

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
 Governor

Erin Taylor
 Acting Cabinet Secretary

Ben Shelton
 Deputy Secretary

Albert C.S. Chang
 Division Director
 Oil Conservation Division



Robert Carlson
rcarlson@hilcorp.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9199

**Hilcorp Energy Company [OGRID 372171]
 Reese Mesa 101 Federal Com Well No. 001H
 API No. 30-045-PENDING**

Reference is made to your application received on November 13th, 2025

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	1679 FSL & 2034 FEL	J	11	32N	08W	San Juan
First Take Point	1098 FSL & 1316 FWL	O	11	32N	08W	San Juan
Last Take Point/ Terminus	153 FSL & 424 FEL	P	12	32N	08W	San Juan

Proposed Horizontal Spacing Unit

Description	Acres	Pool	Pool Code
SE/4 Section 11	456.62	Basin Fruitland Coal	71629
S/2 Section 12			

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced proposed pools or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator to dedicate each horizontal 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. The set back

1220 South St. Francis Drive, 3rd Floor • Santa Fe, New Mexico 87505

Phone (505) 476-3441 • www.emnr.state.nm.us/ocd

Administrative Order NSL – 9199

Hilcorp Energy Company

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requirements as directed by 19.15.16.15 (C)(1)(a) NMAC, orders 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, shall be a minimum of 660 feet for a gas well. 19.15.16.15 (C) (1) (b) NMAC directs that the take points shall be no closer than 330 feet, 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 153 feet to the southern boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 13, encroachment to the N/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

The Division understands you are seeking this unorthodox location to allow for maximum recovery of reserves and to minimize surface disturbance within the Fruitland formation underlying the SE/4 Section 11 and the S/2 of Section 12.

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 Subsection B of 19.15.15.13 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: 1/26/2026

ID NO. 526379

NSL - 9199

RECEIVED: 11/13/25

REVIEWER:

TYPE:

APP NO:

pLEL2532150650

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: REESE MESA 101 FEDERAL COM #001HAPI: 30-045-PENDINGPool: BASIN FRUITLAND COALPool Code: 71629

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.

11/7/2025

Date

(832) 839-4596

Phone Number

RCARLSON@HILCORP.COM

e-mail Address

ROB CARLSON, CPL

Print or Type Name

Signature



November 6, 2025

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

Re: **Unorthodox Well Location Application**
 Reese Mesa 101 Federal Com #001H (API: 30-045-*PENDING*)
 Surface Location: 1,679' FSL / 2,034' FEL - Section 11, T32N, R8W
 First Take Point: 1,098' FSL / 1,316' FEL - Section 11, T32N, R8W
 Last Take & Bottomhole: 153' FSL / 424' FEL - Section 12, T32N, R8W
 Spacing Unit: Township 32 North, Range 8 West, N.M.P.M
 Sec. 11: SE/4;
 Sec. 12: S/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 Reese Mesa 101 Federal Com 1H (the "Well"), a defining horizontal well targeting the Basin-Fruitland Coal Gas Pool (71629).

In lieu of the established spacing unit requirements for the Basin-Fruitland Coal Gas Pool, Hilcorp elected, as provided under Paragraph (3) of Subsection B of 19.15.16.15.B.3 NMAC, to form the subject 456.62-acre horizontal spacing unit ("HSU") comprised of the quarter sections (or their equivalents rather) penetrated by the lateral of this Well. There are no Fruitland Coal 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 FTP and LTP of the Well are compliant with the 330-foot setback requirement from the western and eastern boundary of the HSU.

However, approximately half of the completed interval, starting in Lot 16 of Section 12 and ending at the LTP, **is not compliant** with the 660-foot setback from the southern boundary of the HSU and encroaches upon the following quarter sections: NW/4 & NE/4 of Section 13, T32N-R8W.

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 Section 13).

Hilcorp believes this unorthodox location is necessary to maximize recovery of oil and gas reserves and minimize surface disturbance.



