

RECEIVED: <i>5/23/2018</i>	REVIEWER: <i>WAM</i>	TYPE: <i>PLC</i>	APP NO: <i>PMAM1814337087</i>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

<b>Applicant:</b> <u>Advance Energy Partners Hat Mesa, LLC</u>	<b>OGRID Number:</b> <u>372417</u>
<b>Well Name:</b> <u>Dagger State Com 504H - Central Tank Battery</u>	<b>API:</b> <u>30-025-43302</u>
<b>Pool:</b> <u>Various</u>	<b>Pool Code:</b> <u>97927, 97929, 98033</u>

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

MAY 23 2018 4:08:42

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM
- [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

**FOR OCD ONLY**

Notice Complete

Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

David Harwell \_\_\_\_\_

Print or Type Name

*David Harwell* \_\_\_\_\_

Signature

4/26/2018  
 \_\_\_\_\_  
 Date

281-235-3431

\_\_\_\_\_  
 Phone Number  
 dharwell@advanceenergypartners.com

\_\_\_\_\_  
 e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: [372417] Advance Energy Partners Hat Mesa, LLC  
OPERATOR ADDRESS: 11490 Westheimer RD, Suite 950, Houston, TX 77077  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)  
LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
[97929] WC-025 G-06 S213326D; BONE SPRING	44/1332	45/1300	8100 bopd, 8750 mcfpd peak	5100/4750
[97927] WC-025 G-07 S213330F; BONE SPRING	46/1250			1500/2000
[98033] WC-025 G-10 S213328O; WOLFCAMP	47/1250			1500/2000
(see attached well list)				

(2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code.  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: David Harwell TITLE: VP Eng. & Ops DATE: 4/19/18

TYPE OR PRINT NAME David Harwell TELEPHONE NO.: 281-235-3431

E-MAIL ADDRESS: dharwell@advanceenergypartners.com

## **Application for Surface Pool and Lease Commingling at Dagger State Com 504H Battery**

Advance Energy Partners Hat Mesa requests NMOCD approval to surface commingle oil and gas from multiple wells and multiple pools at the Dagger State Com #504H Central Tank Battery. Wells to be produced through this battery are shown in Table 1.

Multiple state leases included are Sections 18, 30 and 31 of Township 21 South, Range 33 East. Total acreage is 1920.0 acres. Owners are the same across all leases except for the State royalty rate on VO and VB leases.

The Central Tank Battery is located Unit H 30-21S-33E.

Production from each well will flow into dedicated 3-phase separators. For each well the production stream will be separated into 3 independent streams, oil, gas and water.

Oil for each well is measured through dedicated turbine meters before combining into a heater and being stored in 500 bbl tanks. The oil is sold via a LACT unit or truck to Plains Pipeline. The total oil volumes will be allocated back to each well based on metered well volumes.

Gas for each well is measured through dedicated orifice meters before combining in a 2 phase dehydrator. The gas is then sold through a senior orifice meter. The total gas sales volume will be allocated back to each well based on metered well volumes. Gas volume for the gas lifted Dagger State Com #504H will be calculated from the gas volume coming off the 504H separator less the metered gas volume exiting the gas lift compressor.

Gas from tank vapor recovery is compressed, metered and sold through a single dedicated orifice meter. The vapor recovery gas will be allocated back to individual wells based each well's percentage of total oil volumes.

Water for each well is measure through dedicated turbine meters. Water is then combined and stored in 500 bbl fiberglass storage tanks. Water is then moved either to water disposal or to the Dagger 504H recycle facility and pond.

Meter numbers will be provided for all wells once they are installed in the field. Meters will be proved periodically as described in 19.15.12.10 C for diverse ownership.

Production from all wells flowing into the Dagger 504H CTB are in accordance with the hyperbolic production decline presented in Order R-14299. Initial annual decline rates are expected to be above 60%.

