### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBRUARY 7, 2019

**CASE NOS. 20222** 

JUNIPER FED COM 25 36 34 NO 111H WELL

### LEA COUNTY, NEW MEXICO



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

APPLICATION OF AMEREDEV OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 20222** 

### AFFIDAVIT OF BRANDON FORTEZA IN SUPPORT OF CASE NO. 20222

Brandon Forteza, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Brandon Forteza. I work for Ameredev Operating, LLC ("Ameredev") as a Landman.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
- 3. I am familiar with the application filed by Ameredev in this case, and I am familiar with the status of the lands in the subject area.
- 4. None of the proposed pool parties has indicated opposition, and therefore I do not expect any opposition at the hearing.
- 5. Ameredev is seeking an Order (a) pooling all uncommitted interests in the Wolfcamp formation in the 640-acre spacing unit comprised of the W/2 W/2 of Sections 27 and 34 and the E/2 E/2 of Sections 28 and 33, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico; and (b) dedicating the above-referenced spacing unit to the proposed Juniper Fed Com 25 36 34 No. 111H Well.

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- 6. Ameredev has filed a Form C-102 with the U.S. Bureau of Land Management for the proposed Juniper Fed Com 25 36 34 No. 111H well. The C-102 is attached hereto as **Ameredev Exhibit A-1**. The C-102 show that a Pool Code of 33813 has been assigned.
- 7. Incorporating the proximity tracts, the completed interval for the well will comply with the Division's setback requirements.
  - 8. There are no depth severances in the Wolfcamp formation.
- 9. Ameredev Exhibit A-2 is an exhibit prepared by me that identifies the tracts of land comprising the proposed spacing unit. This proposed spacing unit includes only federal land. This exhibit shows the interest owners and the percentage of their interest by tract. A unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit, is also included on the exhibit. Ameredev is seeking to pool the working interest owners denoted by an asterisk: Sharbro Energy LLC and Oxy Y-1 Company.
  - 10. There are no unleased mineral interest owners to be pooled.
  - 11. There are no overriding royalty interest owners to be pooled.
- 12. Ameredev sent a well proposal letter to the working interest owners. An AFE was included with the well proposal letter. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the AFE, is attached as **Ameredev Exhibit A-3**.
- 13. Ameredev has made an estimate of overhead and administrative costs for drilling and producing the proposed wells. It is \$7,000/month while drilling, and \$700/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. Ameredev respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

- 14. In my opinion, Ameredev has made good faith efforts to reach an agreement with the parties it is seeking to pool. If Ameredev reaches an agreement with any of the proposed pool parties before the Division enters an order, I will let the Division know that Ameredev is no longer seeking to pool those parties.
- 15. I provided the law firm of Holland & Hart LLP a list of names and addresses for the proposed pool parties. The names and last known addresses are included on a separate exhibit marked as Exhibit C. In compiling these notice lists, Ameredev conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.
- 16. **Ameredev Exhibits A-1 through A-3** were either prepared by me or compiled under my direction and supervision.

BRANDON FORTEZA

STATE OF TEXAS

COUNTY OF TVAIS

SUBSCRIBED and SWORN to before me this 5th day of February 2019, Brandon Forteza.

NOTARY PUBLIC

My Commission Expires:

10/2/2019

ERIN PEARCY
Notary Public, State of Texas
Comm. Expires 10-02-2019
Notary ID 130392911

11377549\_1

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate **District Office** 

AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool N	lame
30-025-	33813	JAL; WOLFC	AMP WEST
<sup>4</sup> Property Code	<sup>5</sup> Pt	operty Name	<sup>6</sup> Well Number
	JUNIPER FE	D COM 25 36 34	111H
<sup>7</sup> OGRID N₀.	ROI BO	perator Name	<sup>9</sup> Elevation
372224	AMEREDEV	OPERATING, LLC.	2992'
	100	Casa Lagation	11

