

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

**APPLICATION OF ADVANCE ENERGY  
PARTNERS HAT MESA, LLC TO AMEND  
ORDER NO. R-21949 TO EXTEND TIME TO  
COMPLETE DRILLING OPERATIONS,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23184**

**EXHIBIT INDEX**

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

APPLICATION OF ADVANCE ENERGY  
PARTNERS HAT MESA, LLC TO AMEND  
ORDER NO. R-21949 TO EXTEND TIME TO  
COMPLETE DRILLING OPERATIONS,  
LEA COUNTY, NEW MEXICO.

CASE NO. 23184

SELF-AFFIRMED STATEMENT  
OF LIZZY LAUFER

1. I am a Landman with Advance Energy Partners Hat Mesa, LLC (“Advance”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the matters involved in this case. Copies of the application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.

4. The Division issued Order No. R-21949 (“Order”) in Case No. 22324 on December 7, 2021. The Order approved a 720-acre, more or less, standard horizontal spacing unit within the Bone Spring formation underlying the S/2 NE/4 and SE/4 of Section 13, E/2 of Section 24, and NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico (“Unit”), and designated Advance as the operator of the Unit.

5. The Order further pooled all uncommitted interests within the WC-025 G-08 S213304D; Bone Spring pool (Pool Code 97895) underlying the Unit and dedicated the Unit to

**Advance Energy Partners Hat Mesa, LLC**  
**Case No. 23184**  
**Exhibit A**

the Margarita Federal Com #5H, #6H, #7H, #8H, #11H, #12H, #15H, #16H, #19H and #20H wells (“Wells”). A copy of the Order is attached as **Exhibit A-2**.

6. Paragraph 23 of the Order required Advance to commence drilling the Wells within one year of the Order and complete the Wells no later than one year thereafter unless Advance obtains a time extension from the Division Director for good cause shown.

7. Advance timely commenced drilling the Wells on May 19, 2022 but requires additional time to complete the Wells. The Margarita 13 Fed Com project consists of 21 wells, with 10 of the wells being subject to compulsory pooling orders. To promote optimal development and the integrity of the wellbores, Advance must conclude drilling operations on all 21 wells before commencing completion operations. Approval of the completion extension will provide sufficient time for Advance to drill the 21-well project back-to-back, which will increase productivity and prevent economic waste. As a result, good cause exists to extend the deadline for Advance to complete the Wells.

8. Advance requests the Division amend the Order to extend the deadline for Advance to complete the Wells until May 19, 2024.

9. Advance further requests that the other provisions of the Order remain in force and effect.

10. Advance is in good standing under the Division’s rules and regulations.

11. In my opinion, the granting of Advance’s application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

12. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

13. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
Lizzy Laufer

11/14/22  
Date

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

**APPLICATION OF ADVANCE ENERGY  
PARTNERS HAT MESA, LLC TO AMEND  
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LEA COUNTY, NEW MEXICO.**

**CASE NO. 23184**

**APPLICATION**

Advance Energy Partners Hat Mesa, LLC (“Advance”) (OGRID No. 372417), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) requesting that the Division amend Order No. R-21949 to extend the deadline to complete drilling operations until May 19, 2024. In support of its application, Advance states the following.

1. The Division issued Order No. R-21949 (“Order”) in Case No. 22324 on December 7, 2021. The Order approved a 720-acre, more or less, standard horizontal spacing unit within the Bone Spring formation underlying the S/2 NE/4 and SE/4 of Section 13, E/2 of Section 24, and NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico (“Unit”), and designated Advance as the operator of the Unit.

2. The Order further pooled all uncommitted interests within the WC-025 G-08 S213304D; Bone Spring pool (Pool Code 97895) underlying the Unit and dedicated the Unit to the Margarita Federal Com #5H, #6H, #7H, #8H, #11H, #12H, #15H, #16H, #19H and #20H wells (“Wells”).

3. Paragraph 23 of the Order required Advance to commence drilling the Wells within one year of the Order and complete the Wells no later than one year thereafter unless Advance obtains a time extension from the Division Director for good cause shown.

**Advance Energy Partners Hat Mesa, LLC  
Case No. 23184  
Exhibit A-1**

4. Advance timely commenced drilling the Wells on May 19, 2022 but requires additional time to complete the Wells. The Margarita 13 Fed Com project consists of 21 wells, with 10 of the wells being subject to compulsory pooling orders. To promote optimal development and the integrity of the wellbores, Advance must conclude drilling operations on all 21 wells before commencing completion operations. Approval of the completion extension will provide sufficient time for Advance to drill the 21-well project back-to-back, which will increase productivity and prevent economic waste.

