

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATIONS OF ADVANCE ENERGY
PARTNERS HAT MESA, LLC FOR
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

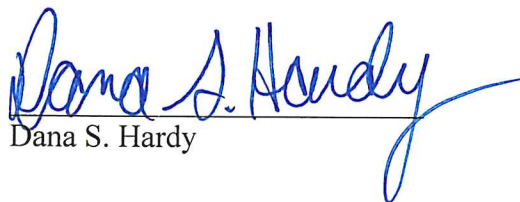
CASE NOS. 22105-22108

AFFIDAVIT OF DANA S. HARDY

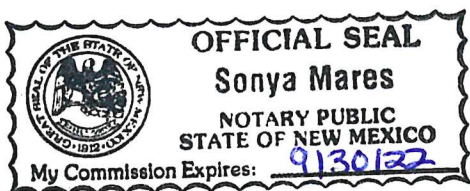
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Dana S. Hardy, attorney and authorized representative of Advance Energy Partners Hat Mesa, LLC, the Applicant herein, states that the attached Compulsory Pooling Checklists pertaining to the above-referenced cases have been revised to include the drilling overhead and administrative rates of \$8,000 per month and producing overhead and administrative rates of \$800 per month, in accordance with Applicant's previously submitted Exhibit A.

Further affiant sayeth naught.


Dana S. Hardy

SUBSCRIBED AND SWORN to before me on September 21, 2021 by Dana S. Hardy.



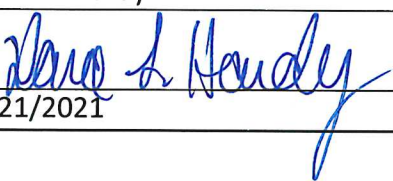

Notary Public

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	22105
Hearing Date:	9/9/2021
Applicant	Advance Energy Partners Hat Mesa, LLC
Designated Operator & OGRID	OGRID # 372417
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Advance Energy Partners Hat Mesa, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	ConocoPhillips Company
Well Family	Margarita
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring
Pool Name and Pool Code	WC-025 G-08 S213304D; BONE SPRING pool (97895)
Well Location Setback Rules	Statewide
Spacing Unit Size	360 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	360 acres
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	SE/4 NE/4 and E/2 SE/4 of Section 13, E/2 E/2 of Section 24, and E/2 NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	-
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Margarita Federal Com #7H (API # pending) SHL: S13-T21S-R32E 460 FNL, 774 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 990 FEL (Unit H) Completion Target: Bone Spring formation TVD: Approx. 11250'
Well #2	Margarita Federal Com #8H (API # pending) SHL: S13-T21S-R32E 460 FNL, 642 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 330 FEL (Unit H) Completion Target: Bone Spring formation TVD: Approx. 11400'
Well #3	Margarita Federal Com #12 (API # pending) SHL: S13-T21S-R32E 460 FNL, 708 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 660 FEL (Unit H) Completion Target: Bone Spring formation TVD: Approx. 10900'

Well #4	Margarita Federal Com #16 (API # pending) SHL: S13-T21S-R32E 460 FNL, 807 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 990 FEL (Unit H) Completion Target: Bone Spring formation TVD: Approx. 11700'
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-7
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	

Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	
Date:	9/21/2021