

ID NO. 112116

NSL - 8380

Revised March 23, 2017

RECEIVED: 05/31/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2215749210
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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

Applicant: Advance Energy Partners Hat Mesa, LLC	OGRID Number: 372417
Well Name: Wool Head 20 State Com 553H	API: 30-025-46471
Pool: WC-025 G-08 S213304D: Bone Spring	Pool Code: 97895

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

- 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

- 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

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

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.

Lizzy Laufer

 Print or Type Name

Lizzy Laufer

 Signature

Digitally signed by Lizzy Laufer
Date: 2022.05.31 13:22:33 -0500

5/26/22

 Date

512-587-6873

 Phone Number

L.Laufer@amererev.com

 e-mail Address



2901 Via Fortuna, Suite 600, Austin, Texas 78746 • Phone 832-672-4700 • Fax 832-672-4609

June 1, 2022

Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

Attn: Mr. Leonard Lowe

**Re: Wool Head 20 State Com 553H (API 30-025-46471)
Unit O, Section 20-T21S-R33E
Lea County, New Mexico**

Dear Mr. Lowe,

Advance Energy Partners Hat Mesa, LLC (OGRID No. 372417) request administrative approval for a nonstandard location (NSL) for the proposed Wool Head 20 State Com 553H (30-025-46471), located in a 240-acre horizontal spacing unit in the W2SE of Section 17 and W2E2 of Section 20, Township 21 South, Range 33 East, Lea County, New Mexico.

The proposed surface and bottom hole locations and first and last take points are as follows:

- The surface location is located 350 feet from the south line and 2,079 feet from the east line (Unit O) of Section 20,
- The bottom hole location is located 2,540 feet from the south line and 2,310 feet from the east line (Unit J) of Section 17
- The first take point is located 726 feet from the south line and 2,434 feet from the east line (Unit O) of Section 20,
- The last take point is located 2,316 feet from the south line and 2,310 feet from the east line (Unit J) of Section 17.

The Wool Head 20 State Com 553H (30-025-46471) is an oil well located in WC-025 G-08 S213304D; Bone Spring pool [97895].

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because the first take point is closer than the standard offsets to the western boundary of the spacing unit and encroaches on the E2SW of Section 17 and E2W2 of Section 20, Township 21 South, Range 33 East, Lea County, New Mexico. Approval of the NSL will allow Advance to use its preferred well spacing for horizontal wells in this area and thereby maximize recovery and prevent waste.

Exhibit A is a Form C-102 showing the completed interval of the Wool Head 20 State Com 553H well which encroaches on the spacing unit/tracts to the west in the E2W2 of Sections 17 and 20.

Exhibit B is a plat for Sections 17 and 20 that shows the Wool Head 20 State Com 553H well in relation to the adjoining spacing unit/tracts to the west. As shown on the plat, the affected spacing unit to the west

New Mexico OCD

May 25, 2022

Page 2

is operated by Advance Energy Partners Hat Mesa and governed by an operating agreement between Advance and The Allar Company (Allar). A notification letter has been sent to Allar and Allar provided its non-objection to the NSL application. Accordingly, the only “affected persons”¹ are the applicant, Advance Energy Partners Hat Mesa, LLC, The Allar Company, and the State of New Mexico.

Exhibit C is a spreadsheet listing all the affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objection must be filed in writing with the Division within 20 days from the date the Division received the application. The following are the affected parties:

Type	Affected Party	Location	State of NM Lease
Operator/Working Interest	Advance Energy Partners Hat Mesa LLC	E2SW of Sec 17 E2SW of Sec 20	V0 3427 V0 8658
Working Interest	The Allar Company	E2NW of Sec 20	V0 8725
Federal/State Mineral Interest	The State of New Mexico	E2SW of Sec 17 E2W2 of Sec 20	V0 3427 V0 8752 V0 8658

Your attention to this matter is appreciated.

Sincerely,



Lizzy Laufer

Landman

Advance Energy Partners Hat Mesa, LLC

Email: LLaufer@ameredev.com

Cell Telephone: 512-587-6873

¹ See NMAC §§ 19.15.2.7.A(8) and 19.15.4.12.A(2)(a).

