

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF ADVANCE ENERGY PARTNERS  
HAT MESA, LLC FOR A NON-STANDARD OIL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE Nos. 16095, 16096, 16097, 16098**

**2 of 4**

**ADVANCE ENERGY PARTNERS HAT MESA, LLC  
May 31, 2018**

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF ADVANCE ENERGY PARTNERS  
HAT MESA, LLC FOR A NON-STANDARD OIL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

Case No. 16095

**APPLICATION**

Advance Energy Partners Hat Mesa, LLC applies for an order approving a 240-acre non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit from the top of the 1st Bone Spring Sand to the base of the 2nd Bone Spring Sand, and in support thereof, states:

1. Applicant is an interest owner in the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, and has the right to drill a well thereon.
2. Applicant proposes to drill its **Wool Head #501H** well to a depth sufficient to test the 2nd Bone Spring formation. Applicant seeks to dedicate the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17 to the well to form a non-standard 240-acre oil spacing and proration unit (project area) in the Bone Spring formation. The well is a 7000' horizontal well, with a surface location 100 feet from the south line and 1,650 feet from the west line of Section 20 and a bottom hole location 2,540 feet from the south line and 1,650 feet from the west line of Section 17.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation within the indicated depths in the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation at the indicated depths in the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, pursuant to NMSA 1978, §§ 70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing on May 3, 2018 and that, following notice and hearing, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17;

B. Pooling all mineral interests in the Bone Spring formation at the indicated depths underlying W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17;

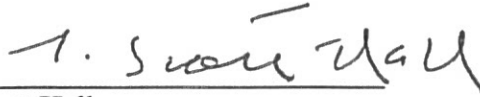
C. Designating Applicant as operator of the well;

D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Scott Hall", written over a horizontal line.

J. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

*Attorneys for Advance Energy Partners*

*Hat Mesa, LLC*



Case No. 16095 : *Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #501H** well to be drilled from an approximate surface location 100 feet from the south line and 1,650 feet from the west line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 1,650 feet from the west line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.

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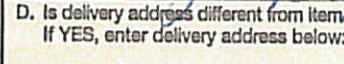
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Mike Petraitis, MSU  
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<p>1. Article Addressed to:          Mike Petraitis, MSU          P.O. Box 10886          Midland, Texas 79702</p>	<p>3. Service Type  <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input checked="" type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
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J. SCOTT HALL  
Cell: (505) 670-7362  
Email: [shall@montand.com](mailto:shall@montand.com)  
[www.montand.com](http://www.montand.com)

April 10, 2018

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**TO: ALL OFFSET OPERATORS ON ATTACHED LIST**

**Re: NMOCD Case No. 16095 – Woolhead #501H**  
**Application of Advance Energy Partners Hat Mesa, LLC for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico**

Dear Sir or Madam:

This will advise that Advance Energy Partners Hat Mesa, LLC has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand.

A copy of the Application for hearing is enclosed.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

J. Scott Hall

JSH/dml

Enclosure

cc: Paul Burdick, Advance Energy Partners Hat Mesa, LLC (w/enc., via email)

---

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307



**EXHIBIT A**

**OCD Case No. 16095 (Woolhead #501H)**

**OFFSET OPERATORS**

COG Operating LLC  
One Concho Center  
600 West Illinois Avenue  
Midland, TX 79701

The Allar Company  
P. O. Box 1567  
Graham, TX 76450-3151

Marathon Oil Permian LLC  
5555 San Felipe  
Houston, TX 77056

EOG Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

Bullhead Energy, LLC  
217 Rupert Street  
Fort Worth, TX 76107

Ascent Energy LLC  
1621 18th Street, Suite 200  
Denver, Colorado 80202

Centennial Resources Production LLC  
1001 Seventeenth Street, Suite 1800  
Denver, Colorado 80202

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF ADVANCE ENERGY PARTNERS  
HAT MESA, LLC FOR A NON-STANDARD OIL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

Case No. 16095

**APPLICATION**

Advance Energy Partners Hat Mesa, LLC applies for an order approving a 240-acre non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit from the top of the 1st Bone Spring Sand to the base of the 2nd Bone Spring Sand, and in support thereof, states:

1. Applicant is an interest owner in the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, and has the right to drill a well thereon.
2. Applicant proposes to drill its Wool Head #501H well to a depth sufficient to test the 2nd Bone Spring formation. Applicant seeks to dedicate the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17 to the well to form a non-standard 240-acre oil spacing and proration unit (project area) in the Bone Spring formation. The well is a 7000' horizontal well, with a surface location 100 feet from the south line and 1,650 feet from the west line of Section 20 and a bottom hole location 2,540 feet from the south line and 1,650 feet from the west line of Section 17.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation within the indicated depths in the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation at the indicated depths in the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, pursuant to NMSA 1978, §§ 70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing on May 3, 2018 and that, following notice and hearing, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17;

B. Pooling all mineral interests in the Bone Spring formation at the indicated depths underlying W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17;

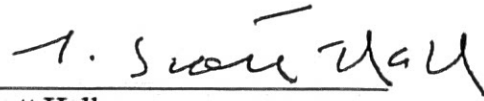
C. Designating Applicant as operator of the well;

D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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J. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

*Attorneys for Advance Energy Partners*

*Hat Mesa, LLC*

Case No. 16095 : *Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the W/2 W/2 of Section 20 and the W/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #501H** well to be drilled from an approximate surface location 100 feet from the south line and 1,650 feet from the west line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 1,650 feet from the west line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.



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☐ No

## 3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery (over \$500)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



# SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

The Allar Company  
P. O. Box 1567  
Graham, TX 76450-3151



9590 9403 0913 5223 4342 90

## 2. Article Number (Transfer from service label)

7015 1730 0000 9793 5836

PS Form 3811, July 2015 PSN 7530-02-000-9053

# COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

# U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

## Certified Mail Fee

\$

- Extra Services & Fees (check box, add fee as appropriate)
- ☐ Return Receipt (hardcopy) \$
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

## Postage

The Allar Company  
P. O. Box 1567  
Graham, TX 76450-3151

Postmark  
Here

JSH deficit 15048-1503  
15046, 15047, 15048  
16045

# SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

The Allar Company  
P. O. Box 1567  
Graham, TX 76450-3151



9590 9403 0913 5223 4342 90

## 2. Article Number (Transfer from service label)

7015 1730 0000 9793 5836

PS Form 3811, July 2015 PSN 7530-02-000-9053

# COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X *Melanie Barrett*

☒ Agent  
☐ Addressee

## B. Received by (Printed Name)

*Melanie Barrett*

## C. Date of Delivery

*4-13-18*

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Permian LLC  
5555 San Felipe  
Houston, TX 77056



9590 9403 0913 5223 4343 13

2. Article Number (Transfer from service label)

7015 1730 0000 9793 5812

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Mail Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

Certified Mail Fee

Extra Services &amp; Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

Postage

Postmark  
Here

Marathon Oil Permian LLC  
5555 San Felipe  
Houston, TX 77056

11 OFFSET 15045-1803  
96, 15097, 15098  
16095

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Permian LLC  
5555 San Felipe  
Houston, TX 77056



9590 9403 0913 5223 4343 13

2. Article Number (Transfer from service label)

7015 1730 0000 9793 5812

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Marcos Cumei

☐ Agent☐ Addressee

B. Received by (Printed Name)

Marcos Cumei

C. Date of Delivery

4-16-18

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Mail Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1 Article Addressed to:</p> <p><b>EOG Resources, Inc.</b>  <b>5509 Champions Drive</b>  <b>Midland, TX 79706</b></p>		<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>X</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label)</p> <p><b>7015 1730 0000 9793 5829</b></p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com).

**OFFICIAL USE**

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage

**EOG Resources, Inc.**  
**5509 Champions Drive**  
**Midland, TX 79706**

Postmark Here

JSH 84527 15045-1007  
 16096, 16097, 16098  
 16095

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1 Article Addressed to:</p> <p><b>EOG Resources, Inc.</b>  <b>5509 Champions Drive</b>  <b>Midland, TX 79706</b></p>		<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>X <i>[Signature]</i></p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p><i>[Signature]</i> 4-16-18</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label)</p> <p><b>7015 1730 0000 9793 5829</b></p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>Domestic Return Receipt</p>		<p>Domestic Return Receipt</p>	



U.S. Postal Service<sup>™</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee  
 \$

Extra Services & Fees (check box, enter fee as appropriate)

☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postmark  
 Here

Postage  
 Bullhead Energy, LLC  
 217 Rupert Street  
 Fort Worth, TX 76107

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>Article Addressed to:</p> <p>Bullhead Energy, LLC            217 Rupert Street            Fort Worth, TX 76107</p> <p>Barcode: 9590 9403 0913 5223 4342 52</p> <p>2. Article Number (Transfer from service label)            7015 1730 0000 9793 5843</p>	<p>A. Signature            X <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type  <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express<sup>®</sup>  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail<sup>™</sup>  <input checked="" type="checkbox"/> Certified Mail<sup>®</sup> <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation<sup>™</sup>  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>Article Addressed to:</p> <p>Bullhead Energy, LLC            217 Rupert Street            Fort Worth, TX 76107</p> <p>Barcode: 9590 9403 0913 5223 4342 52</p> <p>2. Article Number (Transfer from service label)            7015 1730 0000 9793 5843</p>	<p>A. Signature            X <i>Mulan Mexar</i> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type  <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express<sup>®</sup>  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail<sup>™</sup>  <input checked="" type="checkbox"/> Certified Mail<sup>®</sup> <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation<sup>™</sup>  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Ascent Energy LLC  
1621 18th Street, Suite 200  
Denver, Colorado 80202



9590 9403 0913 5223 4342 69

## 2. Article Number (Transfer from service label)

7015 1730 0000 9793 5850

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery (over \$500)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☒ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

U.S. Postal Service™

## CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

## Certified Mail Fee

\$

## Extra Services &amp; Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

## Postage

Ascent Energy LLC  
1621 18th Street, Suite 200  
Denver, Colorado 80202

Postmark  
HereJSH Offset 15048-1803  
15095

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

## SENDER: COMPLETE THIS SECTION

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Ascent Energy LLC  
1621 18th Street, Suite 200  
Denver, Colorado 80202



9590 9403 0913 5223 4342 69

## 2. Article Number (Transfer from service label)

7015 1730 0000 9793 5850

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

Yaurie Otero

☐ Agent☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery (over \$500)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☒ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



U.S. Postal Service  
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**OFFICIAL USE**

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage

Postmark Here

Centennial Resources Production  
LLC  
1001 Seventeenth Street, Suite 1800  
Denver, Colorado 80202

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Centennial Resources Production LLC 1001 Seventeenth Street, Suite 1800 Denver, Colorado 80202</p> <p>2. Article Number (Transfer from service label)</p> <p>7015 1730 0000 9793 5867</p>	<p>A. Signature</p> <p>X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <table border="0"> <tr> <td> <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input checked="" type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) </td> <td> <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery </td> </tr> </table>	<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery		

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Centennial Resources Production LLC 1001 Seventeenth Street, Suite 1800 Denver, Colorado 80202</p> <p>2. Article Number (Transfer from service label)</p> <p>7015 1730 0000 9793 5867</p>	<p>A. Signature</p> <p>X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <table border="0"> <tr> <td> <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input checked="" type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) </td> <td> <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery </td> </tr> </table>	<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery		

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt





**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**


**APPLICATION OF ADVANCE ENERGY PARTNERS  
HAT MESA, LLC FOR A NON-STANDARD OIL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 16096**

**AFFIDAVIT OF NOTICE**

STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

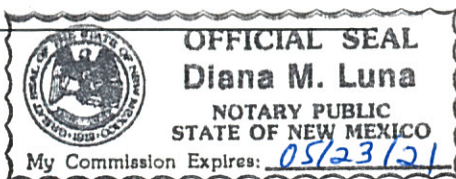
J. Scott Hall, attorney and authorized representative of Advance Energy Partners Hat Mesa, LLC, the Applicant in this matter, being first duly sworn, upon oath states that he sent copies of the Application in this matter to the parties as specified on the attached Exhibit A.

