

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBRUARY 5, 2026**

**CASE NO. 25898**

*TRAIL CANYON 1H*

**SAN JUAN COUNTY, NEW MEXICO**



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF HILCORP ENERGY COMPANY  
FOR APPROVAL OF A STANDARD OVERLAPPING  
HORIZONTAL WELL SPACING UNIT  
AND COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO. 25898**

**TABLE OF CONTENTS**

- **Hilcorp Exhibit A:** Compulsory Pooling Application Checklist
- **Hilcorp Exhibit B:** Application for Compulsory Pooling
- **Hilcorp Exhibit C:** Self-Affirmed Statement of Robert Carlson, Landman
  - Hilcorp Exhibit C-1: Overlap Diagram
  - Hilcorp Exhibit C-2: C-102
  - Hilcorp Exhibit C-3: Land Tract Map & Uncommitted WIO & ORRI
  - Hilcorp Exhibit C-4: Sample Well Proposal Letter with AFEs
  - Hilcorp Exhibit C-5: Chronology of Contacts
- **Hilcorp Exhibit D:** Affidavit of Vitaly Kuchinskiy, Geologist
  - Hilcorp Exhibit D-1: Resume
  - Hilcorp Exhibit D-2: Locator map
  - Hilcorp Exhibit D-3: Subsea structure & cross-section map
  - Hilcorp Exhibit D-4: Structural cross-section
  - Hilcorp Exhibit D-5: Stratigraphic cross-section
- **Hilcorp Exhibit E:** Self-Affirmed Statement of Notice
- **Hilcorp Exhibit F:** Affidavit of Publication

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 25898	APPLICANT'S RESPONSE	
Date	February 5, 2026	
Applicant	Hilcorp Energy Company	
Designated Operator & OGRID (affiliation if applicable)	Hilcorp Energy Company (372171)	
Applicant's Counsel:	Holland & Hart LLP	
Case Title:	APPLICATION OF HILCORP ENERGY COMPANY FOR APPROVAL OF A STANDARD OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING,	
Entries of Appearance/Intervenors:	N/A	
Well Family	Trail Canyon 100 Federal Com	
<b>Formation/Pool</b>		
Formation Name(s) or Vertical Extent:	Fruitland	
Primary Product (Oil or Gas):	Gas	
Pooling this vertical extent:	Fruitland formation	
Pool Name and Pool Code (Only if NSP is requested):	N/A	
Well Location Setback Rules (Only if NSP is Requested):	N/A	
<b>Spacing Unit</b>		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	588.80-acre, more or less	
Building Blocks:	160-acres	
Orientation:	Laydown	
Description: TRS/County	<p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A</p> <p>Submitted by: Hilcorp Energy Company Hearing Date: February 5, 2026 Case No. 25898</p>	Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 7 and Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 8, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes	
<b>Other Situations</b>		
Depth Severance: Y/N. If yes, description	No	
Proximity Tracts: If yes, description	No	
Proximity Defining Well: if yes, description	N/A	
Applicant's Ownership in Each Tract	Exhibit C-3	
<b>Well(s)</b>		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed	

Well #1	Trail Canyon 100 Federal Com 1H API: PENDING SHL: 1,547' FSL, 495' FEL (Unit I), Section 12, T32N-R9W BHL: 783' FSL, 746' FEL (Unit P), Section 8, T32N-R8W Completion Target: Fruitland formation Well Orientation: Laydown Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$13,000
Production Supervision/Month \$	\$1,300
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-2
Released to Imaging: 1/29/2026 10:53:55 PM	Exhibit D-2

Well Orientation (with rationale)	<b>Exhibit D &amp; D-2</b>
Target Formation	<b>Exhibit D, D-4 &amp; D-5</b>
HSU Cross Section	<b>Exhibit D-2, D-4 &amp; D-5</b>
Depth Severance Discussion	<b>N/A</b>
<b>Forms, Figures and Tables</b>	
C-102	<b>Exhibit C-2</b>
Tracts	<b>Exhibit C-3</b>
Summary of Interests, Unit Recapitulation (Tracts)	<b>Exhibit C-3</b>
General Location Map (including basin)	<b>Exhibit D-2</b>
Well Bore Location Map	<b>Exhibit D-2</b>
Structure Contour Map - Subsea Depth	<b>Exhibit D-3</b>
Cross Section Location Map (including wells)	<b>Exhibit D-3</b>
Cross Section (including Landing Zone)	<b>Exhibit D-4, D-5</b>
<b>Additional Information</b>	
Special Provisions/Stipulations	<b>N/A</b>
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	<b>Paula M. Vance</b>
<b>Signed Name (Attorney or Party Representative):</b>	
<b>Date:</b>	<b>1/28/2026</b>

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

APPLICATION OF HILCORP ENERGY COMPANY  
FOR APPROVAL OF A STANDARD OVERLAPPING  
HORIZONTAL WELL SPACING UNIT  
AND COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 25898

**APPLICATION**

Hilcorp Energy Company (“Applicant”) (OGRID No. 372171), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 588.80-acre, more or less, overlapping horizontal well spacing unit in the Basin Fruitland Coal formation underlying Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 7 and Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 8, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Trail Canyon 100 Federal Com 001H** well, with a surface location in Lot 12 (NE/4 SE/4 equivalent) of irregular Section 12, T32N-R9W, with a first take point in the SE/4 SW/4 (Unit N) of irregular Section 7, T32N-R8W, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 8, T32N-R8W.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Hilcorp Energy Company  
Hearing Date: February 5, 2026  
Case No. 25898

3. This proposed standard horizontal well spacing unit will overlap the following existing vertical well spacing units in the Fruitland formation (Basin Fruitland Coal (Gas) [71629]):

- An existing 314.78-acre spacing unit underlying Lots 1-6, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 7, T32N-R8W, currently dedicated to the Trail Canyon 100 (30-045-26983), operated by Hilcorp; and
- An existing 375.07-acre spacing unit underlying Lots 1-2 and 5-8, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 8, T32N-R8W, currently dedicated to the Trail Canyon 101 (30-045-27096), operated by Hilcorp.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The granting of this application will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on the February 5, 2026, hearing docket and after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping, standard horizontal well spacing unit and pooling all uncommitted interest owners therein;
- B. Designating Applicant as operator of this overlapping spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;

- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Adam G. Rankin  
Paula M. Vance  
A. Raylee Starnes  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
agrakin@hollandhart.com  
pmvance@hollandhart.com  
arstarnes@hollandhart.com

**ATTORNEYS FOR HILCORP ENERGY COMPANY**

CASE: \_\_\_\_\_

**Application of Hilcorp Energy Company for Approval of a Standard Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 588.80-acre, more or less, overlapping horizontal well spacing unit in the Basin Fruitland Coal formation underlying Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 7 and Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 8, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. This spacing unit will be initially dedicated to the proposed **Trail Canyon 100 Federal Com 001H** well, with a surface location in Lot 12 (NE/4 SE/4 equivalent) of irregular Section 12, T32N-R9W, with a first take point in the SE/4 SW/4 (Unit N) of irregular Section 7, T32N-R8W, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 8, T32N-R8W. This proposed standard horizontal well spacing unit will overlap the following existing vertical well spacing units in the Fruitland formation (Basin Fruitland Coal (Gas) [71629]):

- An existing 314.78-acre spacing unit underlying Lots 1-6, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 7, T32N-R8W, currently dedicated to the Trail Canyon 100 (30-045-26983), operated by Hilcorp; and
- An existing 375.07-acre spacing unit underlying Lots 1-2 and 5-8, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 8, T32N-R8W, currently dedicated to the Trail Canyon 101 (30-045-27096), operated by Hilcorp.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located along the Colorado and New Mexico border.

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF HILCORP ENERGY COMPANY  
FOR APPROVAL OF A STANDARD OVERLAPPING  
HORIZONTAL WELL SPACING UNIT  
AND COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO. 25898**

**SELF-AFFIRMED STATEMENT OF ROBERT CARLSON**

1. My name is Robert Carlson, and I am employed by Hilcorp Energy Company (“Hilcorp”) as a Landman. My responsibilities include the San Juan Basin of New Mexico.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Hilcorp in this matter and the status of the lands in the subject area. None of the mineral owners to be pooled have expressed opposition to this proceeding.
4. Hilcorp seeks an order (a) approving a standard 588.80-acre, more or less, overlapping horizontal well spacing unit in the Basin Fruitland Coal formation underlying Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 7 and Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 8, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage.
5. Hilcorp seeks to initially dedicate the above-referenced spacing unit to the proposed (1) **Trail Canyon 100 Federal Com 001H** well, with a surface location in Lot 12 (NE/4 SE/4 equivalent) of irregular Section 12, T32N-R9W, with a first take point in the SE/4 SW/4 (Unit N)

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Hilcorp Energy Company  
Hearing Date: February 5, 2026  
Case No. 25898**

of irregular Section 7, T32N-R8W, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 8, T32N-R8W.

6. This proposed standard horizontal well spacing unit will overlap the following existing vertical well spacing units in the Fruitland formation (Basin Fruitland Coal (Gas) [71629]):

- An existing 314.78-acre spacing unit underlying Lots 1-6, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 7, T32N-R8W, currently dedicated to the Trail Canyon 100 (30-045-26983), operated by Hilcorp; and
- An existing 375.07-acre spacing unit underlying Lots 1-2 and 5-8, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 8, T32N-R8W, currently dedicated to the Trail Canyon 101 (30-045-27096), operated by Hilcorp.

7. **Hilcorp Exhibit C-1** includes a diagram depicting the newly proposed spacing unit in relation to the existing spacing units. Hilcorp is the operator of the existing spacing units; therefore, notice was provided to the other working interest owner and Bureau of Land Management since federal lands are involved. A sample copy of the notice, and mailing report, is included in Exhibit E.

8. **Hilcorp Exhibit C-2** contains a draft Form C-102 for the proposed well. This form demonstrates that the completed interval for the well will comply with statewide setbacks for gas wells. The exhibit shows that the well will be assigned to the Basin Fruitland Coal (Gas) [71629] pool.