Sincerely,

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

Rob Carlson, CPL
Landman
(832) 839-4596
rkarlson@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 checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code	71629	Pool Name	BASIN FRUITLAND COAL		
Property Code	Property Name	REESE MESA 101 FEDERAL COM			Well Number	001H
OGRID No.	Operator Name	HILCORP ENERGY COMPANY			Ground Level Elevation	7034'
Surface Owner:	<input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner:	<input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		

Surface Location

UL J	Section 11	Township 32N	Range 8W	Lot 11	Feet from N/S Line 1679' SOUTH	Feet from E/W Line 2034' EAST	Latitude 36.995321°N	Longitude -107.641821°W	County SAN JUAN
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Bottom Hole Location

UL P	Section 12	Township 32N	Range 8W	Lot 13	Feet from N/S Line 153' SOUTH	Feet from E/W Line 424' EAST	Latitude 36.989391°N	Longitude -107.619671°W	County SAN JUAN
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Dedicated Acres 456.62	Penetrated Spacing Unit SE/4 - Section 11, T32N, R8W S/2 - Section 12, T32N, R8W	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit	Consolidation Code
				<input type="checkbox"/> Yes	<input type="checkbox"/> No
Order Numbers			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No		

Kick Off Point (KOP)

UL J	Section 11	Township 32N	Range 8W	Lot 11	Feet from N/S Line 1679' SOUTH	Feet from E/W Line 2034' EAST	Latitude 36.995321°N	Longitude -107.641821°W	County SAN JUAN
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First Take Point (FTP)

UL O	Section 11	Township 32N	Range 8W	Lot 14	Feet from N/S Line 1098' SOUTH	Feet from E/W Line 1316' EAST	Latitude 36.993678°N	Longitude -107.639772°W	County SAN JUAN
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Last Take Point (LTP)

UL P	Section 12	Township 32N	Range 8W	Lot 13	Feet from N/S Line 153' SOUTH	Feet from E/W Line 424' EAST	Latitude 36.989391°N	Longitude -107.619671°W	County SAN JUAN
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Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical <input type="checkbox"/> Directional	Ground Floor Elevation
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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 _____ Date _____

Printed Name _____

E-mail Address _____

SURVEYOR CERTIFICATION

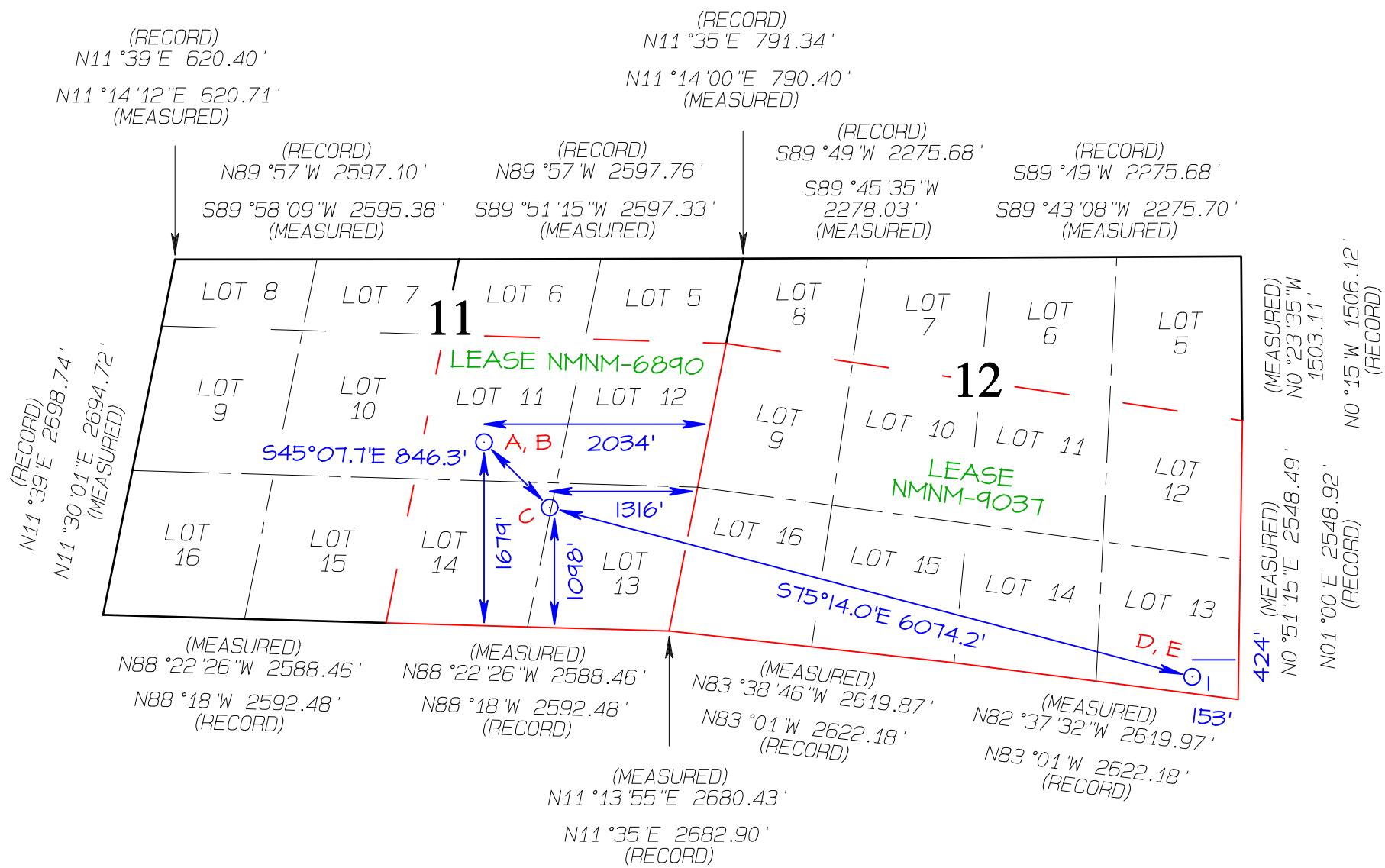
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.