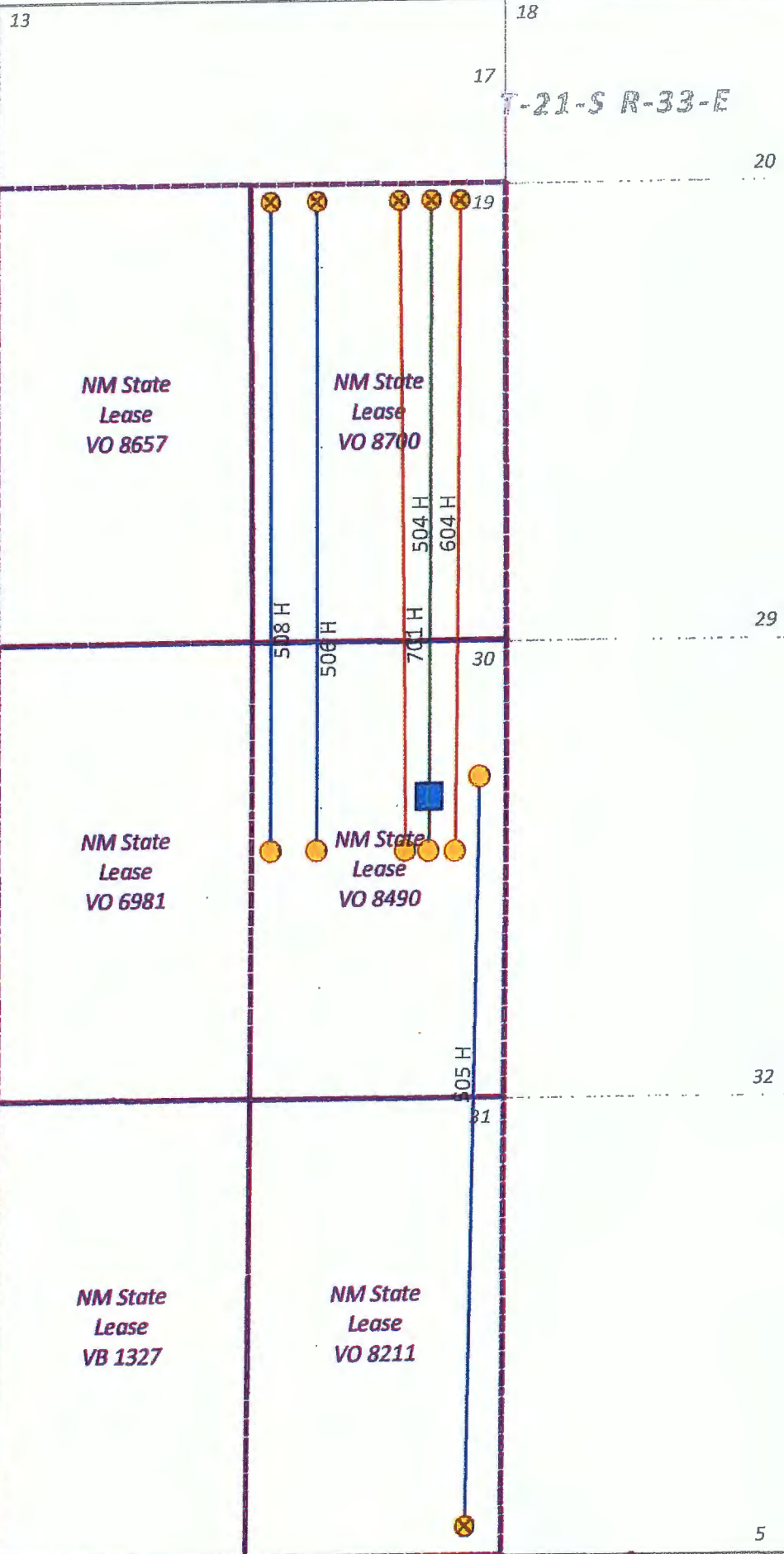
Production for all wells except the existing Dagger State Com #504H will be produced at a maximum allowable rate for 1-2 months and then after some production decline will be produced under the maximum allowable rate. The Dagger State Com #504H is already producing below maximum allowable.

Commingling this production after well separation and measurement is the most effective means of producing these reserves. Pricing for all products will be the same with or without the commingling.

Advance requests the option to include future wells from the identified leases and pools.



- Well Location
- Well End Point
- Drilled
- Permitted
- Producing
- Tank Battery
- NM State Lease



2,400

Feet





Copy

11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

April 23, 2018

Certified Mail  
Return Receipt Requested

See Address List

**Re: Application of Lease Commingling and off Lease Measurement, Sales and Storage for the Dagger State 504 Well and other Dagger State Com Wells**

Ladies and Gentlemen,

This letter is to advise you that Advance Energy Partners Hat Mesa, LLC is filing an application for surface commingling at the Dagger State Com 504H Battery. A copy of the application is attached.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g), Advance Energy Partners Hat Mesa, LLC requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

For questions regarding this application, please contact me at 832-672-4623.

Attn: other Dagger State Wells  
Sincerely,

Paul J. Burdick  
Land Advisor  
Advance Energy Partners Hat Mesa, LLC  
Email: PBurdick@Advanceenergypartners.com

Address List:

Name	Address	City	State	Zip	Tracking
State of New Mexico Commissioner of Public Lands Attn: Marilyn Gruebel, Units and Comingling Manager	P O Box 1148	Santa Fe	NM	87504-1148	7017 3040 001 0831 6599
Bullhead Energy, LLC	217 N Rupert St	Fort Worth	TX	76107	7017 3040 001 0831 6605

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Certified Mail Fee \$	Postmark Here
Extra Services & Fees ( <i>check box, add fee as appropriate</i> )	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	Postmark Here
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
<b>Total Postage and Fees</b> \$	
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FORT WORTH, TX 76107

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<input type="checkbox"/> Return Receipt (hardcopy) \$ _____	
<input type="checkbox"/> Return Receipt (electronic) \$ _____	
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<input type="checkbox"/> Adult Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage	
\$ _____	
<b>Total Postage and Fees</b>	
\$ _____	
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See Less 





DISTRICT I  
 1085 N. French Dr., Hobbs, NM 88240  
 Phone (703) 528-3131 Fax (703) 528-0720

DISTRICT II  
 611 S. First St., Artesia, NM 88210  
 Phone (703) 733-1823 Fax (703) 733-0723

DISTRICT III  
 1000 Rio Brazos Rd., Arice, NM 87410  
 Phone (505) 334-6175 Fax (505) 334-6170