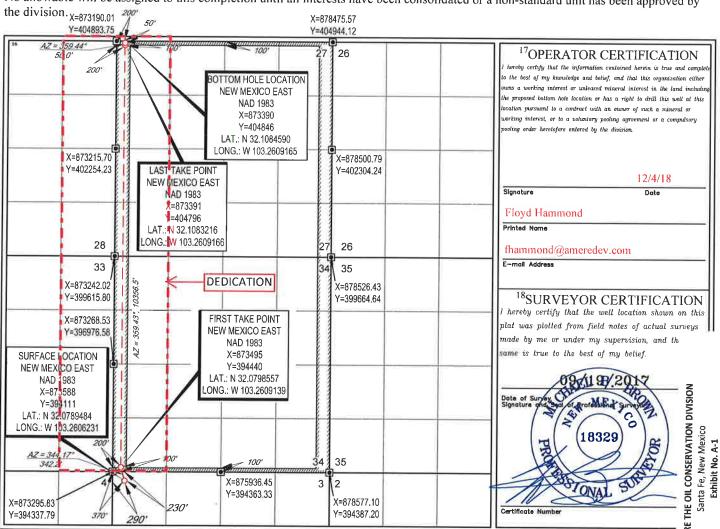
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	26-S	36-E	=	230'	NORTH	290'	WEST	LEA
									0

11Bottom Hole Location If Different From Surface

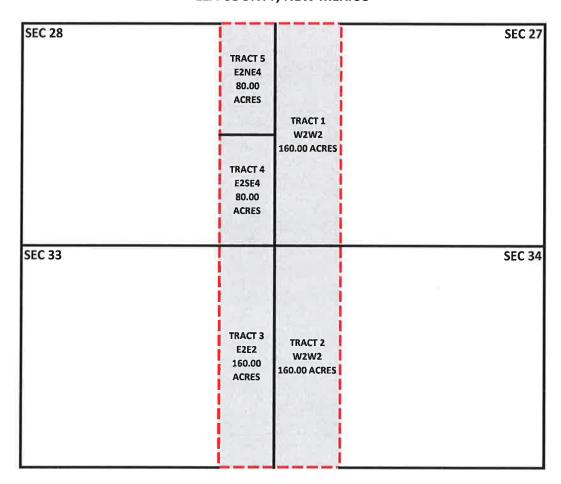
UL or lot no.	Section 27	Township 25-S	36-E	Lot Idn	Feet from the 50'	North/South line NORTH	Feet from the 200'	East/West line WEST	County LEA
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or 1	nfill 14Ce	onsolidation Cod	le <sup>15</sup> Orde	r No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by



Submitted by: AMEREDEV OPERATING LLC

### JUNIPER FED COM 25-36-34 111H T25S-R36E-SECTION 27 AND 34, W2W2 T25S-R36E-SECTION 28 AND 33, E2E2 LEA COUNTY, NEW MEXICO



### JUNIPER FED COM 25-36-34 111H T25S-R36E-SECTION 27 AND 34, W2W2 T25S-R36E-SECTION 28 AND 33, E2E2

TRACT	1:	W2W2	OF SECT	ION 27	25S 36E

AMEREDEV NEW MEXICO, LLC		100.0000%
	TOTAL	100.0000%
TRACT 2: W2W2 OF SECTION 34 25S 36E		
AMEREDEV NEW MEXICO, LLC		100.0000%
·	TOTAL	100.0000%
TRACT 3: E2E2 OF SECTION 33 25S 36E		
AMEREDEV NEW MEXICO, LLC		100.0000%
	TOTAL	100.0000%
TRACT 4: E2SE4 OF SECTION 28 25S 36E		
AMEREDEV NEW MEXICO, LLC		100.0000%
dr	TOTAL	100.0000%
<b>TRACT 5: E2NE4 OF SECTION 28 25S 36E</b>		
SHARBRO ENERGY, LLC		4.8000%
OXY Y-1 COMPANY		32.0000%
AMEREDEV NEW MEXICO, LLC		63.2000%
	TOTAL	100.0000%

