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|-----------|-----------|-------|-------------------------------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: pLEL2231348451 |
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Advance Energy Partners Hat Mesa, LLC **OGRID Number:** 372417
Well Name: Anderson Federal Com #505H **API:** 30-025-49428
Pool: Red Tank; Bone Spring **Pool Code:** 51683

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

| FOR OCD ONLY | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application Content Complete |

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Lizzy Laufer

Print or Type Name

L. Laufer
 Signature

10/28/2022
 Date

737-444-2997
 Phone Number

llaufer@Ameredev.com
 e-mail Address



2901 Via Fortuna, Suite 600, Austin, Texas 78746 • Phone 832-672-4700 • Fax 832-672-4609

November 7, 2022

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

Attn: Mr. Leonard Lowe

**Re: Anderson Federal Com 505H (API 30-025-49428)
Lot 4, Section 2-T22S-R32E
Lea County, New Mexico**

Dear Mr. Lowe,

Advance Energy Partners Hat Mesa, LLC (OGRID No. 372417) request administrative approval for a nonstandard location (NSL) for the proposed Anderson Federal Com 505H (30-025-49428), located in a 240-acre horizontal spacing unit in the W2SW of Section 26 and W2EW of Section 35, Township 21 South, Range 32 East, Lea County, New Mexico.

The as-drilled surface and bottom hole locations and first and last take points are as follows:

- The surface location is located 180 feet from the north line and 776 feet from the west line (Lot 4) of Section 2, T22S-R32E.
- The bottom hole location is located 2,554 feet from the south line and 1,231 feet from the west line (Unit L) of Section 26, T21S-R32E.
- The first take point is located 102 feet from the south line and 1,158 feet from the west line (Unit M) of Section 35, T21S-R32E.
- The last take point is located 2,540 feet from the south line and 1,231 feet from the west line (Unit L) of Section 26, T21S-R32E.

The Anderson Federal Com 505H (30-025-49428) is an oil well located in Red Tank; Bone Spring pool [51683]. The Anderson Federal Com 505H is an infill well in the horizontal spacing unit for the Anderson Federal Com 501H (API: 30-025-48891).

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because the first take point and last take point are closer than the standard offsets to the eastern boundary of the spacing unit and encroaches on the E2SW of Section 26 and E2W2 of Section 35, Township 21 South, Range 32 East, Lea County, New Mexico. Approval of the NSL will allow Advance to use its preferred well spacing for horizontal wells in this area and thereby maximize recovery and prevent waste.

Exhibit A is a Form C-102 showing the completed interval of the Anderson Federal Com 505H well which encroaches on the spacing unit/tracts to the east in the E2SW of Section 26 and E2W2 of Section 35.

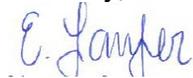
Exhibit B is a plat for Sections 26 and 35 that shows the Anderson Federal Com 505H well in relation to the adjoining spacing unit/tracts to the east. As shown on the plat, the affected spacing unit to the east as to the SESW of Section 26 and E2W2 of Section 35 is operated by Advance Energy Partners Hat Mesa, LLC. The NESW of Section 26 is unleased lands owned by the BLM. The BLM has not made this tract available for leasing due to the lesser prairie chicken. A notification letter has been sent to the BLM. Accordingly, the only “affected persons”¹ are the applicant, Advance Energy Partners Hat Mesa, LLC and the BLM.

Exhibit C is a spreadsheet listing all the affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objection must be filed in writing with the Division within 20 days from the date the Division received the application. The following are the affected parties:

