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|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 03/10/22 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL2207361333 |
|---------------------------|----------------------|------------------|-------------------------------|

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: <u>Hilcorp Energy Company</u> | OGRID Number: <u>372171</u> |
| Well Name: <u>San Juan 29-7 Unit No. 38B</u> | API: <u>30-039-29639</u> |
| Pool: <u>Blanco Pictured Cliffs</u> | Pool Code: <u>72359</u> |

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

| FOR OCD ONLY | |
|--------------------------|------------------------------|
| <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 Parker Rice

Print or Type Name

Signature

3/9/2022
Date

713-757-7108
Phone Number

carice@hilcorp.com
e-mail Address



March 9, 2022

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 Blanco Pictured Cliffs
San Juan 29-7 Unit No. 038B (API No. 30-039-29639)
SHL: 1,700' FSL, 2,215' FEL, Section 12, T29N-R07W, Rio Arriba County, NM**

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 San Juan 29-7 Unit 038B (the "Well") as to the Blanco Pictured Cliffs (72359). The Well was originally drilled to the Basin Dakota (71599) and Blanco Mesaverde (72319) in 2006. Hilcorp intends to recomplete the Well to the Blanco Pictured Cliffs and subsequently downhole commingle the three (3) formations. The Blanco Pictured Cliffs production in the subject Well will be dedicated to a 160-acre standard gas spacing and proration unit comprised of the SE/4 Section 12, T29N-R07W.

The Blanco Pictured Cliffs Gas Pool is currently governed by Division Rule 15.10.C[19.15.15.10.C NMAC] which provides for 160-acre gas spacing and proration units with wells to be located no closer than 660' to the outer boundary of the spacing unit, nor closer than 10' to any interior quarter-quarter section line or subdivision inner boundary. The Well's SHL is less than 660' from the outer boundary of the spacing unit; therefore, it is considered unorthodox as to the Blanco Pictured Cliffs.

The spacing unit encroached upon by this unorthodox location comprises the SW/4 Section 12, T29N, R07W. Hilcorp is the operator and 100% working interest owner of the SW/4 Section 12, T29N, R07W; therefore, notice is not required for these spacing units. Attached is a copy of the C-102 and a plat identifying the subject proration unit and the proration unit encroached upon. If you have any questions or concerns, please contact the undersigned using the information provided below.

Sincerely,

HILCORP ENERGY I, LP
By: HILCORP ENERGY COMPANY,
Its General Partner

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

Carson Parker Rice
Hilcorp Energy Company
1111 Travis Street
Houston, Texas 77002
713-757-7108 Direct
Email: carice@hilcorp.com

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

2005 DEC 20 PM 1 03

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-039-29639 | ² Pool Code 72319/71599 | ³ Pool Name Blanco Mesaverde/Basin Dakota |
| ⁴ Property Code 7465 | ⁵ Property Name SAN JUAN 29-7 UNIT | |
| ⁷ OGRID No. 14538 | ⁶ Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP | ⁸ Well Number 38B |
| | | ⁹ Elevation 6318' |

