

NSL Initial Application

Received: 09/29/20

P.O. No. W43L2-200929-NSL000

Revised March 23, 2017

RECEIVED: 09/29/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2027366063
---------------------------	----------------------	------------------	-------------------------------

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 COMPANYOGRID Number: 372171Well Name: SCHULTZ 3API: 30-045-06449Pool: BLANCO P.C. SOUTHPool Code: 72439

**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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☒ No notice required**FOR OCD ONLY**☐ Notice Complete☐ 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.

Bradley W. Pearson - Landman

Print or Type Name

Signature

09/29/2020

Date

713-289-2793

Phone Number

bpearson@hilcorp.com

e-mail Address



September 29, 2020
Sent via FedEx

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

RE: Unorthodox Well Location Application for South Blanco Pictured Cliffs
Schultz 003 (API: 30-045-06449)
SHL/BHL: Unit M (SW/SW), 287' FSL & 916' FWL
Proration Unit: SW/160 Section 16, T27N, R8W, San Juan County, New Mexico

Dear Mr. Lowe,

Pursuant to Division Rule 19.15.4.12.A.2 and 19.15.15.13, Hilcorp Energy Company ("Hilcorp") requests administrative approval of an unorthodox gas well location for the Schultz 003 (the "Well") as to the Blanco P.C. South (72439). The Well was originally drilled in 1955 and the surface hole location ("SHL") was originally reported at 990' FSL 1795' FWL.

As part of its regular inspection program, the Aztec Oil Conservation Division ("OCD") inspector found a significant discrepancy from the reported SHL on file. After conducting a new survey, the actual SHL of the Well was found to be 287' FSL 916' FWL.

The Blanco P.C. South Gas Pool is currently governed by Special Pool Order No. R-565-C which provides for 160 acre gas spacing and proration units with wells to be located no closer than 790 feet to the outer boundary of the spacing unit.

The Well's updated SHL is less than 790 feet from the outer boundary of the spacing unit; therefore, it is considered unorthodox as to the Blanco P.C. South.

The spacing unit encroached upon by this unorthodox location comprises the NW/4 Section 21, T27N, R8W. Hilcorp is the operator and 100% working interest owner within this spacing unit; therefore, no notice is required.

A sundry with the new C-102 has been filed with the Aztec OCD district office. Attached is the original C-102, the new C-102 and a plat identifying the subject proration unit/wells and proration unit/wells encroached upon. For questions, please contact me at the email/number below.

Sincerely,

A handwritten signature in cursive script that reads 'Bradley W. Pearson'.

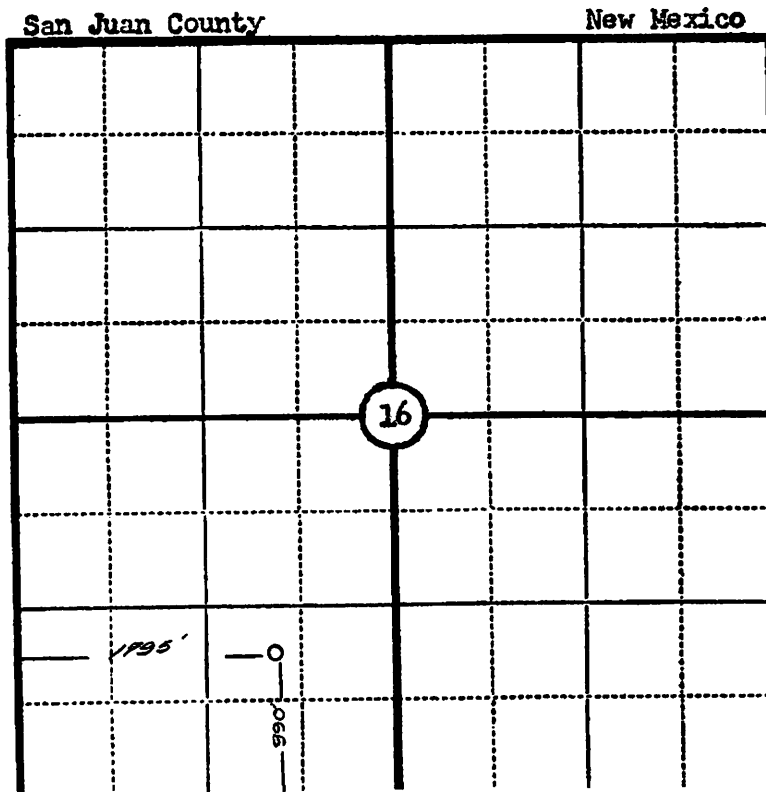
Brad Pearson
Landman

FRANK A. SCHULTZ, JR.