DISTRICT IV  
 1250 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 478-3450 Fax (505) 478-3450

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised August 4, 2011

Submit one copy to appropriate  
 District Office

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-44407</b>		Pool Code <b>97927</b>	Pool Name <b>WC-025 G-07 S213330F; BONE SPRINGS</b>
Property Code <b>319601</b>	Property Name <b>DAGGER STATE COM</b>		Well Number <b>604H</b>
OSRD No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>		Elevation <b>3788'</b>

Surface Location

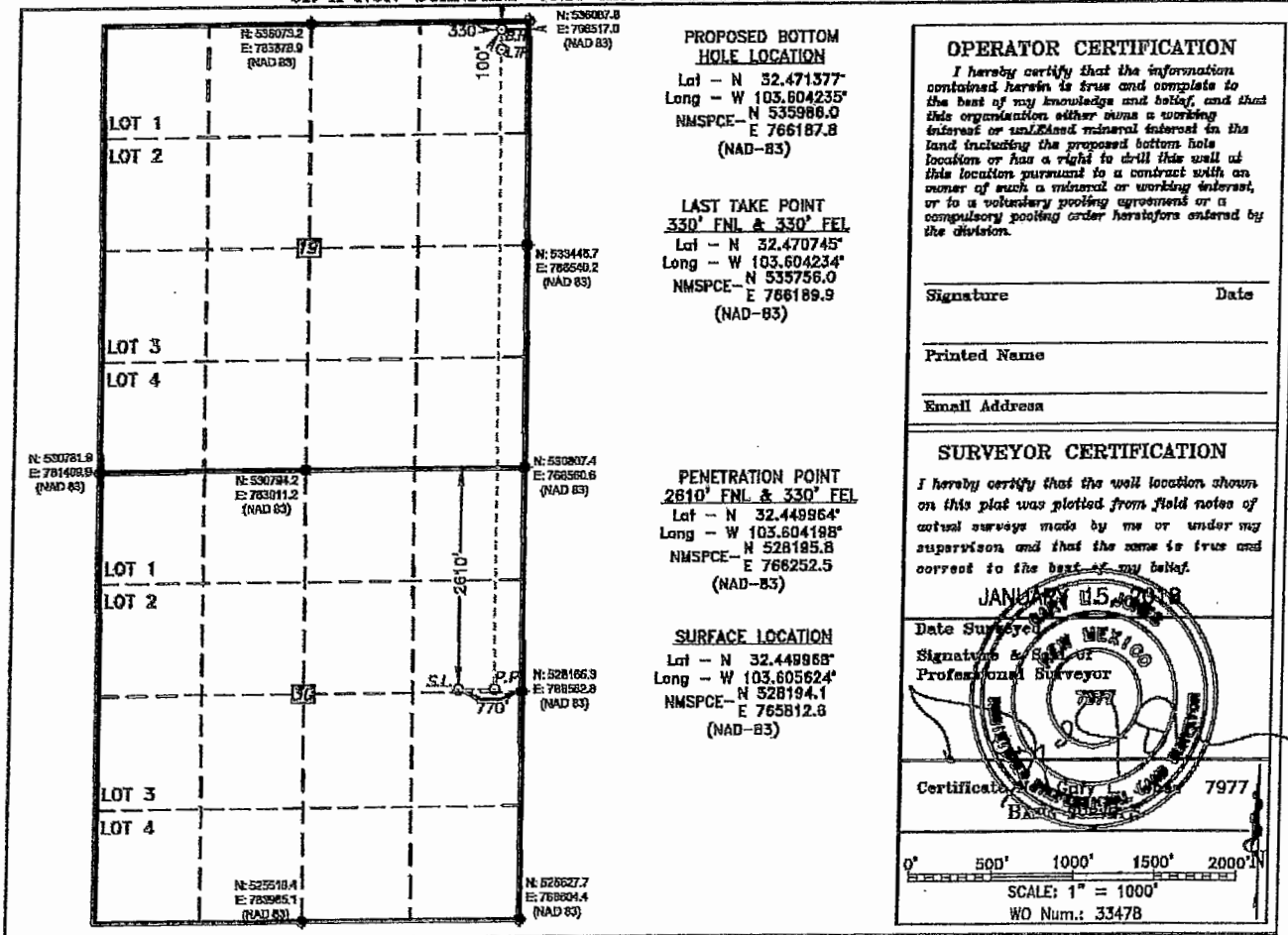
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	30	21 S	33 E		2610	NORTH	770	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
A	19	21 S	33 E		100	NORTH	330	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



HOBBS OCD

State of New Mexico  
 Energy, Minerals & Natural Resources Dept.  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Dept.  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

AP/Number <b>30-025-43564</b>	Field Office <b>97929</b>	Field Name <b>WG-025 G-06 S213326D; BONE SPRINGS</b>
Property Code <b>316337</b>	Property Name <b>DAGGER STATE COM</b>	Well Number <b>506H</b>
CRUD No. <b>000785</b>	Operator Name <b>AMTEK ENERGY, INC.</b>	Elevation <b>3613.8'</b>

