

NSL - 7723

Revised March 23, 2017

RECEIVED: 4/27/18	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL1813448487
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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:** 000785 372417
Well Name: Dagger State Com 506H **API:** 30-025-43564
Pool: WC-025 G-06 S213326D; Bone Springs **Pool Code:** 97929

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

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

FOR OCD ONLY



Notice Complete



Application
Content
Complete

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.

Braden Harris

Print or Type Name

Signature

2018-04-16

Date

406-600-3310

Phone Number

bharris@advanceenergypartners.com

e-mail Address

APR 27 2018 PM02:34

April 23rd, 2018

Division Director
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Advance Energy Partners Hat Mesa for administrative approval of an unorthodox well location for its Dagger State Com 506H well in SW/4 NE/4 of Section 30, Township 21 South, Range 33 East N.M.P.M., Lea County, New Mexico.

Dear Division Director:

Advance Energy Partners Hat Mesa seeks administrative approval of an unorthodox well location for its Dagger State Com 506H well (API 30-025-43564) to be completed within the WC-025 G-06 S213326D; Bone Springs pool (97929) underlying Section 30 & Section 19, Township 21 South, Range 33 East in N.M.P.M. Lea County, New Mexico. This well will be drilled from a surface location 2610 feet from the north line and 1880 feet from the east line (Unit G) of Section 30. The first take point will be from 2040 from the north line and 1510 from the east line in Section 30 (Unit G) and the last take point will be 330 feet from the north line and 1510 feet from the east line in Section 19 (Unit B). This acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit and therefore the complete interval for this well will be unorthodox because it encroaches on the eastern boundary of the project area.

Advance Energy Partners Hat Mesa is the operator of the spacing unit to the east. There are two working interest owners in the 506H. The spacing to the east has the same owners and interests. Approval of the unorthodox completed interval will allow Advance Energy Partners Hat Mesa to use our preferred well spacing plan for the horizontal wells in this area thereby prevent waste.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read 'Braden Harris', with a stylized, cursive script.

Braden Harris

Drilling Manager, Advance Energy Partners Hat Mesa

Attachments: Administrative checklist, C-102

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 893-6161 Fax: (575) 893-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1253 Fax: (575) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Axtec, NM 87410
Phone (505) 834-6178 Fax: (505) 834-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-3460 Fax: (505) 478-3468

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

API Number		Pool Code	Pool Name
Property Code	Property Name DAGGER STATE COM		Well Number 506H
OGRD No.	Operator Name ADVANCE ENERGY PARTNERS HAT MESA		Elevation 3813'

