

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

Heather Riley, Division Director  
Oil Conservation Division



September 5, 2018

Jordan L. Kessler  
Holland & Hart LLP  
[JLKessler@hollandhart.com](mailto:JLKessler@hollandhart.com)  
PO Box 2208  
Santa Fe, NM 87504-2208

**RE: Request for Time Extension to Complete a Proposed Well**

Case No. 16111, R-14742 approved date June 18, 2018

Applicant/Operator: Ameredev Operating LLC

Proposed Wells:

Magnolia 26 36 22 State Com Well No. 105H, API No. 30-025-44653

Magnolia 26 36 22 State Com Well No. 115H, API No. 30-025-44654

Dear Sir or Madam:

The following pertains to your request received by the Division on August 31, 2018 and to the requirements in the captioned hearing order.

You have requested an extension of the 120-day time limit given by the Division in the captioned order in which to drill and complete at least one of the captioned wells after commencement of drilling operations on the first of the proposed wells.

As stated in your request, the operator intends to spud the first well in January of 2019, drill and log a vertical hole, evaluate the logs, then drill and complete the lateral by June of 2019. Accordingly, you are requesting a 240-day time limit to replace the existing time limit.

The operator is hereby given 240 days as a time limit between the spud date of the first of the referenced proposed wells to the date the C-104 is approved for at least one of the proposed wells. All other provisions of this order remain in full force and effect.

Sincerely,

  
HEATHER RILEY

Director

HR/wvjj

cc: Oil Conservation Division – Hobbs  
Case No. 16111



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August 31, 2018

**VIA HAND DELIVERY**

Heather Riley  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Dr.  
Santa Fe, New Mexico 87505

**Re: Division Order No. R-14742**  
**Request for extension of deadline for drilling and completion of initial well.**  
**Magnolia 26 36 22 State Com No. 115H Well**

Dear Ms. Riley:

Order No. R-14742 created a 320-acre non-standard spacing and proration unit and authorized compulsory pooling of uncommitted interest owners in the W/2 E/2 of Sections 15 and 22, Township 26 South, Range 26 East, NMPM, Lea County, New Mexico. The Order named Ameredev Operating, LLC ("Ameredev") operator of the spacing unit and dedicated two initial wells: the Magnolia 26 36 22 State Com No. 105H Well and the Magnolia 26 36 22 State Com No. 115H Well.

Paragraph 9 of Order No. R-14742 requires that at least one of the proposed wells be drilled and completed within 120 days after commencement of the first well, or that an extension be obtained from the Division Director. Ameredev is planning to drill the vertical portion of the Magnolia State Com 26-36-22 115H Well in January of 2019. The well will be temporarily abandoned while Ameredev evaluates the geologic data obtained from drilling the vertical portion of the wellbore. Very few Wolfcamp well logs exist in this area. This evaluation will allow Ameredev an opportunity to optimize the target landing zone for the well. Ameredev will return and drill out the horizontal portion of the well in May of 2019 and completions are scheduled for May-June 2019.

**Holland & Hart LLP**

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In accordance with Paragraph 9, Ameradev respectfully requests an extension of an additional 120 days (240 days total) between drilling and completion of the initial well to allow Ameradev adequate time to conduct a geologic evaluation of the Wolfcamp in the area.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. L. Kessler".

Jordan L. Kessler

**ATTORNEY FOR AMEREDEV OPERATING, LLC**