Surface Location

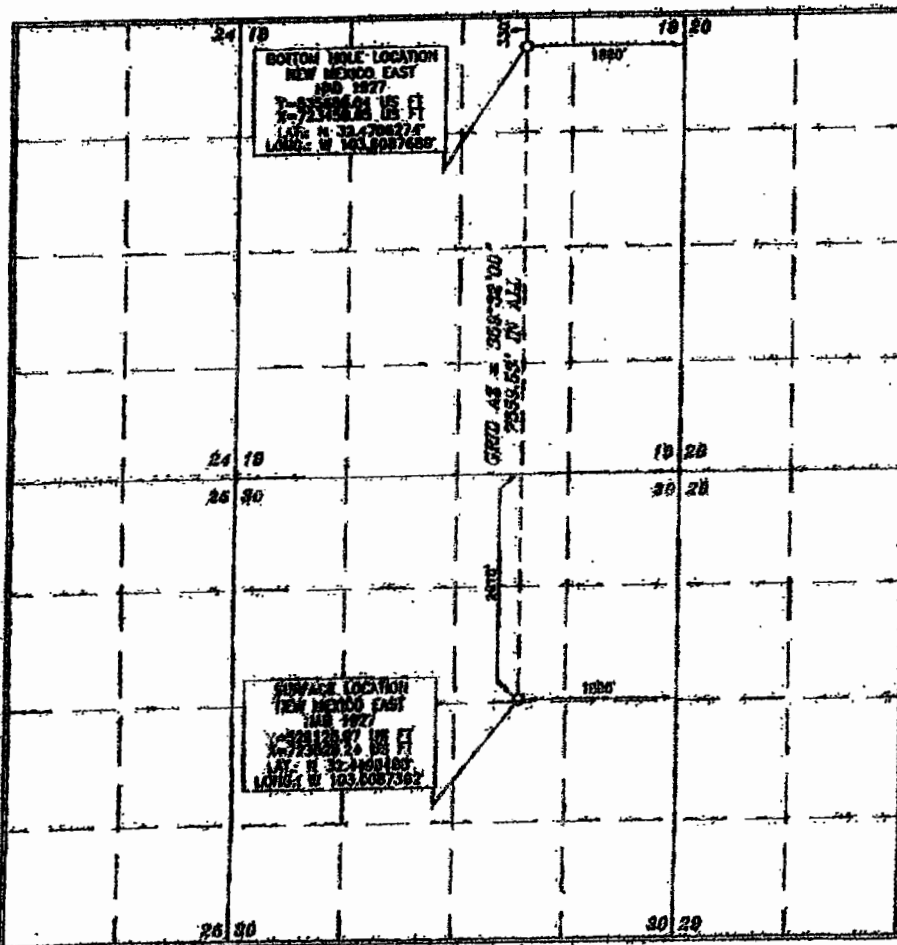
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North-South line	Feet from the	East-West line	County
G	30	21 SOUTH	09 EAST, N.M.P.M.		2610'	NORTH	1000'	EAST	LEA

Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North-South line	Feet from the	East-West line	County
B	19	21 SOUTH	09 EAST, N.M.P.M.		330'	NORTH	1000'	EAST	LEA

Dedicated Acres <b>240</b>	Units or units	Consolidation Code	Order No.
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No allowance will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief, and that this information was obtained from reliable sources and that I am not aware of any other information that would affect the accuracy of the information provided herein.

*William J. Savage* 2/2/17

William J. Savage, President  
 Island Name  
 wsavage@amtekresources.com  
 Email Address

---

**SURVEYOR CERTIFICATION**

I hereby certify that I am a duly licensed surveyor in the State of New Mexico and that I have personally surveyed the land described herein and that the same is true and correct to the best of my knowledge.

15079

JUNE 8 2016

State of New Mexico  
 DEPARTMENT OF LAND AND NATURAL RESOURCES

*Samuel A. ...*

Certification Number 15079

WDL 1000092-0 (0)

District I  
1623 N. French Dr., Hobbs, NM 88240  
Phone: (505) 391-6181 Fax: (505) 391-6170  
District II  
311 S. First St., Artesia, NM 88210  
Phone: (505) 761-1263 Fax: (505) 745-9720  
District III  
1600 Rio Bravo Road, Artesia, NM 88210  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3461

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-43629</b>	Pool Code <b>97929</b>	Pool Name <b>WC-025 G-06 S213326D;BONE SPRING</b>
Property Code <b>316337</b>	Property Name <b>DAGGER STATE COM</b>	Well Number <b>508H</b> ✓
OGRID No. <b>785</b>	Operator Name <b>AMTEX ENERGY, INC.</b>	Elevation <b>3821.7'</b>

