

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Dylan M. Fuge
Deputy Secretary

Dylan M. Fuge, Division Director (Acting)
Oil Conservation Division



Lizzy Laufer
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NON-STANDARD LOCATION

Administrative Order NSL - 8424

Advance Energy Partners Hat Mesa, LLC [372417]
Dagger State Com Well No. 516H
API No. 30-025-48899

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2620 FSL & 800 FWL	L	30	21S	33E	Lea
First Take Point	2540 FNL & 1210 FWL	E	30	21S	33E	Lea
Last Take Point/ Terminus	100 FNL & 1210 FWL	D	19	21S	33E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 NW/4 of Section 30	240	Wildcat; Bone Spring	97929
W/2 W/2 of Section 19			

Reference is made to your application received on August 8th, 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 110 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 30, encroachment to the E/2 NW/4
Section 19, 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.

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Division understands you are seeking this unorthodox location as your preferred well spacing for horizontal wells in this area and thereby preventing waste within the Bone Spring formation underlying the W/2 NW/4 of Section 30 and the W/2 W/2 of Section 19.

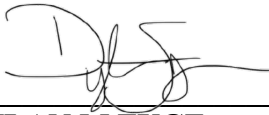
Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

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.



DYLAN M FUGE
Division Director (Acting)

Date: 3/7/24

DMF/lrl

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

CONDITIONS

Action 325410

CONDITIONS

Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	OGRID: 372417
	Action Number: 325410
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	3/21/2024