### UNIT RECAPITULATION T25S-R36E-SECTION 27 AND 34, W2W2 T25S-R36E-SECTION 28 AND 33, E2E2

*SHARBRO ENERGY, LLC	0.6000%
*OXY Y-1 COMPANY	4.0000%
AMEREDEV NEW MEXICO, LLC	95.4000%
	TOTAL 100.0000%

<sup>\*</sup>Interest Seeking to Compulsory Pool

Ameredev II, LLC 5707 Southwest Parkway Building 1, Suite 275 Austin, Texas 78735



December 10, 2018

VIA Certified Mail

OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046

RE:

Juniper Fed Com 25-36-34 #111H Well Proposal

Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico SHL: 230' FNL & 290' FWL Section 3; BHL: 50' FNL & 200' FWL Section 27

Dear Working Interest Owner:

Ameredev Operating. LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Juniper Fed Com 25-36-34 #111H Well (the "Well") to test the Wolfcamp formation to a total vertical depth of 11,720' and a total measured depth of 22,000' ("Operation"). The estimated costs associated with the Operation are \$15,430,320.47 as outlined in the enclosed authority for expenditure ("AFE #2018-056"). Ameredev's records indicate OXY Y-1 Company ("OXY") owns a 4.00% working interest in the Well, and OXY's estimated costs associated with the Operation are approximately \$617,212.82

In addition, Ameredev proposes the Operation to be governed by the terms of the 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 25 South, Range 36 East, Section 27 and Section 34, W2W2, and Section 28 and Section 33, E2E2, with Ameredev listed as the Operator ("Contract Area")
- 100%/300%/300% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Ameredev looks forward to working with OXY on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to bforteza@ameredev.com at your earliest convenience.

Sincerely.

Brandon Forteza 737-300-4721

### Election Ballot for the Juniper Fed Com 25-36-34 #111H Well Proposal (AFE# 2018-056)

	OXY elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2018- 056.
	OXY elects to not participate in the proposed Operation.
ОХҮ Ү-	1 Company
By:	
Ite	



### Company Entity Ameredev Operating, LLC

Date Prepared	
November 29, 2018	

AFE Type	Project	Well No.	Field Name	Cost Center	AFE No.
Capital	Juniper Fed Com 25-36-34	111H	Delaware	40651	2018-056

Location	County	State	Wel	l Туре
SHL: Sec. 3 26S-36E 230' FNL & 290' FWL	Lon	NM	Oil	Expl
BHL: Sec. 27 25S-36E 50' FNL & 250' FWL	Lea	ININ	Gas	Prod

Estimate Type	Start Date	Completion Date	Formation	MD
Original				22,000'
Revised	February 7, 2019	April 6, 2019	Wolfcamp	TVD
Supplemental				11,720'

### **Project Description**

Drill Pilot Hole and 2 Mile Wolfcamp Lateral and Complete. Build Central Tank Battery.

Total Cost \$15,430,320.47

### Comments on Associated Costs

Water disposal not included.

### Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory, and well costs under term of the joint operating agreement, regulatory order, or other applicable agreement covering this well.

### Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$250,000 (100% W.I.) retention.

### **Marketing Election**

Ameredev sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Ameredev, you will be subject to all of the terms of such contracts. Upon written request to Ameredev, we will share with you the terms and conditions pursuant to which gas will be sold.

I elect to take my gas in kind.