**Surface Location**

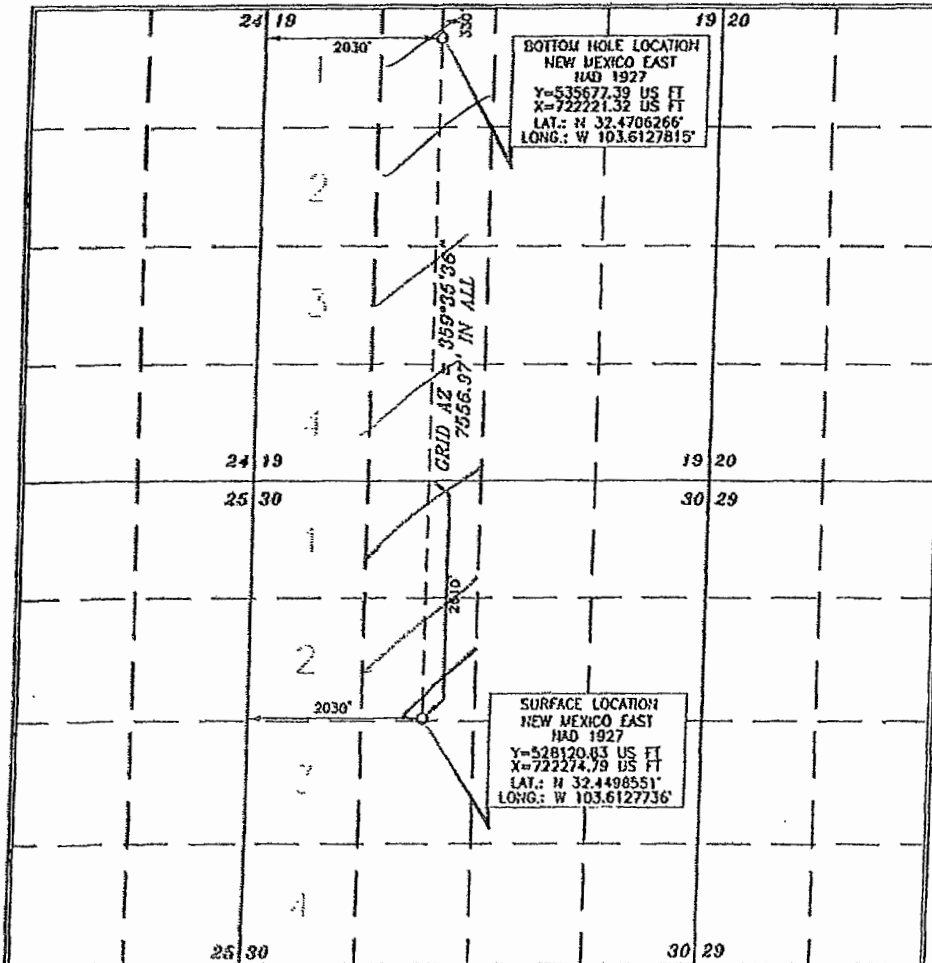
UL or lot no.	Section	Township	Range	Lot Id	Feet from the	North/South line	Feet from the	East/West line	County
F	30	21 SOUTH	33 EAST, N.M.P.M.		2610'	NORTH	2030'	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Id	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21 SOUTH	33 EAST, N.M.P.M.		330'	NORTH	2030'	WEST	LEA

Dedicated Acres <b>240.00</b>	Joint or Infill	Consolidation Code	Order No.
----------------------------------	-----------------	--------------------	-----------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided interest in the land including the proposed bottom hole location or has a right to drill the well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the state.

*William J. Savage* 2/2/17  
Signature Date

William J. Savage, President  
Printed Name  
bsavage@amtexresources.com  
E-mail Address

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

15079  
JUNE 8, 2016  
Date of Survey

*Tommy Paul* 6/2/2016  
Signature and Seal of Professional Surveyor

Certificate Number 15079

IVO# 1606DBVL-d (CA)

**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone (505) 383-8101 Fax: (505) 383-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (505) 748-1283 Fax: (505) 748-9720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8178 Fax: (505) 334-8170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 478-3480 Fax: (505) 478-3488

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 4, 2011

Submit one copy to appropriate  
District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-43627	Pool Code 97929	Pool Name WC-025 G-06 S213326D; BONE SPRING
Property Code 319601	Property Name DAGGER STATE COM	Well Number 505H
OGRD No. 372417	Operator Name ADVANCE ENERGY PARTNERS HAT MESA	Elevation 3781'