9. **Hilcorp Exhibit C-3 (a)** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract that were known by Hilcorp at the time the subject application was filed, and such ownership interests on a spacing unit basis. The parties

Hilcorp seeks to pool that remain uncommitted to a joint operating agreement, are highlighted in yellow. Hilcorp has been able to locate all the mineral owners that it seeks to pool.

10. **Hilcorp Exhibit C-3 (b)** identifies the tracts of land comprising the horizontal spacing unit, the un-confirmed ownership interests in each tract that Hilcorp suspects may apply after January 12, 2026, and such ownership interests on a spacing unit basis. The parties Hilcorp seeks to pool that remain uncommitted to a joint operating agreement, are highlighted in yellow. Hilcorp has been able to locate all the mineral owners that it seeks to pool.

11. **Hilcorp Exhibit C-4** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what Hilcorp and other operators have incurred for drilling similar horizontal wells in the area in this formation.

12. Hilcorp requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$13,000 per month while drilling and \$1,300 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

13. **Hilcorp Exhibit C-5** contains a chronology of the contacts with the uncommitted working interest owners. Hilcorp has made a good faith effort to obtain voluntary joinder of these owners in the proposed spacing unit and initial wells.

14. Hilcorp has provided the law firm Holland & Hart LLP with the names and addresses of the parties that Hilcorp seeks to pool and instructed that they be notified of this hearing. Hilcorp conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

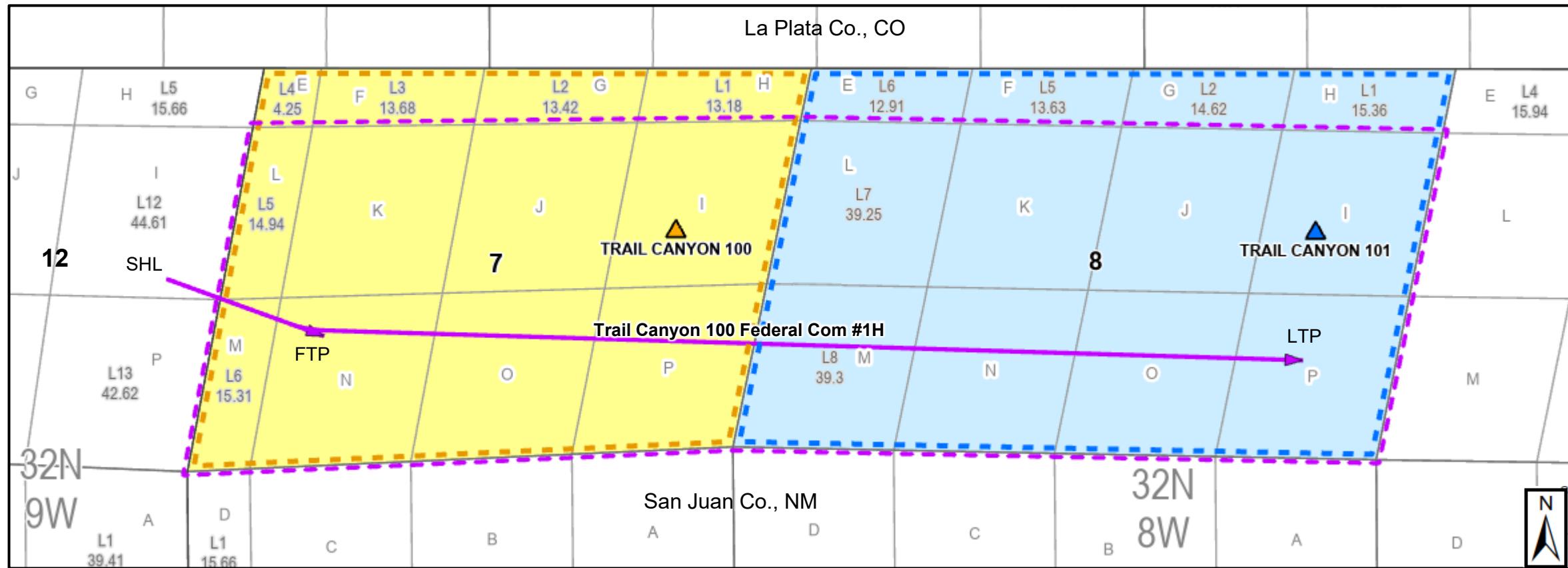
15. **Hilcorp Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

16. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature on the following page.

  
\_\_\_\_\_  
Robert Carlson

1/28/2026  
Date

**Land Exhibit C-1**  
**Trail Canyon 100 Federal Com #1H**  
**Basin-Fruitland Coal Gas Pool**



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-1

Submitted by: Hilcorp Energy Company

Hearing Date: February 5, 2026

Case No. 25898



C-102  Submit Electronically Via OCD Permitting	<b>State of New Mexico Energy, Minerals &amp; Natural Resources Department OIL CONSERVATION DIVISION</b>		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	TRAIL CANYON 100 FEDERAL COM			Well Number	001H
OGRID No.	Operator Name	HILCORP ENERGY COMPANY			Ground Level Elevation	6663'
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 I	Section 12	Township 32N	Range 9W	Lot 12	Feet from N/S Line 1547' SOUTH	Feet from E/W Line 459' EAST	Latitude 36.995343 °N	Longitude -107.722750 °W	County SAN JUAN
---------	---------------	-----------------	-------------	-----------	-----------------------------------	---------------------------------	--------------------------	-----------------------------	--------------------

**Bottom Hole Location**

UL P	Section 8	Township 32N	Range 8W	Lot	Feet from N/S Line 783' SOUTH	Feet from E/W Line 746' EAST	Latitude 36.993509 °N	Longitude -107.691364 °W	County SAN JUAN
---------	--------------	-----------------	-------------	-----	----------------------------------	---------------------------------	--------------------------	-----------------------------	--------------------

Dedicated Acres 588.80	Penetrated Spacing Unit S/2 - Section 7, T32N, R8W S/2 - Section 8, 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 I	Section 12	Township 32N	Range 9W	Lot 12	Feet from N/S Line 1547' SOUTH	Feet from E/W Line 459' EAST	Latitude 36.995343 °N	Longitude -107.722750 °W	County SAN JUAN
---------	---------------	-----------------	-------------	-----------	-----------------------------------	---------------------------------	--------------------------	-----------------------------	--------------------

**First Take Point (FTP)**

UL N	Section 7	Township 32N	Range 8W	Lot	Feet from N/S Line 1150' SOUTH	Feet from E/W Line 619' WEST	Latitude 36.994336 °N	Longitude -107.719301 °W	County SAN JUAN
---------	--------------	-----------------	-------------	-----	-----------------------------------	---------------------------------	--------------------------	-----------------------------	--------------------

**Last Take Point (LTP)**

UL P	Section 8	Township 32N	Range 8W	Lot	Feet from N/S Line 783' SOUTH	Feet from E/W Line 746' EAST	Latitude 36.993509 °N	Longitude -107.691364 °W	County SAN JUAN
---------	--------------	-----------------	-------------	-----	----------------------------------	---------------------------------	--------------------------	-----------------------------	--------------------

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
---	--	------------------------

**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 \_\_\_\_\_

**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 10, 2025

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-2  
Submitted by: Hilcorp Energy Company  
Hearing Date: February 5, 2026  
Case No. 25898**

(RECORD)  
NORTH 407.22'  
NO 00'45"E 407.52'  
(MEASURED)

(RECORD)  
N10 °50'E 487.08'  
(MEASURED)

(RECORD)  
N11 °48'E 429.66'  
(MEASURED)

(RECORD)  
N11 °36'44"E 2685.54' (REC)  
N11 °36'44"E 2680.59' (MEASURED)

(RECORD)  
N89 °57'W 2927.10'  
S89 °58'21"W 2926.60'  
(MEASURED)

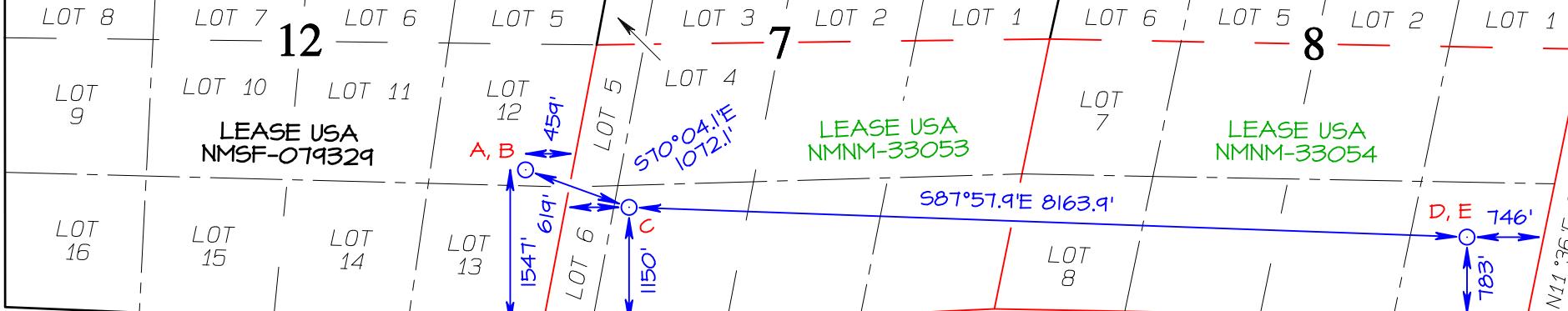
(RECORD)  
N89 °57'W 2927.10'  
N89 °57'35"W 2924.56'  
(MEASURED)

(RECORD)  
N89 °57'W 1779.36'  
S89 °59'56"W 1781.75'  
(MEASURED)

(RECORD)  
N89 °57'W 2636.04'  
S89 °57'36"W 2634.36'  
(MEASURED)

(RECORD)  
N89 °57'W 2599.74'  
S89 °58'22"W 2598.07'  
(MEASURED)

(RECORD)  
N89 °57'W 2599.74'  
N89 °53'41"W 2600.00'  
(MEASURED)



(MEASURED)  
N87 °37'55"W 2616.20'  
N87 °35'W 2616.90'  
(RECORD)

