

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 - 9214

**Hilcorp Energy Company [OGRID 372171]
San Juan 32 08 702 Federal Com Well No. 606H
API No. 30-045-38401**

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

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	636 FSL & 2199 FWL	N	27	32N	08W	San Juan
First Take Point	632 FSL & 2534 FEL	O	27	32N	08W	San Juan
Last Take Point	642 FSL & 2276 FWL	N	29	32N	07W	San Juan
Terminus	637 FSL & 2348 FWL	N	29	32N	07W	San Juan

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 Section 29, T32N, R07W	1270.49	Basin Mancos	97232
S/2 Section 30, T32N, R07W			
S/2 Section 25, T32N, R08W			
S/2 Section 26, T32N, R08W			
SE/4 Section 27, T32N, R08W			

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

Administrative Order NSL – 9214
Hilcorp Energy Company
Page 2 of 2

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 55 feet to the western boundary and 413 feet to the southern boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

- Section 27, T32N, R08W, encroachment to the SW/4
- Section 34, T32N, R08W, encroachment to the NE/4
- Section 35, T32N, R08W, encroachment to the N/2
- Section 36, T32N, R08W, encroachment to the N/2
- Section 31, T32N, R07W, encroachment to the NW/4 (equivalent) & NE/4 (equivalent)
- Section 32, T32N, R07W, encroachment to the 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 to maximum recovery of reserves and to minimize surface disturbance within the Basin Mancos formation underlying the SW/4 Section 29, T32N, R07W, S/2 Section 30, T32N, R07W, S/2 Section 25, T32N, R08W, S/2 Section 26, T32N, R08W and the SE/4 Section 27, T32N, R08W.

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. 532754

NSL - 9214

RECEIVED: 12/08/25	REVIEWER:	TYPE:	APP NO:
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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: HILCORP ENERGY COMPANY **OGRID Number:** 372171
Well Name: SAN JUAN 32 8 702 FEDERAL COM 606H **API:** 30-045-38401
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 8 702 Federal Com 606H (API: 3004538401)
 Surface Location: 636' FSL / 2,199' FWL - Section 27, T32N, R8W
 First Take Point: 632' FSL / 2,534' FEL - Section 27, T32N, R8W
 Last Take Point: 642' FSL / 2,276' FWL - Section 29, T32N, R7W
 Bottomhole Location: 637' FSL / 2,348' FWL - Section 29, T32N, R7W
 Spacing Unit: Township 32 North, Range 7 West, N.M.P.M
 Sec. 29: SW/4; Sec. 30: S/2;
Township 32 North, Range 8 West, N.M.P.M
 Sec. 25: S/2; Sec. 26: S/2; Sec. 27: SE/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 San Juan 32 8 702 Federal Com 606H (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 1,270.49-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 354 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 boundary of the HSU.

However, the FTP, situated approximately 55 feet from the western boundary of the HSU, and the entire length of the completed interval, situated approximately 413 feet from the southern boundary of the HSU (at its closest point), **are not compliant** and encroach upon the following quarter sections:

- Encroachment by FTP: SW/4 of Section 27, T32N-R8W
- Encroachment by Lateral:
 - NE/4 of Section 34, T32N-R8W
 - NW/4 & NE/4 of Section 35, T32N-R8W
 - NW/4 & NE/4 of Section 36, T32N-R8W
 - NW/4 (equivalent) & NE/4 (equivalent) of Section 31, T32N-R7W
 - NW/4 of Section 32, T32N-R7W



NSL: San Juan 32 8 702 Federal Com 606H

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 and the New Mexico State Land Office.