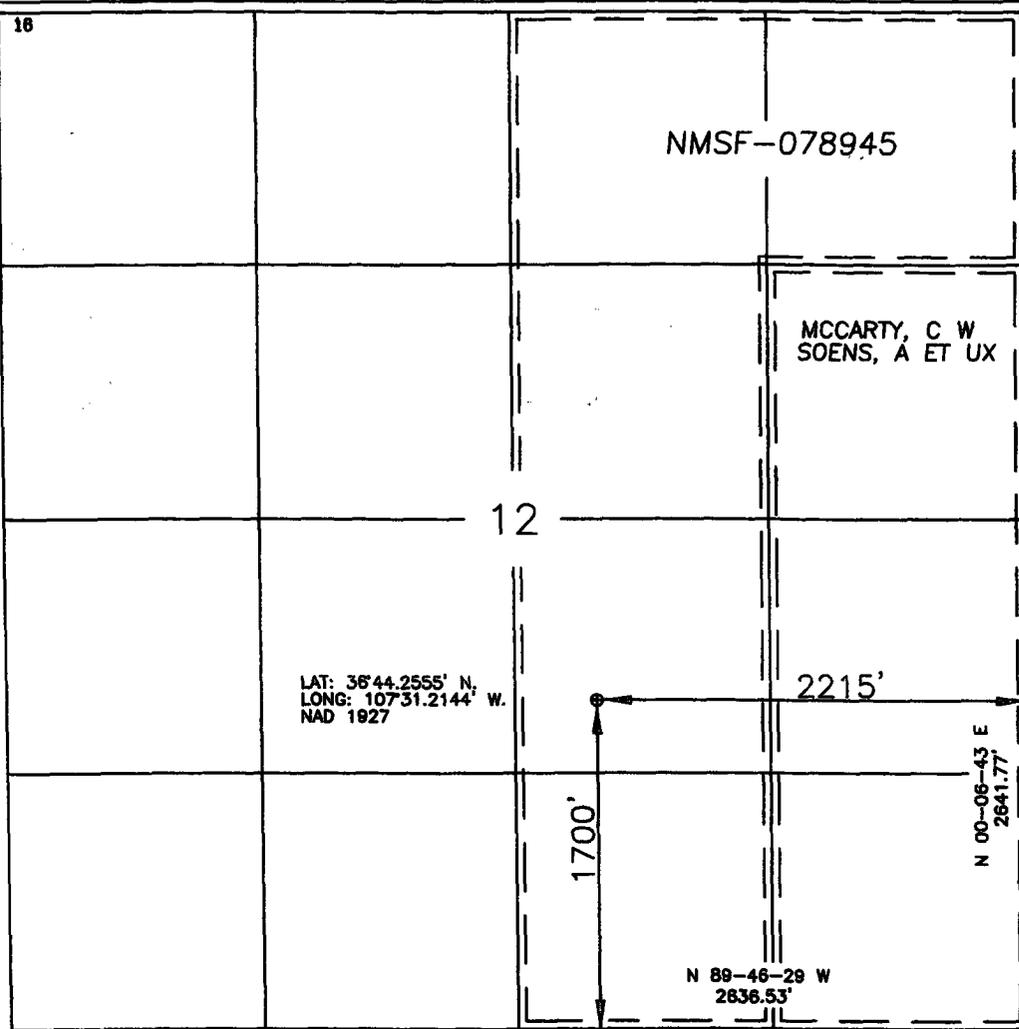
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| J | 12 | 29-N | 7-W | | 1700' | SOUTH | 2215' | EAST | RIO ARRIBA |

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 320 E/2 | | | 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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Joni Clark
 Signature
 Joni Clark
 Printed Name
 Sr. Regulatory Specialist
 Title
 12/20/05
 Date

¹⁸ 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.

Date of Survey
 Signature and Seal of Professional Surveyor

 Certificate Number 15703

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 August 1, 2011
 Permit 283659

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|--|
| 1. API Number 30-039-29639 | 2. Pool Code 72359 | 3. Pool Name BLANCO PICTURED CLIFFS (GAS) |
| 4. Property Code 318713 | 5. Property Name SAN JUAN 29 7 UNIT | 6. Well No. 038B |
| 7. OGRID No. 372171 | 8. Operator Name HILCORP ENERGY COMPANY | 9. Elevation 6318 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|-------------------------|
| UL - Lot J | Section 12 | Township 29N | Range 07W | Lot Idn | Feet From 1700 | N/S Line S | Feet From 2215 | E/W Line E | County RIO ARRIBA |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|-------------------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------------|---------|----------|---------------------|---------|------------------------|----------|-----------|---------------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| 12. Dedicated Acres 160.00 SE/4 | | | 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

| | | |
|--|---|--|
| | OPERATOR CERTIFICATION | |
| | <i>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(s) 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.</i> | |
| | E-Signed By: Kandis Roland Title: Regulatory Technician Date: 6/18/2020 | |
| | SURVEYOR CERTIFICATION | |
| <i>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.</i> | | |
| Surveyed By: Glen Russell Date of Survey: 6/29/2005 Certificate Number: 15703 | | |

11

12

SAN JUAN 29-7 UNIT

29N 7W

Operator:
Hilcorp Energy Company

SAN JUAN 29-7 UNIT-38B
30089296390000



RIO ARRIBA

SAN JUAN 29-6 UNIT

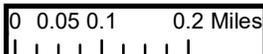
29N 6W

14

13

Legend

-  San Juan 29-7 Unit 38B
-  660' Setback
-  Pictured Cliffs Proration Unit
-  Affected Offset
-  Pictured Cliffs Wells



District I
 1625 N. French Dr., Hobbs, NM 88240
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 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 89068

CONDITIONS

| | |
|--|--|
| Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002 | OGRID: 372171 |
| | Action Number: 89068 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| llowe | NSL-8336 is approved. The order can be reviewed on the OCD website: https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx | 4/29/2022 |