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-9720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 745-1283 Fax: (575) 745-9720

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) 476-3460 Fax: (505) 476-3462

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
As Drilled

API Number 30-025-46471	Pool Code 97895	Pool Name WC-025 G-08 S213304D;BONE SPRING
Property Code 325948	Property Name WOOL HEAD 20 STATE COM	Well Number 553H
OGRID No. 372417	Operator Name ADVANCE ENERGY PARTNERS HAT MESA	Elevation 3721'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
0	20	21 S	33 E		350	SOUTH	2079	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
J	17	21 S	33 E		2540	SOUTH	2310	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240			

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

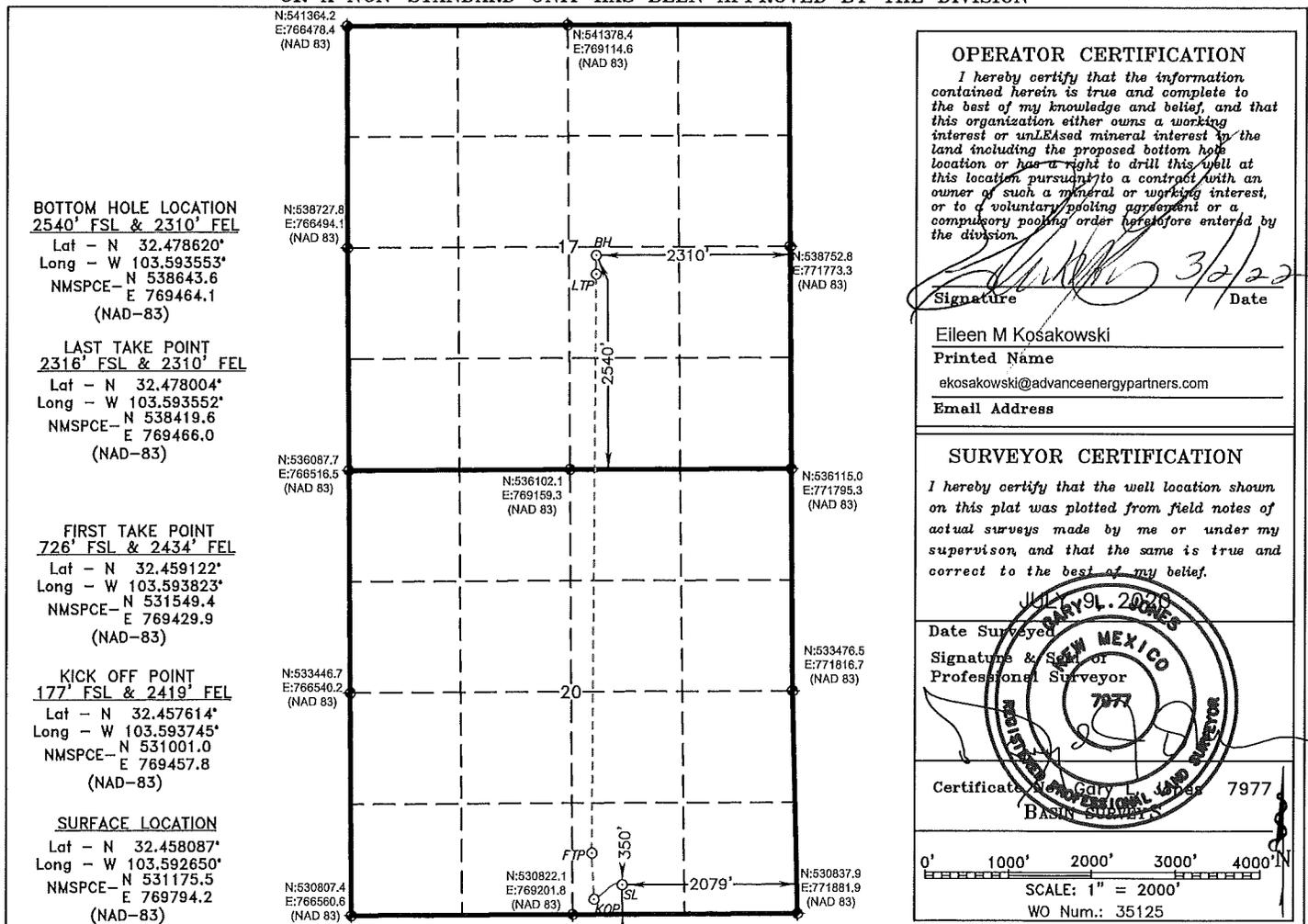


EXHIBIT A

API Number 30-025-46471		Pool Code 97895	Pool Name WC-025 G-08 S213304D;BONE SPRING		
Property Code 325948	Property Name WOOL HEAD 20 STATE COM			Well Number 553H	
OGED No. 372417	Operator Name ADVANCE ENERGY PARTNERS HAT MESA			Elevation 3721'	