Company ~~J. J. O'SHEA TURKEY~~
 Lease State Well No. 3-16
 Sec. 16, T. 27 N, R. 8 W, N.M.P.M.

Location 990' from the South line and 1795' from the West line.

Elevation 6050 Ungraded ground



Scale—4 inches equal 1 mile.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:

James P. Leese
 Registered Professional
 Engineer and Land Surveyor.

James P. Leese
 N. Mex. Reg. No. 1463

Surveyed 13 March, 1955

DISTRICT I1625 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) 748-8720**DISTRICT III**1000 Rio Brazos Rd., Artesia, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170**DISTRICT IV**1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482State of New Mexico
Energy, Minerals & Natural Resources DepartmentForm C-102
Revised August 1, 2011Submit 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 30-045-06449		² Pool Code 72439	³ Pool Name SOUTH BLANCO PICTURED CLIFFS
⁴ Property Code 318922	⁵ Property Name SCHULTZ		⁶ Well Number 3
⁷ GRID No. 372171	⁸ Operator Name HILCORP ENERGY COMPANY		⁹ Elevation 6058'

¹⁰ Surface Location

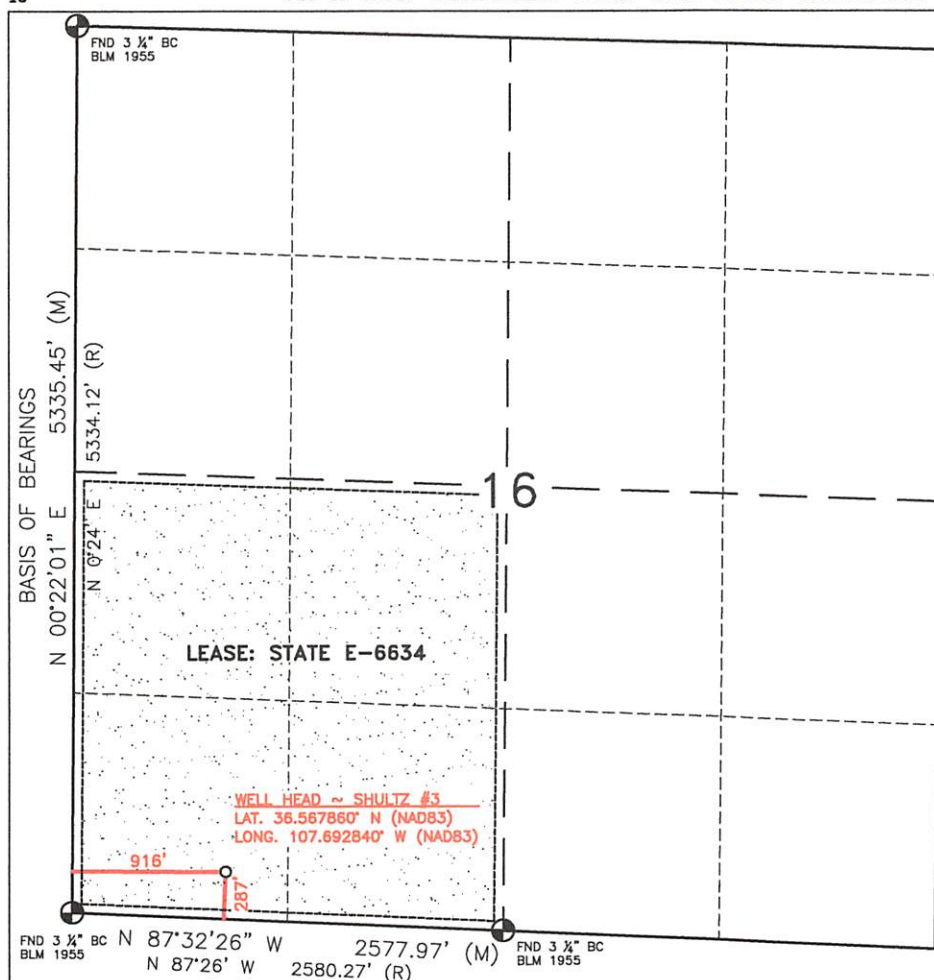
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	27N	8W		287'	SOUTH	916'	WEST	SAN JUAN

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
¹² Dedicated Acres 160 ACRES - SW/4 SECTION 16					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

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



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 working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Cherylene Weston 09/28/2020
Signature Date

Cherylene Weston, Ops/Reg Tech-Sr.

Printed Name

cweston@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.

SEPTEMBER 21, 2020

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number

11393

