

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

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

CASE NOS. 23056-23060

ADVANCE'S CONSOLIDATED PRE-HEARING STATEMENT

Advance Energy Partners Hat Mesa, LLC ("Advance" or "Applicant") (OGRID No. 372417) submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Advance Energy Partners Hat Mesa, LLC

ATTORNEY

Michael H. Feldewert, Esq.
Adam G. Rankin, Esq.
Julia Broggi, Esq.
Paula M. Vance, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
TEL: (505) 988-4421
FAX: (505) 983-6043

APPLICANT'S STATEMENT OF CASE

Advance seeks orders pooling all uncommitted interests within the S/2 of Section 5 and Section 8 in Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, as follows:

- In **Case No. 23056**, Advance seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 5 and the W/2 of Section 8, to be

dedicated to the proposed **Dagger Lake South 8 Fed Com #702H**, which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 8, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 5. The completed interval of the Dagger Lake South 8 Fed Com #702H is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

- In **Case No. 23057**, Advance seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, to be dedicated to the proposed **Dagger Lake South 8 Fed Com #706H**, which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 8, to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 5.
- In **Case No. 23058**, Advance seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 5 and the W/2 of Section 8, to be dedicated to the following proposed wells:
 - the **Dagger Lake South 8 Fed Com #502H**, **Dagger Lake South 8 Fed Com #504H**, **Dagger Lake South 8 Fed Com #552H**, **Dagger Lake South 8 Fed Com #560H**, and **Dagger Lake South 8 Fed Com #602H**, all to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 8, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 5; and

- the **Dagger Lake South 8 Fed Com #506H, Dagger Lake South 8 Fed Com #508H, Dagger Lake South 8 Fed Com #562H, and Dagger Lake South 8 Fed Com #604H**, all to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 8, to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 5.

The completed interval of the **Dagger Lake South 8 Fed Com #560H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

- In **Case No. 23059**, Advance seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, to be dedicated to the proposed **Dagger Lake South 8 Fed Com #708H**, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 8, to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 5.
- In **Case No. 23060**, Advance seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SE/4 of Section 5 and the E/2 of Section 8, to be dedicated to the following proposed wells:
 - the **Dagger Lake South 8 Fed Com #510H, Dagger Lake South 8 Fed Com #512H, Dagger Lake South 8 Fed Com #556H, Dagger Lake South 8 Fed Com #564H, and Dagger Lake South 8 Fed Com #606H**,

all to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 8, to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 5; and

- the **Dagger Lake South 8 Fed Com #514H, Dagger Lake South 8 Fed Com #516H, Dagger Lake South 8 Fed Com #558H, and Dagger Lake South 8 Fed Com #566H**, all to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 8, to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 5.

The completed interval of the **Dagger Lake South 8 Fed Com #558H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

Advance has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing units.

The pooling of interests will allow Advance to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Lizzy Laufer – Landman | By Affidavit | Approx. 6 |
| Eric Rhoden – Geologist | By Affidavit | Approx. 3 |

PROCEDURAL MATTERS

Advance anticipates presenting these cases by affidavit if unopposed.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
P.O. Box 2208
Santa Fe, NM 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
pmvance@hollandhart.com

**ATTORNEYS 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 147535

QUESTIONS

| | |
|--|--|
| Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077 | OGRID: 372417 |
| | Action Number: 147535 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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