ı	I elect to market my gas with	Ameredev pursuant to the terms and conditions of its contra	acts

### Joint Interest Approval

Company	Approved By	Date



Intangibles	Code		Dry Hole Cost		After Casing Point Cost		Total Cost
MISC PREPARATION COSTS	0.004	\$	20,000.00	\$	į.	5	20,000.00
EASEMENT, ROW, AND ACQUISITION	0.006	\$		\$	5,000.00	\$	5,000.00
ROAD / LOCATION PREP / RESTORATION	0.008	\$	129,000.00	\$	322,000.00	\$	451,000.00
DRILLING RIG	0.010	\$	936,696.96	\$	90,200.00	\$	1,026,896.96
COIL TUBING	0.012	\$	240,000,00	\$	130,000.00	\$	130,000.00
FUEL TRAILER, CAMP, AND CATERING	0.016	\$	210,000.00	\$	2,500.00	\$	212,500.00
WATER & SEPTIC	0.018	\$	36,670.00 56,700.00	\$	17,375.00	\$	54,045.00
SURFACE RENTALS	0.024	\$	84,230.00	\$	81,740.00	S	56,700.00 165,970.00
DRILL BITS	0.028	\$	139,000.00	\$	3,500.00	\$	142,500.00
DOWNHOLE RENTALS	0.030	\$	16,475.00	5	81,700.00	\$	98,175.00
DIRECTIONAL DRILLING	0.032	\$	329,000.00	\$	-	\$	329,000.00
COMPOSITE PLUGS	0.034	\$		\$	69,300.00	\$	69,300.00
TUBING & BHA INSPECT & REPAIR	0.042	\$	12,170.38	\$	3.50	\$	12,170.38
RENTAL TUBING	0.046	\$	280,000.00	\$	32,500.00	\$	312,500.00
WELL CONTROL EQUIP / SERVICES	0.048	\$	91,519.60	\$	216,048.00	\$	307,567.60
PUMP TRUCK / PRESSURE TESTING	0.054	\$		\$	1,000.00	\$	1,000.00
MUD, ADDITIVES, AND CHEMICALS	0.060	\$	135,940.00	\$	312,400.00	\$	448,340.00
FRAC PUMPING CHARGES	0.061	\$	*	\$	3,904,000.00	\$	3,904,000.00
WATER RIGHTS / TRANSFER / STORAGE	0.062	\$	42,700.00	\$	947,714.25	\$	990,414.25
SOLIDS CONTROL EQUIP / SERVICES	0.066	\$	102,072.00	\$		\$	102,072.00
MUD / FLUIDS DISPOSAL CHARGES CASING CREWS	0.068	\$	106,000.00	\$	28,430.00	\$	134,430.00
CEMENTING	0.070	\$	54,440.00	\$		\$	54,440.00
CASING / LINER / FLOAT EQUIPMENT	0.072	5	325,000.00 39,500.00	\$		\$	325,000.00
MOBILIZE & DEMOBILIZE	0.086	\$	280,000.00	\$	3,000.00	\$	39,500.00
SUPERVISION / CONTRACT	0.094	\$	198,000.00	\$	141,750.00	\$	283,000.00 339,750.00
CONTRACT ROUSTABOUT	0.103	\$	130,000.00	\$	150,000.00	\$	150,000.00
CONTRACT LANDWORK / SURVEY	0.114	\$		S	10,000.00	S	10,000.00
REGULTRY / ENVIRON CONSULTANT	0.122	\$	10,050.00	\$	5,000.00	\$	15,050.00
SAFETY AND EMERGENCY RESPONSE	0.124	\$	3,192.00	s	18,840.00	\$	22,032.00