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	New Mexico State Land Office	N/2 of Section 36, T32N-R8W	11/19/2025	9214 8969 0099 9790 1851 9210 53
Mineral Owner	Bureau of Land Management	All Other Affected Tracts	11/19/2025	9214 8969 0099 9790 1851 9210 08

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
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WELL LOCATION INFORMATION

API Number 30-045-38401	Pool Code 97232	Pool Name BASIN MANCOS
Property Code 336552	Property Name SAN JUAN 32 8 702 FEDERAL COM	Well Number 606H
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 checked="" 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		636' SOUTH	2199' WEST	36.949187 °N	-107.663825 °W	SAN JUAN

Bottom Hole Location

UL	Section	Township	Range	Lot	Feet from N/S Line	Feet from E/W Line	Latitude	Longitude	County
N	29	32N	7W		637' SOUTH	2348' WEST	36.947018 °N	-107.591902 °W	SAN JUAN

Dedicated Acres 1270.49	Penetrated Spacing Unit SW/4 - Section 29, T32N, R7W S/2 - Section 30, T32N, R7W S/2 - Section 25, T32N, R8W S/2 - Section 26, T32N, R8W SE/4 - Section 27, 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		636' SOUTH	2199' WEST	36.949187 °N	-107.663825 °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
0	27	32N	8W		632' SOUTH	2534' EAST	36.949179 °N	-107.662302 °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
N	29	32N	7W		642' SOUTH	2276' WEST	36.947026 °N	-107.592145 °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
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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

11/13/2025

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

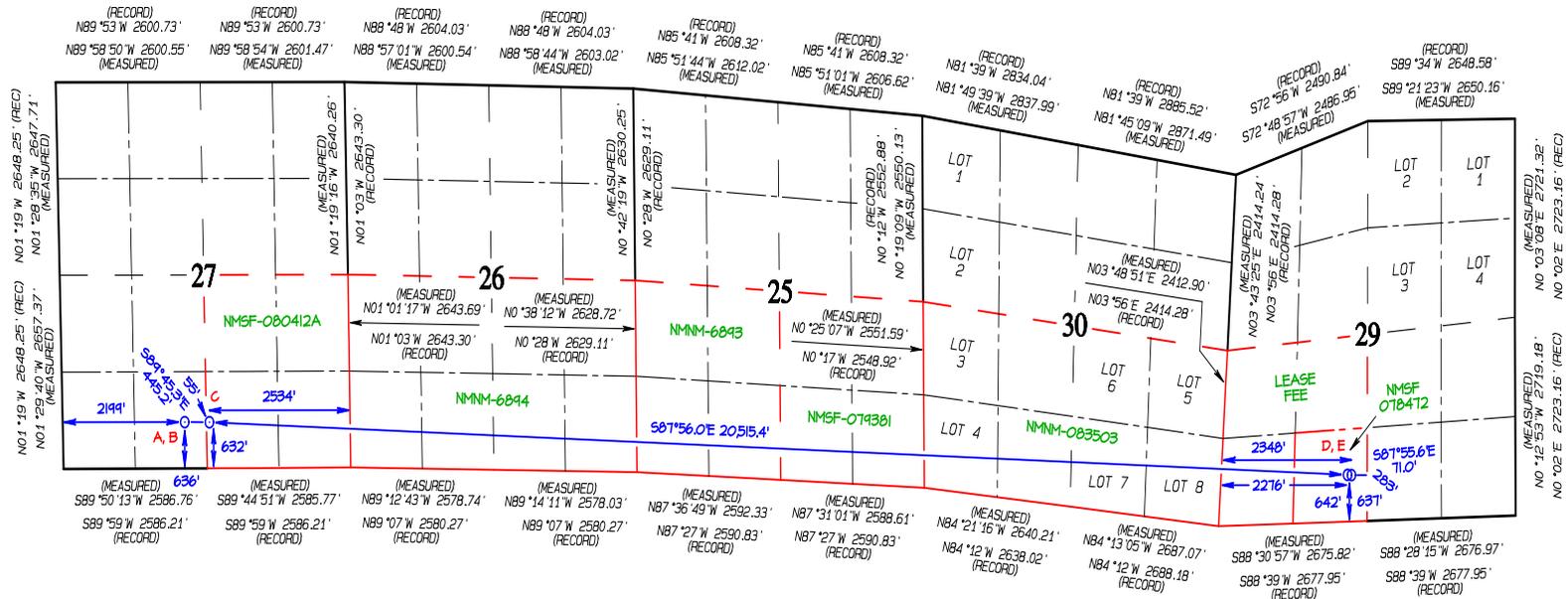
Signature and Seal of Professional Surveyor

Certificate Number 15269

Date of Survey SEPTEMBER 16, 2022

Note: 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.