5. Accordingly, Advance requests that the Division amend the Order to extend the deadline for Advance to complete the Wells until May 19, 2024.

WHEREFORE, Advance requests that this application be set for hearing on December 1, 2022, and after notice and hearing as required by law, the Division amend Order No. R-21949 to extend the deadline for Advance to complete drilling the Wells until May 19, 2024.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

Yarithza Peña

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*Counsel for Advance Energy Partners Hat Mesa, LLC*

**Application of Advance Energy Partners Hat Mesa, LLC to Amend Order No. R-21949 to Extend Time to Complete Drilling Operations, Lea County, New Mexico.** Advance Energy Partners Hat Mesa, LLC (“Advance”) seeks an order amending Order No. R-21949 (“Order”) to extend the deadline to complete drilling operations until May 19, 2024. The Order approved a 720-acre, more or less, standard horizontal spacing unit within the Bone Spring formation underlying the S/2 NE/4 and SE/4 of Section 13, E/2 of Section 24, and NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico (“Unit”), and designated Advance as the operator of the Unit. The Order further pooled all uncommitted interests within the WC-025 G-08 S213304D; Bone Spring pool (Pool Code 97895) underlying the Unit and dedicated the Unit to the Margarita Federal Com #5H, #6H, #7H, #8H, #11H, #12H, #15H, #16H, #19H and #20H wells (“Wells”). The Order required Advance to commence drilling the Wells within one year of the Order and complete the Wells no later than one year thereafter unless Advance obtains a time extension from the Division Director for good cause shown. Advance requests that the Division amend the Order to extend the deadline for Advance to complete the Wells until May 19, 2024. The Wells are located approximately 27 miles west of Eunice, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
ADVANCE ENERGY PARTNERS HAT MESA, LLC**

**CASE NO. 22324  
ORDER NO. R-21949**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on December 2, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Advance Energy Partners Hat Mesa, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. On September 22, 2021, OCD issued order R-21851 which pooled all uncommitted interest in the Bone Spring formation underlying a 360-acre, more or less, comprised of 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 31 South, Range 32 East in Lea County, New Mexico.
3. On September 22, 2021, OCD issued order R-21853 which pooled all uncommitted interest in the Bone Spring formation underlying a 360-acre, more or less, comprised of SW/4 NE/4 and W/2 SE/4 of section 13, W/2 E/2 of section 24, and W/2 NE/4 of section 25, Township 31 South, Range 32 East in Lea County, New Mexico.
4. Subsequent to the Orders, Operator revised well locations which included adding a proximity defining well in order to consolidate the existing spacing units.
5. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
6. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
7. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
8. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**Advance Energy Partners Hat Mesa, LLC  
Case No. 23184  
Exhibit A-2**

**CONCLUSIONS OF LAW**

9. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
10. Operator is the owner of an oil and gas working interest within the Unit.
11. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
12. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
13. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
14. The Unit contains separately owned uncommitted interests in oil and gas minerals.
15. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
16. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
17. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

**ORDER**

18. Orders R-21851 and R-21853 are superseded by Order R-21949, and are no longer in effect.
19. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
20. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
21. Operator is designated as operator of the Unit and the Well(s).
22. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
23. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.

CASE NO. 22324  
ORDER NO. R-21949

Page 2 of 8

24. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
25. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
26. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
27. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
28. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
29. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
30. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."

31. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
32. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
33. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
34. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
35. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
36. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
37. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
38. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.

39. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OFFICE OF CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR  
AES/jag