Surface Location

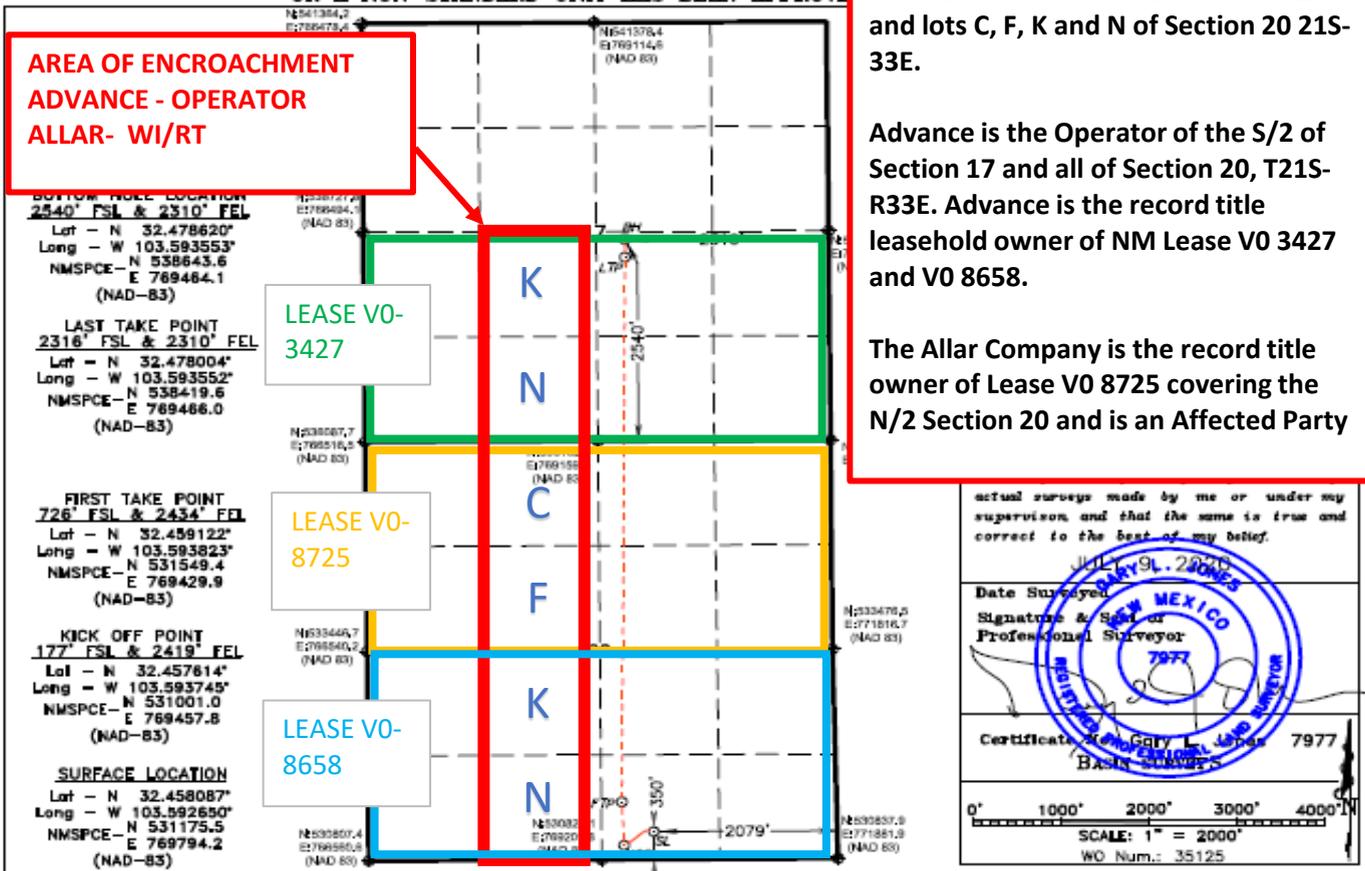
UL or lot No.	Section	Township	Range	Lot 10n	Feet from the	SOUTH/South line	Feet from the	East/West line	County
0	20	21 S	33 E		350	SOUTH	2079	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 10n	Feet from the	SOUTH/South line	Feet from the	East/West line	County
J	17	21 S	33 E		2540	SOUTH	2310	EAST	LEA

Dedicated Acres 240	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL AFFECTED TRACTS OR A NON-STANDARD UNIT HAS BEEN APPROVED



Affected Tracts. The well path encroaches lots K and N of Section 17 and lots C, F, K and N of Section 20 T21S-33E.

