<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

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**

Form C-101 August 1, 2011

Permit 253295

AD	me and Address VANCE ENERGY P		T MESA, LI	LC							2. OGR	ID Number 372417		
	190 Westheimer Ro uston, TX 77077	d., Ste 950									3. API I	Number 30-025-4489	6	
4. Property Co 319	de 9603		5. Property	Name MERCHANT S	TATE UNIT						6. Well	No. 506H		
					7.	Surfa	ce Location							
JL - Lot A	Section 35	Township 2	1S	tange 33E	Lot Idn	Α	Feet From 100	N/S Lir	ie N	Feet f	From 330	E/W Line	County	Lea
					8. Propos	ed Bo	ttom Hole Locat	tion						
JL - Lot P	Section 2	Township 22		ange 33E	Lot Idn	D	Feet From 330	N/S Lin	e S	Feet F	70m 330	E/W Line E	County	Lea
NC-025 G-0	6 S213326D-BONI	E SDRING			9.	Pool	Information					0702	Ω	
NC-025 G-0	6 S213326D;BONI	E SPRING										9792	9	
	6 S213326D;BONI	-		140	Additio		Information Vell Information				45. Oncord I		9	
I1. Work Type	6 S213326D;BONI	12. Well Typ	pe DIL	13.				14. Lease Ty	^{/pe}			9792 evel Elevation 56	9	
1. Work Type Ne		12. Well Typ	OIL		Additio			14. Lease Ty	tate			evel Elevation 56	9	
1. Work Type Ne		12. Well Typ	OIL		Addition Cable/Rotary	onal V		14. Lease Ty S	tate		20. Spud Date	evel Elevation 56	9	
11. Work Type Ne 16. Multiple	w Well	12. Well Typ	OIL d Depth	18.	Addition Addition	onal V	Vell Information	14. Lease Ty	tate		36 20. Spud Date 7/	evel Elevation 56		
11. Work Type Ne 16. Multiple N Depth to Grou	w Well	12. Well Typ C 17. Propose 2	DIL d Depth 1817	18.	Addition Cable/Rotary Formation Bone Sp	onal V	Vell Information	14. Lease Ty	tate		36 20. Spud Date 7/	evel Elevation 56 e 1/2018		
I1. Work Type Ne I6. Multiple N Depth to Grou	w Well	12. Well Typ C 17. Propose 2	DIL d Depth 1817	18. Dis	Addition Cable/Rotary Formation Bone Spread tance from nearest	onal V	Vell Information	14. Lease Ty S 19. Contract	tate		36 20. Spud Date 7/	evel Elevation 56 e 1/2018		
1. Work Type Ne 6. Multiple N Depth to Grou We will be	w Well Ind water using a closed-loc Hole Size	12. Well Typ 17. Proposes 2 op system in li	olL d Depth 1817 eu of lined g Size	Dis Dis	Addition Cable/Rotary Formation Bone Spitance from neares 21. Proposed sing Weight/ft	onal V	Nell Information n water well g and Cement F Setting	14. Lease Ty S 19. Contract	tate	Sack	36 20. Spud Date 7/2 Distance to ne	evel Elevation 56 e 1/2018	r Estimated	TOC
1. Work Type Ne 6. Multiple N depth to Grou We will be Type Surf	w Well Ind water using a closed-loc Hole Size 17.5	12. Well Typ 17. Propose 2 pp system in li Casin 13.	d Depth 1817 eu of lined g Size 375	Dis Dis	Addition Cable/Rotary Formation Bone Sp tance from neare: 21. Proposed (sing Weight/ft) 54.5	onal V	Nell Information n water well g and Cement F Setting 180	14. Lease Ty S 19. Contract	tate	Sack	36 20. Spud Data 7/2 Distance to no	evel Elevation 56 e 1/2018	Estimated 0	TOC
1. Work Type Ne 6. Multiple N Depth to Grou We will be Type Surf Int1	w Well Indicate water using a closed-loc Hole Size 17.5 12.25	12. Well Typ C 17. Propose 2 pp system in li Casin 13. 9.6	d Depth 1817 eu of lined g Size 375	Dis Dis	Additic Cable/Rotary Formation Bone Sprance from neare: 21. Proposed sign Weight/ft 54.5	onal V	Well Information n water well g and Cement F Setting 186 400	14. Lease Ty S 19. Contract Program Depth 00 00	tate	Sack	36 20. Spud Date 7/2 Distance to ne	evel Elevation 56 e 1/2018	Estimated 0 0	TOC
11. Work Type Ne 16. Multiple N Depth to Grou We will be Type Surf	w Well Ind water using a closed-loc Hole Size 17.5	12. Well Typ C 17. Propose 2 op system in li Casin 13 9.6	d Depth 1817 eu of lined g Size 375	Dis Dis	Addition Cable/Rotary Formation Bone Sp tance from neare: 21. Proposed (sing Weight/ft) 54.5	onal V	Nell Information n water well g and Cement F Setting 180	14. Lease Ty S 19. Contract Program Depth 00 10	tate	Sack	36 20. Spud Data 7/2 Distance to no	evel Elevation 56 e 1/2018	Estimated 0	TOC