Surface Location

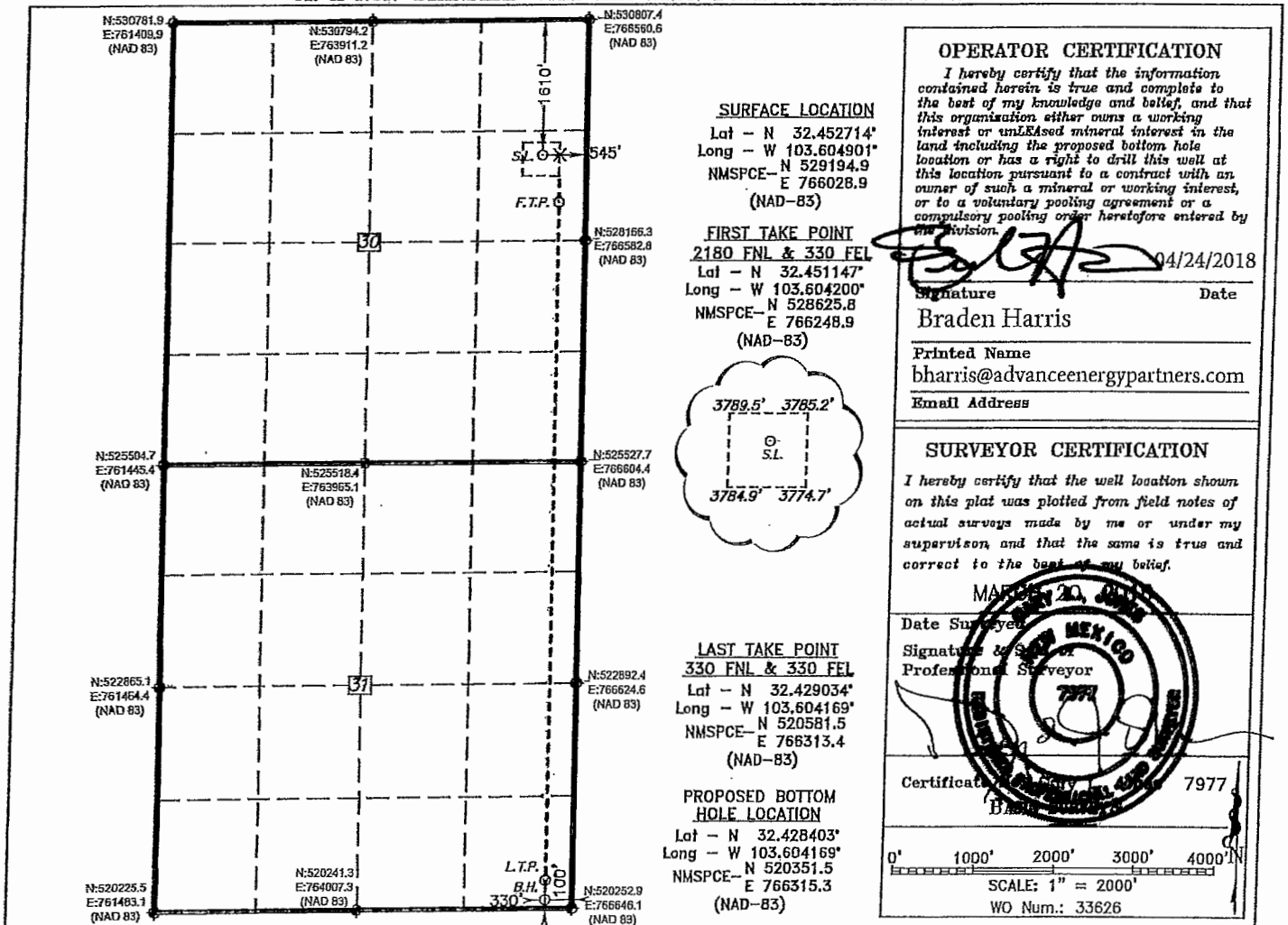
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	30	21 S	33 E		1610	NORTH	545	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
P	31	21 S	33 E		100	SOUTH	330	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

Signature: *Braden Harris* Date: 04/24/2018  
Printed Name: Braden Harris  
Email Address: bharris@advanceenergypartners.com

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed: *March 20, 2018*  
Signature & Seal of Professional Surveyor: *[Signature]*

Certificate No.: *7977*

HOBBS OCD

DISTRICT I  
1488 N. French St., Hobbs, NM 88340  
Phone (505) 526-3121 Fax (505) 526-3122

DISTRICT II  
611 S. First St., Artesia, NM 88210  
Phone (505) 742-1223 Fax (505) 742-0723

DISTRICT III  
1600 Rio Brazos Rd., Artesia, NM 87610  
Phone (505) 526-3170 Fax (505) 526-3170

DISTRICT IV  
1200 S. St. Francis Dr., Grants, NM 87024  
Phone (505) 472-4420 Fax (505) 472-4422

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 6, 2011

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

FEB 12 2018  
RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-47565</b>	Pool Code <b>98033</b>	Pool Name <b>WC-025 G-10 S2133280; WOLFCAMP</b>
Property Code <b>319601</b>	Property Name <b>DAGGER STATE COM</b>	Well Number <b>701H 701A</b>
OGED No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3789'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	30	21 S	33 E		2610	NORTH	800	EAST	LEA

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
A	19	21 S	33 E		100	NORTH	990	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>240</b>			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