  
\_\_\_\_\_  
J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 30<sup>th</sup> day of May, 2018.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:



**ADVANCE ENERGY PARTNERS  
HAT MESA, LLC  
OCD CASE Nos. 16095, 16096, 16097, 16098  
Exhibit No. 11  
NM Oil Conservation Division  
Hearing - May 31, 2018**

**EXHIBIT A**

**OCD Case No. 16096 (Woolhead #502H)**

**PARTIES TO BE POOLED**

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, TX 77002

Chevron U.S.A. Inc.  
Attn: Kristen Hunter, Land Representative  
6301 Deauville Blvd.  
Midland, TX 79706

Devon Energy Production Company, L.P.  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102-5015

**OVERRIDING ROYALTY INTEREST OWNERS**

Bullhead Energy, LLC  
217 Rupert Street  
Fort Worth, Texas 76107

Charis Royalty F, LP  
P. O. Box 93983  
Southlake, Texas 76092

Schlagal Brothers  
202 North Eisenhower  
Midland, Texas 79703

Mike Petraitis, MSU  
P.O. Box 10886  
Midland, Texas 79702

## **OFFSET OPERATORS**

COG Operating LLC  
One Concho Center  
600 West Illinois Avenue  
Midland, TX 79701

The Allar Company  
P. O. Box 1567  
Graham, TX 76450-3151

Marathon Oil Permian LLC  
5555 San Felipe  
Houston, TX 77056

EOG Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

Bullhead Energy, LLC  
217 Rupert Street  
Fort Worth, TX 76107

Ascent Energy LLC  
1621 18th Street, Suite 200  
Denver, Colorado 80202

Centennial Resources Production LLC  
1001 Seventeenth Street, Suite 1800  
Denver, Colorado 80202





**MONTGOMERY  
& ANDREWS**  
LAW FIRM

J. SCOTT HALL  
Cell: (505) 670-7362  
Email: [shall@montand.com](mailto:shall@montand.com)  
[www.montand.com](http://www.montand.com)

---

April 10, 2018

**VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

**TO: ALL PARTIES TO BE POOLED ON ATTACHED LIST**

**Re: NMOCD Case No. 16096 – Woolhead #502H**  
**Application of Advance Energy Partners Hat Mesa, LLC for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico**

Dear Sir or Madam:

This will advise that Advance Energy Partners Hat Mesa, LLC has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the E/2 W2 of Section 20 and the E/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand.

A copy of the Application for hearing is enclosed.

This Application will be set for hearing before a Division Examiner on May 3, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

J. Scott Hall

JSH/dml

Enclosure

cc: Paul Burdick, Advance Energy Partners Hat Mesa, LLC (w/enc., via email)

---

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

**EXHIBIT A**

**OCD Case No. 16096 (Woolhead #502H)**

**PARTIES TO BE POOLED**

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, TX 77002

Chevron U.S.A. Inc.  
Attn: Kristen Hunter, Land Representative  
6301 Deauville Blvd.  
Midland, TX 79706

Devon Energy Production Company, L.P.  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102-5015

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF ADVANCE ENERGY PARTNERS  
HAT MESA, LLC FOR A NON-STANDARD OIL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

Case No. 16096

**APPLICATION**

Advance Energy Partners Hat Mesa, LLC applies for an order approving a 240-acre non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit from the top of the 1st Bone Spring Sand to the base of the 2nd Bone Spring Sand, and in support thereof, states:

1. Applicant is an interest owner in the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17, and has the right to drill a well thereon.
2. Applicant proposes to drill its **Wool Head #502H** well to a depth sufficient to test the 2nd Bone Spring formation. Applicant seeks to dedicate the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17 to the well to form a non-standard 240-acre oil spacing and proration unit (project area) in the Bone Spring formation. The well is a 7000' horizontal well, with a surface location 100 feet from the south line and 2,310 feet from the west line of Section 20 and a bottom hole location 2,540 feet from the south line and 2,310 feet from the west line of Section 17.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation within the indicated depths in the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17 for the purposes set forth herein.

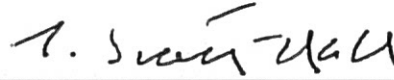
4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation at the indicated depths in the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17, pursuant to NMSA 1978, §§ 70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing on May 3, 2018 and that, following notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17;
- B. Pooling all mineral interests in the Bone Spring formation at the indicated depths underlying E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17;
- C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Scott Hall", written over a horizontal line.

J. Scott Hall  
Seth C. McMillan  
Post Office Box 2307  
Santa Fe, NM 87504-2307  
(505) 982-3873

*Attorneys for Advance Energy Partners  
Hat Mesa, LLC*

Case No. /6096 : *Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the E/2 W2 of Section 20 and the E/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #502H** well to be drilled from an approximate surface location 100 feet from the south line and 2,310 feet from the west line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 2,310 feet from the west line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant and Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.