22. Proposed Blowout Prevention Progra	m
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Туре	Working Pressure	Test Pressure	Manufacturer
Double Ram	10000	10000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC				OIL CONSERVATIO	ON DIVISION
Printed Name: Electronically filed by David C Harwell			Approved By:	Paul F Kautz	
Title: VP Engineering			Title:	Geologist	
Email Address: dharwell@advanceenergypartners.com			Approved Date:	6/14/2018	Expiration Date: 6/14/2020
Date:	Date: 6/7/2018 Phone: 832-672-4604			oval Attached	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Fhone (676) 898-8161 Fax: (576) 898-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Fhone (676) 748-1228 Fax: (576) 748-9720

DISTRICT III

DISTRICT IV

1000 Rio Brazos Rd., Aztec, NM 87410 Phone (505) 334-5178 Fax: (505) 334-5170

1220 S. St. Francis Dr., Santa Fe, NM 67505 Phone (505) 476-3460 Fax: (505) 476-3462

API Number

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised August 4, 2011

Submit one copy to appropriate
District Office

Pool Name

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

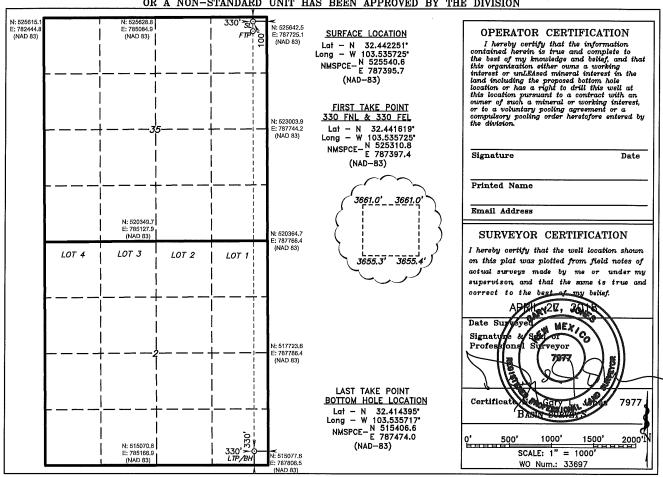
WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code

☐ AMENDED REPORT

Property Code				Property Name MERCHANT STATE UNIT				Well Number 506H	
OGRID No.			ADVA	Operator Name ADVANCE ENERGY PARTNERS HAT MESA				Elevation 3656	
					Surface Loca	ation			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
Α	35	21 S	33 E		100	NORTH	330	EAST	LEA
			Bottom	Hole Loc	ation If Diffe	rent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
Р	2	22 S	33 E		330	SOUTH	330	EAST	LEA
Dedicated Acre	Dedicated Acres Joint or Infill Consolidation Code Order No.								

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



Form APD Comments

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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**

Permit 253295

PERMIT COMMENTS

Operator Name and Address:	API Number:
ADVANCE ENERGY PARTNERS HAT MESA, LLC [372417]	30-025-44896
11490 Westheimer Rd., Ste 950	Well:
Houston, TX 77077	MERCHANT STATE UNIT #506H

Created By	Comment	Comment Date

Form APD Conditions

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Permit 253295

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
ADVANCE ENERGY PARTNERS HAT MESA, LLC [372417]	30-025-44896
11490 Westheimer Rd., Ste 950	Well:
Houston, TX 77077	MERCHANT STATE UNIT #506H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface 2) PRODUCTION CASING - Cement must tie back into intermediate casing
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.