

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



Carson Rice
carice@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9257

**Hilcorp Energy Company [OGRID 372171]
Ute Well No. 22
API No. 30-045-29395**

Reference is made to your application received on January 28th, 2026.

Proposed Location; Vertical Well

| <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|---------------------|-----------------|-------------|-------------|--------------|---------------|
| 2000 FNL & 1925 FEL | G | 17 | 32N | 14W | San Juan |

Proposed Unit

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|-------------------|------------------|
| NE/4 Section 17 | 160 | Barker Dome Ismay | 96354 |

This vertical well was completed into an unorthodox location described above in the referenced pool or formation. Special pool rule R-46 governs this well to provide for 320-acre spacing units with setbacks no closer than 790 feet to the outer boundary of the proration unit, nor closer than 130 feet to any governmental quarter – quarter section line or subdivision inner boundary.

Administrative Order NSL – 9257
Hilcorp Energy Company
Page 2 of 2

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(6) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of the perforated zone referenced above within the proposed spacing unit.

This well's completed interval is as close as 630 feet to the southern edge and 715 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 17, encroachment to the SE/4 & NW/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are requesting this unorthodox location to maximize recovery of oil and gas reserves and minimize surface disturbance. This will prevent waste within the Barker Done Ismay formation underlying the NE/4 of Section 17.

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 19.15.15.13 (B) 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: 3-13-2026

ID NO. 547350

NSL - 9257

Revised March 23, 2017

| | | | |
|---------------------------|-----------|-------|---------|
| RECEIVED: 01/28/26 | 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: Ute 22 **API:** 30-045-29395
Pool: Barker Dome Ismay **Pool Code:** 96354

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.

Carson Rice

Print or Type Name

Signature

1/27/2026
Date

713-757-7108
Phone Number

carice@hilcorp.com
e-mail Address



January 27, 2026

NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
ATTN: MR. LEONARD LOWE

Re: Unorthodox Well Location Application – San Juan Basin, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, Hilcorp Energy Company hereby requests administrative approval for an unorthodox well location with the following details:

Well Details & Relevant Proration Units:

- Well – Ute 22 (API No. 30-045-29395)
- Type – Vertical
- SHL/BHL – Unit G, 630’ FSL & 715’ FWL
- Subject Proration Unit – NE/4 of Sec. 17, T32N-R14W
- Affected Proration Unit – NW/4 & SE/4 of Sec. 17, T32N-R14W

Barker Dome Ismay (Pool Code 96354 – Order R-46-C)

Paragraph 3 states wells must be, “No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary”
The subject wellbore, however, is situated approximately 630 feet from the south line boundary & 715 feet from the west line boundary of the NE/4 spacing unit. Thus, the Barker Dome Ismay completion contemplated herein becomes unorthodox by default.

Pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC, the affected spacing units encroached upon by this unorthodox location (shaded in red on the map enclosed) are the NW/4 & SE/4 of Sec. 17, T32N-R14W; and they contain a Tribal lease. **There are no Barker Dome Ismay completions in the affected spacing units. Hilcorp has 100% working interest with respect to the Barker Dome Ismay leasehold in these affected spacing units. Notice has been sent via certified mail to the BLM, BIA & the Tribe.**

To Support this request, the following information is hereby submitted for your review:

1. Administrative Application Checklist
2. C-102
3. Unorthodox Location Plat pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC
4. Proof of notification to BLM, BIA & Tribe for Tribal minerals in affected spacing unit

This unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. For questions, please contact me at the email/number below.