Date: 12/07/2021

CASE NO. 22324  
ORDER NO. R-21949

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Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	22324
<b>Hearing Date:</b>	12/2/2021
<b>Applicant</b>	Advance Energy Partners Hat Mesa, LLC
<b>Designated Operator &amp; OGRID</b>	OGRID # 372417
<b>Applicant's Counsel</b>	Hinkle Shanor LLP
<b>Case Title</b>	Application of Advance Energy Partners Hat Mesa, LLC to Amend Order Nos. R-21851 and R-21853 to Consolidate Horizontal Spacing Units, Revise Well Locations, and Include Additional Wells, Lea County, New Mexico
<b>Entries of Appearance/Intervenors</b>	
<b>Well Family</b>	Margarita
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent</b>	Bone Spring
<b>Primary Product (Oil or Gas)</b>	Oil
<b>Pooling this vertical extent</b>	Bone Spring
<b>Pool Name and Pool Code</b>	WC-025 G-08 S213304D; Bone Spring pool (Pool Code 97895)
<b>Well Location Setback Rules</b>	Statewide
<b>Spacing Unit Size</b>	720-acre
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	720-acre
<b>Building Blocks</b>	quarter-quarter
<b>Orientation</b>	Standup
<b>Description: TRS/County</b>	S/2NE/4 and SE/4 of Section 13, E/2 of Section 24, and NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico
<b>Standard Horizontal Well Spacing Unit (Y/N), if No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	The completed interval for the proposed Margarita Federal Com 13 #6H well will be within 330' of the quarter-quarter line separating the W/2SE/4 from the E/2SE/4 and the SE/4NE/4 from the SW/4NE/4 of Section 13, the E/2E/2 from the W/2E/2 of Section 24, and the W/2NE/4 from the E/2NE/4 of Section 25 to allow the inclusion of this acreage in a 720-acre, more or less, standard horizontal spacing unit.
<b>Proximity Defining Well: if yes, description</b>	Margarita Federal Com 13 #6H
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	Add wells as needed
<b>Well #1</b>	Margarita Federal Com 13 #5H (API # pending) SHL: S13-T21S-R32E 1399 FNL, 2014 FEL (Unit G) BHL: S25-T21S-R32E 2540 FNL, 2310 FEL (Unit G) Completion Target: Bone Spring TVD: Approx. 10900'

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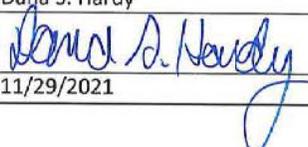
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Well #2	Margarita Federal Com 13 #6H (API # pending) SHL: S13-T21S-R32E 1399 FNL, 1882 FEL (Unit G) BHL: S25-T21S-R32E 2540 FNL, 1430 FEL (Unit G) Completion Target: Bone Spring TVD: Approx. 9900'
Well #3	Margarita Federal Com 13 #7H (API # pending) SHL: S13-T21S-R32E 460 FNL, 774 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 1430 FEL (Unit G) Completion Target: Bone Spring TVD: Approx. 11250'
Well #4	Margarita Federal Com 13 #8H (API # pending) SHL: S13-T21S-R32E 460 FNL, 642 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 550 FEL (Unit H) Completion Target: Bone Spring TVD: Approx. 10900'
Well #5	Margarita Federal Com 13 #11H (API # pending) SHL: S13-T21S-R32E 1399 FNL, 1948 FEL (Unit G) BHL: S25-T21S-R32E 2540 FNL, 2310 FEL (Unit G) Completion Target: Bone Spring TVD: Approx. 10200'
Well #6	Margarita Federal Com 13 #12H (API # pending) SHL: S13-T21S-R32E 460 FNL, 708 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 550 FEL (Unit H) Completion Target: Bone Spring TVD: Approx. 10200'
Well #7	Margarita Federal Com 13 #15H (API # pending) SHL: S13-T21S-R32E 1399 FNL, 2047 FEL (Unit G) BHL: S25-T21S-R32E 2540 FNL, 2310 FEL (Unit G) Completion Target: Bone Spring TVD: Approx. 11450'
Well #8	Margarita Federal Com 13 #16H (API # pending) SHL: S13-T21S-R32E 460 FNL, 807 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 1430 FEL (Unit G) Completion Target: Bone Spring TVD: Approx. 11700'
Well #9	Margarita Federal Com 13 #19H (API # pending) SHL: S13-T21S-R32E 1399 FNL, 1915 FEL (Unit G) BHL: S25-T21S-R32E 2540 FNL, 1430 FEL (Unit G) Completion Target: Bone Spring TVD: Approx. 10520'
Well #10	Margarita Federal Com 13 #20H (API # pending) SHL: S13-T21S-R32E 460 FNL, 675 FEL (Unit A) BHL: S25-T21S-R32E 2540 FNL, 550 FEL (Unit H) Completion Target: Bone Spring TVD: Approx. 11450'
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6

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Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-7
<b>Ownership Determination</b>	
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
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
<b>Chronology of Contact with Non-Joined Working Interests</b>	
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
<b>Geology</b>	
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
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	
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:	11/29/2021

Received by OCD: 11/30/2021 1:39:38 PM

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

**APPLICATION OF ADVANCE ENERGY  
PARTNERS HAT MESA, LLC TO AMEND  
ORDER NO. R-21949 TO EXTEND TIME TO  
COMPLETE DRILLING OPERATIONS,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23184**

**SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Advance Energy Partners Hat Mesa, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit B-1** and caused the Notice Letter to be sent to the parties set out in the chart attached as **Exhibit B-2**.