WELDING & MATERIALS	0.138	\$		\$	5,000.00	5	5,000.00
GEOLOGY	0.186	\$	10,000.00	\$		\$	10,000.00
FLOW TESTING / EQUIP	0.194	\$		\$	115,175.00	\$	115,175.00
MUD LOGGING	0.198	\$	100,000.00	\$		\$	100,000.00
WIRELINE / PERF / PUMPDOWN COSTS	0.200	\$	110,000.00	\$	545,050.00	\$	655,050.00
ISHING & SIDETRACK SERVICES	0.203	\$	136,000.00	\$		\$	136,000.00
SECONDARY CONTAINMENT	0.254	\$	•	\$	140,400.00	\$	140,400.00
FACILITY ELECTRIC & AUTOMATION SWD CONNECTION	0.258	\$		\$	170,000.00	\$	170,000.00
CRANE FOR CONSTRUCTION	0.262	\$		\$	8,000.00 3,000.00	\$	8,000.00
ELECTRICAL	0.278	\$		\$	1,500.00	\$	3,000.00
DIL TREATING	0.356	\$		\$	88,000.00	\$	1,500.00 88,000.00
Contingency	5.00%	\$	199,717.80	\$	382,506.11	\$	582,223.91
Tax	6.25%	5	249,647.25		478,132.64	\$	727,779.89
otal Intangible Cost		S	4,443,720.98		8,510,761.00	\$	12,954,481.98
angibles - Well Equipment	11/4	NA.	Dry Hole Cost	Ĺ	After Casing Point Cost		Total Cost
CONDUCTOR PIPE	0.206	\$	8,554.80	\$		\$	8,554.80
URFACE CASING	0.210	\$	74,400.00			\$	74,400.00
NTERMEDIATE CASING	0.212	\$	508,295.00	\$		\$	508,295.00
PRODUCTION CASING	0.216	\$	473,000.00	\$	:	\$	473,000.00
UBING	0.217	\$	<b>+</b> )	\$	57,500.00	\$	57,500.00
VELLHEAD / TREE / CHOKES	0.218	\$	65,173.00		25,000.00	\$	90,173.00
SOLATION PACKER	0.222	\$	*	\$	12,500.00	\$	12,500.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$		\$	10,000.00		10,000.00
ANK BATT / PROCESS EQUIP / MAINT	0.236	\$		\$	18,250.00	· ·	18,250.00
angibles - Lease Equipment ANKS, TANKS STEPS, STAIRS	0.244	ć	Dry Hole Cost	c.	After Casing Point Cost		otal Cost
ATTERY (HEATER TREATERS)	0.244	\$		\$	438,000.00		438,000.00
ATTERY (SEPARATOR)	0.248	\$		\$		\$	30,000.00
LOW LINE (PIPE WH TO FACILITY)	0.248	\$	16	\$	24,800.00 80,000.00	\$	24,800.00
METERS AND METERING EQUIPMENT	0.274	\$	-	\$	100,000.00		80,000.00 100.000.00
ALVES, FITTINGS, PROD INSTRUM	0.282	\$		\$	300,000.00		300,000.00
OF THE PROPERTY OF THE PROPERT				_			
ontingency	1 5,00%	1 5	56.471 14 1	5	54 XII / 50 I	3	111 772 64
ontingency ax	5.00% 6.25%	\$	56,471.14 70,588.93		54,802.50 68,503.13		111,273.64
			70,588.93		68,503.13 1,219,355.63	\$	111,273.64 139,092.05 2,475,838.49