| TYPE | AFFECTED PARTY | LOCATION | DATE LETTER SENT | MAIL TRACKING NUMBER |
|---------------|--|----------------------------|------------------|--------------------------|
| Mineral Owner | BLM | NE/4SW/4 SEC 26 21S-32E | 11/7/2022 | 7021 2720 0001 2621 9952 |
| Operator | N/A (Unleased) | NE/4SW/4 SEC 26 21S-32E | N/A | N/A |
| Lessor | BLM | SE/4SW/4 SEC 26 21S-32E | 11/7/2022 | 7021 2720 0001 2621 9952 |
| Operator | Advance Energy Partners Hat Mesa, LLC | SE/4SW/4 SEC 26 21S-32E | N/A | N/A |
| Lessor | BLM | E2NW SEC 35 21S-32E | 11/7/2022 | 7021 2720 0001 2621 9952 |
| Operator | Advance Energy Partners Hat Mesa, LLC | E2NW SEC 35 21S-32E | N/A | N/A |
| Lessor | Fee | E2SW SEC 35 21S- 32E | N/A | N/A |
| Operator | Advance Energy Partners Hat Mesa, LLC | E2SW SEC 35 21S- 32E | N/A | N/A |

Your attention to this matter is appreciated.

Sincerely,



Lizzy Laufer

Landman

Advance Energy Partners Hat Mesa, LLC

Email: LLaufer@ameredev.com

Cell Telephone: 512-587-687

¹ See NMAC §§ 19.15.2.7.A(8) and 19.15.4.12.A(2)(a).

EXHIBIT A

DISTRICT I
1825 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) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 4, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT
As Drilled

| | | |
|----------------------------|--|-----------------------------------|
| API Number 30-025-49428 | Pool Code 51683 | Pool Name RED TANK;BONE SPRING |
| Property Code 326484 | Property Name ANDERSON FED COM | Well Number 505H |
| OGRID No. 372417 | Operator Name ADVANCE ENERGY PARTNERS HAT MESA, LLC | Elevation 3685' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | SOUTH/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| LOT 4 | 2 | 22 S | 32 E | | 180 | NORTH | 776 | WEST | LEA |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | SOUTH/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 26 | 21 S | 32 E | | 2554 | SOUTH | 1231 | WEST | LEA |

| | | | |
|------------------------|-----------------|-------------------------|-----------|
| Dedicated Acres 240 | Joint or Infill | Consolidation Code C | 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

