

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Rob Carlson
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 23rd, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
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

Acres	Pool	Pool Code
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
Page 2 of 2

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:
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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: ALLISON UNIT 611H API: 30-045-38326
 Pool: BASIN MANCOS Pool 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 (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.

9/18/2025

Date

ROB CARLSON, CPL

Print or Type Name

(832) 839-4596

Phone Number

RCARLSON@HILCORP.COM

e-mail Address

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, appearing to read 'Rob Carlson', is written over a light blue horizontal line.

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

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

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	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 30-045-38326	Pool Code 97232	Pool Name BASIN MANCOS
Property Code 318864	Property Name ALLISON UNIT	Well Number 611H
OGRID No. 372171	Operator Name HILCORP ENERGY COMPANY	Ground Level Elevation 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 F	Section 12	Township 32N	Range 7W	Lot 3	Feet from N/S Line 558' NORTH	Feet from E/W Line 1560' WEST	Latitude 36.998527 °N	Longitude -107.521287 °W	County SAN JUAN
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Bottom Hole Location

UL H	Section 8	Township 32N	Range 6W	Lot	Feet from N/S Line 1010' NORTH	Feet from E/W Line 280' EAST	Latitude 36.997377 °N	Longitude -107.473594 °W	County SAN JUAN
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Penetrated Spacing Unit:

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

Kick Off Point (KOP)

UL F	Section 12	Township 32N	Range 7W	Lot 3	Feet from N/S Line 558' NORTH	Feet from E/W Line 1560' WEST	Latitude 36.998527 °N	Longitude -107.521287 °W	County SAN JUAN
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First Take Point (FTP)

UL G	Section 12	Township 32N	Range 7W	Lot 2	Feet from N/S Line 1145' NORTH	Feet from E/W Line 2490' EAST	Latitude 36.996919 °N	Longitude -107.517632 °W	County SAN JUAN
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Last Take Point (LTP)

UL H	Section 8	Township 32N	Range 6W	Lot	Feet from N/S Line 1014' NORTH	Feet from E/W Line 395' EAST	Latitude 36.997363 °N	Longitude -107.473988 °W	County SAN JUAN
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Unitized Area or Area of Uniform Interest ALLISON UNIT	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical <input type="checkbox"/> Directional	Ground Floor Elevation
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<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p>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.</p> <div><div></div><div>8/1/2025</div></div> <div>Signature</div> <div>Date</div> <div>Amanda Walker</div> <div>Printed Name</div> <div>mwalker@hilcorp.com</div> <div>E-mail Address</div>	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <div></div> <div>JASON C. EDWARDS</div> <div>Signature and Seal of Professional Surveyor</div> <div>Certificate Number 15269</div> <div>Date of Survey MAY 14, 2024</div>
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SURFACE LOCATION (A)
558' FNL 1560' FWL
SECTION 12, T32N, R7W
LAT 36.998522°N
LONG -107.520680°W
DATUM: NAD1927

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

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

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

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

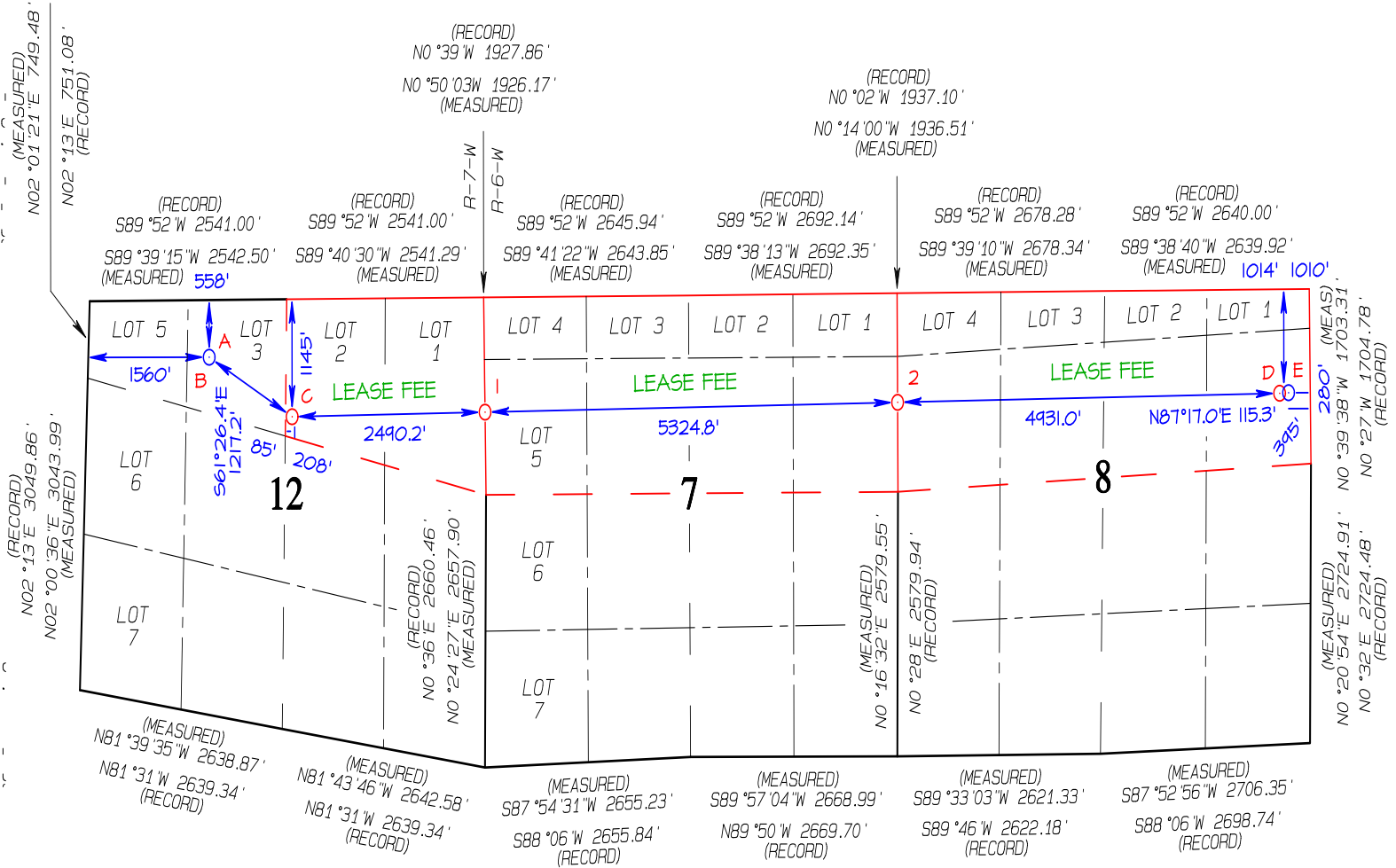
LAT 36.998527°N
LONG -107.521287°W
DATUM: NAD1983

