

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

**APPLICATION OF ADVANCE ENERGY
PARTNERS HAT MESA, LLC TO AMEND
ORDER NO. R-21852 TO EXTEND TIME TO
COMPLETE DRILLING OPERATIONS,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Advance Energy Partners Hat Mesa, LLC (“Advance”) (OGRID No. 372417), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) requesting that the Division amend Order No. R-21852 to extend the deadline to complete drilling operations until June 19, 2024. In support of its application, Advance states the following.

1. The Division issued Order No. R-21852 (“Order”) in Case No. 22106 on September 22, 2021. The Order approved a 360-acre, more or less, standard horizontal spacing unit within the Wolfcamp formation underlying the SE/4 NE/4 and E/2 SE/4 of Section 13, E/2 E/2 of Section 24, and E/2 NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico (“Unit”), and designated Advance as the operator of the Unit.

2. The Order further pooled all uncommitted interests within the WC-025 G-10 S2133280; WOLFCAMP pool (Pool Code 98033) underlying the Unit and dedicated the Unit to the Margarita Federal Com #20H, and #24H wells (“Wells”).

3. Paragraph 19 of the Order required Advance to commence drilling the Wells within one year of the Order and complete the Wells no later than one year thereafter unless Advance obtains a time extension from the Division Director for good cause shown.

4. Advance timely commenced drilling the Wells on June 19, 2022 but requires additional time to complete the Wells. The Margarita 13 Fed Com project consists of 21 wells,

with 10 of the wells being subject to compulsory pooling orders. To promote optimal development and the integrity of the wellbores, Advance must conclude drilling operations on all 21 wells before commencing completion operations. Approval of the completion extension will provide sufficient time for Advance to drill the 21-well project back-to-back, which will increase productivity and prevent economic waste.

5. Accordingly, Advance requests that the Division amend the Order to extend the deadline for Advance to complete the Wells until June 19, 2024.

WHEREFORE, Advance requests that this application be set for hearing on December 1, 2022, and after notice and hearing as required by law, the Division amend Order No. R-21852 to extend the deadline for Advance to complete drilling the Wells until June 19, 2024.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

Counsel for Advance Energy Partners Hat Mesa, LLC