

**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

**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 270712

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

|                                                                                                                             |  |                               |
|-----------------------------------------------------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>ADVANCE ENERGY PARTNERS HAT MESA, LLC<br>11490 Westheimer Rd., Ste 950<br>Houston, TX 77077 |  | 2. OGRID Number<br>372417     |
| 4. Property Code<br>319599                                                                                                  |  | 3. API Number<br>30-025-46291 |
| 5. Property Name<br>DAGGER LAKE 5 STATE COM                                                                                 |  | 6. Well No.<br>507H           |

**7. Surface Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| K        | 5       | 22S      | 33E   | K       | 2140      | S        | 1996      | W        | Lea    |

**8. Proposed Bottom Hole Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| C        | 32      | 21S      | 33E   | C       | 100       | N        | 2310      | W        | Lea    |

**9. Pool Information**

|                  |       |
|------------------|-------|
| LEGG;BONE SPRING | 37870 |
|------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3656 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>19270 | 18. Formation<br>Bone Spring           | 19. Contractor          | 20. Spud Date<br>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**

|  |
|--|
|  |
|--|

**22. Proposed Blowout Prevention Program**

|            |                  |               |              |
|------------|------------------|---------------|--------------|
| Type       | Working Pressure | Test Pressure | Manufacturer |
| Double Ram | 5000             | 5000          |              |

|                                                                                                                                                                                                                                                                                                                             |                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br><b>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.</b><br><br>Signature: | <b>OIL CONSERVATION DIVISION</b>                         |
| 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: 8/15/2019      Expiration Date: 8/15/2021 |
| Date: 8/6/2019      Phone: 832-672-4604                                                                                                                                                                                                                                                                                     | Conditions of Approval Attached                          |

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 270712

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                                           |                                  |
|-------------------------------|-----------------------------------------------------------|----------------------------------|
| 1. API Number<br>30-025-46291 | 2. Pool Code<br>37870                                     | 3. Pool Name<br>LEGG;BONE SPRING |
| 4. Property Code<br>319599    | 5. Property Name<br>DAGGER LAKE 5 STATE COM               | 6. Well No.<br>507H              |
| 7. OGRID No.<br>372417        | 8. Operator Name<br>ADVANCE ENERGY PARTNERS HAT MESA, LLC | 9. Elevation<br>3656             |

**10. Surface Location**

|               |              |                 |              |              |                   |               |                   |               |               |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|---------------|
| UL - Lot<br>K | Section<br>5 | Township<br>22S | Range<br>33E | Lot Idn<br>K | Feet From<br>2140 | N/S Line<br>S | Feet From<br>1996 | E/W Line<br>W | County<br>Lea |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|---------------|

**11. Bottom Hole Location If Different From Surface**

|                               |                     |                 |              |                        |                  |               |                   |               |               |
|-------------------------------|---------------------|-----------------|--------------|------------------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot<br>C                 | Section<br>32       | Township<br>21S | Range<br>33E | Lot Idn<br>C           | Feet From<br>100 | N/S Line<br>N | Feet From<br>2310 | E/W Line<br>W | County<br>Lea |
| 12. Dedicated Acres<br>240.05 | 13. Joint or Infill |                 |              | 14. Consolidation Code |                  |               | 15. 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**

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></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<br/>Title:                VP Engineering<br/>Date:                 8/6/2019</p> |
|  | <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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 Jones<br/>Date of Survey:     7/30/2019<br/>Certificate Number: 7977</p>                                                                                                                                                                                                                                                                                                                |

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Form APD Comments

Permit 270712

**PERMIT COMMENTS**

|                                                                                                                                    |  |                                        |
|------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------|
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|                                                                                                                                    |  | Well:<br>DAGGER LAKE 5 STATE COM #507H |

|            |         |              |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

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Form APD Conditions

Permit 270712

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                                                    |                                        |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
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|                                                                                                                                    | Well:<br>DAGGER LAKE 5 STATE COM #507H |

| OCD<br>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          | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water                                                                                                                                                                                                                                                              |
| pkautz          | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement                                                                                                                                                                                                                                                      |
| 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. |