

**State of New Mexico**  
**Energy, Minerals and Natural Resources Department**

**Michelle Lujan Grisham**  
 Governor

**Melanie A. Kenderdine**  
 Cabinet Secretary

**Ben Shelton**  
 Deputy Secretary

**Erin Taylor**  
 Deputy Secretary

**Albert C.S. Chang**  
 Division Director  
 Oil Conservation Division



Rob Carlson  
[rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com)

**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL – 9132**

**Hilcorp Energy Company [OGRID 372171]  
 Allison Unit Well No. 611H  
 API No. 30-045-38326**

Reference is made to your application received on September 23<sup>rd</sup>, 2025.

**Proposed Location**

|                  | <b>Footages</b>     | <b>Unit/Lot</b> | <b>Sec.</b> | <b>Twsp</b> | <b>Range</b> | <b>County</b> |
|------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface          | 558 FNL & 1560 FWL  | F/3             | 12          | 32N         | 07W          | San Juan      |
| First Take Point | 1145 FNL & 2490 FEL | G/2             | 12          | 32N         | 07W          | San Juan      |
| Last Take Point  | 1014 FNL & 395 FEL  | H               | 08          | 32N         | 06W          | San Juan      |
| Terminus         | 1010 FNL & 280 FEL  | H               | 08          | 32N         | 06W          | San Juan      |

**Proposed Horizontal Units**

**Description**

L1 - L2, Section 12, T32N, R07W

L1 - L5, SE/4 NW/4, S/2 NE/4 Section 07, T32N, R06W

L1 - L4, S/2 N/2 Section 08, T32N, R06W

| <b>Acres</b> | <b>Pool</b>  | <b>Pool Code</b> |
|--------------|--------------|------------------|
| 505.84       | Basin Mancos | 97232            |

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and

Administrative Order NSL - 9132

Hilcorp Energy Company

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provides that the operator shall dedicate to each horizontal **gas** well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 660 feet for a **gas** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal well shall be no closer than 330 feet for a **gas** in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

This well's completed interval is as close as 51 feet to the western edge and 208 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 12, encroachment to Lot 3, Lot 5 (NW/4 equivalent) & SE/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.

Division understands you are seeking this unorthodox location in order to maximize recovery of oil and gas reserves and to minimize surface disturbance within the Mancos formation underlying the L1 - L2, Section 12, T32N, R07W, L1 - L5, SE/4 NW/4, S/2 NE/4 Section 07, T32N, R06W and L1 - L4, S/2 N/2 Section 08, T32N, R06W, all while preventing waste and protecting the correlative rights of affected persons.

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.



Albert C.S. Chang  
Division Director  
AC/lrl

Date: 12/10/2025

ID NO. 508248

NSL - 9132

Revised March 23, 2017

RECEIVED: 09/23/25

REVIEWER:

TYPE:

APP NO:

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: ALLISON UNIT 611HAPI: 30-045-38326Pool: BASIN MANCOSPool Code: 97232

**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<sub>(PROJECT AREA)</sub>       NSP<sub>(PRORATION UNIT)</sub>       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.

9/18/2025

Date

(832) 839-4596

Phone Number

RCARLSON@HILCORP.COM

e-mail Address

ROB CARLSON, CPL

Print or Type Name

A handwritten signature in blue ink that reads "RCARLSON".

Signature



September 18, 2025

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

Re: **Unorthodox Well Location Application**

Allison Unit 611H (API: 3004538326)

Surface Location: 558' FNL / 1,560' FWL - Section 12, T32N, R7W

First Take Point: 1,145' FNL / 2,490' FEL - Section 12, T32N, R7W

Last Take Point: 1,014' FNL / 395' FEL - Section 8, T32N, R6W

Bottomhole Location: 1,010' FNL / 280' FEL - Section 8, T32N, R6W

Spacing Unit: Township 32 North, Range 7 West, N.M.P.M

Sec. 12: Lots 1-2;

Township 32 North, Range 6 West, N.M.P.M

Sec. 7: Lots 1-5, SE/4 NW/4, S/2 NE/4;

Sec. 8: Lots 1-4, S/2 N/2

San Juan County, New Mexico

Dear Mr. Lowe:

Pursuant to Paragraph (3) of Subsection B of 19.15.16.15 NMAC, and 19.15.15.13 NMAC, Hilcorp Energy Company ("Hilcorp") respectfully requests administrative approval of an unorthodox gas well location for the Allison Unit 611H (the "Well"), a defining horizontal well targeting the Basin-Mancos Gas Pool (97232).