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit B-2.

4. Exhibit B-2 also provides the date each Notice Letter was sent and the date each return was received.

5. Copies of the certified mail green cards and white slips are attached as **Exhibit B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

6. On November 16, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit B-4**.

7. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy  
Dana S. Hardy

November 28, 2022  
Date

**Advance Energy Partners Hat Mesa, LLC  
Case No. 23184  
Exhibit B**



hinklelawfirm.com

# HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:  
Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

November 8, 2022

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case No. 23184 - Application of Advance Energy Partners Hat Mesa, LLC to Amend Order No. R-21949 to Extend Time to Complete Drilling Operations, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 1, 2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) or via e-mail to [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Lizzy Laufer, via email at [llaufer@ameredev.com](mailto:llaufer@ameredev.com) if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

**Advance Energy Partners Hat Mesa, LLC**  
**Case No. 23184**  
**Exhibit B-1**

Enclosure

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
(575) 622-6510  
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554  
FAX (505) 982-8623

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

**APPLICATION OF ADVANCE ENERGY  
PARTNERS HAT MESA, LLC TO AMEND  
ORDER NO. R-21949 TO EXTEND TIME TO  
COMPLETE DRILLING OPERATIONS,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23184**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Marathon Oil Permian LLC 990 Town & Country Blvd. Houston, Texas 77024	11/08/22	11/21/22

**Advance Energy Partners Hat Mesa, LLC  
Case No. 23184  
Exhibit B-2**

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee \$

Extra Services & Fees (check box, add fees as appropriate)

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

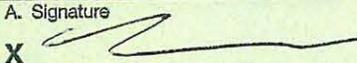
Marathon Oil Permian LLC  
 990 Town & Country Blvd.  
 Houston, Texas 77024

23184 Advance Energy – Margarita Re-Open (R-21949)

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

*Postmark Here: NOV 08 2022 SANTA FE, NM 87501*

7020 0090 0000 0867 3714

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature   <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Marathon Oil Permian LLC            990 Town &amp; Country Blvd.            Houston, Texas 77024</p> <p>23184 Advance Energy – Margarita Re-Open (R-21949)</p>  <p>9590 9402 7543 2098 9504 62</p>	<p>D. Is delivery address different from item? <input type="checkbox"/> Yes            If Yes, enter delivery address below: <input type="checkbox"/> No</p> <p><b>RECEIVED</b></p> <p>NOV 21 '22</p> <p>Hinkle Shanor LLP            Santa Fe NM 87504</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 0090 0000 0867 3714</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Advance Energy Partners Hat Mesa, LLC  
Case No. 23184  
Exhibit B-3

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

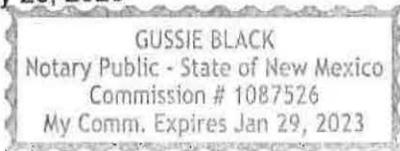
Beginning with the issue dated  
November 16, 2022  
and ending with the issue dated  
November 16, 2022.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
16th day of November 2022.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023  
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE**  
**November 16, 2022**

This is to notify all interested parties, including Marathon Oil Permian LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Advance Energy Partners Hat Mesa, LLC (Case No. 23184) ("Advance"). The hearing will be conducted remotely on December 1, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/oed/hearing-info/>. Advance applies for an order amending Order No. R-21949 ("Order") to extend the deadline to complete drilling operations until May 19, 2024. The Order approved a 720-acre, more or less, standard horizontal spacing unit within the Bone Spring formation underlying the S/2 NE/4 and SE/4 of Section 13, E/2 of Section 24, and NE/4 of Section 25, Township 21 South, Range 32 East in Lea County, New Mexico ("Unit"), and designated Advance as the operator of the Unit. The Order further pooled all uncommitted interests within the WC-025 G-08 S213304D; Bone Spring pool (Pool Code 97895) underlying the Unit and dedicated the Unit to the Margarita Federal Com #5H, #6H, #7H, #8H, #11H, #12H, #15H, #16H, #19H and #20H wells. The Order required Advance to commence drilling the wells within one year of the Order and complete the wells no later than one year thereafter unless Advance obtains a time extension from the Division Director for good cause shown. Advance requests that the Division amend the Order to extend the deadline for Advance to complete the wells until May 19, 2024. The wells are located approximately 27 miles west of Eunice, New Mexico.  
#00273169

02107475

00273169

GILBERT  
HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

**Advance Energy Partners Hat Mesa, LLC**  
**Case No. 23184**  
**Exhibit B-4**