|--|--|--|---|----------------------------------|
| Dedicated Acres 1231.26 | Penetrated Spacing Unit SE/4 - Section 25, T32N, R9W SW/4 - Section 27, T32N, R8W S/2 - Section 28, T32N, R8W S/2 - Section 29, T32N, R8W S/2 - Section 30, T32N, R8W | Infill or Defining Well Defining | Defining Well API | Overlapping Spacing Unit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Consolidation Code Com |
| Order Numbers R-235 | | | Well setbacks are under Common Ownership <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |

Kick Off Point (KOP)

| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W Line | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------------|--------------------|--------------|----------------|----------|
| N | 27 | 32N | 8W | | 696' SOUTH | 2199' WEST | 36.949352 °N | -107.663830 °W | SAN JUAN |

First Take Point (FTP)

| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W Line | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------------|--------------------|--------------|----------------|----------|
| K | 27 | 32N | 8W | | 2160' SOUTH | 2549' WEST | 36.953374 °N | -107.662752 °W | SAN JUAN |

Last Take Point (LTP)

| UL | Section | Township | Range | Lot | Feet from N/S Line | Feet from E/W Line | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------------|--------------------|--------------|----------------|----------|
| J | 25 | 32N | 9W | | 2066' SOUTH | 2297' EAST | 36.953939 °N | -107.730179 °W | SAN JUAN |

| | | |
|---|--|------------------------|
| Unitized Area or Area of Uniform Interest | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical <input type="checkbox"/> Directional | Ground Floor Elevation |
|---|--|------------------------|

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.

Amanda Walker

Signature

11/12/2025

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.



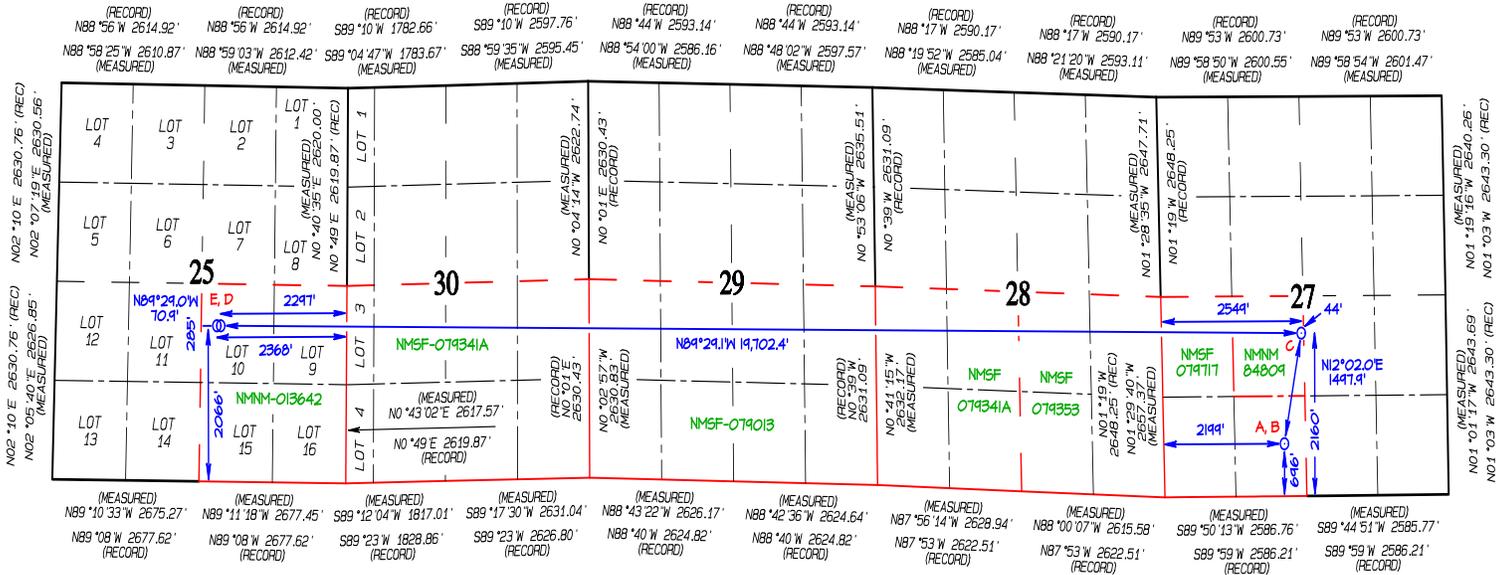
JASON C. EDWARDS

Signature and Seal of Professional Surveyor

Certificate Number 15269

Date of Survey SEPTEMBER 16, 2022

San Juan 32 B TOI Federal Com 602H



BOTTOM HOLE LOCATION (E)
 2066' FSL 2368' FEL
 SECTION 25, T32N, R9W
 LAT 36.953938°N
 LONG -107.729805°W
 DATUM: NAD1927