In lieu of the established spacing unit requirements for the Basin-Mancos Gas Pool, Hilcorp elected, as provided under Paragraph (3) of Subsection B of 19.15.16.15.B.3 NMAC, to form the subject 505.84-acre horizontal spacing unit ("HSU") comprised of the quarter sections (or their equivalents rather) penetrated by the lateral of this Well. There are no Mancos horizontal wells producing within the subject HSU.

Paragraph (1) of Subsection C of 19.15.16.15 NMAC prescribes minimum setbacks from the outer boundary of the HSU at 660 feet, measured perpendicularly from any point in the completed interval of the lateral, and 330 feet, measured in the horizontal plan, from the first take point ("FTP") and last take point ("LTP").

The LTP of the Well is compliant with the 330-foot setback requirement at approximately 395 feet from the eastern boundary of the HSU.

However, the FTP, situated approximately 51 feet from the western boundary of the HSU, and that portion of the completed interval in Lots 1-2 (aka NE/4) of Section 12, situated approximately 208 feet from the southern boundary of the HSU (at its closest point), **are not compliant** and encroach upon the following quarter sections:

- Encroachment by FTP: Lots 3 & 5 (aka NW/4) of Section 12, T32N-R7W
- Encroachment by Lateral: SE/4 of Section 12, T32N-R7W
  - *Such quarter section is part of the HSU dedicated to the Allison 701 Federal Com 607H (3004538446); a Mancos horizontal currently being drilled by Hilcorp.*



Hilcorp believes this unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance. Hilcorp is the operator and owner of 100% working interest in the affected quarter sections being encroached upon. Therefore, pursuant to Paragraph (2) of Subsection A of 19.15.4.12 NMAC and Paragraph (8) of Subsection A of 19.15.2.7 NMAC, the only "affected persons" entitled to notice is the Bureau of Land Management (federal lease covers Lot 5 of Section 12).

Sincerely,

A handwritten signature in blue ink that appears to read "Rob Carlson".

Rob Carlson, CPL  
Landman  
(832) 839-4596  
[rkarlson@hilcorp.com](mailto:rkarlson@hilcorp.com)

Attachments: 1) administrative application checklist, 2) plat survey, and 3) a map visualizing the pertinent details discussed herein.

|  |  |                                     |  |  |                      |  |
|--|--|-------------------------------------|--|--|----------------------|--|
| C-102<br><br>Submit Electronically<br>Via OCD Permitting | <b>State of New Mexico</b><br><b>Energy, Minerals &amp; Natural Resources Department</b><br><b>OIL CONSERVATION DIVISION</b> |                                     |  |  | Revised July 9, 2024 |  |
|  | Submittal Type   |                                     | <input type="checkbox"/> Initial Submittal         |  |                      |  |
|  |  |                                     | <input checked="" type="checkbox"/> Amended Report |  |                      |  |
|  |  | <input type="checkbox"/> As Drilled |  |  |                      |  |

**WELL LOCATION INFORMATION**

|  |  |                                 |
|--|--|---------------------------------|
| API Number<br>30-045-38326   | Pool Code<br>97232   | Pool Name<br>BASIN MANCOS       |
| Property Code<br>318864  | Property Name<br>ALLISON UNIT  | Well Number<br>611H             |
| OGRID No.<br>372171  | Operator Name<br>HILCORP ENERGY COMPANY  | Ground Level Elevation<br>6352' |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal | Mineral Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                 |