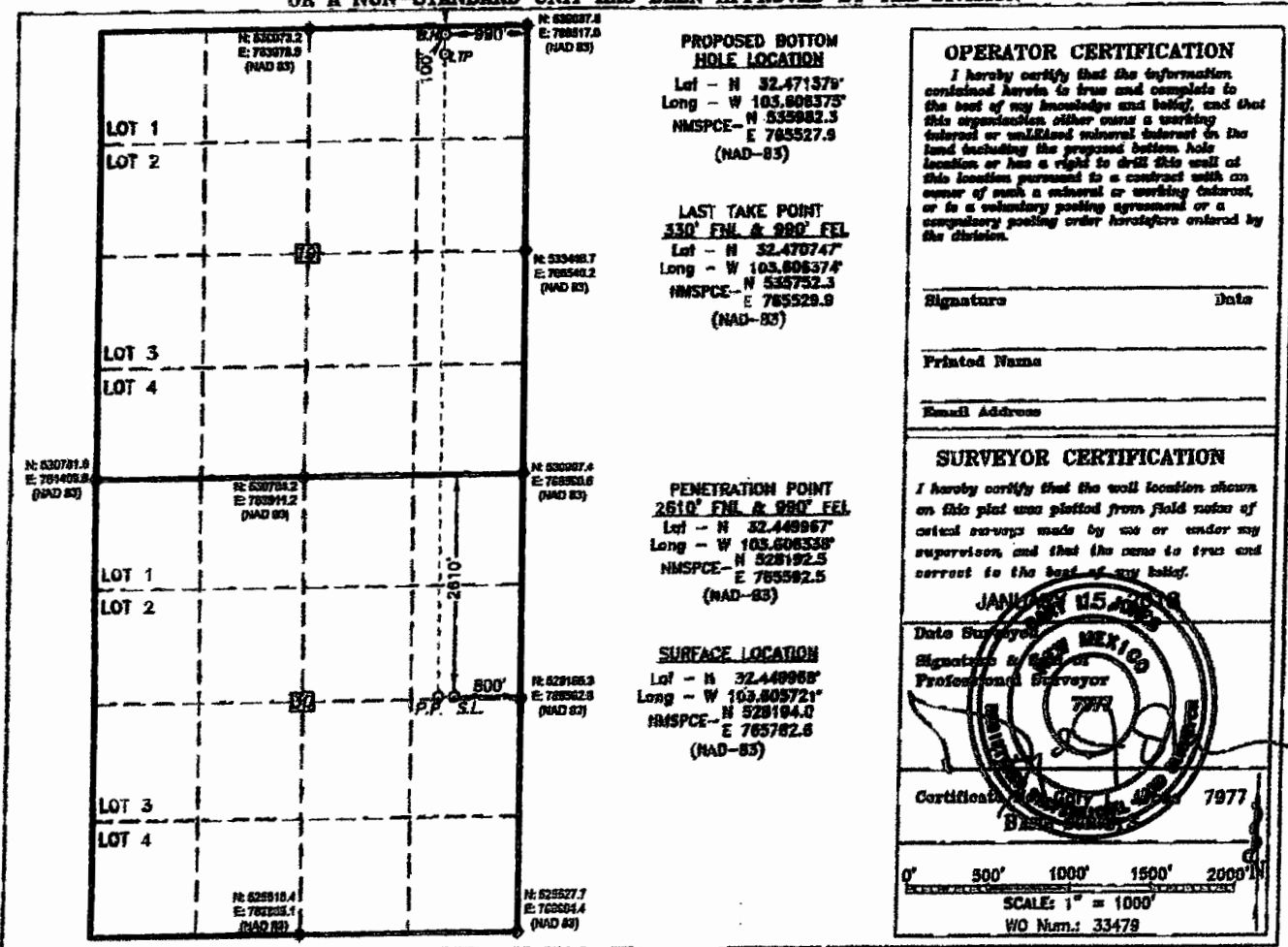


Table 1

## Wells to Commingle

API	Well Name	Location	Pool Code/Name	Oil (BPD)	Gravity	Gas (MSCFPD)	BTU
1	30-025-43302 Dagger St. Com #504H	H-30-21S-33E	[97929] WC-025 G-06 S213326D; BONE SPRING	600	44	550	1332
2	30-025-43627 Dagger State Com #505H	H-30-21S-33E	[97929] WC-025 G-06 S213326D; BONE SPRING	1500	44	1400	1332
3	30-025-43564 Dagger State Com #506H	G-30-21S-33E	[97929] WC-025 G-06 S213326D; BONE SPRING	1500	44	1400	1332
4	30-025-43629 Dagger State Com #508H	F-30-21S-33E	[97929] WC-025 G-06 S213326D; BONE SPRING	1500	44	1400	1332
5	30-025-43565 Dagger State Com #701H	H-30-21S-33E	[97927] WC-025 G-07 S213330F; BONE SPRING	1500	47	2000	1250
6	30-025-44407 Dagger State Com #604H	H-30-21S-33E	[98033] WC-025 G-10 S213328O; WOLFCAMP	1500	46	2000	1250

Rates for all wells except the 504H are estimated.