(MEASURED)  
N87 °37'55"W 2615.96'  
N87 °35'W 2616.90'  
(RECORD)

(MEASURED)  
S87 °27'32"W 1801.50'  
S87 °28'W 1804.44'  
(RECORD)

(MEASURED)  
S87 °24'08"W 2606.26'  
S87 °28'W 2600.40'  
(RECORD)

(MEASURED)  
N88 °56'57"W 2590.81'  
N88 °49'W 2595.12'  
(RECORD)

(MEASURED)  
N88 °58'20"W 2595.84'  
N88 °49'W 2595.12'  
(RECORD)

(MEASURED)  
N10 °50'51"E 2821.48'  
N10 °50'E 2822.16'  
(RECORD)

(MEASURED)  
N11 °35'35"E 2684.73'  
N11 °48'E 2686.86'  
(RECORD)

SURFACE LOCATION (A)  
1547' FSL 459' FEL  
SECTION 12, T32N, R9W  
LAT 36.995340 °N  
LONG -107.722134 °W  
DATUM: NAD1927

KICK OFF POINT (B)  
1547' FSL 459' FEL  
SECTION 12, T32N, R9W  
LAT 36.995340 °N  
LONG -107.722134 °W  
DATUM: NAD1927

FIRST TAKE POINT (C)  
1150' FSL 619' FWL  
SECTION 7, T32N, R8W  
LAT 36.994333 °N  
LONG -107.718684 °W  
DATUM: NAD1927

LAST TAKE POINT (D)  
783' FSL 746' FEL  
SECTION 8, T32N, R8W  
LAT 36.993506 °N  
LONG -107.690749 °W  
DATUM: NAD1927

LAT 36.995343 °N  
LONG -107.722750 °W  
DATUM: NAD1983

LAT 36.995343 °N  
LONG -107.722750 °W  
DATUM: NAD1983

LAT 36.994336 °N  
LONG -107.719301 °W  
DATUM: NAD1983

LAT 36.993509 °N  
LONG -107.691364 °W  
DATUM: NAD1983

BOTTOM HOLE LOCATION (E)  
783' FSL 746' FEL  
SECTION 8, T32N, R8W  
LAT 36.993506 °N  
LONG -107.690749 °W  
DATUM: NAD1927

LAT 36.993509 °N  
LONG -107.691364 °W  
DATUM: NAD1983

(RECORD)  
NORTH 407.22'  
NO 00'45"E 407.52'  
(MEASURED)

(RECORD)  
N10 °50'E 487.08'  
(MEASURED)

(RECORD)  
N11 °48'E 429.66'  
(MEASURED)

(RECORD)  
N11 °36'44"E 2685.54' (REC)  
N11 °36'44"E 2680.59' (MEASURED)

(RECORD)  
N89 °57'W 2927.10'  
S89 °58'21"W 2926.60'  
(MEASURED)

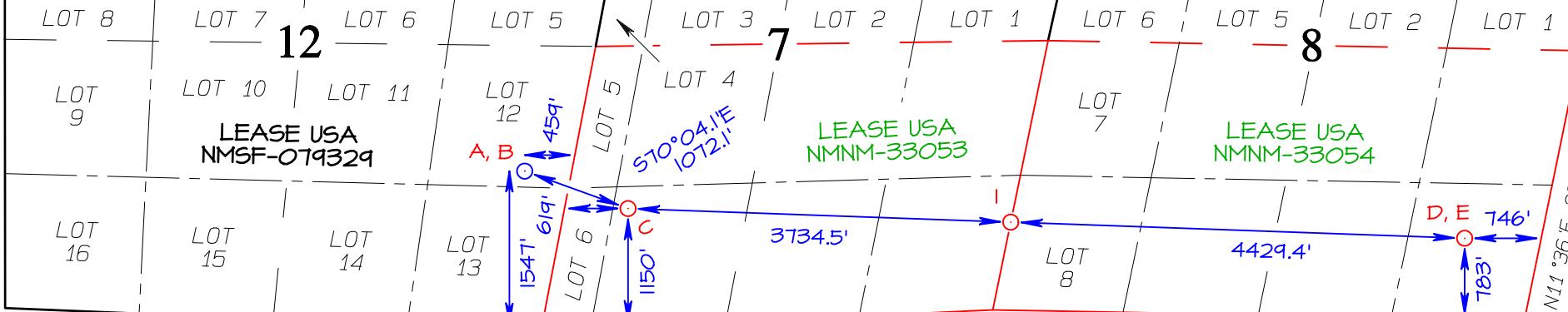
(RECORD)  
N89 °57'W 2927.10'  
N89 °57'35"W 2924.56'  
(MEASURED)

(RECORD)  
N89 °57'W 1779.36'  
S89 °59'56"W 1781.75'  
(MEASURED)

(RECORD)  
N89 °57'W 2636.04'  
S89 °57'36"W 2634.36'  
(MEASURED)

(RECORD)  
N89 °57'W 2599.74'  
S89 °58'22"W 2598.07'  
(MEASURED)

(RECORD)  
N89 °57'W 2599.74'  
N89 °53'41"W 2600.00'  
(MEASURED)



(MEASURED)  
N87 °37'55"W 2616.20'  
N87 °35'W 2616.90'  
(RECORD)

(MEASURED)  
N87 °37'55"W 2615.96'  
N87 °35'W 2616.90'  
(RECORD)

(MEASURED)  
S87 °27'32"W 1801.50'  
S87 °28'W 1804.44'  
(RECORD)

(MEASURED)  
S87 °24'08"W 2606.26'  
S87 °28'W 2600.40'  
(RECORD)

(MEASURED)  
N88 °56'57"W 2590.81'  
N88 °49'W 2595.12'  
(RECORD)

(MEASURED)  
N88 °58'20"W 2595.84'  
N88 °49'W 2595.12'  
(RECORD)

(MEASURED)  
N10 °50'51"E 2821.48'  
N10 °50'E 2822.16'  
(RECORD)

(MEASURED)  
N11 °35'35"E 2684.73'  
N11 °48'E 2686.86'  
(RECORD)

SURFACE LOCATION (A)  
1547' FSL 459' FEL  
SECTION 12, T32N, R9W  
LAT 36.995340 °N  
LONG -107.722134 °W  
DATUM: NAD1927

FIRST TAKE POINT (C)  
1150' FSL 619' FWL  
SECTION 7, T32N, R8W  
LAT 36.994333 °N  
LONG -107.718684 °W  
DATUM: NAD1927

LEASE X-ING (1)  
849' FSL 0' FEL  
SECTION 7, T32N, R8W  
LAT 36.993955 °N  
LONG -107.705905 °W  
DATUM: NAD1927

LAST TAKE POINT (D)  
783' FSL 746' FEL  
SECTION 8, T32N, R8W  
LAT 36.993506 °N  
LONG -107.690749 °W  
DATUM: NAD1927

LAT 36.995343 °N  
LONG -107.722750 °W  
DATUM: NAD1983

LAT 36.994336 °N  
LONG -107.719301 °W  
DATUM: NAD1983

LAT 36.993958 °N  
LONG -107.706521 °W  
DATUM: NAD1983

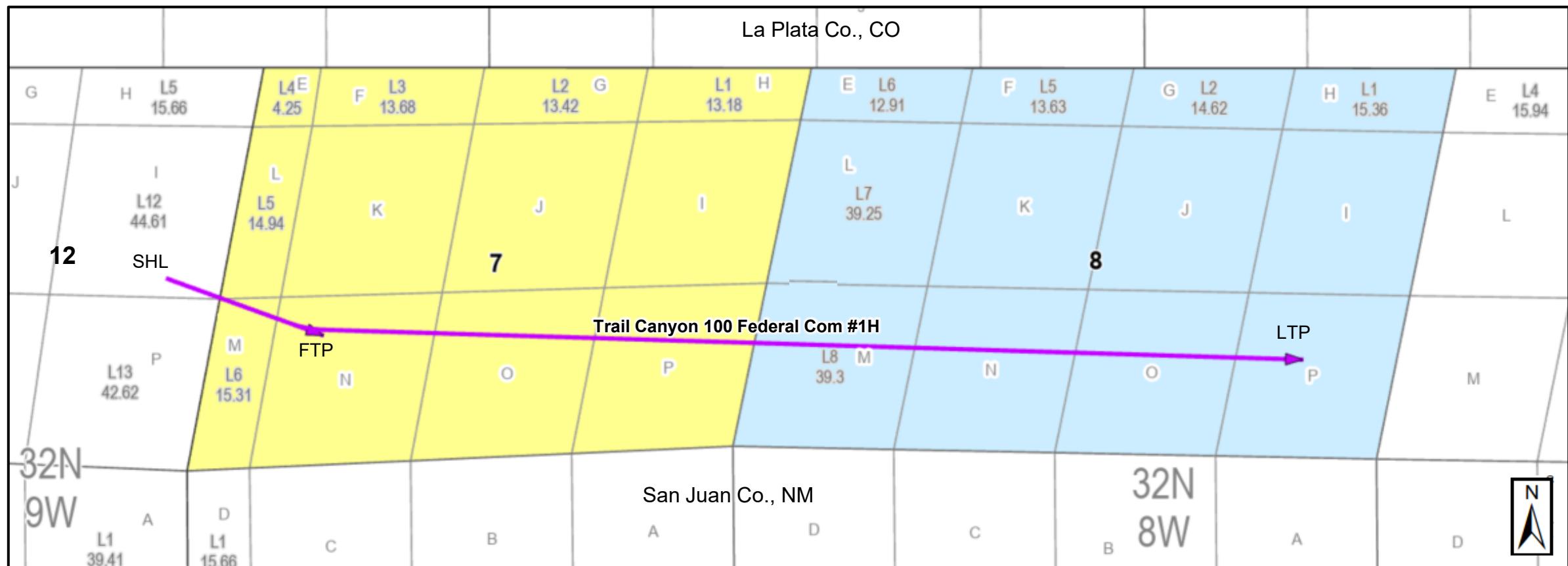
LAT 36.993509 °N  
LONG -107.691364 °W  
DATUM: NAD1983