Advance is the Operator of the S/2 of Section 17 and all of Section 20, T21S-R33E. Advance is the record title leasehold owner of NM Lease V0 3427 and V0 8658.

The Allar Company is the record title owner of Lease V0 8725 covering the N/2 Section 20 and is an Affected Party

EXHIBIT B

MAIL DATE	COMPANY	ADDRESS	CITY	STATE	ZIP	MAIL CLASS	TRACKING NO
6/1/2022	New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	New Mexico	87501	Certified with Return Receipt (Signature)	7021 2720 0003 1366 0017
N/A	The Allar Company	<i>No letter needed. Please see attached non-objection letter</i>					

EXHIBIT C



2901 Via Fortuna, Suite 600, Austin, Texas 78746 • Phone 832-672-4700 • Fax 832-672-4609

May 26, 2022

The Allar Compaany
735 Elm Street
Graham, Texas 76450

Attn: Jack Graham

Re: Non-Standard Location Well
Wool Head 20 State Com 553H
S/2 Section 17, Section 20-T21S-R33E
Lea County, New Mexico

Dear Mr. Graham,

Attached plat displays the as drilled location of the Wool Head 20 State Com 553H. Despite receiving approved drill permits in October 2019, the NM Regulatory Agency recently informed us an NSL approval is required.

The Wool Head 20 State Com 553H surface location is 2079' from east line and 350' from south line, with the first take point 726' from south line and 2434' from east line of Section 20. Last take point is 2310' from east line and 2316' from the south line of Section 17, T21S-R33E.

The New Mexico Regulatory statewide rules provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit and therefore, the complete interval of the well is unorthodox since it encroaches on the western boundary of the horizontal spacing unit. The first take point along the lateral encroaches upon Units K, N of Section 17 and portions of C, F, K and N of Section 20-T21S-R33E. As record title owner of Lease V0-8725 covering the N/2 Section 20, T21S-R33E, we request The Allar Company confirms this notification and waives of any objection to this well.

Thank you for your consideration of our proposed change and please contact me if you want to discuss this matter in more detail.

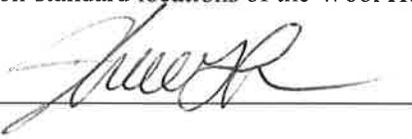
Sincerely,

A handwritten signature in blue ink that reads "Lizzy Laufer".

Lizzy Laufer
Landman
Advance Energy Partners, LLC
Email: LLaufer@amererev.com

Notification Received and The Allar Company has no objection
for non-standard locations of the Wool Head 20 State Com 553H.

By: _____

A handwritten signature in black ink, appearing to be "J. R. [unclear]", written over a horizontal line.



2901 Via Fortuna, Suite 600, Austin, Texas 78746 • Phone 832-672-4700 • Fax 832-672-4609

June 1, 2022

VIA CERTIFIED MAIL TRACKING NO. 7021 2720 0003 1366 0017
RETURN RECEIPT REQUESTED

NM State Land Office
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504-1148
Attn: Oil and Gas Division

Re: Advance Energy Partners Hat Mesa, LLC
Request for Administrative Approval of Unorthodox Well Location

Wool Head 20 State Com 553H (API 30-025-46471)
Unit O, Section 20-T21S-R33E
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact me by phone at 512-587-6873 or email at LLaufer@amerev.com.

Sincerely,

A handwritten signature in blue ink that reads "Lizzy Laufer".

Lizzy Laufer
Landman
Advance Energy Partners, LLC
Email: LLaufer@amerev.com

District I
 1625 N. French Dr., Hobbs, NM 88240
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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

CONDITIONS

Action 112116

CONDITIONS

Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077	OGRID: 372417
	Action Number: 112116
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	NSL-8380 is approved. The Order can be found on the following OCD website: https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	7/6/2022