LAT 36.953941°N
 LONG -107.730422°W
 DATUM: NAD1983

LAST TAKE POINT (D)
 2066' FSL 2297' FEL
 SECTION 25, T32N, R9W
 LAT 36.953936°N
 LONG -107.729563°W
 DATUM: NAD1927

LAT 36.953939°N
 LONG -107.730179°W
 DATUM: NAD1983

FIRST TAKE POINT (C)
 2160' FSL 2549' FWL
 SECTION 27, T32N, R9W
 LAT 36.953370°N
 LONG -107.662139°W
 DATUM: NAD1927

LAT 36.953374°N
 LONG -107.662752°W
 DATUM: NAD1983

KICK OFF POINT (B)
 696' FSL 2199' FWL
 SECTION 27, T32N, R9W
 LAT 36.949348°N
 LONG -107.663216°W
 DATUM: NAD1927

LAT 36.949352°N
 LONG -107.663830°W
 DATUM: NAD1983

SURFACE LOCATION (A)
 696' FSL 2199' FWL
 SECTION 27, T32N, R9W
 LAT 36.949348°N
 LONG -107.663216°W
 DATUM: NAD1927

LAT 36.949352°N
 LONG -107.663830°W
 DATUM: NAD1983

San Juan 32 & TOI Federal Com 602H

BOTTOM HOLE LOCATION (E)
 2066' FSL 2368' FWL
 SECTION 25, T32N, R9W
 LAT 36.953938°N
 LONG -107.729805°W
 DATUM: NAD1927

LAT 36.953941°N
 LONG -107.730422°W
 DATUM: NAD1983

LAST TAKE POINT (D)
 2066' FSL 2297' FWL
 SECTION 25, T32N, R9W
 LAT 36.953936°N
 LONG -107.729563°W
 DATUM: NAD1927

LAT 36.953939°N
 LONG -107.730179°W
 DATUM: NAD1983

FIRST TAKE POINT (C)
 2160' FSL 2549' FWL
 SECTION 27, T32N, R9W
 LAT 36.953370°N
 LONG -107.662139°W
 DATUM: NAD1927

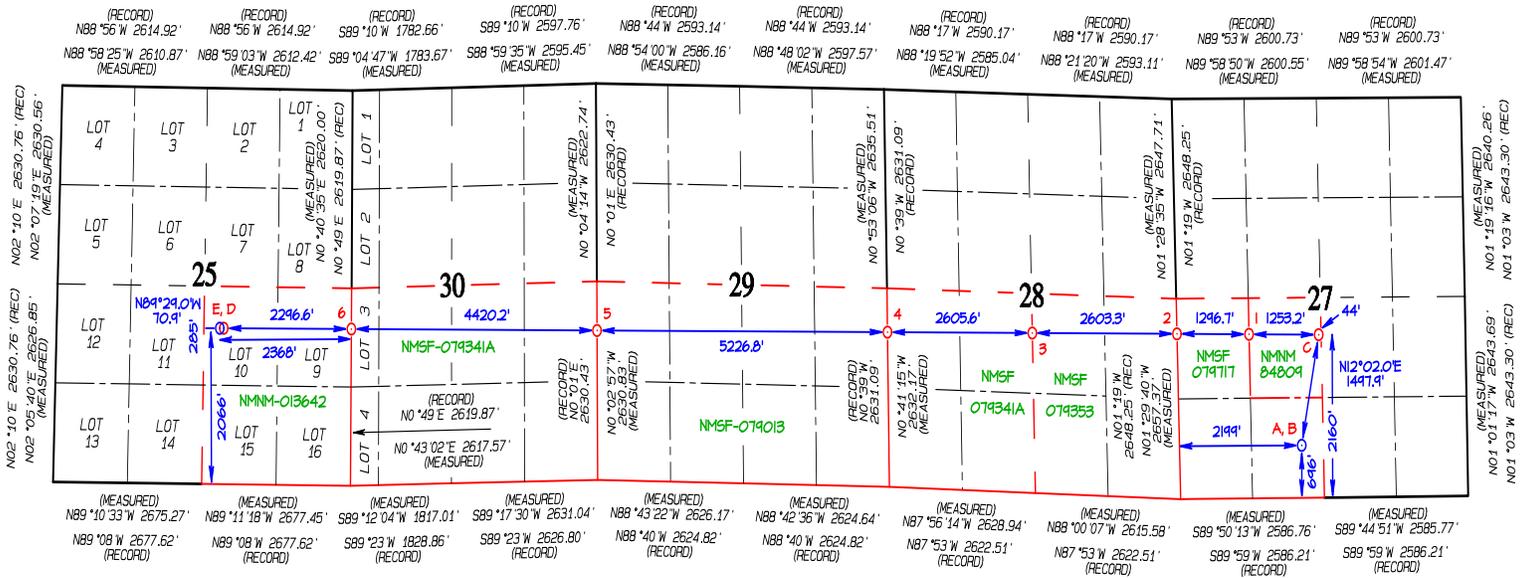
LAT 36.953374°N
 LONG -107.662752°W
 DATUM: NAD1983