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City

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, TX 77002

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**APR 10 2018**  
**USD 87504**

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Houston, TX 77002



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<p>1. Article Addressed to:</p> <p><b>Chevron U.S.A. Inc.</b>  <b>Attn: Kristen Hunter, Land</b>  <b>Representative</b>  <b>6301 Deauville Blvd.</b>  <b>Midland, TX 79706</b></p>		<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p><b>7015 1730 0000 9793 5898</b></p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>	
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<p>Postage \$</p> <p><b>Chevron U.S.A. Inc.</b>  <b>Attn: Kristen Hunter, Land</b>  <b>Representative</b>  <b>6301 Deauville Blvd.</b>  <b>Midland, TX 79706</b></p>	<p>JS# 15045-1503          Pooled Rates          6045 6046          16097, 16098</p>

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<p>1. Article Addressed to:</p> <p><b>Chevron U.S.A. Inc.</b>  <b>Attn: Kristen Hunter, Land</b>  <b>Representative</b>  <b>6301 Deauville Blvd.</b>  <b>Midland, TX 79706</b></p>		<p>B. Received by (Printed Name) <u><i>Elina Bozga</i></u></p> <p>C. Date of Delivery <u><i>04/13/15</i></u></p>	
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Devon Energy Production Co., L.P.  
 333 W. Sheridan Avenue  
 Oklahoma City, OK 73102-5015

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Cell: (505) 670-7362  
Email: [shall@montand.com](mailto:shall@montand.com)  
[www.montand.com](http://www.montand.com)

---

April 10, 2018

**VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

**TO: ALL OVERRIDING ROYALTY INTEREST OWNERS ON ATTACHED LIST**

**Re: NMOCD Case No. 16096 – Woolhead #502H**  
**Application of Advance Energy Partners Hat Mesa, LLC for a Non-Standard  
Oil Spacing and Proration Unit and Compulsory Pooling, Lea County,  
New Mexico**

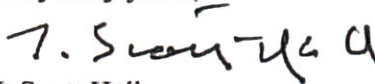
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J. Scott Hall

JSH/dml

Enclosure

cc: Paul Burdick, Advance Energy Partners Hat Mesa, LLC (w/enc., via email)

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**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

**EXHIBIT A**

**OCD Case No. 16096 (Woolhead #502H)**

**OVERRIDING ROYALTY INTEREST OWNERS**

Bullhead Energy, LLC  
217 Rupert Street  
Fort Worth, Texas 76107

Charis Royalty F, LP  
P. O. Box 93983  
Southlake, Texas 76092

Schlagal Brothers  
202 North Eisenhower  
Midland, Texas 79703

Mike Petraitis, MSU  
P.O. Box 10886  
Midland, Texas 79702



**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF ADVANCE ENERGY PARTNERS  
HAT MESA, LLC FOR A NON-STANDARD OIL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

Case No. 16096

**APPLICATION**

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3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation within the indicated depths in the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17 for the purposes set forth herein.

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WHEREFORE, Applicant requests that this application be set for hearing on May 3, 2018 and that, following notice and hearing, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17;

B. Pooling all mineral interests in the Bone Spring formation at the indicated depths underlying E/2 W/2 of Section 20 and the E/2 SW/4 of Section 17;


C. Designating Applicant as operator of the well;

D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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J. Scott Hall

Seth C. McMillan

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

*Attorneys for Advance Energy Partners*

*Hat Mesa, LLC*



Case No. /6096 : *Application of Advance Energy Partners Hat Mesa, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 240-acre± oil spacing and proration unit in the Bone Spring Formation (97895) comprised of the E/2 W2 of Section 20 and the E/2 SW/4 of Section 17, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, pooling all mineral interests underlying the non-standard unit from the top of the 1<sup>st</sup> Bone Spring Sand to the base of the 2<sup>nd</sup> Bone Spring Sand. The unit will be dedicated to Applicant's proposed **Wool Head #502H** well to be drilled from an approximate surface location 100 feet from the south line and 2,310 feet from the west line of Section 20, Township 21 South, Range 33 East to a bottomhole location 2,540 feet from the south line and 2,310 feet from the west line of Section 17, Township 21 South, Range 33 East, NMPM. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant and Operator of the well, and a 200% charge for the risk of drilling and completing the well. The well and lands are located approximately 2.5 miles northeast of Hat Mesa, New Mexico.