

NSL - 8423

Revised March 23, 2017

RECEIVED: 08/08/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2222130288
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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: Advance Energy Partners Hat Mesa, LLC OGRID Number: 372417
Well Name: Dagger State Com 306H API: 30-025-49941
Pool: WC-025 G-07 S21330F; Bone Spring Pool Code: 97927

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.

Lizzy Laufer

Print or Type Name

E. Laufer

Signature

8/08/2022

Date

512-587-6873

Phone Number

LLaufer@ameredev.com

e-mail Address



2901 Via Fortuna, Suite 600, Austin, Texas 78746 • Phone 832-672-4700 • Fax 832-672-4609

August 8, 2022

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

Attn: Mr. Leonard Lowe

**Re: Dagger State Com 306H (API 30-025-49941)
Unit H, Section 30-T21S-R33E
Lea County, New Mexico**

Dear Mr. Lowe,

Advance Energy Partners Hat Mesa, LLC (OGRID No. 372417) request administrative approval for a nonstandard location (NSL) for the proposed Dagger State Com 306H (30-025-49941), located in a 240-acre horizontal spacing unit in the W2NE of Section 30 and W2E2 of Section 19, Township 21 South, Range 33 East, Lea County, New Mexico.

The proposed surface and bottom hole locations and first and last take points are as follows:

- The surface location is located 2,610 feet from the north line and 860 feet from the east line (Unit H) of Section 30,
- The bottom hole location is located 100 feet from the north line and 1,430 feet from the east line (Unit B) of Section 19
- The first take point is located 2,540 feet from the north line and 1,430 feet from the east line (Unit G) of Section 30,
- The last take point is located 100 feet from the north line and 1,430 feet from the east line (Unit B) of Section 19.

The Dagger State Com 306H (30-025-49941) is an oil well located in WC-025 G-07 S21330F; Bone Spring pool [97927].

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because the first take point is closer than the standard offsets to the eastern boundary of the spacing unit and encroaches on the E2NE of Section 30 and E2E2 of Section 19, Township 21 South, Range 33 East, Lea County, New Mexico. Approval of the NSL will allow Advance to use its preferred well spacing for horizontal wells in this area and thereby maximize recovery and prevent waste.

Exhibit A is a Form C-102 showing the completed interval of the Dagger State Com 306H well which encroaches on the spacing unit/tracts to the east in the E2NE of Section 30 and E2E2 of Section 19.

Exhibit B is a plat for Sections 30 and 19 that shows the Dagger State Com 306H well in relation to the adjoining spacing unit/tracts to the east. As shown on the plat, the affected spacing unit to the east is

New Mexico OCD

May 25, 2022

Page 2

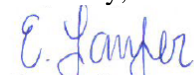
operated by Advance Energy Partners Hat Mesa (“Advance”) and Advance is the only offset operator to the east. Accordingly, the only “affected persons”¹ are the applicant, Advance Energy Partners Hat Mesa, LLC and the State of New Mexico.

Exhibit C is a spreadsheet listing all the affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objection must be filed in writing with the Division within 20 days from the date the Division received the application. The following are the affected parties:

Type	Affected Party	Location	State of NM Lease
Operator/Working Interest/Record Title	Advance Energy Partners Hat Mesa LLC	E2E2 of Sec 19	V0 8490
		E2NE of Sec 30	V0 8700
Federal/State Mineral Interest	The State of New Mexico	E2E2 of Sec 19	V0 8490
		E2NE of Sec 30	V0 8700

Your attention to this matter is appreciated.

Sincerely,



Lizzy Laufer

Landman

Advance Energy Partners Hat Mesa, LLC

Email: LLaufer@ameredev.com

Cell Telephone: 512-587-6873

¹ See NMAC §§ 19.15.2.7.A(8) and 19.15.4.12.A(2)(a).

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 4, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-49941	Pool Code 97927	Pool Name WC-025 G-07 S213330F; BONE SPRING
Property Code 319601	Property Name DAGGER STATE COM	Well Number 306H
OGRID No. 372417	Operator Name ADVANCE ENERGY PARTNERS HAT MESA	Elevation 3786'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	30	21 S	33 E		2610	NORTH	860	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
B	19	21 S	33 E		100	NORTH	1430	EAST	LEA
Dedicated Acres 240	Joint or Infill	Consolidation Code C	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

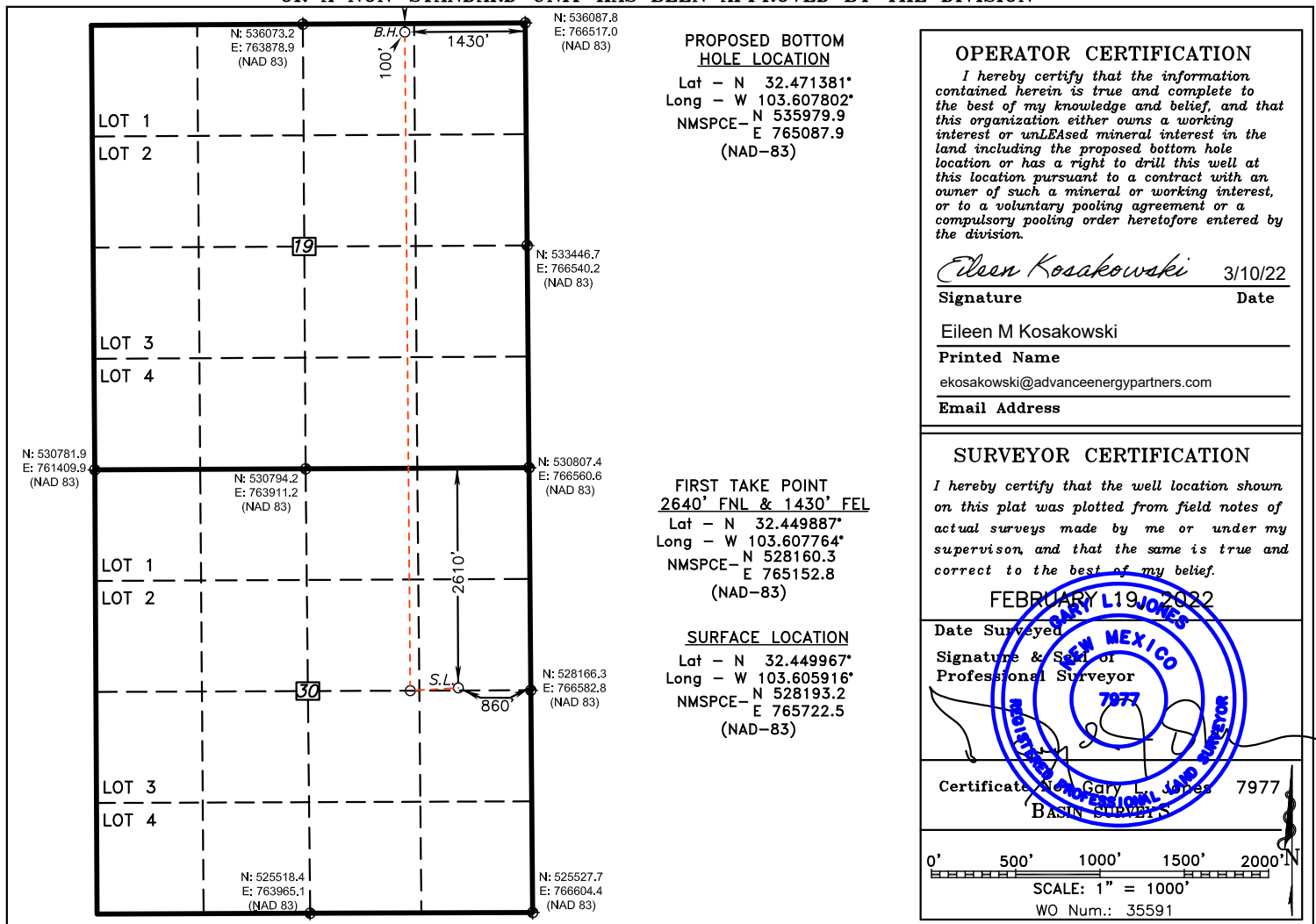


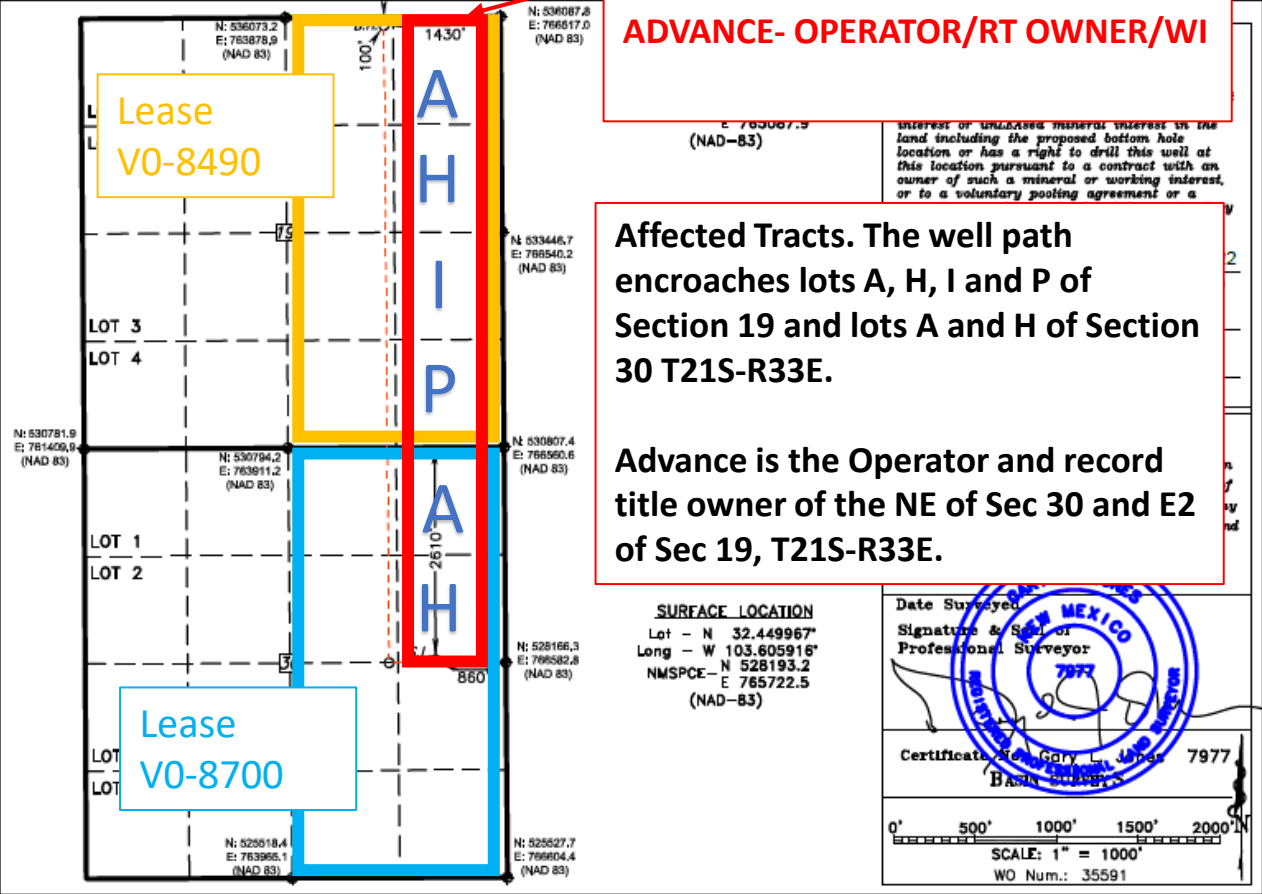
EXHIBIT A

EXHIBIT B

API Number 30-025-49941		Pool Code 97927	Pool Name WC-025 G-07 S213330F; BONE SPRING
Property Code 319601	Property Name DAGGER STATE COM		Well Number 306H
OGRID No. 372417	Operator Name ADVANCE ENERGY PARTNERS HAT MESA		Elevation 3786'

Surface Location									
UL or lot No. H	Section 30	Township 21 S	Range 33 E	Lot Idn	Feet from the 2610	SOUTH/South line NORTH	Feet from the 860	East/West line EAST	County LEA
Bottom Hole Location If Different From Surface									
UL or lot No. B	Section 19	Township 21 S	Range 33 E	Lot Idn	Feet from the 100	SOUTH/South line NORTH	Feet from the 1430	East/West line EAST	County LEA
Dedicated Acres 240	Joint or Infill	Consolidation Code C	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT HAS
OR A NON-STANDARD UNIT HAS



MAIL DATE	PARTY	ADDRESS	CITY	STATE	ZIP	MAIL CLASS	TRACKING NO
8/8/2022	New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	New Mexico	87501	Certified with Return Receipt (Signature)	7021 2720 0003 1366 0178

EXHIBIT C



2901 Via Fortuna, Suite 600, Austin, Texas 78746 • Phone 832-672-4700 • Fax 832-672-4609

August 8, 2022

VIA CERTIFIED MAIL TRACKING NO. 7021 2720 0003 1366 0178
RETURN RECEIPT REQUESTED

NM State Land Office
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504-1148
Attn: Oil and Gas Division

Re: Advance Energy Partners Hat Mesa, LLC
Request for Administrative Approval of Unorthodox Well Location

Dagger State Com 306H (API 30-025-49941)
Unit H, Section 30-T21S-R33E
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact me by phone at 512-587-6873 or email at LLaufer@ameredev.com.

Sincerely,

A handwritten signature in blue ink that reads "Lizzy Laufer".

Lizzy Laufer
Landman
Advance Energy Partners, LLC
Email: LLaufer@ameredev.com

District I
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1000 Rio Brazos Rd., Aztec, NM 87410
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District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 132260

CONDITIONS

Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077	OGRID: 372417
	Action Number: 132260
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	NSL - 8423 is approved. The approved Order can be retrieved at the following OCD website link. https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	8/9/2022