Surface Location

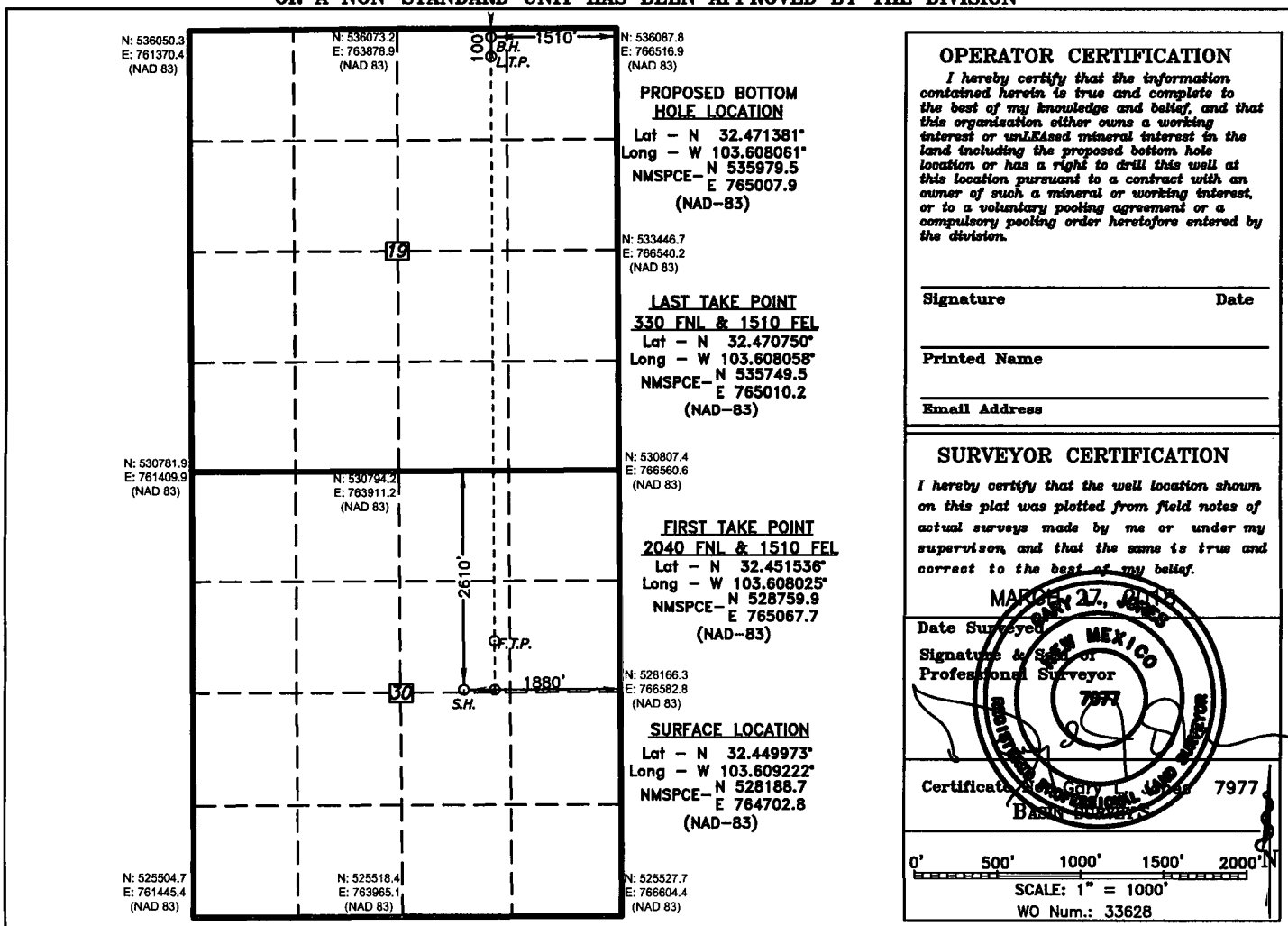
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
G	30	21 S	33 E		2610	NORTH	1880	EAST	LEA

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
B	19	21 S	33 E		100	NORTH	1510	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



Lowe, Leonard, EMNRD

From: Paul Burdick <PBurdick@advanceenergypartners.com>
Sent: Tuesday, May 29, 2018 7:06 AM
To: Lowe, Leonard, EMNRD
Cc: Braden Harris
Subject: Waiver Letters - Dagger State Com Wells 506H and 508H
Attachments: new doc 2018-05-25 14.58.02.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Mr. Lowe,

By email from you to our drilling manager, Braden Harris, you notified us that we were required to notified and request waivers from the offset lessee in the south portion of Section 18-T21S-R33E. The lessee is Ascent Energy and attached are letters from Ascent providing their waiver/non-objection for the subject wells.

We trust this will satisfy the regulatory requirements and our well applications can now be processed. Please let us know if you have questions or need additional information.

Paul Burdick, Land Advisor
Advance Energy Partners, LLC.
11490 Westheimer Road, Suite 950
Houston, Texas 77077

832-672-4623 (office)
713-228-7320 (cell)



E-mail Attachment 5/29/18
fr. Paul Burdick



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4809

May 16, 2018

Ascent Energy, LLC
1620 18th St., Suite 200
Denver, Colorado 80202

Attn: Lee Zink

Re: Dagger State Com Well 506H
Advance Energy Partners Hat Mesa Permitted Well
Lea County, New Mexico

Dear Lee,

Attached is a copy of our plat showing the location of the subject well we are in the process of obtaining the regulatory approval. This well will be drilled from a surface location 2610 feet from the north line and 1880 feet from the east line (Unit G) of Section 30. The first take point will be from 2040 from the north line and 1510 from the east line in Section 30 (Unit G) and the last take point will be 330 feet from the north line and 1510 feet from the east line in Section 19 (Unit B). This acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit and therefore the complete interval for this well will be unorthodox because it encroaches on the eastern boundary of the project area.

The Oil Conservation Division informed us that the last take point encroaching to the NE/4 of Section 19 which requires proper notification to Ascent, as Lessee in the SE/4SE/4 of Section 18-21S-R33E. We ask that Ascent confirms this notification and we request Ascent provides its waiver of any objection to this well.

Thank you for your consideration of our proposed change and please contact me if you want to discuss this matter in more detail.

