

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised July 18, 2013

WELL API NO. 30-025-24403	
5. Indicate Type of Lease X FEDERAL STATE ☐ FEE ☐	
6. State Oil & Gas Lease No. NMNM14155	
7. Lease Name or Unit Agreement Name HAT MESA	
8. Well Number 01	
9. OGRID Number 372417	
10. Pool name or Wildcat [78240] HAT MESA; MORROW (GAS)	
SUNDRY NOTICES AND REPORTS ON WELLS (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: Oil Well ☒ Gas Well ☐ Other ☐ 2. Name of Operator ADVANCE ENERGY PARTNERS HAT MESA LLC 3. Address of Operator 11490 WESTHEIMER SUITE 950 HOUSTON, TX 4. Well Location Unit Letter <u>H</u> : <u>1980</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>EAST</u> line Section <u>14</u> Township <u>21S</u> Range <u>32E</u> NMPM County <u>LEA</u> 11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3,924'</u> KB	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐	REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐	ALTERING CASING ☐
PULL OR ALTER CASING ☐	COMMENCE DRILLING OPNS. ☐
DOWNHOLE COMMINGLE ☐	P AND A ☐
CLOSED-LOOP SYSTEM ☐	CASING/CEMENT JOB ☐
OTHER: SHUT-IN ☒	OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Justification for Hat Mesa #1 (API: 30-025-24403) shut in for 2023: Advance Energy Partners Hat Mesa, LLC (AEPHM) requests approval to continue the shut-in status for the year 2023. Takeaway at the Hat Mesa #1 is still an issue and AEPHM submitted permits for the Blue Chip development in the E2 of Sections 14 and 23, T21S-R32E, Lea County, New Mexico. The Blue Chip development overlaps the spacing unit for the Hat Mesa #1 and approval of the Blue Chip APDs will assist AEPHM in negotiating more favorable marketing terms for the Hat Mesa #1. At the time the well was shut-in, the prior Operator reported the well-produced at an average rate of 151 mcf/d over a 3-month period. Current shut-in pressure is 2,075 psi. We request shut in until 12/31/2023.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Christie Hanna TITLE Regulatory Coordinator DATE 12/5/2022

Type or print name Christie Hanna E-mail address: channa@ameredev.com PHONE: 737-300-4700

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Form 3160-5
(June 2019)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. NMNM14155

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator ADVANCE ENERGY PARTNERS HAT MESA LLC

3a. Address C/O AMEREDEV OPERATING LLC, AUSTIN, TX 3b. Phone No. (include area code)
(346) 444-97394. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC 14/T21S/R32E/NMP7. If Unit of CA/Agreement, Name and/or No.
HAT MESA/NMNM71821

8. Well Name and No. HAT MESA/01

9. API Well No. 3002524403

10. Field and Pool or Exploratory Area
WC-025 G-08 S213304D/HAT MESA11. Country or Parish, State
LEA/NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
☒ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity	
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other	
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon		
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

Justification for Hat Mesa #1 (API: 30-025-24403) shut in for 2023: Advance Energy Partners Hat Mesa, LLC (AEPHM) requests approval to continue the shut-in status for the year 2023. Takeaway at the Hat Mesa #1 is still an issue and AEPHM submitted permits for the Blue Chip development in the E2 of Sections 14 and 23, T21S-R32E, Lea County, New Mexico. The Blue Chip development overlaps the spacing unit for the Hat Mesa #1 and approval of the Blue Chip APDs will assist AEPHM in negotiating more favorable marketing terms for the Hat Mesa #1. At the time the well was shut-in, the prior Operator reported the well-produced at an average rate of 151 mcf/d over a 3-month period. Current shut-in pressure is 2,075 psi. We request shut in until 12/31/2023.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
CHRISTIE HANNA / Ph: (737) 300-4723

Title Senior Engineering Technician

Signature *Christie Hanna*

Date 11/02/2022

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Jonathon W Shepard / Ph: (575) 234-5972 / Accepted

Title Petroleum Engineer

Date 11/02/2022

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office CARLSBAD

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SENE / 1980 FNL / 660 FEL / TWSP: 21S / RANGE: 32E / SECTION: 14 / LAT: 0.0 / LONG: 0.0 (TVD: 0 feet, MD: 0 feet)

BHL: SENE / 1980 FNL / 660 FEL / TWSP: 21S / SECTION: / LAT: 0.0 / LONG: 0.0 (TVD: 0 feet, MD: 0 feet)

Well Name: HAT MESA	Well Location: T21S / R32E / SEC 14 / SENE /	County or Parish/State: LEA / NM
Well Number: 01	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM14155	Unit or CA Name: HAT MESA	Unit or CA Number: NMNM71821
US Well Number: 300252440300S1	Well Status: Gas Well Shut In	Operator: ADVANCE ENERGY PARTNERS HAT MESA LLC

Subsequent Report

Sundry ID: 2700337

Type of Submission: Subsequent Report

Type of Action: Shut-in

Date Sundry Submitted: 11/02/2022

Time Sundry Submitted: 02:45

Date Operation Actually Began: 12/31/2022

Actual Procedure: Justification for Hat Mesa #1 (API: 30-025-24403) shut in for 2023: Advance Energy Partners Hat Mesa, LLC (AEPHM) requests approval to continue the shut-in status for the year 2023. Takeaway at the Hat Mesa #1 is still an issue and AEPHM submitted permits for the Blue Chip development in the E2 of Sections 14 and 23, T21S-R32E, Lea County, New Mexico. The Blue Chip development overlaps the spacing unit for the Hat Mesa #1 and approval of the Blue Chip APDs will assist AEPHM in negotiating more favorable marketing terms for the Hat Mesa #1. At the time the well was shut-in, the prior Operator reported the well-produced at an average rate of 151 mcf/d over a 3-month period. Current shut-in pressure is 2,075 psi. We request shut in until 12/31/2023.

Well Name: HAT MESA	Well Location: T21S / R32E / SEC 14 / SENE /	County or Parish/State: LEA / NM
Well Number: 01	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM14155	Unit or CA Name: HAT MESA	Unit or CA Number: NMNM71821
US Well Number: 300252440300S1	Well Status: Gas Well Shut In	Operator: ADVANCE ENERGY PARTNERS HAT MESA LLC

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: CHRISTIE HANNA	Signed on: NOV 02, 2022 02:45 PM
Name: ADVANCE ENERGY PARTNERS HAT MESA LLC	
Title: Senior Engineering Technician	
Street Address: 2901 VIA FORTUNA, SUITE 600	
City: AUSTIN	State: TX
Phone: (737) 300-4723	
Email address: CHANNA@AMEREDEV.COM	

Field

Representative Name: Lizzy Laufer		
Street Address: 2901 VIA FORTUNA, STE. 600		
City: AUSTIN	State: TX	Zip: 78746
Phone: (737)300-4700		
Email address: llaufer@ameredev.com		

BLM Point of Contact

BLM POC Name: Jonathon W Shepard	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5752345972	BLM POC Email Address: jshepard@blm.gov
Disposition: Accepted	Disposition Date: 12/02/2022
Signature: Jonathon Shepard	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 163627

CONDITIONS

Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	OGRID: 372417
	Action Number: 163627
	Action Type: [C-103] Sub. Shut In (C-103H)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY; Accepting this sundry into the record should not be construed as having any affect upon the status of the well including whether the well is in inactive status or temporary abandonment; nor does it grant an extension to an injection permit.	1/13/2025