Sincerely,

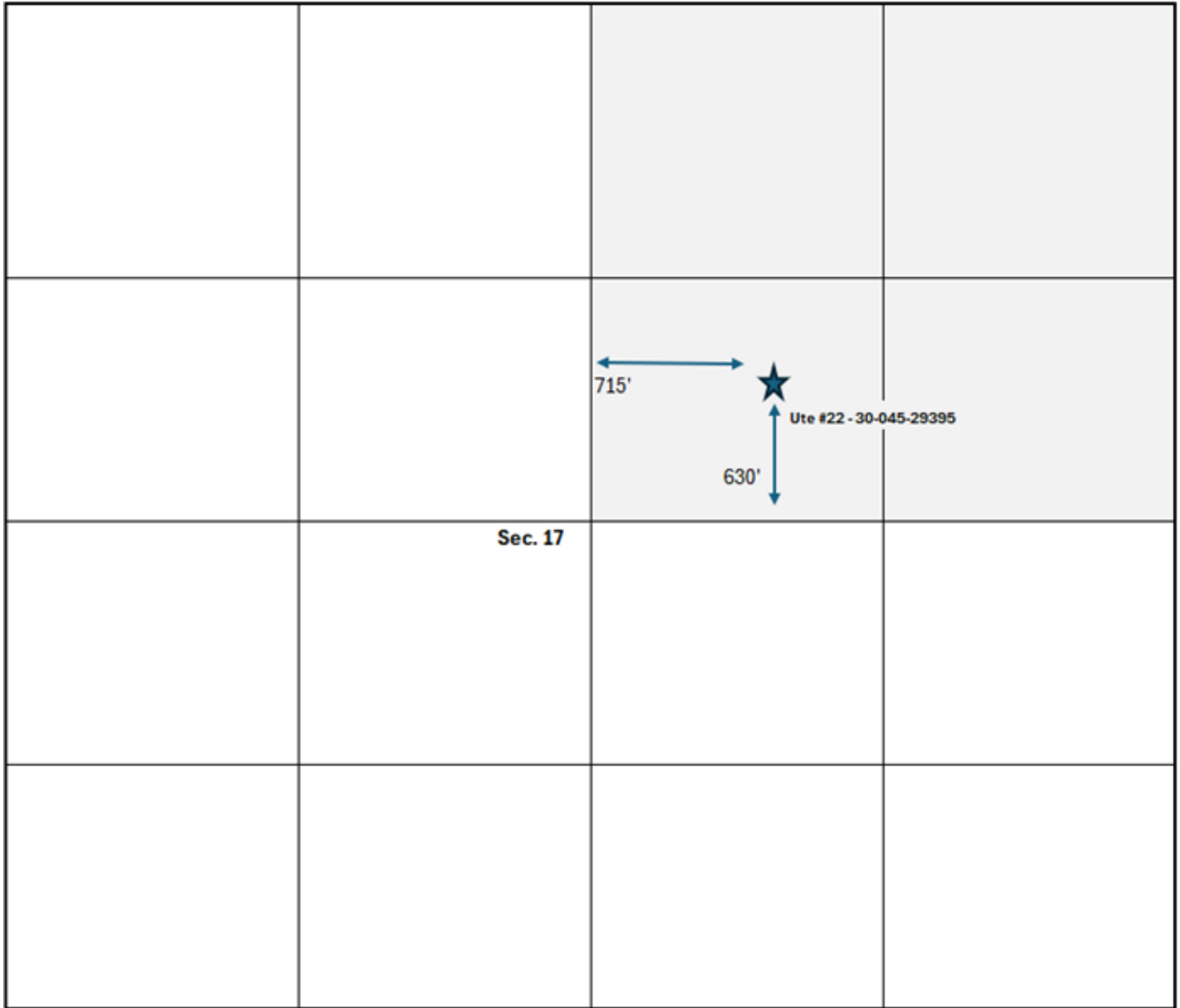
HILCORP SAN JUAN, L.P.
By: HILCORP ENERGY COMPANY,
Its General Partner