JASON C. EDWARDS

Signature and Seal of Professional Surveyor

Certificate Number 15269 Date of Survey FEBRUARY 5, 2025



SURFACE LOCATION (A)
1679' FSL 2034' FEL
SECTION 11, T32N, R8W
LAT 36.995318 °N
LONG -107.641208 °W
DATUM: NAD1927

LAT 36.995321 °N
LONG -107.641821 °W
DATUM: NAD1983

KICK OFF POINT (B)
1679' FSL 2034' FEL
SECTION 11, T32N, R8W
LAT 36.995318 °N
LONG -107.641208 °W
DATUM: NAD1927

LAT 36.995321 °N
LONG -107.641821 °W
DATUM: NAD1983

FIRST TAKE POINT (C)
1098' FSL 1316' FEL
SECTION 11, T32N, R8W
LAT 36.993674 °N
LONG -107.639159 °W
DATUM: NAD1927

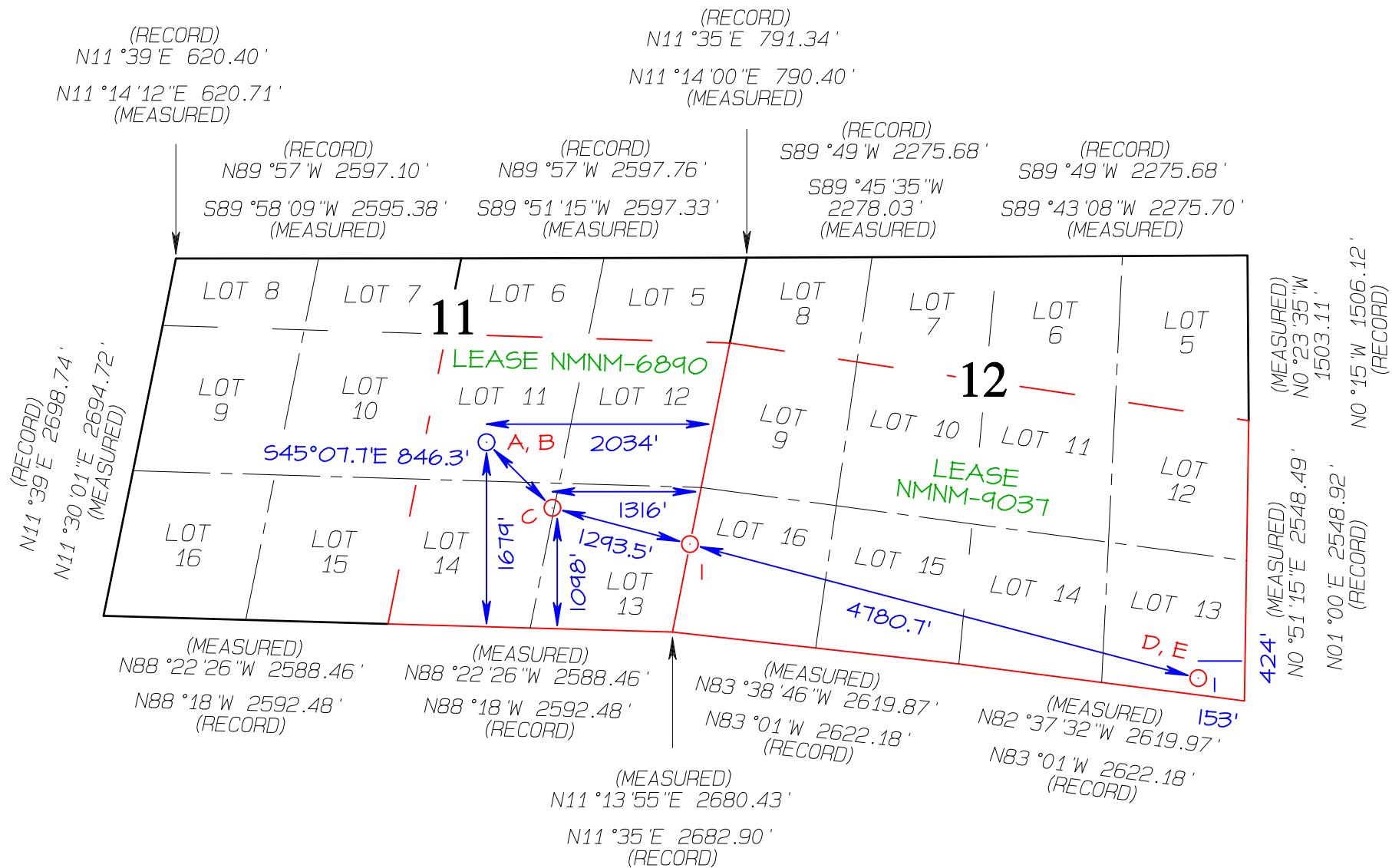
LAT 36.993678 °N
LONG -107.639772 °W
DATUM: NAD1983