Sincerely,

Paul J. Burdick
Land Advisor
Advance Energy Partners, LLC
Email: PBurdick@AdvanceEnergyPartners.com

Notification Received and Ascent Energy, LLC has no objection
For the drilling of the Dagger State Com 506H

By:

LEE ZINK
LAND MANAGER

ASCENT ENERGY LLC

Lowe, Leonard, EMNRD

From: Paul Burdick <PBurdick@advanceenergypartners.com>
Sent: Tuesday, May 15, 2018 9:50 AM
To: Lowe, Leonard, EMNRD
Cc: Braden Harris
Subject: Form C-102 for Dagger State Com 506H and 508H
Attachments: C-102 Form-Dagger State Com 506H.pdf; Letter to OCD-506H and 508H.pdf

Dear Mr. Lowe,

Reference is made to 2 email notes you sent to Braden Harris, our Drilling Engineering Manager. In the first query is to confirm the common ownership of the applicable leases. To answer, I have prepared the attached letter which is attached to this email.

The second issue is that the permit for the 506H indicates the bottom hole footage is 100' from the north line of Section 19-21S-33E. We propose to drill approximately to 100' from the north line of Section 19 so we have sufficient hole to set and cement casing. The detail, however shown in the survey plat states the last take point is "330' FNL and 1510' FEL" Section 19-21S-33E. See the attached copy of the form C-102.

Our question is do we need to revise the form?

Paul Burdick, Land Advisor
Advance Energy Partners, LLC.
11490 Westheimer Road, Suite 950
Houston, Texas 77077

832-672-4623 (office)
713-228-7320 (cell)



" FNL and 1510' FEL



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

May 15, 2018

Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004

Attn: Mr. Leonard Lowe
Engineering Bureau

**Re: Common Ownership
Section 30 and Section 19-T21S-R33E
Lea County, New Mexico**

Dear Mr. Lowe,

Advance Energy Partners Hat Mesa, LLC submitted NSL drilling permit applications for the following wells:

Dagger State Com Well 506H:

Surface location: Unit G, Section 30-T21S-R33E; 2610 FNL, 1880' FEL

Bottom location: Unit B, Section 19-T21S-R33E; 100 FNL, 1510' FEL

Dagger State Com Well 508H:

Surface location: Unit G, Section 30-T21S-R33E; 2610 FNL, 1910' FEL

Bottom location: Unit B, Section 19-T21S-R33E; 330 FNL, 2370' FEL

This letter is to confirm the lease ownership in the following applicable leases listed on the attached Exhibit are common ownership. Advance Energy Partners Hat Mesa, LLC owns 95% working interest and Bullhead Energy, LLC owns 5%. In addition, Bullhead Energy, LLC has been notified of the well proposals and have consented to participate as to its 5% working interest.

Thank you again for your consideration. If you require additional information, please notify me either by telephone or my email indicated below.

Sincerely,

Paul J. Burdick

Land Advisor

Advance Energy Partners Hat Mesa, LLC

Email: PBurdick@Advanceenergypartners.com

Office Telephone: 832-672-4623

Cell Telephone: 713-228-7320

New Mexico State Land Office

May 3 2018

Page 2

Dagger State Leases

NM State Lease Number	Section	Township-Range	Lessee of Record
VO 8657	19: West Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC
VO 8700	19: East Half ✓	21 South-33 East	Advance Energy Partners Hat Mesa, LLC ✓
VO 6981	30: West Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC
VO 8490	30: East Half ✓	21 South-33 East	Advance Energy Partners Hat Mesa, LLC ✓
VB 1327	31: West Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC
VO 8211	31: East Half	21 South-33 East	Advance Energy Partners Hat Mesa, LLC

DISTRICT I1626 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6181 Fax (505) 393-0720**DISTRICT II**811 S. First St., Artesia, NM 88210
Phone (505) 746-6178 Fax (505) 746-0720**DISTRICT III**1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 834-6178 Fax (505) 834-6170**DISTRICT IV**1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-5400 Fax (505) 476-5408**State of New Mexico**
Energy, Minerals and Natural Resources Department**OIL CONSERVATION DIVISION**1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 4, 2011

Submit one copy to appropriate
District Office**WELL LOCATION AND ACREAGE DEDICATION PLAT**☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name DAGGER STATE COM	Well Number 506H
GRID No.	Operator Name ADVANCE ENERGY PARTNERS HAT MESA	Elevation 3813'

