

District I
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

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

Form C-101
August 1, 2011

Permit 270624

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077		2. OGRID Number 372417
		3. API Number 30-025-46290
4. Property Code 319599	5. Property Name DAGGER LAKE 5 STATE COM	6. Well No. 505H

7. Surface Location

UL - Lot K	Section 5	Township 22S	Range 33E	Lot Idn K	Feet From 2140	N/S Line S	Feet From 1963	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot C	Section 32	Township 21S	Range 33E	Lot Idn C	Feet From 100	N/S Line N	Feet From 1650	E/W Line W	County Lea
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9. Pool Information

LEGG;BONE SPRING	37870
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3657
16. Multiple N	17. Proposed Depth 19270	18. Formation Bone Spring	19. Contractor	20. Spud Date 9/1/2019
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1600	500	0
Int1	12.25	9.625	40	4000	950	0
Int1	12.25	9.625	40	5300	330	4000
Prod	8.5	5.5	20	19270	2300	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

<p>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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/>, if applicable.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by David C Harwell</p> <p>Title: VP Engineering</p> <p>Email Address: dharwell@advanceenergypartners.com</p> <p>Date: 8/6/2019</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul F Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 8/15/2019</p> <p>Expiration Date: 8/15/2021</p> <p>Conditions of Approval Attached</p>
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Form C-102
 August 1, 2011

Permit 270624

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-46290	2. Pool Code 37870	3. Pool Name LEGG;BONE SPRING
4. Property Code 319599	5. Property Name DAGGER LAKE 5 STATE COM	6. Well No. 505H
7. OGRID No. 372417	8. Operator Name ADVANCE ENERGY PARTNERS HAT MESA, LLC	9. Elevation 3657

10. Surface Location

UL - Lot K	Section 5	Township 22S	Range 33E	Lot Idn K	Feet From 2140	N/S Line S	Feet From 1963	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 32	Township 21S	Range 33E	Lot Idn C	Feet From 100	N/S Line N	Feet From 1650	E/W Line W	County Lea
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12. Dedicated Acres 240.05	13. Joint or Infill	14. Consolidation Code	15. Order No.
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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

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: David C Harwell Title: VP Engineering Date: 8/6/2019</p>
	<p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Gary Jonees Date of Survey: 7/30/2019 Certificate Number: 7977</p>

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PERMIT COMMENTS

Operator Name and Address: ADVANCE ENERGY PARTNERS HAT MESA, LLC [372417] 11490 Westheimer Rd., Ste 950 Houston, TX 77077	API Number: 30-025-46290
	Well: DAGGER LAKE 5 STATE COM #505H

Created By	Comment	Comment Date
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PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: ADVANCE ENERGY PARTNERS HAT MESA, LLC [372417] 11490 Westheimer Rd., Ste 950 Houston, TX 77077	API Number: 30-025-46290
	Well: DAGGER LAKE 5 STATE COM #505H

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 5753703186 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.