BOTTOM HOLE LOCATION (E)  
783' FSL 746' FEL  
SECTION 8, T32N, R8W  
LAT 36.993506 °N  
LONG -107.690749 °W  
DATUM: NAD1927

LAT 36.993509 °N  
LONG -107.691364 °W  
DATUM: NAD1983

## **Land Exhibit C-3**

## Trail Canyon 100 Federal Com #1H Basin-Fruitland Coal Gas Pool



-  Tract 1
-  Tract 2

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. C-3**  
**Submitted by: Hilcorp Energy Company**  
**Hearing Date: February 5, 2026**  
**Case No. 25898**



## Land Exhibit C-3 (a)

Well Name(s):	Trail Canyon 100 Federal Com #1H
Formation:	Fruitland Coal
Horizontal Spacing Unit	Township 32 North, Range 8 West, NMMPM, Section 7: Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent);
("HSU") Legal Description	Section 8: Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent); San Juan County, New Mexico
Total Acres in HSU	588.80

Lease Type	Legal Description of Tract's Acreage situated within the Horizontal Spacing Unit ("HSU")	Lease Serial	Lease Acres in HSU	Tract No.	Owner Name	Interest Type	Tract WI	Tract NRI	Tract Participation Factor	Unit WI (Tract WI * TPF)	Unit NRI (Tract NRI * TPF)
Federal	Section 7: Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent)	NMNM-033053	270.25	1	Hilcorp San Juan, LLC	WI	0.87500000	0.74375000	0.45898438	0.40161133	0.34136963
				1	Speerex Limited Partnership - uncommitted	WI	0.12500000	0.10625000	0.45898438	0.05737305	0.04876709
				1	Speerex Limited Partnership - uncommitted	ORRI*	0.00000000	0.02500000	0.45898438	0.00000000	0.01147461
				1	Office of Natural Resources Revenue	RI	0.00000000	0.12500000	0.45898438	0.00000000	0.05737305
Federal	Section 8: Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent)	NMNM-033054	318.55	2	Hilcorp San Juan, LLC	WI	0.87500000	0.74375000	0.54101563	0.47338867	0.40238037
				2	Speerex Limited Partnership - uncommitted	WI	0.12500000	0.10625000	0.54101563	0.06762695	0.05748291
				2	Speerex Limited Partnership - uncommitted	ORRI*	0.00000000	0.02500000	0.54101563	0.00000000	0.01352539
				2	Office of Natural Resources Revenue	RI	0.00000000	0.12500000	0.54101563	0.00000000	0.06762695

Recapitulation of Interests				
1	Hilcorp San Juan, LLC	WI		0.40161133 0.34136963
2	Hilcorp San Juan, LLC	WI		0.47338867 0.40238037
Hilcorp San Juan, LLC Total				
1	Office of Natural Resources Revenue	RI		0.00000000 0.05737305
2	Office of Natural Resources Revenue	RI		0.00000000 0.06762695
Office of Natural Resources Revenue Total				
1	Speerex Limited Partnership	WI		0.05737305 0.04876709
2	Speerex Limited Partnership	WI		0.06762695 0.05748291
Speerex Limited Partnership Total				
1	Speerex Limited Partnership	ORRI*		0.00000000 0.01147461
2	Speerex Limited Partnership	ORRI*		0.00000000 0.01352539
Speerex Limited Partnership Total				
				0.00000000 0.02500000

\*ORRI proportionately borne by the working interest of Hilcorp San Juan, LLC and Speerex Limited Partnership

## Land Exhibit C-3 (b)

Well Name(s):	Trail Canyon 100 Federal Com #1H
Formation:	Fruitland Coal
Horizontal Spacing Unit	Township 32 North, Range 8 West, NMPM, Section 7: Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent);
("HSU") Legal Description	Section 8: Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent); San Juan County, New Mexico
Total Acres in HSU	588.80

Lease Type	Legal Description of Tract's Acreage situated within the Horizontal Spacing Unit ("HSU")	Lease Serial	Lease Acres in HSU	Tract No.	Owner Name	Interest Type	Tract WI	Tract NRI	TPF	Unit WI	Unit NRI
Federal	Section 7: Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent)	NMMN-033053	270.25	1	Hilcorp San Juan, LLC	WI	0.87500000	0.74375000	0.45898438	0.40161133	0.34136963
				1	Coleman Oil & Gas - uncommitted	WI	0.12500000	0.10000000	0.45898438	0.05737305	0.04589844
				1	Speerex Limited Partnership - uncommitted	ORRI*	0.00000000	0.02500000	0.45898438	0.00000000	0.01147461
				1	Office of Natural Resources Revenue	RI	0.00000000	0.12500000	0.45898438	0.00000000	0.05737305
				1	Speerex Limited Partnership - uncommitted	ORRI**	0.00000000	0.00625000	0.45898438	0.00000000	0.00286865
							1.00000000	1.00000000			
Federal	Section 8: Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent)	NMMN-033054	318.55	2	Hilcorp San Juan, LLC	WI	0.87500000	0.74375000	0.54101563	0.47338867	0.40238037
				2	Coleman Oil & Gas - uncommitted	WI	0.12500000	0.10000000	0.54101563	0.06762695	0.05410156
				2	Speerex Limited Partnership - uncommitted	ORRI*	0.00000000	0.02500000	0.54101563	0.00000000	0.01352539
				2	Office of Natural Resources Revenue	RI	0.00000000	0.12500000	0.54101563	0.00000000	0.06762695
				2	Speerex Limited Partnership - uncommitted	ORRI**	0.00000000	0.00625000	0.54101563	0.00000000	0.00338135
							1.00000000	1.00000000			

Recapitulation of Interests					
1	Hilcorp San Juan, LLC	WI		0.40161133	0.34136963
2	Hilcorp San Juan, LLC	WI		0.47338867	0.40238037
Hilcorp San Juan, LLC Total					
1	Office of Natural Resources Revenue	RI		0.00000000	0.05737305
2	Office of Natural Resources Revenue	RI		0.00000000	0.06762695
Office of Natural Resources Revenue Total					
1	Coleman Oil & Gas	WI		0.05737305	0.04589844
2	Coleman Oil & Gas	WI		0.06762695	0.05410156
Coleman Oil & Gas Total					
1	Speerex Limited Partnership	ORRI*		0.00000000	0.01147461
2	Speerex Limited Partnership	ORRI*		0.00000000	0.01352539
Speerex Limited Partnership Total					
1	Speerex Limited Partnership	ORRI**		0.00000000	0.00286865
2	Speerex Limited Partnership	ORRI**		0.00000000	0.00338135
Speerex Limited Partnership Total					

\*ORRI proportionately borne by the working interest of Hilcorp San Juan, LLC and Coleman Oil & Gas

\*\*ORRI borne solely by the working interest of Coleman Oil & Gas



December 5, 2025

Transmitted Via  
Certified Mail – Return Receipt Requested

Tracking #: 9589 0710 5270 2659 7614 76

RE: **Proposed New Drill - JOA**  
Trail Canyon 100 Federal Com #001H  
Fruitland Coal formation

Dear Speerex Limited Partnership:

Hilcorp Energy Company (“Hilcorp”) intends to drill, complete and equip the subject horizontal Fruitland Coal well as early as April 1, 2026 within a dedicated spacing unit covering Lots 5-6, E/2 SW/4, SE/4 (aka “S/2”) of Section 7; Lots 7-8, E/2 SW/4, SE/4 (aka “S/2”) of Section 8, Township 32 North, Range 8 West, San Juan County, New Mexico, for an estimated cost of \$2,246,804.

As a working interest owner in the subject well, this letter serves to request your **execution of the proposed joint operating agreement (“JOA”)** enclosed no later than Monday, January 5, 2026. The State of New Mexico requires a voluntary agreement between working interest owners to be in effect prior to drilling. Otherwise, an Operator must file an application with the New Mexico Oil Conservation Division to obtain a Compulsory Pooling Order. Should you choose not to sign the proposed JOA, Hilcorp will file said application on Tuesday, January 6, 2026 in pursuit of such order.

To incentivize execution, Hilcorp has added language to the proposed JOA (Article XVI.Q) which affords you the option to non-consent at the same penalty percentage that would otherwise be afforded by a compulsory pooling order issued by the New Mexico Oil & Conservation Division (“NMOCD”). Notably, signing the proposed JOA in no way obligates you to participate. In March, Hilcorp will mail you a formal ballot, including an updated Authority for Expenditure (“AFE”) summarizing the costs involved, to obtain your preferred election.

Your net share of the cost, based on the enclosed AFE estimate, amounts to \$280,850.

Well details and ownership are as follows:

Well Name/Details	Working Interest Owners:	WI Decimal
<b>Trail Canyon 100 Federal Com #001H</b>	Speerex Limited Partnership Hilcorp San Juan, L.P.	0.12500000 0.87500000 <b>1.00000000</b>
<u>Formation</u> Fruitland Coal		
<u>Surface Location</u> Section 12-T32N-R9W 1547' FSL & 459' FEL		
<u>First Take Point</u> Section 7-T32N-R8W 1150' FSL & 619' FWL	<u>Total Vertical Depth</u> 3,320'	
<u>Last Take Point (Section 8)</u> Section 8-T32N-R8W 783' FSL & 746' FEL		

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-4

Submitted by: Hilcorp Energy Company

Hearing Date: February 5, 2026

Case No. 25898

December 5, 2025  
New Drill JOA Proposal  
Trail Canyon 100 Federal Com #001H  
Page 2 of 2



Hilcorp respectfully requests your attention and support in this matter by signing and returning (via certified mail) the documents bulleted below to: Hilcorp Energy Company, Attn: Rob Carlson, 1111 Travis Street, Houston, Texas 77002

- One (1) executed original of the JOA signature and acknowledgement pages
- One (1) executed original of the "Memorandum of Operating Agreement" signature & acknowledgment page (JOA Exhibit H – Page 6 of 8)

*[Prior to mailing, please email me a scanned version of these documents.]*

Sincerely,

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

Rob Carlson, CPL  
Sr. Landman  
832.839.4596  
[rkarlson@hilcorp.com](mailto:rkarlson@hilcorp.com)