Surface Location

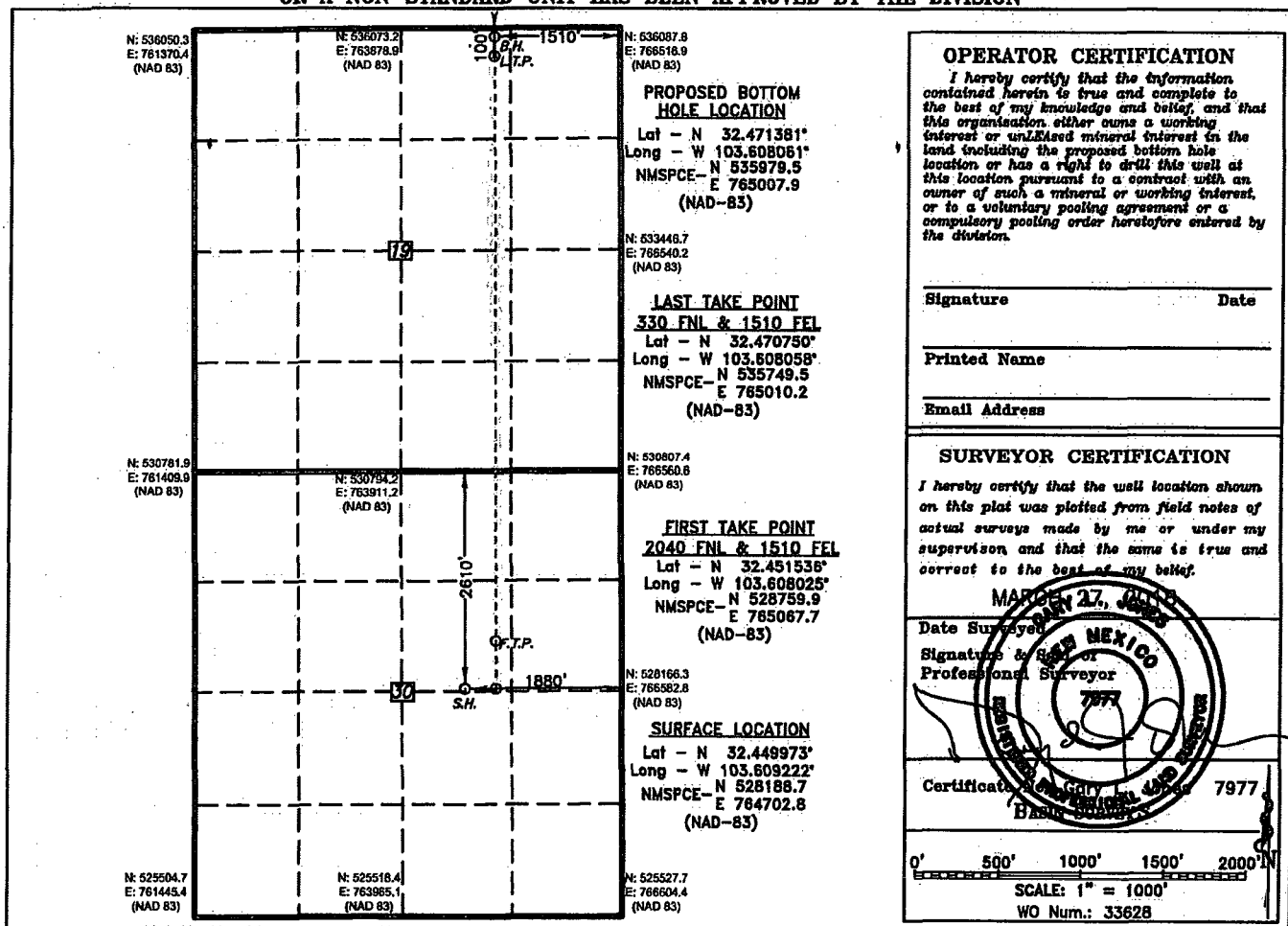
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
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Bottom Hole Location If Different From Surface

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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, May 14, 2018 3:18 PM
To: 'bharris@advanceenergypartners.com'
Subject: NSL for Dagger State Com Well No. 506H

Importance: High

Mr. Braden Harris,

WELL: Dagger State Com Well No. 506H

Good afternoon.

Upon review of your submitted NSL application for the above stated well, please answer the following.

1. Your letter indicated, "Advance Energy Partners Hat Mesa is the operator of the spacing unit to the east." Please indicate which part of the east this statement pertains to. A letter from your land man indicating common ownership in affected tracts needs to be submitted. ✓
2. Your last take point is encroaching also to the NE. To the affected area of the SE4 SE4 of Section 18. Were the Operators located in that area? If not then proper notification needs to be done. *5/16 waiver signed* **< NO NOTICE GIVEN.**

Due to the lack of public notice, your application is currently suspended until all proper notification is completed.

Thank you,

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

5/16
post
conv. { *1. waiver*
or
2. Notice
still suspended