San Juan 32 8 702 Federal Com 606H



SURFACE LOCATION (A)
 636' FSL 2199' FWL
 SECTION 27, T32N, R8W
 LAT 36.949183°N
 LONG -107.663212°W
 DATUM: NAD1927

 LAT 36.949187°N
 LONG -107.663825°W
 DATUM: NAD1983

KICK OFF POINT (B)
 636' FSL 2199' FWL
 SECTION 27, T32N, R8W
 LAT 36.949183°N
 LONG -107.663212°W
 DATUM: NAD1927

 LAT 36.949187°N
 LONG -107.663825°W
 DATUM: NAD1983

FIRST TAKE POINT (C)
 632' FSL 2534' FEL
 SECTION 27, T32N, R8W
 LAT 36.949176°N
 LONG -107.661688°W
 DATUM: NAD1927

 LAT 36.949179°N
 LONG -107.662302°W
 DATUM: NAD1983

LAST TAKE POINT (D)
 642' FSL 2276' FWL
 SECTION 29, T32N, R7W
 LAT 36.947021°N
 LONG -107.591535°W
 DATUM: NAD1927

 LAT 36.947026°N
 LONG -107.592145°W
 DATUM: NAD1983

BOTTOM HOLE LOCATION (E)
 637' FSL 2348' FWL
 SECTION 29, T32N, R7W
 LAT 36.947014°N
 LONG -107.591292°W
 DATUM: NAD1927

 LAT 36.947018°N
 LONG -107.591902°W
 DATUM: NAD1983

San Juan 32 8 702 Federal Com 606H

SURFACE LOCATION (A)
 636' FSL 2199' FWL
 SECTION 27, T32N, R8W
 LAT 36.949183°N
 LONG -107.663212°W
 DATUM: NAD1927

LAT 36.949187°N
 LONG -107.663825°W
 DATUM: NAD1983

KICK OFF POINT (B)
 636' FSL 2199' FWL
 SECTION 27, T32N, R8W
 LAT 36.949176°N
 LONG -107.663212°W
 DATUM: NAD1927

LAT 36.949187°N
 LONG -107.663025°W
 DATUM: NAD1983

FIRST TAKE POINT (C)
 632' FSL 2534' FEL
 SECTION 27, T32N, R8W
 LAT 36.949176°N
 LONG -107.661688°W
 DATUM: NAD1927

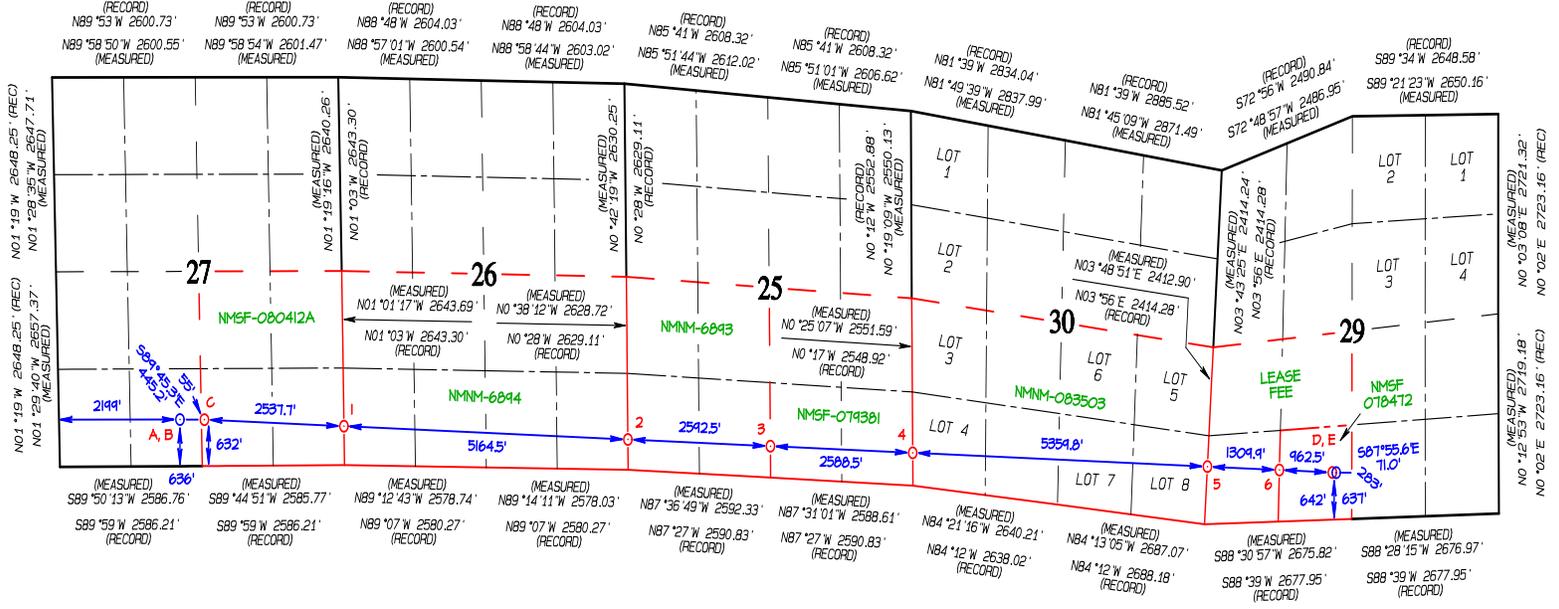
LAT 36.949179°N
 LONG -107.662302°W
 DATUM: NAD1983