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Arlesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Pictrict III

District III

1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170

District IV.

District IV 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax (505) 476-3462

Dedicated Acres

640

Jaint or Infill

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

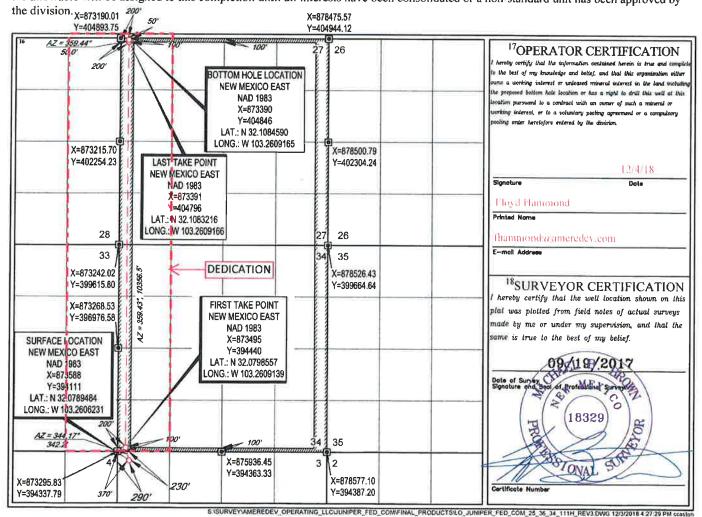
AMENDED REPORT

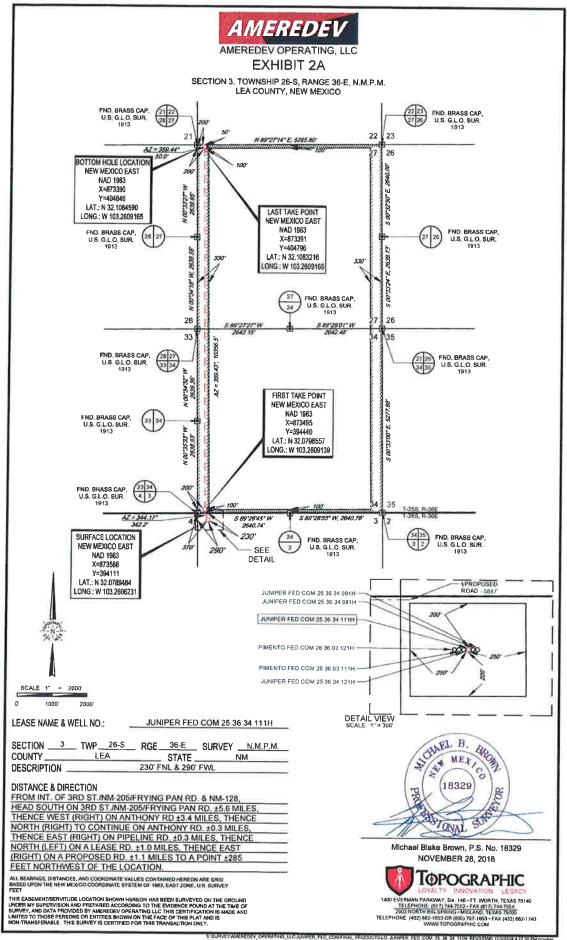
WELL LOCATION AND ACREAGE DEDICATION PLAT IAPI Number <sup>2</sup>Pool Code <sup>3</sup>Pool Name 30-025-JAL: WOLFCAMP WEST 33813 Property Code Property Name Well Number JUNIPER FED COM 25 36 34 111H OGRID No. Operator Name Elevation 372224 AMEREDEV OPERATING, LLC. 2992 10 Surface Location UL or lot no. Township Range Lot Idn Feet from the Feet from the East/West line County 3 26-S 36-E 230' NORTH 290' WEST LEA 11Bottom Hole Location If Different From Surface UL or lot no. Section Township Rang Lot Ide Feet from the North/South line East/West line Feet from the County D 27 25-S 36-E 50' NORTH 200' WEST LEA

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by

Order No.

Consolidation Code





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

APPLICATION OF AMEREDEV OPERATING, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 20222** 

### AFFIDAVIT OF PARKER FOY IN SUPPORT OF CASE NO. 20222

Parker Foy, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Parker Foy. I work for Ameredev Operating, LLC as a Geologist.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
- 3. I am familiar with the application filed by Ameredev in this case, and I have conducted a geologic study of the lands in the subject areas.
  - 4. In this case, Ameredev is targeting the Wolfcamp formation.
- 5. Ameredev Exhibit B-1 is a locator map. It shows Ameredev's acreage in yellow and the path of the proposed wellbore for the proposed Juniper Fed Com 25 36 34 No. 111H

  Well with the surface hole and bottom hole locations.
- 6. **Ameredev Exhibit B-2** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour interval is 100 feet. The structure map shows the Wolfcamp gently dipping to the west / southwest. The structure appears consistent across the proposed