**Surface Location**

|         |               |                 |             |          |                                  |                                  |                          |                             |                    |
|---------|---------------|-----------------|-------------|----------|----------------------------------|----------------------------------|--------------------------|-----------------------------|--------------------|
| UL<br>F | Section<br>12 | Township<br>32N | Range<br>7W | Lot<br>3 | Feet from N/S Line<br>558' NORTH | Feet from E/W Line<br>1560' WEST | Latitude<br>36.998527 °N | Longitude<br>-107.521287 °W | County<br>SAN JUAN |
|---------|---------------|-----------------|-------------|----------|----------------------------------|----------------------------------|--------------------------|-----------------------------|--------------------|

**Bottom Hole Location**

|         |              |                 |             |     |                                   |                                 |                          |                             |                    |
|---------|--------------|-----------------|-------------|-----|-----------------------------------|---------------------------------|--------------------------|-----------------------------|--------------------|
| UL<br>H | Section<br>8 | Township<br>32N | Range<br>6W | Lot | Feet from N/S Line<br>1010' NORTH | Feet from E/W Line<br>280' EAST | Latitude<br>36.997377 °N | Longitude<br>-107.473594 °W | County<br>SAN JUAN |
|---------|--------------|-----------------|-------------|-----|-----------------------------------|---------------------------------|--------------------------|-----------------------------|--------------------|

## Penetrated Spacing Unit:

|                           |  |                                     |                   |   |                             |
|---------------------------|--|-------------------------------------|-------------------|---|-----------------------------|
| Dedicated Acres<br>505.84 | Lots 1-2 - Section 12, T32N R7W<br>Lots 1-5, SE/4 NW/4, S/2 NE/4<br>Section 7, T32N R6W<br>Lots 1-4, S/2 N/2 - Section 8, T32N R6W | Infill or Defining Well<br>Defining | Defining Well API | Overlapping Spacing Unit<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Consolidation Code<br>Other |
|---------------------------|--|-------------------------------------|-------------------|---|-----------------------------|

|               |   |
|---------------|---|
| Order Numbers | Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|---------------|---|

**Kick Off Point (KOP)**

|         |               |                 |             |          |                                  |                                  |                          |                             |                    |
|---------|---------------|-----------------|-------------|----------|----------------------------------|----------------------------------|--------------------------|-----------------------------|--------------------|
| UL<br>F | Section<br>12 | Township<br>32N | Range<br>7W | Lot<br>3 | Feet from N/S Line<br>558' NORTH | Feet from E/W Line<br>1560' WEST | Latitude<br>36.998527 °N | Longitude<br>-107.521287 °W | County<br>SAN JUAN |
|---------|---------------|-----------------|-------------|----------|----------------------------------|----------------------------------|--------------------------|-----------------------------|--------------------|

**First Take Point (FTP)**

|         |               |                 |             |          |                                   |                                  |                          |                             |                    |
|---------|---------------|-----------------|-------------|----------|-----------------------------------|----------------------------------|--------------------------|-----------------------------|--------------------|
| UL<br>G | Section<br>12 | Township<br>32N | Range<br>7W | Lot<br>2 | Feet from N/S Line<br>1145' NORTH | Feet from E/W Line<br>2490' EAST | Latitude<br>36.996919 °N | Longitude<br>-107.517632 °W | County<br>SAN JUAN |
|---------|---------------|-----------------|-------------|----------|-----------------------------------|----------------------------------|--------------------------|-----------------------------|--------------------|

**Last Take Point (LTP)**

|         |              |                 |             |     |                                   |                                 |                          |                             |                    |
|---------|--------------|-----------------|-------------|-----|-----------------------------------|---------------------------------|--------------------------|-----------------------------|--------------------|
| UL<br>H | Section<br>8 | Township<br>32N | Range<br>6W | Lot | Feet from N/S Line<br>1014' NORTH | Feet from E/W Line<br>395' EAST | Latitude<br>36.997363 °N | Longitude<br>-107.473988 °W | County<br>SAN JUAN |
|---------|--------------|-----------------|-------------|-----|-----------------------------------|---------------------------------|--------------------------|-----------------------------|--------------------|

|   |  |                        |
|---|--|------------------------|
| Unitized Area or Area of Uniform Interest<br>ALLISON UNIT | Spacing Unit Type<br><input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical <input type="checkbox"/> Directional | Ground Floor Elevation |
|---|--|------------------------|

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.