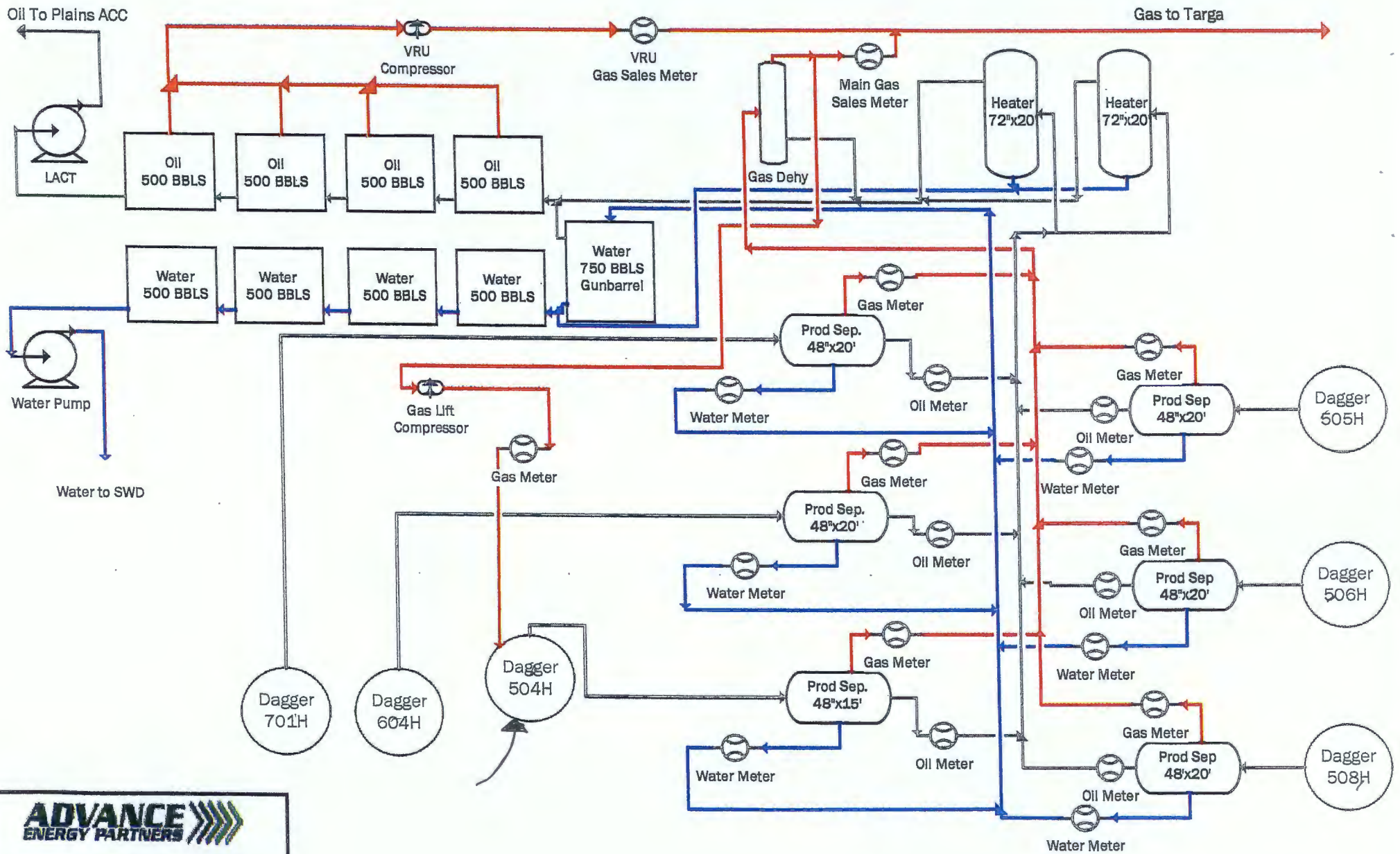
**Production Summary Report**

**API: 30-025-43302**

**DAGGER STATE COM #504H**

<b>Year</b>	<b>Pool</b>	<b>Oil(BBLS)</b>	<b>Gas(MCF)</b>	<b>Days P/I</b>
10/1/2017	[97929] WC-025 G-06 S213326D;BONE SPRING	25814	26491	31
11/1/2017	[97929] WC-025 G-06 S213326D;BONE SPRING	22942	22028	30
12/1/2017	[97929] WC-025 G-06 S213326D;BONE SPRING	21761	22967	31
1/1/2018	[97929] WC-025 G-06 S213326D;BONE SPRING	21070	19332	31
2/1/2018	[97929] WC-025 G-06 S213326D;BONE SPRING	17805	15848	28
3/1/2018	[97929] WC-025 G-06 S213326D;BONE SPRING	19148	17018	31
<b>CUM</b>		<b>311644</b>	<b>305690</b>	





Process Flow Diagram

Dagger State Com  
Central Tank Battery

4/17/2018



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

June 12, 2018

Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St. Frances  
Santa Fe, New Mexico 87004

Attn: Mr. Michael McMillan

**Re: Application to Commingle – Dagger State Com 504H Central Tank Battery  
Section 30, 31 and Section 19-T21S-R33E  
Lea County, New Mexico**

Dear Mr. McMillan,

Advance Energy Partners Hat Mesa, LLC is applying for a commingling permit for oil and gas production from wells in the subject lands.

This letter is to confirm the lease ownership in the following applicable leases listed on the attached Exhibit are identical ownership. In addition, the overriding royalty interests pertaining to the same leases and lands are identical in these lands and leases.

Thank you again for your consideration. If you require additional information, please notify me either by telephone or my email indicated below.

Sincerely,

Paul J. Burdick  
Land Advisor  
Advance Energy Partners Hat Mesa, LLC  
Email: [PBurdick@Advanceenergypartners.com](mailto:PBurdick@Advanceenergypartners.com)  
Office Telephone: 832-672-4623  
Cell Telephone: 713-228-7320

Dagger State Leases

NM State Lease Number	Section	Township-Range	Lessee of Record
VO 8657	19: West Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC
VO 8700	19: East Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC
VO 6981	30: West Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC
VO 8490	30: East Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC
VB 1327	31: West Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC
VO 8211	31: East Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC