

|                           |                      |                  |                               |
|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: <b>03/11/22</b> | REVIEWER: <b>LRL</b> | TYPE: <b>NSL</b> | APP NO: <b>pLEL2207362829</b> |
|---------------------------|----------------------|------------------|-------------------------------|

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:** San Juan 29-6 Unit No. 061B **API:** 30-039-29618  
**Pool:** Blanco P.C. South **Pool 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 ☐ 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

- ☐ 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.

Carson Parker Rice

Print c

Signature

3/10/2022

Date

713-757-7108

Phone Number

carice@hilcorp.com

e-mail Address



March 10, 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 P.C. South  
San Juan 29-6 Unit No. 061B (API No. 30-039-29618)  
SHL: E-19 T29N-R06W, 2265' FNL & 700' FWL  
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 29-6 Unit 061B (the "Well") as to the Blanco P.C. South (72439). The Well was originally drilled to the Blanco Mesaverde (72319) in 2006. Hilcorp intends to recomple the Well to the Blanco P.C. South and subsequently downhole commingle the two (2) formations. The Blanco P.C. South production in the subject Well will be dedicated to a 160-acre standard gas spacing and proration unit comprised of the NW/4 Section 19, T29N-R06W.

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' to the outer boundary of the spacing unit. The Well's location is less than 790' from the outer boundary of the spacing unit; therefore, by default in terms of recompleting this wellbore, the subject Blanco P.C. South recompletion is considered unorthodox.

This unorthodox location, as to the Blanco P.C. South, is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. The spacing unit encroached upon by this unorthodox location comprises the SW/4 Section 19, T29N-R06W. Hilcorp as operator, has provided notice to the affected interest owners.

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, 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 283664

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |  |   |
|-------------------------------|--|---|
| 1. API Number<br>30-039-29618 | 2. Pool Code<br>72439                      | 3. Pool Name<br>BLANCO P. C. SOUTH (PRORATED GAS) |
| 4. Property Code<br>318838    | 5. Property Name<br>SAN JUAN 29 6 UNIT     | 6. Well No.<br>061B                               |
| 7. OGRID No.<br>372171        | 8. Operator Name<br>HILCORP ENERGY COMPANY | 9. Elevation<br>6242                              |

**10. Surface Location**

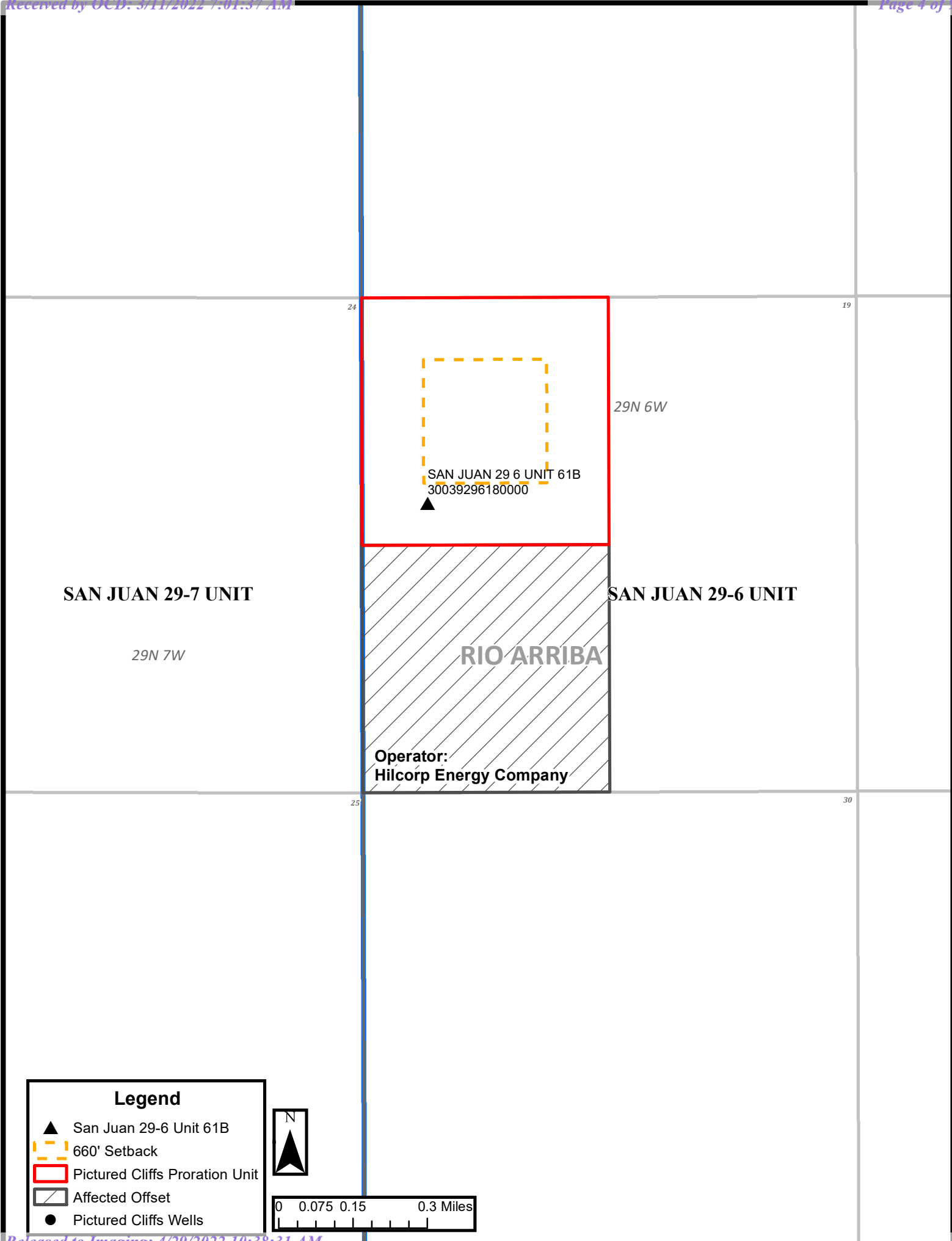
|               |               |                 |              |         |                   |               |                  |               |                         |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|-------------------------|
| UL - Lot<br>E | Section<br>19 | Township<br>29N | Range<br>06W | Lot Idn | Feet From<br>2265 | N/S Line<br>N | Feet From<br>700 | E/W Line<br>W | County<br>RIO<br>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<br>160.00 NW/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**