Enclosures:

- Proposed JOA dated April 1, 2025 including Exhibits A, C, D, E, F & H
- AFE estimate
- Plat Survey

**Directions from the Intersection of US Hwy 550 & State Hwy 173****in Aztec, NM to Hilcorp Trail Canyon 100 Federal Com #001H****1547' FSL & 459' FEL, Section 12, T32N, R9W, N.M.P.M., San Juan County, NM**

**Latitude: 36.995343°N   Longitude: -107.722750°W   Datum: NAD1983**

From the intersection of US Hwy 550 & State Hwy 173 in Aztec, NM, travel Northerly on US Hwy 550 for 3.0 miles to Mile Marker 164;

Go Right (Easterly) exiting US Hwy 550 on County Road #2770 (aka Hart Canyon Road) for 4.7 miles to fork in roadway;

Go Straight (Easterly) remaining on County Road #2770 (aka Hart Canyon Road) for 1.2 miles to fork in roadway;

Go Straight (Easterly) remaining on County Road #2770 (aka Hart Canyon Road) for 0.6 miles to fork in roadway;

Go Left (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 0.6 miles to fork in roadway;

Go Straight (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 1.0 miles to 4-way intersection;

Go Straight (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 1.1 miles to fork in roadway;

Go Straight (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 1.0 miles to fork in roadway;

Go Left which is straight (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 0.6 miles to fork in roadway;

Go Straight (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 0.9 miles to fork in roadway;

Go Straight (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 0.7 miles to fork in roadway;

Go Straight (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 1.0 miles to fork in roadway;

Go Straight (North-easterly) remaining on County Road #2770 (aka Arkansas Loop Road) for 1.3 miles to fork in roadway;

Go Right which is straight (Northerly) remaining on County Road #2770 (aka Arkansas Loop Road) for 0.5 miles to fork in roadway;

Go Right (North-easterly) exiting County Road #2770 (aka Arkansas Loop Road) for 1.5 miles to fork in roadway;

Go Left which is straight (North-easterly) for 0.5 miles to fork in roadway;

Go Left (North-easterly) for 0.3 miles to fork in roadway;

Go Right (North-easterly) for 0.8 miles to fork in roadway;

Go Left (North-easterly) for 0.2 miles to fork in roadway;

Go Right (South-easterly) for 0.2 miles to Hilcorp Trail Canyon 100 Federal Com #001H staked location which is twinned on Hilcorp Trail Canyon #100S existing location.

# Well Capital Cost Estimate Summary

The costs provided below are estimates only. A formal AFE proposal will be provided at a later date

**Well Name: Trail Canyon 100 Fed Com 1H**

**Zone Name: BASIN FRUITLAND COAL**

Cost Feature Code/Name:	Drilling	Completion	P&A	Facility
Casing & Tubing	\$150,000.00	\$20,000.00	\$0.00	\$0.00
Wellhead, XMAS Tree, & Equipment	\$10,000.00	\$10,000.00	\$0.00	\$0.00
Completion Equipment & Other	\$120,000.00	\$24,000.00	\$0.00	\$145,000.00
Location (Wellsite Related)	\$0.00	\$0.00	\$0.00	\$155,000.00
Rigs and Rig Related	\$268,640.00	\$16,000.00	\$0.00	\$0.00
Drilling & Completions Utilities (All)	\$170,000.00	\$5,000.00	\$0.00	\$0.00
Fluid and Chemicals Services	\$60,000.00	\$0.00	\$0.00	\$0.00
Directional Drilling / MWD / LWD	\$240,000.00	\$0.00	\$0.00	\$0.00
Cementing Materials, Services, and Csg Accs	\$240,000.00	\$0.00	\$0.00	\$0.00
Formation Evaluation	\$0.00	\$0.00	\$0.00	\$0.00
Completion & Testing	\$0.00	\$0.00	\$0.00	\$0.00
Formation Stimulation & Treating	\$0.00	\$0.00	\$0.00	\$0.00
Certification, Inspection, Control & Test	\$50,000.00	\$0.00	\$0.00	\$0.00
Transportation Supply & Disposal	\$40,000.00	\$5,000.00	\$0.00	\$0.00
Drilling Tools & Equipment Rental	\$0.00	\$0.00	\$0.00	\$0.00
Bits & Mills	\$23,000.00	\$0.00	\$0.00	\$0.00
Special Services	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$100,000.00	\$0.00	\$0.00	\$0.00
Perforating & Slickline Services	\$0.00	\$0.00	\$0.00	\$0.00
Eng & Construction, Consult, R&D	\$0.00	\$0.00	\$0.00	\$0.00
General Fees	\$0.00	\$0.00	\$0.00	\$0.00
Labor & Overhead	\$300,000.00	\$0.00	\$0.00	\$0.00
Totals, Contingency, & Miscellaneous (10%)	\$95,164.00	\$0.00	\$0.00	\$0.00
Zone Tangibles:	\$280,000.00	\$54,000.00	\$0.00	\$145,000.00
Zone Intangibles:	<u>\$1,586,804.00</u>	<u>\$26,000.00</u>	<u>\$0.00</u>	<u>\$155,000.00</u>
Ignacio-Blanco Fruitland Coal Total	\$1,866,804.00	\$80,000.00	\$0.00	\$300,000.00

### Chronology of Contact Attempts

November 13, 2025 - Hilcorp Energy Company (“Hilcorp”) sent Speerex Limited Partnership (“Speerex”) an email containing a detailed overview of the well proposal and estimated gross cost, C-102, and JOA draft proposal.

November 14, 2025 – Speerex advised Hilcorp via email of their intention to divest their working interest and a general preference to avoid executing any new agreements.

November 14, 2025 – Hilcorp advised Speerex via email of the necessity to enter into a fully executed JOA no later than December to avoid initiation of compulsory pooling efforts (given Hilcorp’s April 2026 rig date).

December 5, 2025 – Hilcorp Energy Company (“Hilcorp”) sent a formal proposal package via USPS certified mail to Speerex Limited Partnership (“Speerex”) containing a detailed cover letter, AFE, C-102, and JOA.

December 10, 2025 – The aforementioned proposal package was delivered per USPS tracking.

December 10, 2025 – Hilcorp followed up with Speerex via email to verify receipt, emphasize rig timing, request JOA execution and highlight the timelines associated with compulsory pooling that would require prompt filing by Hilcorp if JOA remained unsigned.

December 11, 2025 – Speerex advised Hilcorp via email that they were out of town and requested an electronic copy of the JOA. Hilcorp provided such same day.

December 12, 2025 – Speerex advised Hilcorp via email that they had reached agreement to sell their 12.5% working interest to Coleman Oil & Gas (“Coleman”), while carving out an overriding royalty of 20% less existing burdens, with a closing date of January 12, 2026, to be effective December 1, 2025.

December 12, 2025 – Speerex sent email to Hilcorp requesting a 1/4<sup>th</sup> or 25% figure in substitution of the proposed “existing burdens” insertion in Article III. B. of the JOA (which referred one to the 15% total burdens (12.5% royalty & 2.5% overriding royalty) identified on Exhibit A which are proportionately borne by the working interest of Speerex @ 12.5% and Hilcorp @ 87.5%). Hilcorp declined such request since this article relates to burdens borne by all working interest owners. The additional override Speerex created was carved out of their 12.5% working interest only.

December 17, 2025 – Coleman sent email to Hilcorp requesting a 1/5<sup>th</sup> or 20% figure in substitution of “existing burdens” used in Article III. B. of the JOA. Hilcorp again declined such request for the reason mentioned above. However, Hilcorp did attempt to accommodate Coleman/Speerex by identifying the additional override Speerex carved out (5% x 12.5% = 0.625%) on the JOA Exhibit A with a notation that such was explicitly borne by Coleman.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit No. C-5

Submitted by: Hilcorp Energy Company  
Hearing Date: February 5, 2026  
Case No. 25898

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

APPLICATION OF HILCORP ENERGY COMPANY  
FOR APPROVAL OF A STANDARD OVERLAPPING  
HORIZONTAL WELL SPACING UNIT  
AND COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 25898

**SELF-AFFIRMED STATEMENT OF VITALY KUCHINSKIY**

1. My name is Vitaly Kuchinskiy and I am employed by Hilcorp Energy Company (“Hilcorp”) as a geologist. My responsibilities include the San Juan Basin of New Mexico.
2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum geology therefore I have attached my resume as **Exhibit D-1**. I believe my credentials qualify me to testify as an expert in petroleum geology. I ask that my credentials as an expert in petroleum geology be accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Hilcorp in this matter and have conducted a geologic study of the subject area.
4. The target interval for the proposed initial well is the Fruitland formation.
5. **Hilcorp Exhibit D-2** is a regional map showing where the proposed well is to be located.
6. **Hilcorp Exhibit D-3** is a subsea structure map on the base of the Fruitland formation. The contour intervals are 25 feet. The area comprising the proposed spacing unit is outlined in a dark blue dashed line, with the approximate location and orientation of the initial well noted with a dashed green line. The structure map shows the structure appears consistent across

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Hilcorp Energy Company  
Hearing Date: February 5, 2026  
Case No. 25898

the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

7. Hilcorp Exhibit D-3 also depicts a line of cross-section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted interval and are of good quality. In my opinion, these well logs are representative of geology in the subject area.

8. **Hilcorp Exhibit D-4** is a structural cross-section and **Hilcorp Exhibit D-5** is the stratigraphic cross section flattened on top of Fruitland formation. The cross-sections were prepared using the logs from the representative wells shown on Hilcorp Exhibit D-2. Well logs on the cross-sections contain spontaneous potential, gamma ray, resistivity and conductivity logs. The target interval for the proposed well is marked on the cross-sections. The cross-sections demonstrate that the targeted interval is continuous and relatively uniform across the proposed spacing unit.