KICK OFF POINT (B)
 696' FSL 2199' FWL
 SECTION 27, T32N, R9W
 LAT 36.949348°N
 LONG -107.663216°W
 DATUM: NAD1927

LAT 36.949352°N
 LONG -107.663830°W
 DATUM: NAD1983

SURFACE LOCATION (A)
 696' FSL 2199' FWL
 SECTION 27, T32N, R9W
 LAT 36.949348°N
 LONG -107.663216°W
 DATUM: NAD1927

LAT 36.949352°N
 LONG -107.663830°W
 DATUM: NAD1983



LEASE X-ING (6)
 2078' FSL 0' FWL
 SECTION 30, T32N, R9W
 LAT 36.953872°N
 LONG -107.721703°W
 DATUM: NAD1927

LAT 36.953875°N
 LONG -107.722320°W
 DATUM: NAD1983

LEASE X-ING (5)
 1960' FSL 0' FWL
 SECTION 29, T32N, R9W
 LAT 36.953747°N
 LONG -107.706577°W
 DATUM: NAD1927

LAT 36.953751°N
 LONG -107.707192°W
 DATUM: NAD1983

LEASE X-ING (4)
 2050' FSL 0' FWL
 SECTION 28, T32N, R9W
 LAT 36.953598°N
 LONG -107.688690°W
 DATUM: NAD1927

LAT 36.953601°N
 LONG -107.689305°W
 DATUM: NAD1983

LEASE X-ING (3)
 2120' FSL 2603' FWL
 SECTION 28, T32N, R9W
 LAT 36.953522°N
 LONG -107.679774°W
 DATUM: NAD1927

LAT 36.953526°N
 LONG -107.680388°W
 DATUM: NAD1983

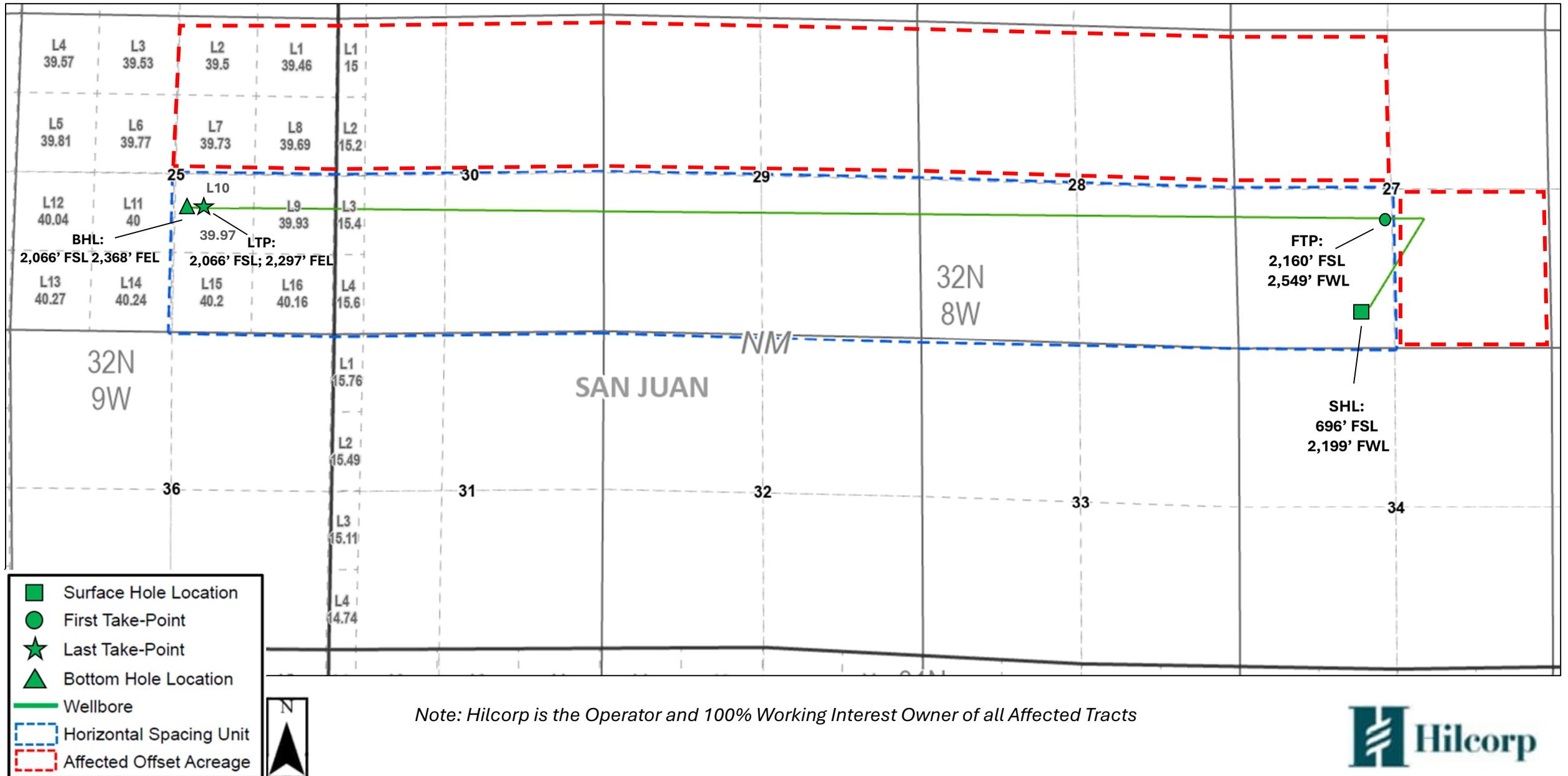
LEASE X-ING (2)
 2188' FSL 0' FWL
 SECTION 27, T32N, R9W
 LAT 36.953446°N
 LONG -107.670865°W
 DATUM: NAD1927

LAT 36.953449°N
 LONG -107.671478°W
 DATUM: NAD1983

LEASE X-ING (1)
 2175' FSL 1297' FWL
 SECTION 27, T32N, R9W
 LAT 36.953408°N
 LONG -107.666427°W
 DATUM: NAD1927

LAT 36.953411°N
 LONG -107.667041°W
 DATUM: NAD1983

Application for Unorthodox Well Location: San Juan 32 8 701 Federal Com 602H (API: 30-045-38388) Mancos Formation





December 5, 2025

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

Re: **Notice of Unorthodox Well Location Application**
San Juan 32 8 701 Federal Com 602H (API: 3004538388)

Mr. Paradis:

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 associated with Hilcorp's intent to file an application for unorthodox location with the New Mexico Oil Conservation Division ("NMOCD") for the subject well.

Should you have an objection to this application, please notify the NMOCD within 20 days and subsequently contact me for further discussion.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rob Carlson'.

Rob Carlson, CPL
Landman
(832) 839-4596
rcarlson@hilcorp.com

| | | | | |
|---|-------------|---|------------|---|
| 92148969009997901851920971 Request Signature via Email | Cole Gorman | Bureau of Land Management, NMSO , Attn: Kyle Paradis, 301 Dinosaur Trail, Santa Fe, NM, 87508 | 11/19/2025 | Delivered, Front Desk/Reception/Mail Room December 1, 2025 Signature Pending |
|---|-------------|---|------------|---|

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 532736

CONDITIONS

| | |
|--|--|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 532736 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe | None | 12/10/2025 |