

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



December 21, 2018

Hilcorp Energy Company  
Attn: Mr. Bradley W. Pearson

NON-STANDARD LOCATION

**Administrative Order NSL-7800**

**Hilcorp Energy Company**  
OGRID 372171  
**Nickson Well No. 17**  
**API No. 30-045-20187**

**Proposed Surface Location; Vertical Well**

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
1782 FSL & 277 FEL	I	22	26N	8W	San Juan

**Proposed Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 of Section 22	320	Basin Dakota (Prorated Gas)	71599

Reference is made to your application received on December 20, 2018.

You have requested to recomplete this vertical well within another formation at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Division Rule 19.15.15.10.B NMAC, which provides for 320-acre units, with wells to be located at least 660 feet from outer unit boundaries.

This well's completed interval is as close as 383 feet to the eastern edge of the project area. Encroachments will impact the following tracts.

Section 23, T26N R08W encroachment to the SW4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all

---

adjoining units towards which the proposed location encroaches. However, the ownership is identical in the W2 Section 23; therefore, notice is not required.

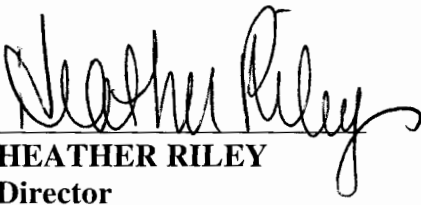
Division understands you seek this location to maximize recovery of oil and gas reserves and to minimize surface disturbance within the Mesaverde formation underlying the E2 of Section 22.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

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.



**HEATHER RILEY**  
**Director**

HR/lrl

cc: Oil Conservation Division – Aztec District Office  
Bureau of Land Management – Carlsbad Field Office