9. My geologic study indicates the Fruitland formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the well.

10. The orientation of the proposed well is appropriate because of the geologic stress in this area.

11. In my opinion, approval of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Hilcorp Exhibits D-1 through D-5** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Vitaly Kuchinskiy

Date: 01/28/2026

## Exhibit D-1

**VITALY KUCHINSKIY**

## Geoscientist

**Phone:** 346-412-3723 | **Email:** vitaly.kuchinskiy@hilcorp.com**EDUCATION**

2003 - 2004

**MSc in Reservoir Evaluation and Management**

Heriot-Watt University, Edinburgh, Scotland

1998 - 2003

**MSc in Petroleum Geology**

Northern-Caucasus State Technical University, Russia

**EXPERIENCE SUMMARY****UNCONVENTIONAL PLAYS**BAKKEN DEVELOPMENT, NORTH AMERICA  
NEW VENTURES, GLOBAL SHALES STUDY,  
SOUTH TEXAS EXPLORATION, POLAND  
EXPLORATION, RUSSIA**CONVENTIONAL PLAYS**GOM EXPLORATION/APPRaisal, ROCKIES  
DEVELOPMENT, UKRAINE EXPLORATION,  
RUSSIA DEVELOPMENT**PROFESSIONAL SKILLS**SEDIMENTOLOGIC AND STRATIGRAPHIC  
ANALYSIS

SOURCE ROCK EVALUATION

RESERVOIR CHARACTERIZATION

PLAY FAIRWAY ANALYSIS

3D MODELING AND SIMULATION

RESOURCES AND RISK ASSESSMENT

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Exhibit No. D-1

Submitted by: Hilcorp Energy Company

Hearing Date: February 5, 2026

Released to Imaging Case No 2925898 1:53:55 PM

**ABOUT ME**

20+ years of diverse geoscience experience, domestic and international projects experience, conventional and unconventional plays, including South Texas, Williston basin, US New Venture. Skilled in opportunity generation, evaluation, and capture. Proficient in regional mapping, core and petrophysical data integration, geochemical analysis, reservoir modeling, resources and risk assessment.

**WORK EXPERIENCE**

JUL 2025 – Present

**San Juan East Team**

Hilcorp Energy Company, Houston, TX – USA

- Fruitland Coal and Mesaverde Group formations evaluation, regional field studies for new opportunity screening, geologic support of operations and drilling activity

FEB 2021 – JUN 2025

**Oil and Gas Consulting**

Petrocubic Solutions, Houston, TX – USA

- Reservoir characterization and modeling, plan of development optimization and exploration opportunities evaluation

APR 2019 – FEB 2021

**Integrated Performance Organization**

Marathon Oil, Houston, TX - USA

- Reservoir Characterization for completion and spacing optimization, integrated reservoir modeling, trial and data acquisition analysis
- Support of reservoir, completion and simulation modeling projects for completion and development optimization, reservoir characterization projects integrating petrophysics, geomechanics and geophysics analysis

APR 2016 – APR 2019

**Bakken Asset**

Marathon Oil, Houston, TX - USA

- Plan of development optimization, integration of advanced reservoir modeling for tailored well spacing and completion design, EUR and capital efficiency through innovation and cost optimization, reserves and resources management.
- Play fairway analysis for acreage prioritization, exploration and BD activity guidance

JUN 2014 - APR 2016

**North America Resource Play Exploration**

Marathon Oil, Houston, TX - USA

- North America unconventional and “hybrid” play opportunities screening and prioritization
- “Deep dive” analysis of selected opportunities: regional mapping, basin modeling, geochemical and geomechanical evaluation, resources and risk assessment, project economics

## S O F T W A R E   S K I L L S

*Reservoir Modeling:*

PETREL, GEOGRAPHIX, ARCGIS, PETRA

*Resource Calculation and Risk Analysis:*

Rose&amp;Associates, MMRA

*Log Analysis:*

PETREL, GEOLOG

*Seismic Interpretation:*

PETREL, SEISWORKS

## P U B L I C A T I O N S

"Source Rock Evaluation Technique: A Probabilistic Approach for Determining Hydrocarbon Generation Potential and In-Place Volume for Shale Plays",  
V. Kuchinskiy, K. Gentry, R. Hill, AAPG 2012

"Organic Porosity Study: Porosity Development within Organic Matter of the Lower Silurian and Ordovician Source Rocks of the Poland Shale Trend",  
V. Kuchinskiy, AAPG 2013

*\*Presentations are available at AAPG Search and Discovery website*

## Exhibit D-1

JUN 2013 - JUN 2014

**South Texas Exploration***Marathon Oil, Houston, TX - USA*

- Pearsall play evaluation, delineation drilling, acreage growth strategy
- Play fairway analysis and sweet spot identification: regional mapping, basin modeling, wellbore and completion design, resources and risk assessment.
- Capital efficient appraisal strategy and delineation testing
- "Best in play" well performance, acreage growth strategy

JUL 2010 - JUN 2013

**International New Ventures, Poland Exploration***Marathon Oil, Houston, TX - USA; Warsaw - Poland*

- Source Rock Generation Potential and Unconventional Resources Calculation (developed and applied new evaluation technique), Risk analysis
- Exploration Drilling Planning (well locations, evaluation program planning)
- Geological support of drilling operations (Operations geology)
- Play Fairway Analysis and Regional studies

JUL 2008 - JUL 2010

**Gulf of Mexico Appraisal***Marathon Oil, Houston, TX - USA*

- Appraisal Program Planning
- 3D geological modeling, seismic interpretation (mapping, attribute analysis)
- Stochastic Resource Calculation and Risk analysis

MAR 2007 - JUL 2008

**International New Ventures, Ukraine***Marathon Oil, Kiev - Ukraine*

- Play Fairway Analysis (subsalt prospects, unconventional opportunities, Black sea potential evaluation)
- Exploration Prospects and Business Development Projects Evaluation (subsurface mapping, resource calculations, risking, etc.)
- Data Gathering from local entities (data search, purchasing, archives work)

AUG 2006 - MAR 2007

**Rocky Mountains Oil Team***Marathon Oil, Houston, TX - USA*

- 3D Reservoir Modeling and History matching Analysis, POD Optimization, Reserves and Resources estimates

FEB 2005 - AUG 2006

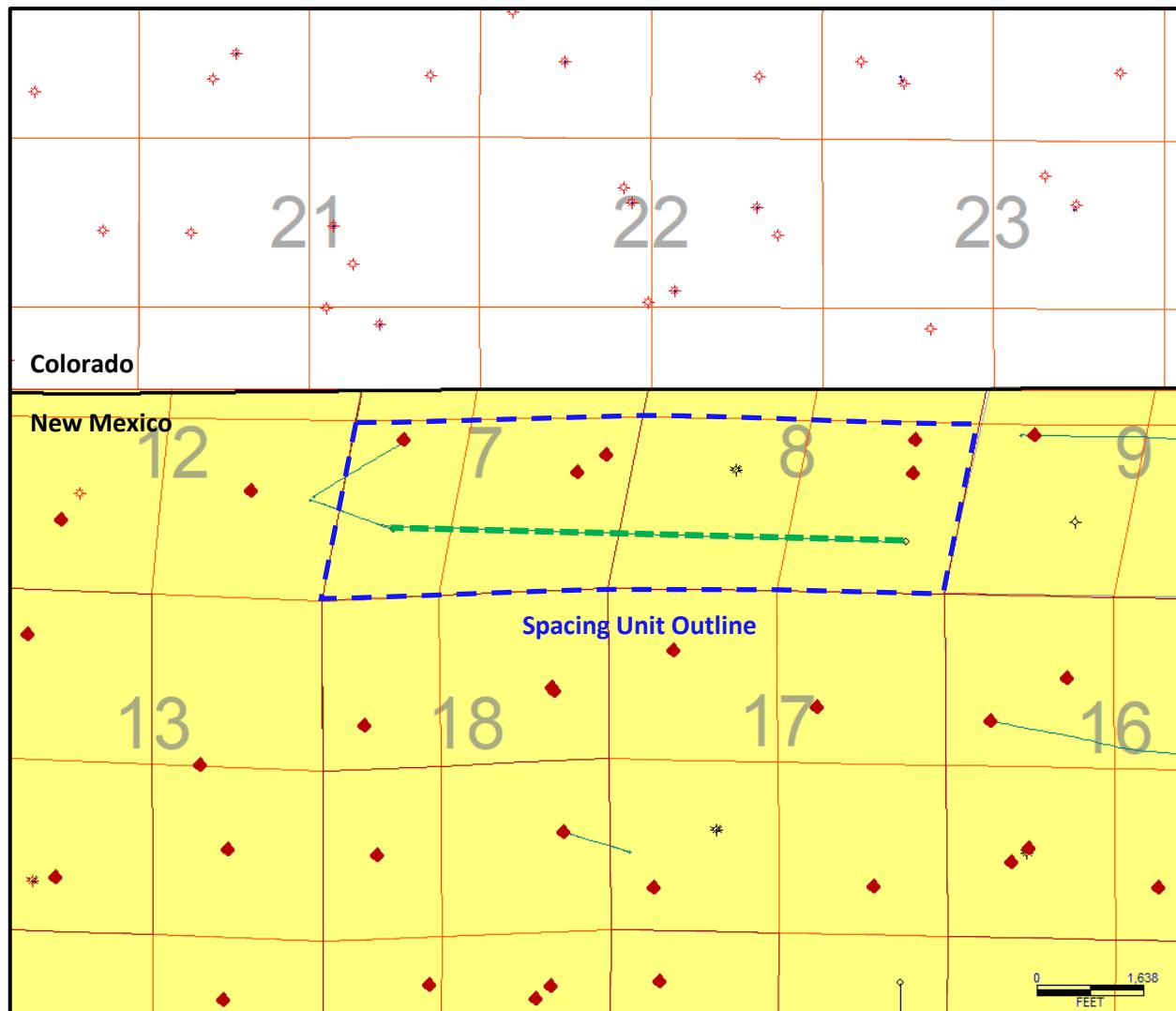
**Marathon Oil Subsidiary, Western Siberia, Russian Business Unit***Marathon Oil, Khanty-Mansiysk- Russia*

- 3D reservoir modeling, update with new well, seismic, production and other relevant data, history matching
- Providing technical analysis for all the operative and long-term geological works and studies
- Planning and geological support of exploration (pilot and horizontal) drilling in Bazhenov Shale, 1<sup>st</sup> historic successful Hz test of Bazhenov Fm in Russia

SEP 2004 - FEB 2005

**RnD Institute, TomskNIPINeft***YUKOS Oil Company, Tomsk- Russia*

- 3D Reservoir Modeling and History Matching Analysis, Reservoir characterization, POD Optimization, Reserves and Resources estimates



## Exhibit D-2

### Location Map

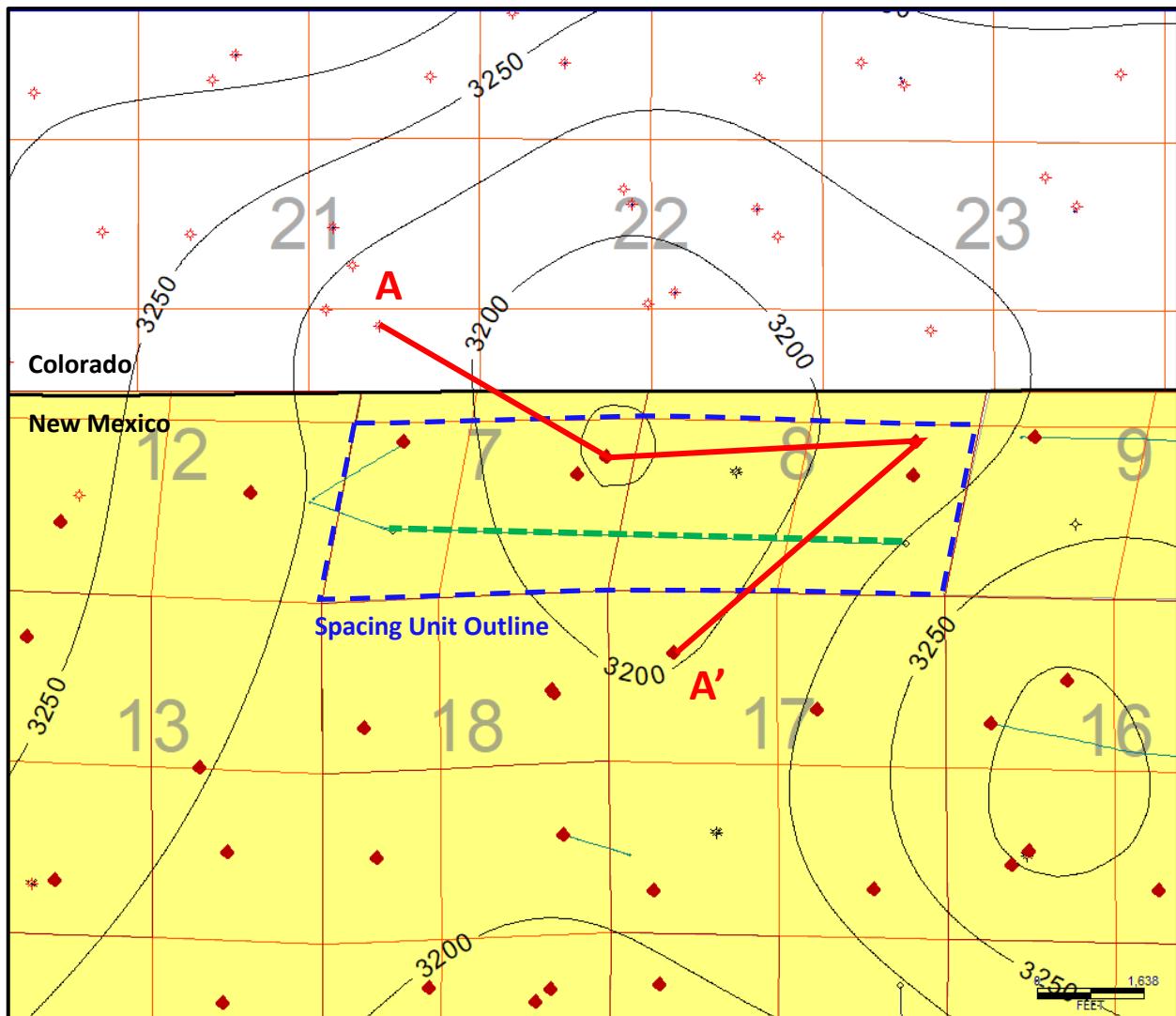
Hilcorp Operated Wells

Hilcorp Leases

Proposed Spacing Unit

Approximate Well Location

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D-2  
Submitted by: Hilcorp Energy Company  
Hearing Date: February 5, 2026  
Case No. 25898



# Exhibit D-3

## Fruitland Coal Base Structure Map; SSTVD & Cross- Section Reference

Hilcorp Operated Wells

## Hilcorp Leases

### Proposed Spacing Unit

Approximate Well Location — —

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. D-3**  
**Submitted by: Hilcorp Energy Company**  
**Hearing Date: February 5, 2026**  
**Case No. 25898**

050670641500  
**SOUTHERN UTE**

21-1



&lt;4,030FT&gt;

300452462200  
**TRAIL CANYON**

3



&lt;4,759FT&gt;

300452358900  
**TRAIL CANYON**

1



&lt;4,935FT&gt;

300453275200  
**SAN JUAN 32-8 UNIT**

261A



Subsea Depth(ft)

3600

3550

3500

3450

3400

3350

3300

3250

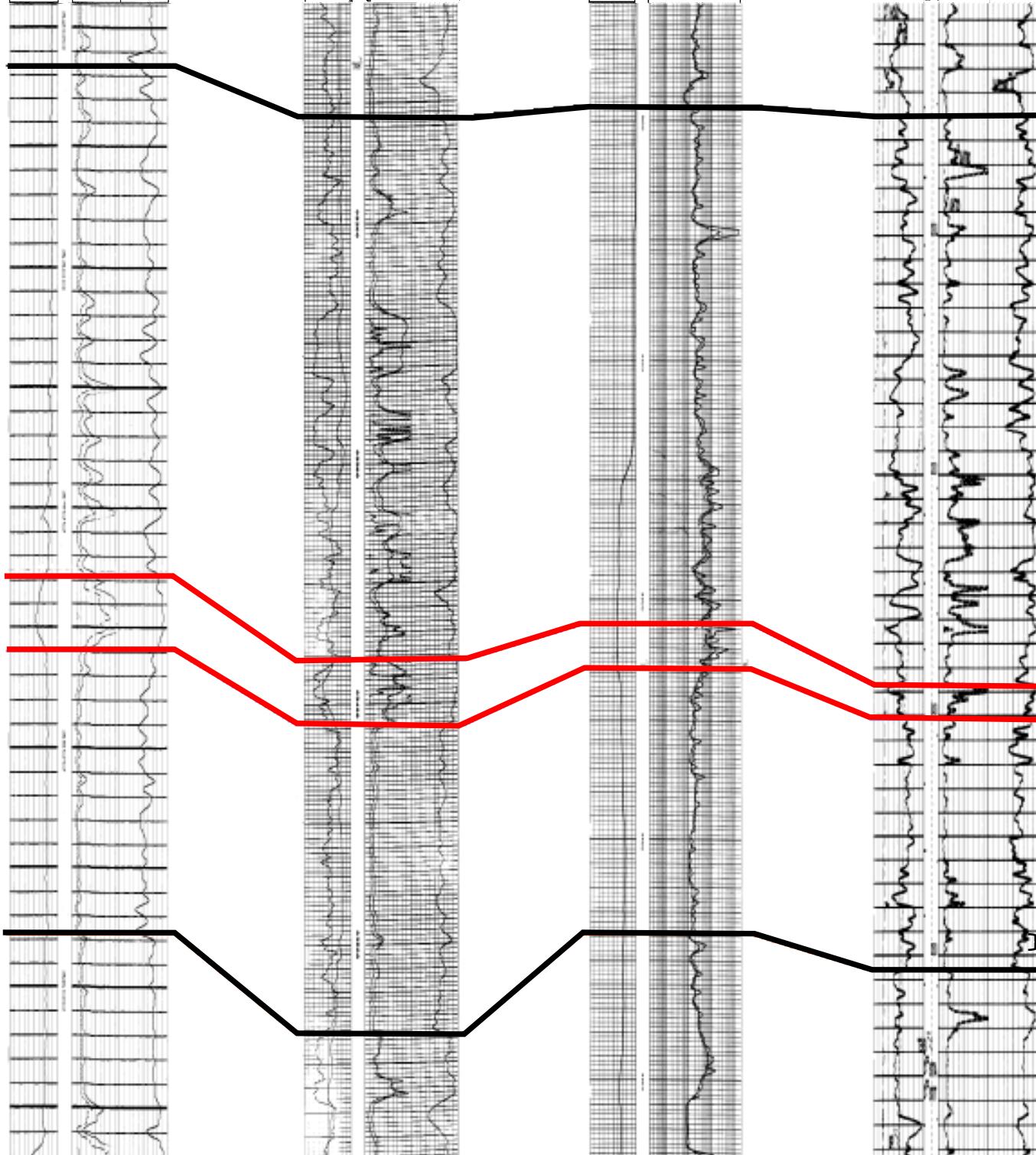
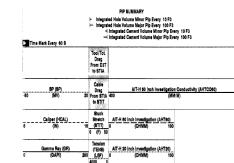
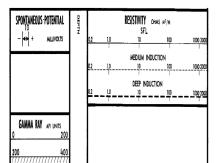
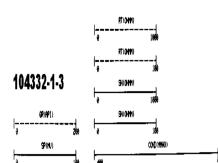
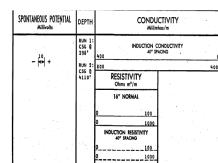
3200

3150

Fruitland

Target Interval

Pictured Cliffs



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D-4

Submitted by: Hilcorp Energy Company

Releasethisimageby1/29/2026 1:53:55 PM

Case No. 25898

Exhibit D-4  
West to East Structural Cross-Section

050670641500  
SOUTHERN UTE

21-1



&lt;4,030FT&gt;

300452462200  
TRAIL CANYON

3



&lt;4,759FT&gt;

300452358900  
TRAIL CANYON

1



&lt;4,935FT&gt;

300453275200  
SAN JUAN 32-8 UNIT

261A



Rel Depth(ft)

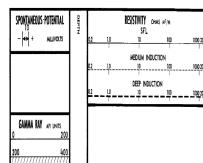
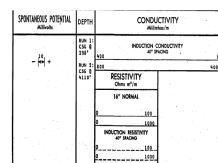
-20

80

180

280

380



Fruitland

Target Interval

Pictured Cliffs

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D-5

Submitted by: Hilcorp Energy Company  
Hearing Date: February 5, 2026  
Case No. 25898

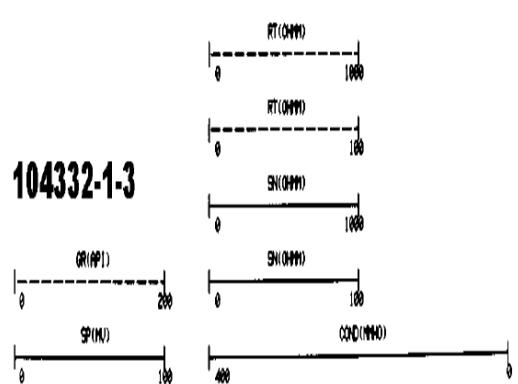
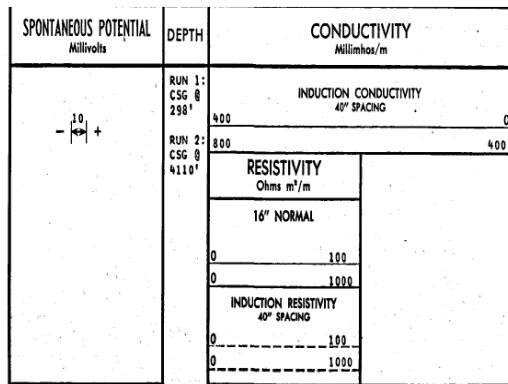
## Exhibit D-5

## West to East Stratigraphic Cross-Section

# Log Headers from the X-Sections

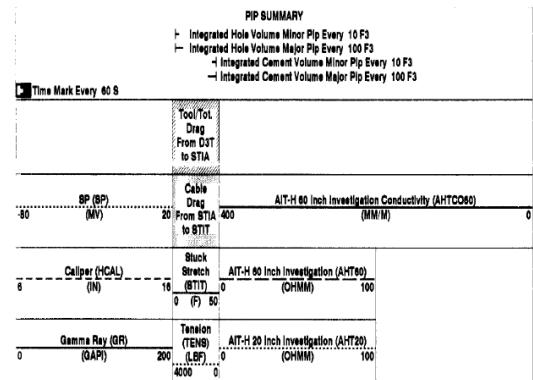
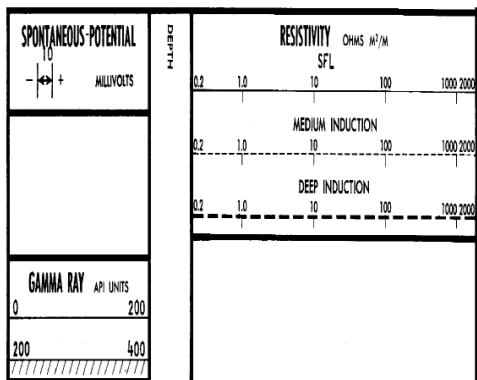
050670641500  
**SOUTHERN UTE**  
**21-1**  


300452462200  
**TRAIL CANYON**  
3  

300452358900  
**TRAIL CANYON**  
1  


300453275200  
**SAN JUAN 32-8 UNIT**  
**261A**  

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF HILCORP ENERGY COMPANY  
FOR APPROVAL OF A STANDARD OVERLAPPING  
HORIZONTAL WELL SPACING UNIT  
AND COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO. 25898**

**SELF-AFFIRMED STATEMENT OF  
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Hilcorp Energy Company (“Hilcorp”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.
2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.
3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.
4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of January 26, 2026.
5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.
6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Hilcorp Energy Company  
Hearing Date: February 5, 2026  
Case No. 25898**



Paula M. Vance

01/28/26

Date



**Paula M. Vance**  
**Associate**  
**Phone** (505) 988-4421  
**Email** pmvance@hollandhart.com

January 16, 2026

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Hilcorp Energy Company for Approval of a Standard Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, San Juan County, New Mexico: Trail Canyon 100 Federal Com 001H Well**

Greetings:

This letter is to advise you that Hilcorp Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on February 5, 2026, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

**It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Rob Carlson at (832) 839-4596 or at [rcarlson@hilcorp.com](mailto:rcarlson@hilcorp.com).

Sincerely,

A handwritten signature in blue ink that reads 'Paula M. Vance'.

**Paula M. Vance**  
**ATTORNEY FOR HILCORP ENERGY COMPANY**

T 505.988.4421 F 505.983.6043  
 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska  
 Colorado  
 Idaho

Montana  
 Nevada  
 New Mexico

Utah  
 Washington, D.C.  
 Wyoming



**Paula M. Vance**  
**Associate**  
**Phone** (505) 988-4421  
**Email** pmvance@hollandhart.com

January 26, 2026

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: BUREAU OF LAND MANAGEMENT**

Re: Notice of Overlapping Spacing Unit  
 Basin Fruitland Coal (Gas) [71629]  
 Trail Canyon 100 Federal Com 001H  
 Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 7 and Lots 7 and 8,  
 E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 8, Township 32 North, Range 8  
 West, NMPM, San Juan County, New Mexico

To Whom It May Concern:

Hilcorp Energy Company has proposed the Trail Canyon 100 Federal Com 001H well for the initial development of the Fruitland formation. This letter is to advise you that this proposed development plan will require the formation of the following 588.80-acre spacing unit:

Trail Canyon 100 Federal Com 001H  
 Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 7 and Lots 7 and 8,  
 E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 8, Township 32 North, Range 8  
 West, NMPM, San Juan County, New Mexico  
 SHL: Lot 12 (NE/4 SE/4 equivalent) of irregular Section 12, T32N-R9W  
 BHL: SE/4 SE/4 (Unit P) of irregular Section 8, T32N-R8W  
 Total Vertical Depth: ~3,320 feet

The proposed 588.80-acre spacing unit will overlap the following existing spacing units and wells:

- An existing 314.78-acre spacing unit underlying Lots 1-6, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 7, T32N-R8W, currently dedicated to the Trail Canyon 100 (30-045-26983), operated by Hilcorp; and
- An existing 375.07-acre spacing unit underlying Lots 1-2 and 5-8, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 8, T32N-R8W, currently dedicated to the Trail Canyon 101 (30-045-27096), operated by Hilcorp.



**Paula M. Vance**  
**Associate**  
**Phone** (505) 988-4421  
**Email** pmvance@hollandhart.com

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object to the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

If you have any questions about this matter, please contact my office.

Sincerely,

A handwritten signature in blue ink that appears to read "Paula M. Vance".

**Paula M. Vance**  
**ATTORNEY FOR HILCORP ENERGY COMPANY**

Hilcorp - Trail Canyon 1H - Case no. 25898  
Postal Delivery Report

9414811898765434634658	Speerex Limited Partnership	4 Cantera Cir	Greenville	SC	29615-6199	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765434634665	Coleman Oil & Gas	PO Box 128	Farmington	NM	87499-0128	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

HEC - Trail Canyon 1H - Case no. 25898

Postal Delivery Report

9214 8901 9403 8353 6138 74

Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508

In-Transit

# BALLANTINE

## COMMUNICATIONS

### AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of San Juan

Odette Zerino, the undersigned, authorized Representative of the Tri-City Record, on oath states that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Law of 1937, that payment therefore has been made of assessed as court cost; and that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

1/16/2026

Sworn and subscribed before me, a notary public in and for the county of La Plata and the State of Colorado, 1/19/26

Notary Public

PRICE: 181.74

Statement to come at the end of the month.

ACCOUNT NUMBER: **110454**

KARI E PATHUIS
Notary Public
State of Colorado
Notary ID # 20254043032
My Commission Expires 11-20-2029

**BEFORE THE OIL CONSERVATION DIVISION**  
 Santa Fe, New Mexico  
 Exhibit No. F  
**Submitted by: Hilcorp Energy Company**  
**Hearing Date: February 5, 2026**  
**Case No. 25898**

### COPY OF ADVERTISEMENT

32893

#### Legal Notice (Publication)

**Case No. 25898: Application of Hilcorp Energy Company for Approval of a Standard Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, San Juan County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Speerex Limited Partnership; and Coleman Oil & Gas.** The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (“Division”) hereby gives notice that the Division will hold public hearing 8:30 a.m. on February 5, 2026, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/>

*hearing-info/* or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order (a) approving a standard 588.80-acre, more or less, overlapping horizontal well spacing unit in the Basin Fruitland Coal formation underlying Lots 5 and 6, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 7 and Lots 7 and 8, E/2 SW/4 and SE/4 (S/2 equivalent) of irregular Section 8, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. This spacing unit will be initially dedicated to the proposed **Trail Canyon 100 Federal Com 001H** well, with a surface location in Lot 12 (NE/4 SE/4 equivalent) of irregular Section 12, T32N-R9W, with a first take point in the SE/4 SW/4 (Unit N) of irregular Section 7, T32N-R8W, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 8, T32N-R8W. This proposed standard horizontal well spacing unit will overlap the following existing vertical well spacing units in the Fruitland formation (Basin Fruitland Coal (Gas) [71629]):

- An existing 314.78-acre spacing unit underlying Lots 1-6, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 7, T32N-R8W, currently dedicated to the Trail Canyon 100 (30-045-26983), operated

by Hilcorp; and

- An existing 375.07-acre spacing unit underlying Lots 1-2 and 5-8, E/2 SW/4 and SE/4 (All equivalent) of irregular Section 8, T32N-R8W, currently dedicated to the Trail Canyon 101 (30-045-27096), operated by Hilcorp.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located along the Colorado and New Mexico border.

Published in Tri-City Record  
January 16, 2026