LAST TAKE POINT (D)
153' FSL 424' FEL
SECTION 12, T32N, R8W
LAT 36.989387 °N
LONG -107.619059 °W
DATUM: NAD1927

LAT 36.989391 °N
LONG -107.619671 °W
DATUM: NAD1983

BOTTOM HOLE LOCATION (E)
153' FSL 424' FEL
SECTION 12, T32N, R8W
LAT 36.989387 °N
LONG -107.619059 °W
DATUM: NAD1927

LAT 36.989391 °N
LONG -107.619671 °W
DATUM: NAD1983



SURFACE LOCATION (A)
1679' FSL 2034' FEL
SECTION 11, T32N, R8W
LAT 36.995318 °N
LONG -107.641208 °W
DATUM: NAD1927

LAT 36.995321 °N
LONG -107.641821 °W
DATUM: NAD1983

FIRST TAKE POINT (C)
1098' FSL 1316' FEL
SECTION 11, T32N, R8W
LAT 36.993674 °N
LONG -107.639159 °W
DATUM: NAD1927

LAT 36.993678 °N
LONG -107.639772 °W
DATUM: NAD1983

LEASE X-ING (1)
804' FSL 0' FEL
SECTION 11, T32N, R8W
LAT 36.992762 °N
LONG -107.634879 °W
DATUM: NAD1927

LAT 36.992765 °N
LONG -107.635491 °W
DATUM: NAD1983

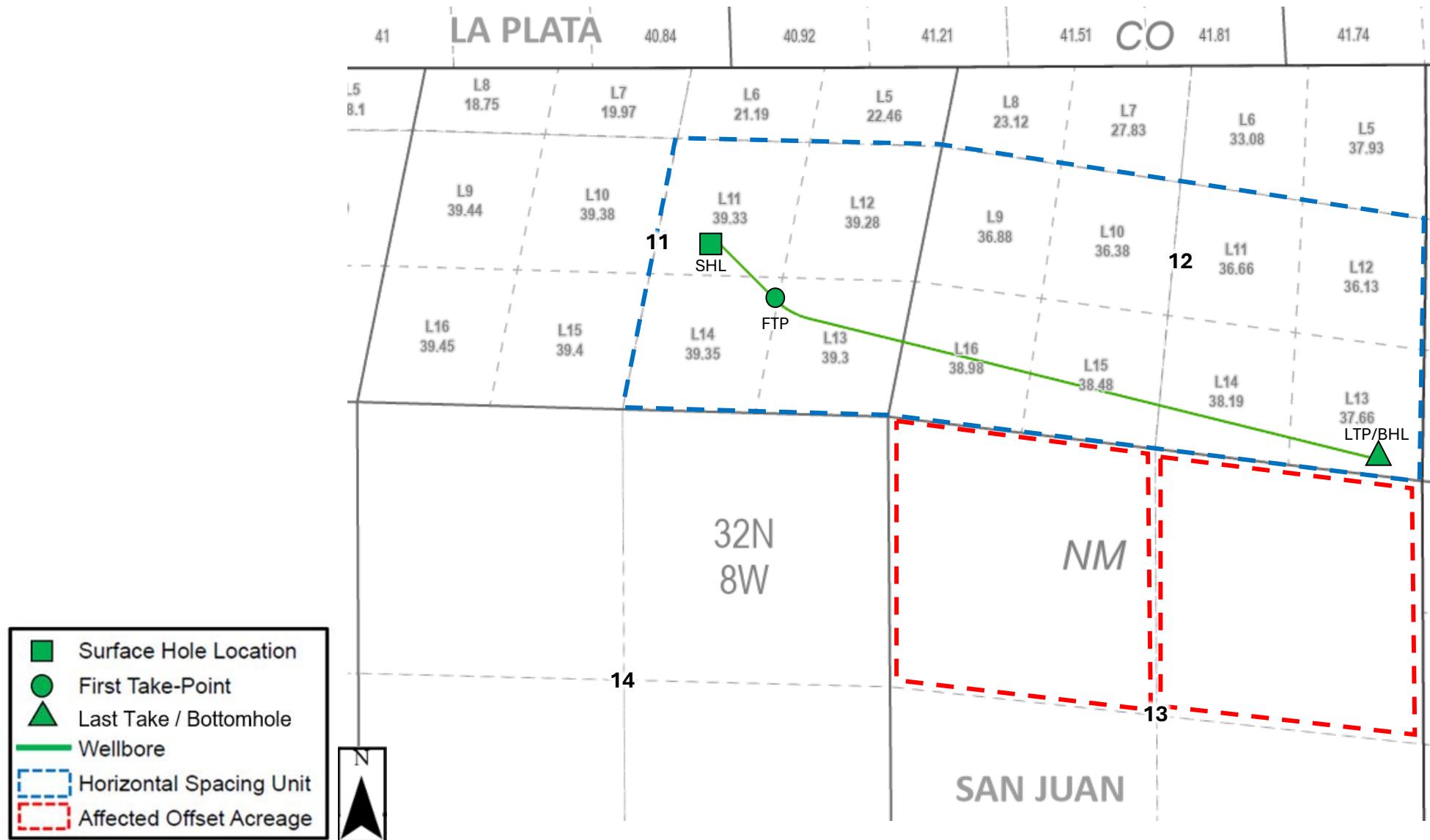
LAST TAKE POINT (D)
153' FSL 424' FEL
SECTION 12, T32N, R8W
LAT 36.989387 °N
LONG -107.619059 °W
DATUM: NAD1927

LAT 36.989391 °N
LONG -107.619671 °W
DATUM: NAD1983

BOTTOM HOLE LOCATION (E)
153' FSL 424' FEL
SECTION 12, T32N, R8W
LAT 36.989387 °N
LONG -107.619059 °W
DATUM: NAD1927

LAT 36.989391 °N
LONG -107.619671 °W
DATUM: NAD1983

Application for Unorthodox Well Location:
Reese Mesa 101 Federal Com #001H (API: 30-045-PENDING) Mancos Formation



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



November 13, 2025

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

Re: **Notice of Unorthodox Well Location Application**
Reese Mesa 101 Federal Com #001H (API: 30-045-PENDING)

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
rkarlson@hilcorp.com

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901851685931	Cole Gorman	Bureau of Land Management, NMSO , ATTN: Kyle Paradis, 310 Dinosaur Trail, Santa Fe, NM, 87508	11/12/2025	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 526379

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 526379
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	This NSL order was approved with a pending API number. The owner of the NSL shall update the OCD when an API number is assigned to the pending APD by sending an e-mail to ocd.engineer@emnrd.nm.gov. TITLED: (Updating NSL-XXX with API number of the Well Name). The text of the email shall contain: NSL order number, API number and Well Name. If the Well name does not match the name on the NSL order. The order will be annulled.	1/28/2026