Signature

8/1/2025

Date

Amanda Walker

Printed Name

mwalker@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.



JASON C. EDWARDS

Signature and Seal of Professional Surveyor

Certificate Number 15269 Date of Survey MAY 14, 2024

SURFACE LOCATION (A)  
558' FNL 1560' FWL  
SECTION 12, T32N, R7W  
LAT 36.998522°N  
LONG -107.520680°W  
DATUM: NAD1927

LAT 36.998527 °N  
LONG -107.521287 °W  
DATUM: NAD1983

KICK OFF POINT (B)  
558' FNL 1560' FWL  
SECTION 12, T32N, R7W  
LAT 36.998522 °N  
LONG -107.520680 °W  
DATUM: NAD1927

LAT 36.998527 °N  
LONG -107.521287 °W  
DATUM: NAD1983

FIRST TAKE POINT (C)  
1145' FNL 2490' FEL  
SECTION 12, T32N, R7W  
LAT 36.996914 °N  
LONG -107.517025 °W  
DATUM: NAD1927

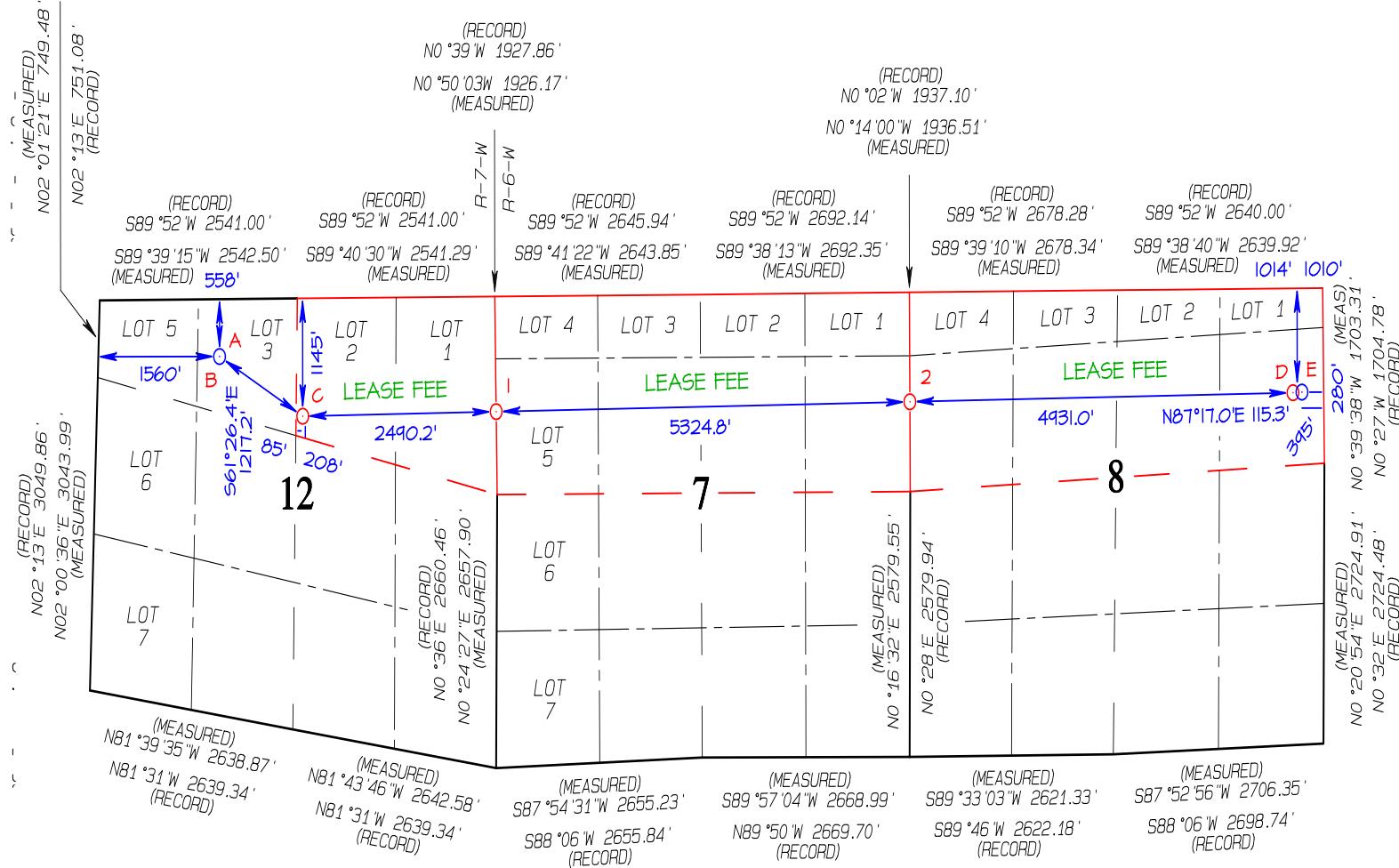
LAT 36.996919 °N  
LONG -107.517632 °W  
DATUM: NAD1983

LAST TAKE POINT (D)  
1014' FNL 395' FEL  
SECTION 8, T32N, R6W  
LAT 36.997358 °N  
LONG -107.473383 °W  
DATUM: NAD1927

LAT 36.997363 °N  
LONG -107.473988 °W  
DATUM: NAD1983

BOTTOM HOLE LOCATION (E)  
1010' FNL 280' FEL  
SECTION 8, T32N, R6W  
LAT 36.997372 °N  
LONG -107.472988 °W  
DATUM: NAD1927

LAT 36.997377 °N  
LONG -107.473594 °W  
DATUM: NAD1983



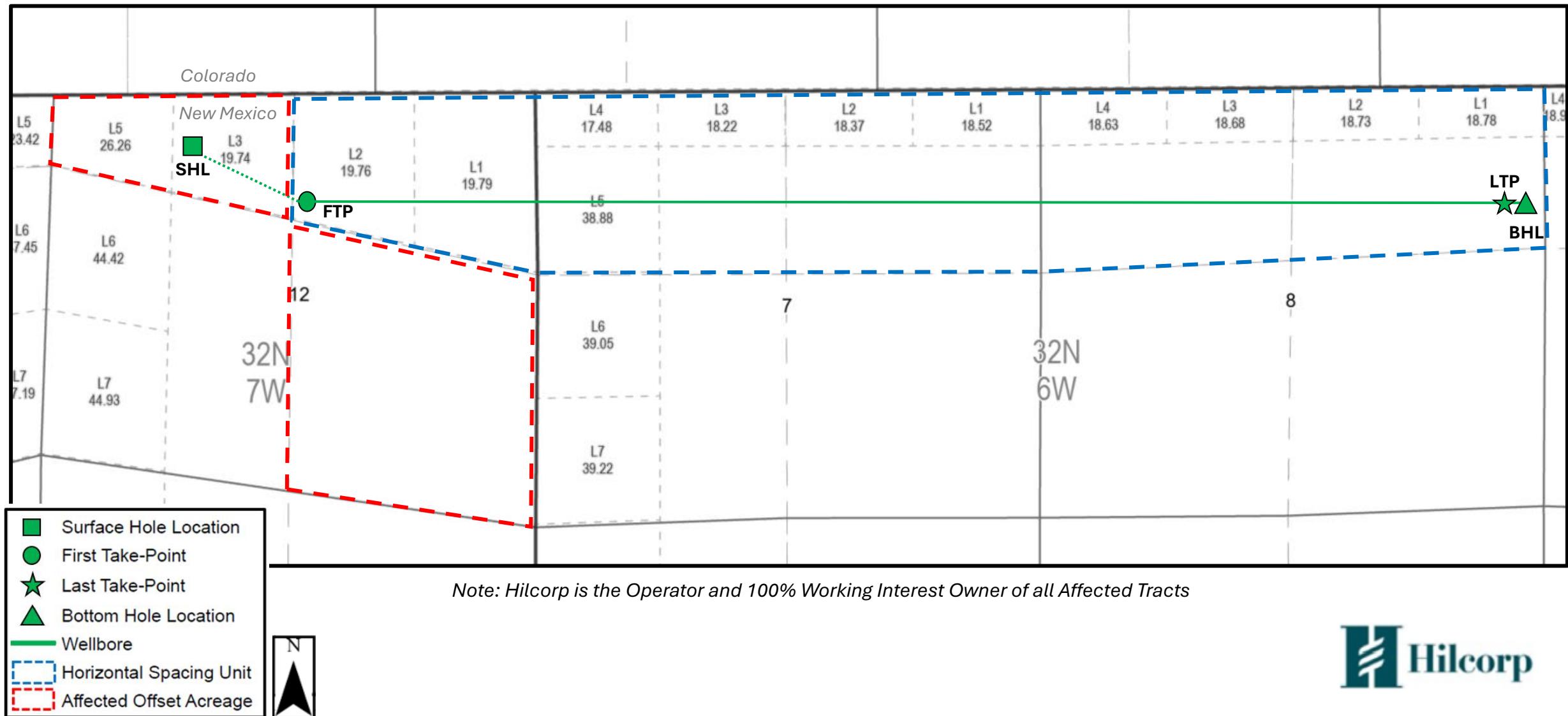
SECTION LINE (1)  
1119' FNL 0' FWL  
SECTION 7, T32N, R6W  
LAT 36.997002 °N  
LONG -107.508499 °W  
DATUM: NAD1927

