

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



Mr. Carson Rice
carice@hilcorp.com

NON-STANDARD LOCATION

Administrative Order NSL-8336

**Hilcorp Energy Company [OGRID 372171]
San Juan 29 7 Unit Well No. 38B
API No. 30-039-29639**

Surface Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
1700 FSL & 2215 FEL	J	12	29N	07W	Rio Arriba

Proposed Gas Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 of Section 12	160	Blanco Pictured Cliffs	72359

Reference is made to your application received on March 10th, 2022.

This vertical well was recompleted into an unorthodox location described above in the referenced pool and formation. 19.15.15.10.C NMAC governs this well, which provides for 160-acre spacing units with setbacks no closer than 660 feet, nor closer than 10 feet to any interior quarter – quarter section line.

This well's completed interval is as close as 425 feet to the western edge of the spacing unit. Encroachment will impact the following tracts.

Section 12, encroachment to the SW/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. OCD understands that the Applicant is 100% Working Interest within the encroachment area and public notice was not required.

Division understands you are requesting this unorthodox location due to recompleting this well in a formation with stringent setbacks. Approval will ensure the preventing of waste within the Pictured Cliffs formation underlying the SE/4 of section 12.

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.



ADRIENNE E. SANDOVAL
Division Director

Date: 4/28/2022

AES/lrl