

**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 NOS. R-21851 AND R-21853 TO  
CONSOLIDATE HORIZONTAL SPACING  
UNITS, REVISE WELL LOCATIONS, AND  
INCLUDE ADDITIONAL WELLS, LEA  
COUNTY, NEW MEXICO.**

**CASE NO. 22324  
ORDER NOS. R-21851, R-21853  
(Re-Open)**

**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**

Dana S. Hardy  
Michael Rodriguez  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
Facsimile: (505) 982-8623  
dhardy@hinklelawfirm.com  
mrodriguez@hinklelawfirm.com

**INTERESTED PARTIES**

No other parties of record.

**ATTORNEYS**

**STATEMENT OF THE CASE**

Applicant files this application to: (1) amend the locations of the wells approved under Order Nos. R-21851 and R-21853 (“Orders”); (2) consolidate the adjacent horizontal spacing units approved under the Orders into a 720-acre, more or less, standard horizontal spacing unit (“Unit”) within the Bone Spring formation comprised of the S/2NE/4 and SE/4 of Section 13, E/2 of Section 24, and NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico; and

(3) include the Margarita Federal Com 13 #19H and #20H wells in the Unit. Order No. R-21851 pooled all uncommitted mineral interests in the Bone Spring formation underlying a 360-acre, more or less, standard horizontal spacing unit comprised of the SE/4NE/4 and E/2SE/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 and dedicated the unit to the Margarita Federal Com #7H, #8H, #12H, and #16H wells. Order No. R-21853 pooled all uncommitted mineral interests in the Bone Spring formation underlying a 360-acre, more or less, standard horizontal spacing unit comprised of the SW/4NE/4 and W/2SE/4 of Section 13, W/2E/2 of Section 24, and W/2NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico and dedicated the unit to the Margarita Federal Com #15H, #5H, #6H, and #11H wells. The Orders designated Applicant as the operator of the units. Subsequent to the entry of the Orders, Applicant revised the proposed locations of the wells approved under the Orders and intends to include the Margarita Federal Com 13 #19H and #20H wells in its development plan. Accordingly, Applicant intends to dedicate the Unit to the following wells (“Wells”):

- Margarita Federal Com 13 #5H, #6H, #11H, #15H and #19H wells to be horizontally drilled from a surface location in the SW/4NE/4 (Unit G) of Section 13 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 25;
- Margarita Federal Com 13 #7H and #16H wells to be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 13 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 25; and
- Margarita Federal Com 13 #8H, #12 and #20 wells to be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 13 to a bottom hole location in the SE/4NE/4 (Unit H) of Section 25.

The completed intervals of the Wells will be orthodox. The completed interval for the proposed Margarita Federal Com 13 #6H well will be within 330' of the quarter-quarter line separating the W/2SE/4 from the E/2SE/4 and the SE/4NE/4 from the SW/4NE/4 of Section 13, the E/2E/2 from the W/2E/2 of Section 24, and the W/2NE/4 from the E/2NE/4 of Section 25 to allow inclusion of this acreage into a standard horizontal well spacing unit. The Wells are located approximately twenty-seven (27) miles west of Eunice, New Mexico.

### **PROPOSED EVIDENCE**

<b>Witness</b>	<b>Occupation</b>	<b>Estimated Time</b>	<b>Exhibits</b>
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*

Dana S. Hardy

Michael Rodriguez

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

mrodriguez@hinklelawfirm.com

*Counsel for Advance Energy Partners Hat Mesa, LLC*

**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) 476-3470 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**

QUESTIONS

Action 63101

**QUESTIONS**

Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077	OGRID: 372417
	Action Number: 63101
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<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>