

**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**

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**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**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
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:  \_\_\_\_\_

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
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QUESTIONS

Action 147538

**QUESTIONS**

Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077	OGRID: 372417
	Action Number: 147538
	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	Not answered.
Testimony time (in minutes)	Not answered.