LAST TAKE POINT (D)
 642' FSL 2276' FWL
 SECTION 29, T32N, R7W
 LAT 36.947021°N
 LONG -107.591535°W
 DATUM: NAD1927

LAT 36.947026°N
 LONG -107.592145°W
 DATUM: NAD1983

BOTTOM HOLE LOCATION (E)
 637' FSL 2348' FWL
 SECTION 29, T32N, R7W
 LAT 36.947014°N
 LONG -107.591292°W
 DATUM: NAD1927

LAT 36.947018°N
 LONG -107.591902°W
 DATUM: NAD1983



LEASE X-ING (1)
 530' FSL 0' FEL
 SECTION 27, T32N, R8W
 LAT 36.948911°N
 LONG -107.653010°W
 DATUM: NAD1927

LAT 36.948915°N
 LONG -107.653623°W
 DATUM: NAD1983

LEASE X-ING (2)
 413' FSL 0' FEL
 SECTION 26, T32N, R8W
 LAT 36.948372°N
 LONG -107.635350°W
 DATUM: NAD1927

LAT 36.948376°N
 LONG -107.635962°W
 DATUM: NAD1983

LEASE X-ING (3)
 428' FSL 2590' FWL
 SECTION 25, T32N, R8W
 LAT 36.948100°N
 LONG -107.626484°W
 DATUM: NAD1927

LAT 36.948104°N
 LONG -107.627096°W
 DATUM: NAD1983

LEASE X-ING (4)
 447' FSL 0' FEL
 SECTION 25, T32N, R8W
 LAT 36.947828°N
 LONG -107.617633°W
 DATUM: NAD1927

LAT 36.947832°N
 LONG -107.618244°W
 DATUM: NAD1983

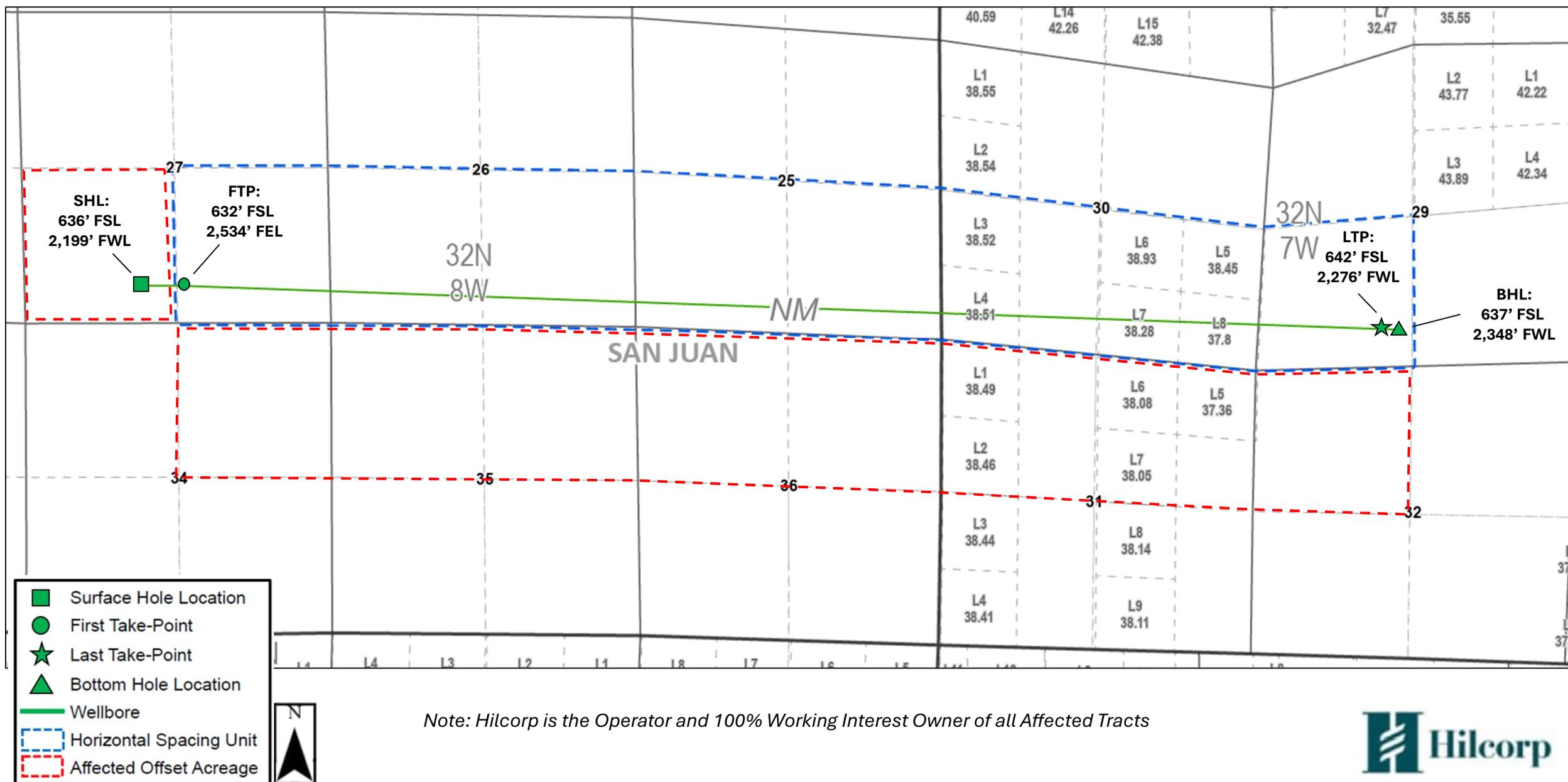
LEASE X-ING (5)
 782' FSL 0' FEL
 SECTION 30, T32N, R7W
 LAT 36.947262°N
 LONG -107.599305°W
 DATUM: NAD1927

LAT 36.947266°N
 LONG -107.599916°W
 DATUM: NAD1983

LEASE X-ING (6)
 701' FSL 1312' FWL
 SECTION 29, T32N, R7W
 LAT 36.947123°N
 LONG -107.594826°W
 DATUM: NAD1927

LAT 36.947128°N
 LONG -107.595436°W
 DATUM: NAD1983

Application for Unorthodox Well Location: San Juan 32 8 702 Federal Com 606H (API: 30-045-38401) Mancos Formation





December 8, 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 8 702 Federal Com 606H (API: 3004538401)

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



December 8, 2025

Attn: Baylen Lamkin
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504

Re: **Notice of Unorthodox Well Location Application**
San Juan 32 8 702 Federal Com 606H (API: 3004538401)

Mr. Lamkin:

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

92148969009997901851920995 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
92148969009997901851921053	Cole Gorman	New Mexico State Land Office , Attn: Baylen Lamkin, 310 Old Santa Fe Trail, Santa Fe, NM, 87504	11/19/2025	In Transit to Next Facility, Arriving Late Signature Pending

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oecd/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 532754

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 532754
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

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