Carson Rice
Sr. Landman
713-757-7108
carice@hilcorp.com

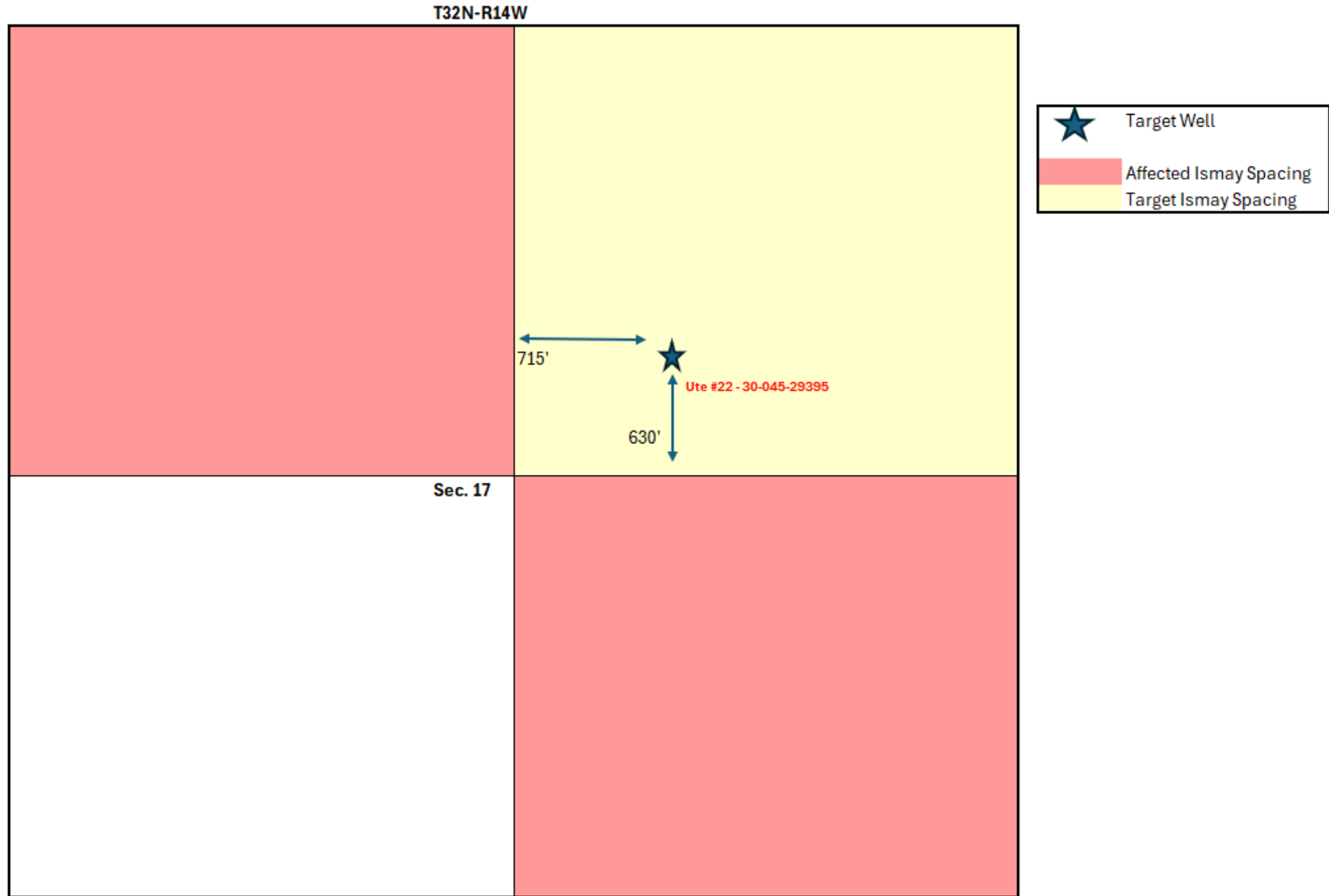
This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

T32N-R14W



Unorthodox Location Plat Barker Dome Ismay





January 27, 2026

Sent via Certified Mail
Bureau of Indian Affairs - UMU : 9214 8969 0099 9790 1659 1476 79
Bureau of Land Management : 9214 8969 0099 9790 1659 1476 48
Ute Mountain Ute Tribe : 9214 8969 0099 9790 1659 1476 55

Re: Unorthodox Well Location Application for Barker Dome Ismay
Ute 22 (API No. 30-045-29395)
SHL/BHL – Unit G, 715' FWL & 630' FSL
Barker Dome Ismay Spacing Unit: NE/4 Sec. 17, T32N-R14W
San Juan County, New Mexico

To Whom it May Concern:

Pursuant to 19.15.15.13 NMAC, Hilcorp has filed an Unorthodox Location Application with the New Mexico Oil Conservation Division. The spacing unit the subject unorthodox location encroaches upon contains a tribal lease. Thus, this letter serves to provide notice as required by 19.15.4.12.A.2 NMAC.

Please refer to copies of the application materials enclosed for further details. Per 19.15.15.13 NMAC, objections shall be made in writing with the NMOCD within twenty (20) days from the date of this letter.

Should you have any questions concerning this application, please feel free to call me at the number below.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carson Rice'.

Carson Rice
Sr. Landman
713-757-7108
carice@hilcorp.com

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 547350

CONDITIONS

| | |
|--|--|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 547350 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| llowe | None | 2/11/2026 |