

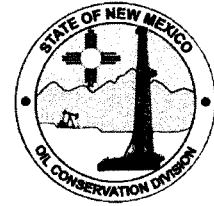
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



August 20, 2018

Mr. Braden Harris
bharris@advanceenergypartners.com

NON-STANDARD LOCATION

Administrative Order NSL-7747

**Advance Energy Partners Hat Mesa, LLC [OGRID 372417]
AO 6 Well No. 501H
API No. 30-025-45026**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	795 FSL & 100 FEL	P	6	22S	33E	Lea
First Take Point	1230 FSL & 100 FEL	P	6	22S	33E	Lea
Last Take Point	1230 FSL & 100 FWL	P	6	22S	33E	Lea
Terminus	1230 FSL & 100 FEL	7	6	22S	33E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S2 S2 of Section 6	156.33	Wild Cat; Bone Spring	97929

Reference is made to your application received on July 16, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 90 feet to the northern edge of the project area. Encroachments will impact the following tracts.

Section 6, T22S R33E encroachment to the N2 S2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you seek this location as a preferred well spacing plan for horizontal wells thus preventing waste of resources within the Bone Spring formation underlying the S2 S2 of Section 6.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



HEATHER RILEY
Director

HR/rl

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division