LAT 36.997007 °N  
LONG -107.509106 °W  
DATUM: NAD1983

SECTION LINE (2)  
1064' FNL 0° FWL  
SECTION 8, T32N, R6W  
LAT 36.997188°N  
LONG -107.490267°W  
DATUM: NAD1927

LAT 36.997193 °N  
LONG -107.490873 °W  
DATUM: NAD1983

## Application for Unorthodox Well Location: Allison Unit 611H (API: 30-045-38326) Mancos Formation





September 23, 2025

Attn: Kyle Paradis  
Bureau of Land Management, NMSO  
301 Dinosaur Trail  
Santa Fe, NM 87508

Re: **Notice of Unorthodox Well Location Application**  
Allison Unit 611H (API: 3004538326)

Mr. Paradis:

In accordance with Paragraph (2) of Subsection A of 19.15.4.12 NMAC and Paragraph (8) of Subsection A of 19.15.2.7 NMAC, the enclosed materials are being provided to satisfy notice obligations associated with Hilcorp's intent to file an application for unorthodox location with the New Mexico Oil Conservation Division ("NMOCD") for the subject well.

Should you have an objection to this application, please notify the NMOCD within 20 days and subsequently contact me for further discussion.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rob Carlson".

Rob Carlson, CPL  
Landman  
(832) 839-4596  
[rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com)

| Certified Number           | Sender      | Recipient   | Date Mailed | Delivery Status                                       |
|----------------------------|-------------|---|-------------|---|
| 82148969009997901850300538 | Cole Gorman | Bureau of Land Management, NMSO , ATTN: Kyle Paradis, 301 Dinosaur Trail, Santa Fe, NM, 87508 | 9/18/2025   | Pre-Shipment, USPS Awaiting Item<br>Signature Pending |

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 508248

**CONDITIONS**

|  |  |
|--|--|
| Operator:<br><br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                     |
|  | Action Number:<br>508248                             |
|  | Action Type:<br>[UF-NSL] Non-Standard Location (NSL) |

**CONDITIONS**

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe      | None      | 9/25/2025      |