

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



May 18, 2018

Christine Brock
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NON-STANDARD LOCATION

Administrative Order NSL-7715

Hilcorp Energy Company [OGRID 372171]
Koch State Com Well No. 1A
API No. 30-045-21787

Proposed Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
2110 FSL & 620 FEL	I	36	29N	09W	San Juan

Proposed Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S2 of Section 36	320	Basin Fruitland Coal (Gas)	71629

Reference is made to your application received on April 27, 2018.

You have requested to recomplete this vertical well as a gas well described above in the referenced pool or formation. This existing well is now an unorthodox gas well and is govern by special rules for the Basin Fruitland Coal (Gas) which governs this pool and provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary.

This well's completed interval is as close as 530 feet to the northern edge, and 816 feet to the northeastern edge of the project area. Encroachments will impact the following tracts.

Section 36, T29N R09W encroachment to the N2
Section 31, T29N R09W encroachment to the NW4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you seek this location within the Fruitland Coal formation for a recompletion of an existing well underlying the S2 of Section 36. This well is to be recompleted in the said formation and is therefore seeking authorization in this unorthodox location.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

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.


HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Aztec District Office
State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management – Farmington Field Office