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

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

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

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



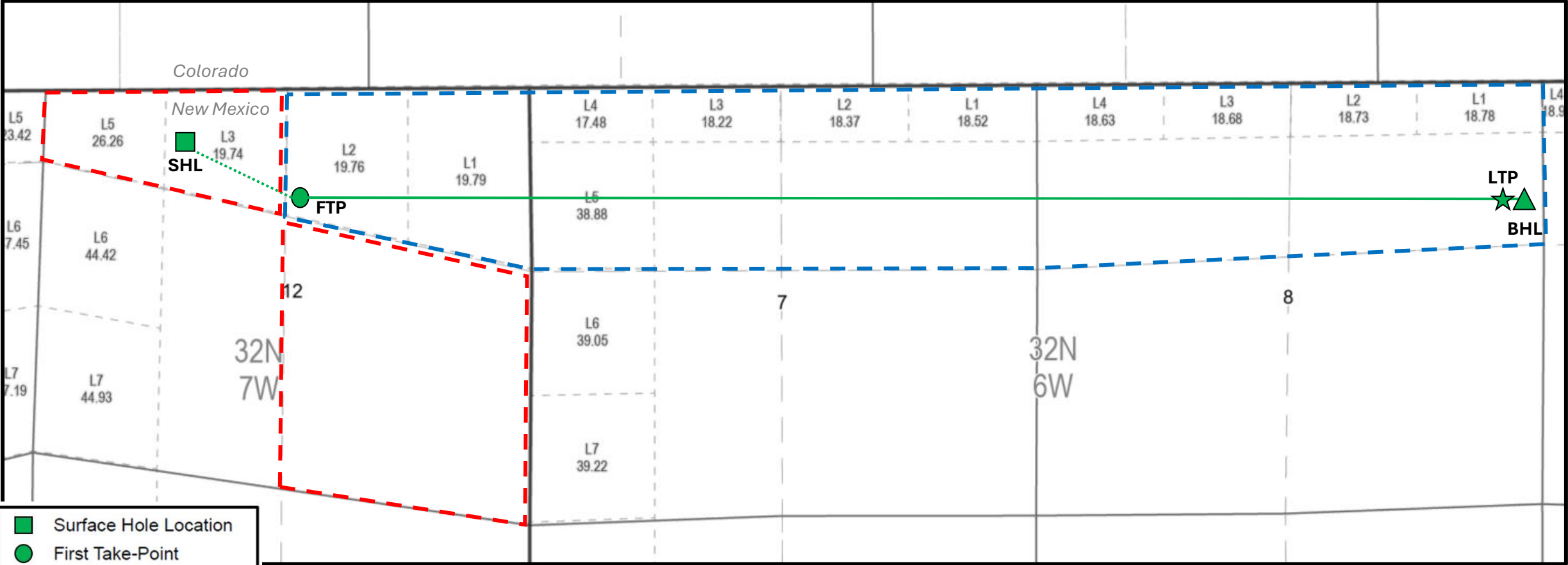
SECTION LINE (1)
1119' FNL 0' FWL
SECTION 7, T32N, R6W
LAT 36.997002°N
LONG -107.508499°W
DATUM: NAD1927

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



Note: Hilcorp is the Operator and 100% Working Interest Owner of all Affected Tracts

- Surface Hole Location
- First Take-Point
- Last Take-Point
- Bottom Hole Location
- Wellbore
- Horizontal Spacing Unit
- Affected Offset Acreage





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

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901850300538	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 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: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 508248
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

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