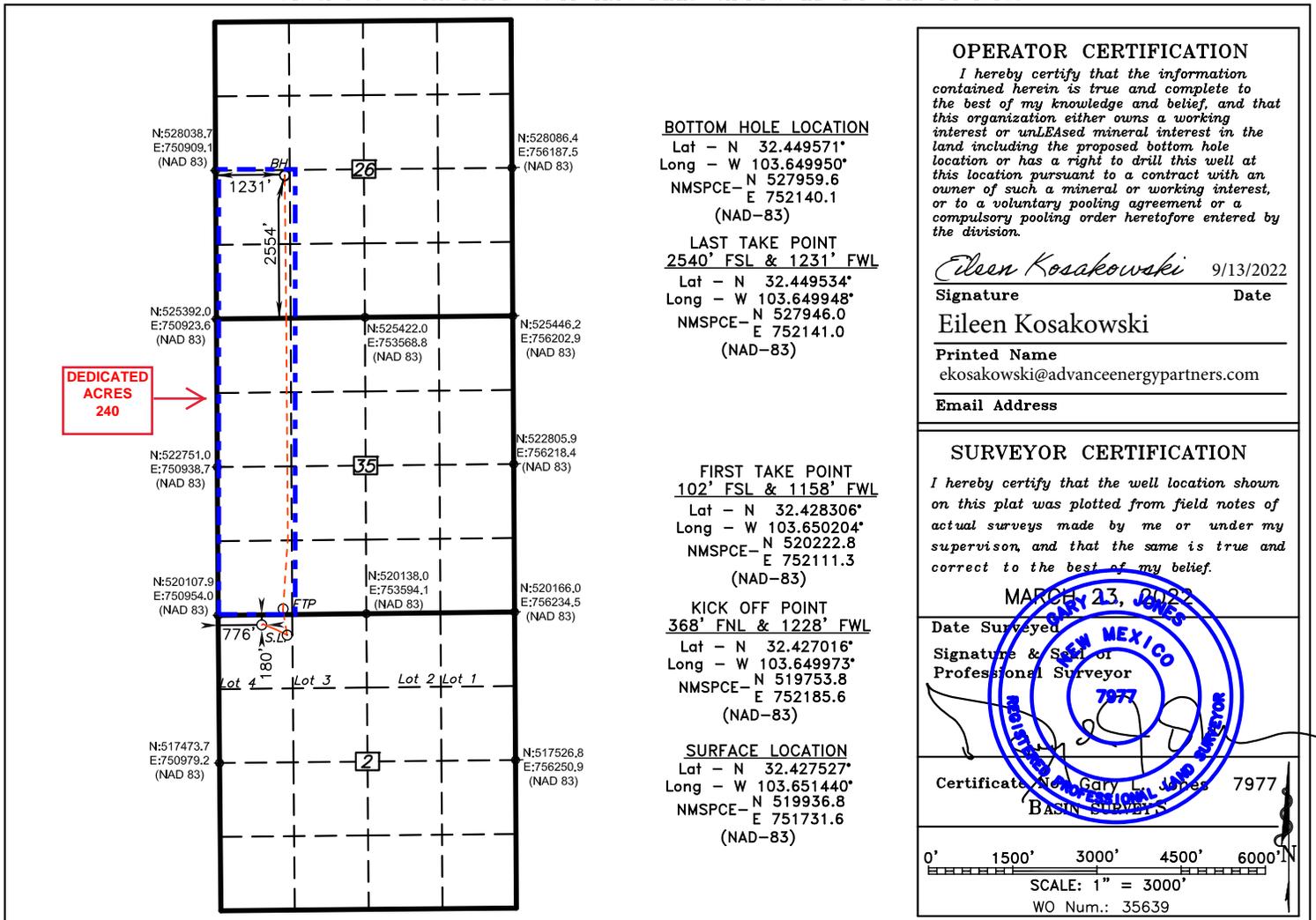


EXHIBIT B

| | | |
|---------------|--|---------------------|
| Property Code | Property Name ANDERSON FED COM | Well Number 505H |
| OGRD No. | Operator Name ADVANCE ENERGY PARTNERS HAT MESA, LLC | Elevation 3685' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | SOUTH/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| LOT 4 | 2 | 22 S | 32 E | | 180 | NORTH | 776 | WEST | LEA |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | SOUTH/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 26 | 21 S | 32 E | | 2562 | SOUTH | 1231 | WEST | LEA |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
| | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION
I hereby certify that the information

Affected tracts. The Well patch encroaches on lots K and N of Section 26, and lots C, F, K and N of Section 35.

Advance is the operator of the E2W2 of Section 35 and SESW of Section 26. The NESW of Section 26 is unleased lands owned by the BLM. The BLM has not made this tract available for leasing due to lesser prairie chicken.

Advance is the operator and record title owner of federal oil and gas leases NMNM 126968 and NMNM 120905. There are no unleased owners in the E2SW of Section 35.

Date _____
 Signature _____
 Title _____

SURFACE LOCATION
 Lat - N 32.427527°
 Long - W 103.651440°
 NAD83
 NADSPCE - N 519936.8
 E 751731.6
 (NAD-83)