|  |   |  |  |
|--|---|--|--|
|  | <p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By: Kandis Roland<br/>Title: Regulatory Technician<br/>Date: 6/18/2020</p> |  |  |
|  | <p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Jason Edwards<br/>Date of Survey: 9/13/2004<br/>Certificate Number: 15269</p>   |  |  |
|  |   |  |  |
|  |   |  |  |





March 10, 2022

To: Affected Parties

**Re: Non-Standard Location ("NSL") Application for Blanco P.C. South  
San Juan 29-6 Unit No. 061B (API No. 30-039-29618)  
SHL: E-19 T29N-R06W, 2265' FNL & 700' FWL  
Rio Arriba County, NM**

Ladies and Gentlemen:

Enclosed you will find a copy of the above referenced application which was filed with the New Mexico Oil Conservation Division on this date.

Any objection to this application must be filed in writing within twenty (20) days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505.

If the twenty (20) day waiting period expires, the Division will conclude that your company has no objection to the NSL.

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

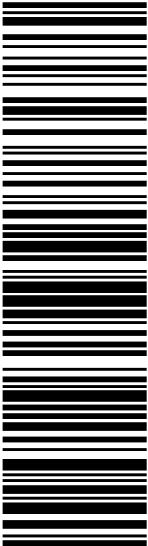
9214 8969 0099 9790 1808 7650 75

\$0.530  
\$3.75  
\$1.85  
\$0.00  
\$6.130

Electronic Return Receipt Requested

Maydell Miller Mast Trust  
P.O. Box 291445  
Kerrvillve, TX 78029

Code: W0001



9214 8969 0099 9790 1808 7650 75

Maydell Miller Mast Trust  
P.O. Box 291445  
Kerrvillve, TX 78029

Batch #: 792,146  
Article #: 92148969009997901808765075  
Date/Time: 3/10/2022 11:46:35 AM  
Code: W0001

Internal File #:  
Internal Code:

3/10/2022 11:46:35 AM

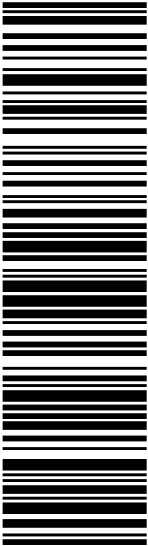
9214 8969 0099 9790 1808 7650 82

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\$3.75  
\$1.85  
\$0.00  
\$6.130

Electronic Return Receipt Requested

IKAV Energy Inc.  
1199 Main Ave. Suite 101  
Durango, CO 81301

Code: W0001



9214 8969 0099 9790 1808 7650 82

IKAV Energy Inc.  
1199 Main Ave. Suite 101  
Durango, CO 81301

Batch #: 792,146  
Article #: 92148969009997901808765082  
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Internal Code:

3/10/2022 11:46:35 AM

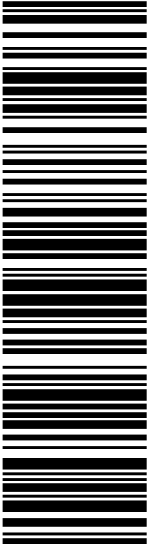
9214 8969 0099 9790 1808 7650 99

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\$3.75  
\$1.85  
\$0.00  
\$6.130

Electronic Return Receipt Requested

CHARLES W GAY  
PO BOX 291445  
KERRVILLE, TX 78029-1445

Code: W0001



9214 8969 0099 9790 1808 7650 99

CHARLES W GAY  
PO BOX 291445  
KERRVILLE, TX 78029-1445

Batch #: 792,146  
Article #: 92148969009997901808765099  
Date/Time: 3/10/2022 11:46:35 AM  
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Internal Code:

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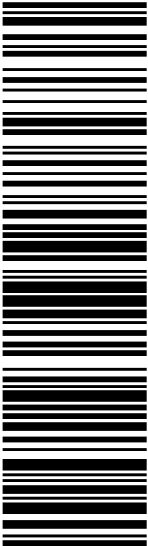
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\$1.85  
\$0.00  
\$6.130

Electronic Return Receipt Requested

JandM RAYMOND LTD  
RAYMOND and SONS I LLC GEN PARTNER  
PO BOX 291445  
KERRVILLE, TX 78029-1445

3/10/2022 11:46:35 AM

Code: W0001



9214 8969 0099 9790 1808 7651 05

JandM RAYMOND LTD  
RAYMOND and SONS I LLC GEN PARTNER  
PO BOX 291445  
KERRVILLE, TX 78029-1445

Batch #: 792,146  
Article #: 9214896900997901808765105  
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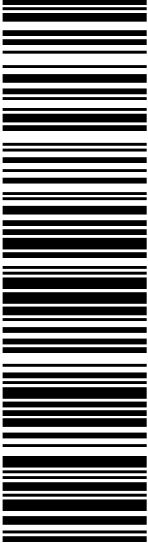
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\$1.85  
\$0.00  
\$6.130

Electronic Return Receipt Requested

LORRAYN GAY HACKER  
PO BOX 291445  
KERRVILLE, TX 78029-1445

3/10/2022 11:46:35 AM

Code: W0001



9214 8969 0099 9790 1808 7651 12

LORRAYN GAY HACKER  
PO BOX 291445  
KERRVILLE, TX 78029-1445

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Code: W0001

Internal File #:  
Internal Code:

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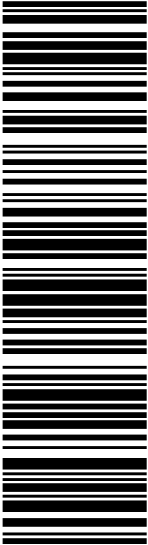
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\$3.75  
\$1.85  
\$0.00  
\$6.130

Electronic Return Receipt Requested

T H MCELVAIN OIL and GAS LLLP  
511 16TH STREET SUITE 700  
DENVER, CO 80202

3/10/2022 11:46:35 AM

Code: W0001



9214 8969 0099 9790 1808 7651 29

T H MCELVAIN OIL and GAS LLLP  
511 16TH STREET SUITE 700  
DENVER, CO 80202

Batch #: 792,146  
Article #: 9214896900997901808765129  
Date/Time: 3/10/2022 11:46:35 AM  
Code: W0001

Internal File #:  
Internal Code:

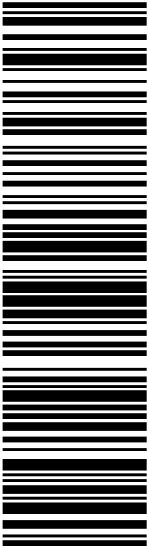
9214 8969 0099 9790 1808 7651 36

\$0.530  
\$3.75  
\$1.85  
\$0.00  
\$6.130

Electronic Return Receipt Requested

,

3/10/2022 11:46:35 AM



9214 8969 0099 9790 1808 7651 36

,

Batch #: 792,146  
Article #: 9214896900997901808765136  
Date/Time: 3/10/2022 11:46:35 AM

Internal File #:  
Internal Code:



**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**

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Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

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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 89439

**CONDITIONS**

|  |  |
|--|--|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                     |
|  | Action Number:<br>89439                              |
|  | Action Type:<br>[UF-NSL] Non-Standard Location (NSL) |

**CONDITIONS**

|            |  |                |
|------------|--|----------------|
| Created By | Condition  | Condition Date |
| llowe      | NSL-8337 is approved. The order can be reviewed at the OCD Imaging web site: <a href="https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx">https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx</a> | 4/29/2022      |