

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

**APPLICATION OF ADVANCE ENERGY
PARTNERS HAT MESA, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

CASE NO. 22107

PRE-HEARING STATEMENT

Advance Energy Partners Hat Mesa, LLC (“Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Advance Energy Partners Hat Mesa, LLC

ATTORNEYS

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INTERESTED PARTIES

ConocoPhillips Company

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STATEMENT OF THE CASE

Applicant applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 360-acre, more or less, standard horizontal spacing unit comprised of the SW/4 NE/4 and W/2 SE/4 of Section 13, W/2 E/2 of Section 24, and W/2 NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico (“Unit”). The Unit will be dedicated to following wells:

- Margarita Federal Com #15H, which will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 13 in T21S-R32E to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 25 in T21S-R32E;
- Margarita Federal Com #5H, which will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 13 in T21S-R32E to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 25 in T21S-R32E;
- Margarita Federal Com #6H, which will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 13 in T21S-R32E to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 25 in T21S-R32E; and
- Margarita Federal Com #11H, which will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 13 in T21S-R32E to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 25 in T21S-R32E; (“Wells”).

The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately twenty-seven (27) miles west of Eunice, New Mexico.

PROPOSED EVIDENCE

| Witness | Occupation | Estimated Time | Exhibits |
|----------------|------------------------------|-----------------------|-----------------|
| Paul Burdick | Land Advisor | Affidavit | Approx. 7 |
| Edward Caamano | Vice President of Geoscience | Affidavit | Approx. 5 |

PROCEDURAL MATTERS

Applicant will present its case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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Counsel for Advance Energy Partners Hat Mesa, LLC

CERTIFICATE OF SERVICE

I hereby certify that on September 2, 2021, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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

QUESTIONS

Action 46261

QUESTIONS

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| Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077 | OGRID: 372417 |
| | Action Number: 46261 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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| Testimony | |
| <i>Please assist us by provide the following information about your testimony.</i> | |
| Number of witnesses | <i>Not answered.</i> |
| Testimony time (in minutes) | <i>Not answered.</i> |