

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Lizzy Laufer
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NON-STANDARD LOCATION

Administrative Order NSL-8380

**Advance Energy Partners Hat Mesa, LLC [372417]
Wool Head 20 State Com Well No. 553H
API No. 30-025-46471**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	350 FSL & 2079 FEL	O	20	21S	33E	Lea
First Take Point	726 FSL & 2434 FEL	O	20	21S	33E	Lea
Last Take Point	2316 FSL & 2310 FEL	J	17	21S	33E	Lea
Terminus	2540 FSL & 2310 FEL	J	17	21S	33E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 E/2 of Section 20 W/2 SE/4 of Section 17	240	Wildcat; Bone Spring	97895

Reference is made to your application received on May 31st, 2022.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 206 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 20, encroachment to the E/2 W/2

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

Division understands you are seeking this unorthodox location as your preferred well spacing for horizontal wells in this area and thereby maximizing recovery thus preventing waste within the Bone Spring formation underlying the W/2 E/2 of Section 20 and the W/2 SE/4 of Section 17.

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

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102, submitted with the Authorization to Transport (C-104), to place this well into production.

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.



ADRIENNE E. SANDOVAL
Division Director

Date: 7/01/2022

AES/lrl