

State of New Mexico
Energy, Minerals and Natural Resources Department

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NON-STANDARD LOCATION

Administrative Order NSL - 8474

Advance Energy Partners Hat Mesa, LLC [OGRID 372417]
Anderson Federal Com Well No. 552H
API No. 30-025-48996

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	180 FNL & 743 FWL	D/4	2	22S	32E	Lea
First Take Point	104 FSL & 1261 FWL	M	35	21S	32E	Lea
Last Take Point	2540 FSL & 1231 FWL	L	26	21S	32E	Lea
Terminus	2553 FSL & 1230 FWL	L	26	21S	32E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of section 35	240	Red Tank; Bone Spring	51683
W/2 SW/4 of section 26			

Reference is made to your application received on November 7th, 2022.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil 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 - quarter section or equivalent.

This well's completed interval is as close as 59 – 89 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 35, encroachment to the E/2 W/2
Section 26, encroachment to the E/2 SW/4

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.

Division understands you are seeking this unorthodox as your preferred well spacing for horizontal wells within the Bone Spring formation underlying the W/2 W/2 of Section 35 and the W/2 SW/4 of Section 26. Thereby maximizing recovery and preventing waste.

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.



ADRIENNE E. SANDOVAL
Division Director

Date: 12/05/2022

AES/lrl