

| <b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br>Phone:(575) 393-6161 Fax:(575) 393-0720<br><b>District II</b><br>811 S. First St., Artesia, NM 88210<br>Phone:(575) 748-1283 Fax:(575) 748-9720<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br>Phone:(505) 334-6178 Fax:(505) 334-6170<br><b>District IV</b><br>1220 S. St Francis Dr., Santa Fe, NM 87505<br>Phone:(505) 476-3470 Fax:(505) 476-3462                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><b>Oil Conservation Division</b><br><b>1220 S. St Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | Form C-103<br>August 1, 2011<br>Permit 279799<br>WELL API NUMBER<br>30-025-46697<br>5. Indicate Type of Lease<br>S<br>6. State Oil & Gas Lease No.<br><br>7. Lease Name or Unit Agreement Name<br>MERCHANT STATE UNIT |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
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| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                                                                                                                                                                                       |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 1. Type of Well:<br>O                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                               | 8. Well Number<br>511H                                                                                                                                                                                                |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 2. Name of Operator<br>ADVANCE ENERGY PARTNERS HAT MESA, LLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                               | 9. OGRID Number<br>372417                                                                                                                                                                                             |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 3. Address of Operator<br>11490 Westheimer Rd. Ste 950, Houston, TX 77077                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                               | 10. Pool name or Wildcat                                                                                                                                                                                              |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 4. Well Location<br>Unit Letter <u>C</u> : <u>200</u> feet from the <u>N</u> line and feet <u>2504</u> from the <u>W</u> line<br>Section <u>35</u> Township <u>21S</u> Range <u>33E</u> NMPM _____ County <u>Lea</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                               |                                                                                                                                                                                                                       |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3680 GR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                               |                                                                                                                                                                                                                       |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                               |                                                                                                                                                                                                                       |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data<br><table style="width:100%;"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table>                                                                                                                                                                                                                               |                                                                                                                                                                               |                                                                                                                                                                                                                       | NOTICE OF INTENTION TO:                   |                              | SUBSEQUENT REPORT OF:       |                       | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/>  | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |           | Other: _____ |      | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| NOTICE OF INTENTION TO:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                               | SUBSEQUENT REPORT OF:                                                                                                                                                                                                 |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| PERFORM REMEDIAL WORK <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | PLUG AND ABANDON <input type="checkbox"/>                                                                                                                                     | REMEDIAL WORK <input type="checkbox"/>                                                                                                                                                                                | ALTER CASING <input type="checkbox"/>     |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| TEMPORARILY ABANDON <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | CHANGE OF PLANS <input type="checkbox"/>                                                                                                                                      | COMMENCE DRILLING OPNS. <input type="checkbox"/>                                                                                                                                                                      | PLUG AND ABANDON <input type="checkbox"/> |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| PULL OR ALTER CASING <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | MULTIPLE COMPL <input type="checkbox"/>                                                                                                                                       | CASING/CEMENT JOB <input type="checkbox"/>                                                                                                                                                                            |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| Other: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                               | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/>                                                                                                                                                     |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions:<br>Attach wellbore diagram of proposed completion or recompletion.<br>Set Surface Casing<br><b>Casing and Cement Program</b> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>03/12/20</td> <td>Surf</td> <td>FreshWater</td> <td>17.75</td> <td>13.38</td> <td>54.5</td> <td>J-55</td> <td>0</td> <td>1802</td> <td>585</td> <td>2.55</td> <td>C</td> <td>0</td> <td>900</td> <td>0</td> <td>N</td> </tr> <tr> <td>03/12/20</td> <td>Surf</td> <td>FreshWater</td> <td>17.75</td> <td>13.38</td> <td>54.5</td> <td>J-55</td> <td>1453</td> <td>1802</td> <td>250</td> <td>1.34</td> <td>C</td> <td>0</td> <td>900</td> <td>0</td> <td>N</td> </tr> </tbody> </table> |                                                                                                                                                                               |                                                                                                                                                                                                                       | Date                                      | String                       | Fluid Type                  | Hole Size             | Csg Size                                       | Weight lb/ft                              | Grade                                  | Est TOC                               | Dpth Set                                     | Sacks                                     | Yield                                            | Class                                     | 1" Dpth                                       | Pres Held                               | Pres Drop                                  | Open Hole | 03/12/20     | Surf | FreshWater                                                        | 17.75 | 13.38 | 54.5 | J-55 | 0 | 1802 | 585 | 2.55 | C | 0 | 900 | 0 | N | 03/12/20 | Surf | FreshWater | 17.75 | 13.38 | 54.5 | J-55 | 1453 | 1802 | 250 | 1.34 | C | 0 | 900 | 0 | N |
| Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | String                                                                                                                                                                        | Fluid Type                                                                                                                                                                                                            | Hole Size                                 | Csg Size                     | Weight lb/ft                | Grade                 | Est TOC                                        | Dpth Set                                  | Sacks                                  | Yield                                 | Class                                        | 1" Dpth                                   | Pres Held                                        | Pres Drop                                 | Open Hole                                     |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 03/12/20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Surf                                                                                                                                                                          | FreshWater                                                                                                                                                                                                            | 17.75                                     | 13.38                        | 54.5                        | J-55                  | 0                                              | 1802                                      | 585                                    | 2.55                                  | C                                            | 0                                         | 900                                              | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| 03/12/20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Surf                                                                                                                                                                          | FreshWater                                                                                                                                                                                                            | 17.75                                     | 13.38                        | 54.5                        | J-55                  | 1453                                           | 1802                                      | 250                                    | 1.34                                  | C                                            | 0                                         | 900                                              | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                               |                                                                                                                                                                                                                       |                                           |                              |                             |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| <table style="width:100%;"> <tr> <td>SIGNATURE</td> <td><u>Electronically Signed</u></td> <td>TITLE</td> <td><u>VP Engineering</u></td> <td>DATE</td> <td><u>3/23/2020</u></td> </tr> <tr> <td>Type or print name</td> <td><u>David C Harwell</u></td> <td>E-mail address</td> <td><u>dharwell@advanceenergypartners.com</u></td> <td>Telephone No.</td> <td><u>832-672-4604</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                               |                                                                                                                                                                                                                       | SIGNATURE                                 | <u>Electronically Signed</u> | TITLE                       | <u>VP Engineering</u> | DATE                                           | <u>3/23/2020</u>                          | Type or print name                     | <u>David C Harwell</u>                | E-mail address                               | <u>dharwell@advanceenergypartners.com</u> | Telephone No.                                    | <u>832-672-4604</u>                       |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| SIGNATURE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>Electronically Signed</u>                                                                                                                                                  | TITLE                                                                                                                                                                                                                 | <u>VP Engineering</u>                     | DATE                         | <u>3/23/2020</u>            |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| Type or print name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <u>David C Harwell</u>                                                                                                                                                        | E-mail address                                                                                                                                                                                                        | <u>dharwell@advanceenergypartners.com</u> | Telephone No.                | <u>832-672-4604</u>         |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| <b>For State Use Only:</b><br><table style="width:100%;"> <tr> <td>APPROVED BY:</td> <td><u>Paul F Kautz</u></td> <td>TITLE</td> <td><u>Geologist</u></td> <td>DATE</td> <td><u>3/24/2020 3:45:47 PM</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                               |                                                                                                                                                                                                                       | APPROVED BY:                              | <u>Paul F Kautz</u>          | TITLE                       | <u>Geologist</u>      | DATE                                           | <u>3/24/2020 3:45:47 PM</u>               |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |
| APPROVED BY:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>Paul F Kautz</u>                                                                                                                                                           | TITLE                                                                                                                                                                                                                 | <u>Geologist</u>                          | DATE                         | <u>3/24/2020 3:45:47 PM</u> |                       |                                                |                                           |                                        |                                       |                                              |                                           |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |       |       |      |      |   |      |     |      |   |   |     |   |   |          |      |            |       |       |      |      |      |      |     |      |   |   |     |   |   |

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
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Phone:(575) 748-1283 Fax:(575) 748-9720  
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**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**

Comments  
  
Permit 279799

**DRILLING COMMENTS**

|                                                                                                          |                          |
|----------------------------------------------------------------------------------------------------------|--------------------------|
| Operator:<br>ADVANCE ENERGY PARTNERS HAT MESA, LLC<br>11490 Westheimer Rd., Ste 950<br>Houston, TX 77077 | OGRID:<br>372417         |
|                                                                                                          | Permit Number:<br>279799 |
|                                                                                                          | Permit Type:<br>Drilling |

**Comments**

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

There are no Comments for this Permit