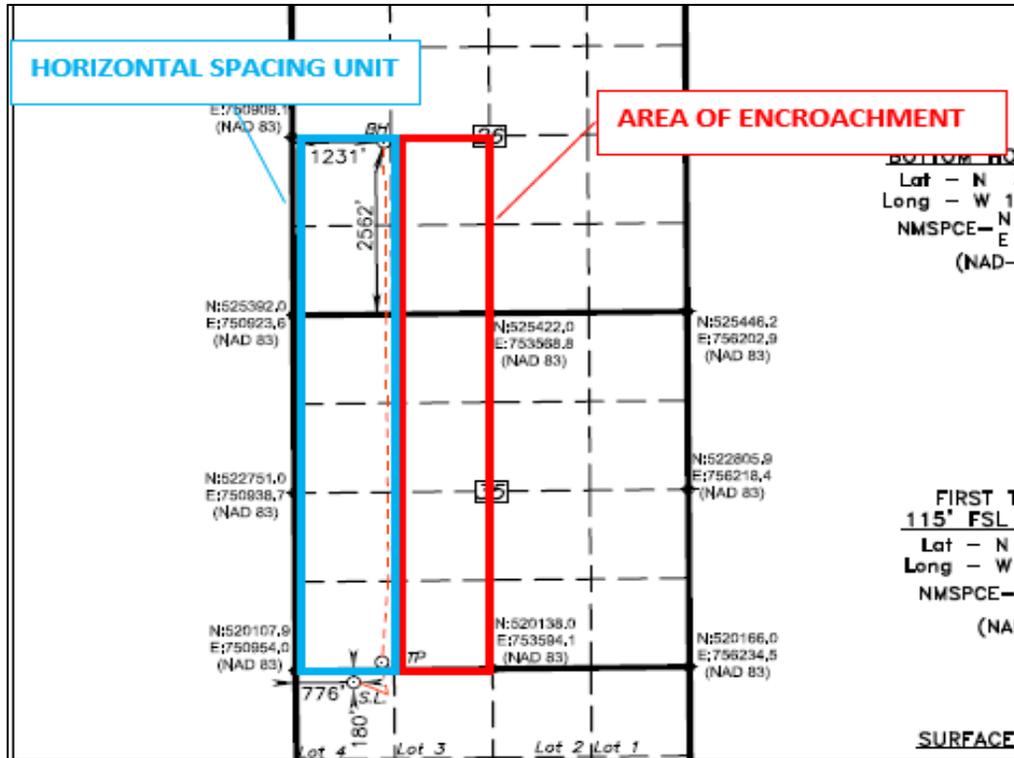
DATE SURVEYED
 Signature & Seal of Professional Surveyor

 Certificate No. GARY L. JABER 7977
 Basin number _____

0' 1500' 3000' 4500' 6000'
 SCALE: 1" = 3000'
 WO Num.: 35639

EXHIBIT C

| TYPE | AFFECTED PARTY | LOCATION | DATE LETTER SENT | MAIL TRACKING NUMBER |
|---------------|---------------------------------------|-------------------------|------------------|--------------------------|
| Mineral Owner | BLM | NE/4SW/4 SEC 26 21S-32E | 11/7/2022 | 7021 2720 0001 2621 9952 |
| Operator | N/A (Unleased) | NE/4SW/4 SEC 26 21S-32E | N/A | N/A |
| Lessor | BLM | SE/4SW/4 SEC 26 21S-32E | 11/7/2022 | 7021 2720 0001 2621 9952 |
| Operator | Advance Energy Partners Hat Mesa, LLC | SE/4SW/4 SEC 26 21S-32E | N/A | N/A |
| Lessor | BLM | E2NW SEC 35 21S-32E | 11/7/2022 | 7021 2720 0001 2621 9952 |
| Operator | Advance Energy Partners Hat Mesa, LLC | E2NW SEC 35 21S-32E | N/A | N/A |
| Lessor | Fee | E2SW SEC 35 21S-32E | N/A | N/A |
| Operator | Advance Energy Partners Hat Mesa, LLC | E2SW SEC 35 21S-32E | N/A | N/A |





2901 Via Fortuna, Suite 600, Austin, Texas 78746 • Phone 832-672-4700 • Fax 832-672-4609

November 7, 2022

VIA CERTIFIED MAIL TRACKING NO. 7021 2720 0001 2621 9952
RETURN RECEIPT REQUESTED

BLM
620 E. Greene St.
Carlsbad, New Mexico 88220

Re: Advance Energy Partners Hat Mesa, LLC
Request for Administrative Approval of an Unorthodox Location (NSL)
Anderson Federal Com 505H (API 30-025-49428)
Lot 4, Section 2-T22S-R32E
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact me by phone at 512-737-444-2997 or email at LLaufer@amerdev.com.

Sincerely,

A handwritten signature in blue ink that reads "Lizzy Laufer".

Lizzy Laufer
Landman
Advance Energy Partners, LLC
Email: LLaufer@amerdev.com