1

wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

- 7. **Ameredev Exhibit B-3** is a map showing the location of the wells used to create the stratigraphic cross-section in the next exhibit. These three wells from A to A' are representative of the geology in the area.
- 8. Ameredev Exhibit B-4 is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Wolfcamp from three representative wells denoted from A to A'. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval is labeled and marked. The logs in the cross-section demonstrate that the target interval, within the Wolfcamp, is consistent in thickness, across the entire proposed spacing unit.
- 9. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in the area.
- 10. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to each 40-acre unit comprising the spacing unit.
- 11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.
- 12. In my opinion, the granting of Ameredev's application in this case will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

PARKERFOY

COUNTY OF TVAIS

SUBSCRIBED and SWORN to before me this 5th day of February 2019 by Parker Foy.

NOTARY PUBLIC

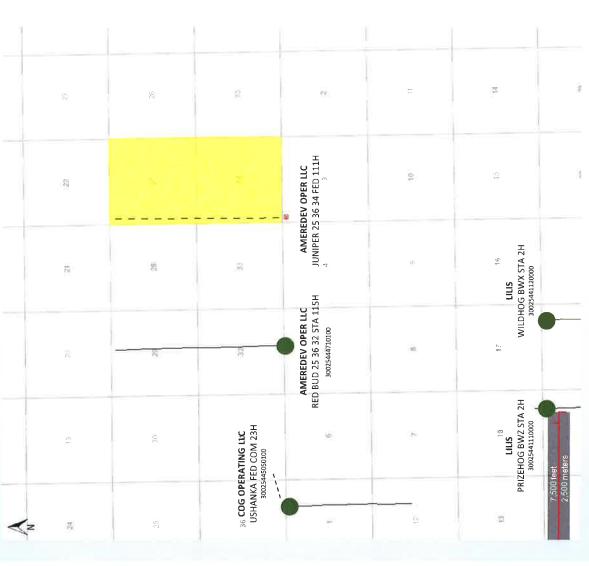
My Commission Expires:

10/2/2019

ERIN PEARCY
Notary Public, State of Texas
Comm. Expires 10-02-2019
Notary ID 130392911

12007774\_1

# Wolfcamp Pool - Juniper 25-36-34 Fed 111H



SHL BHL

SHL BHL

Ameredev WFMP Horizontal Locations

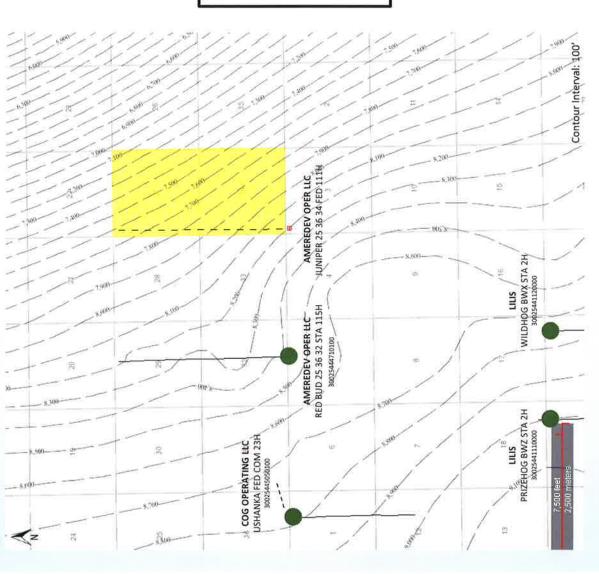
Producing WFMP Wells

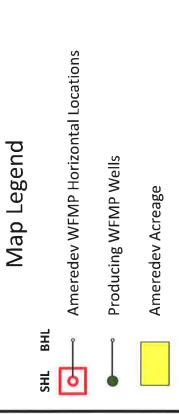
Ameredev Acreage

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-1
Submitted by: AMEREDEV OPERATING LLC
Hearing Date: February 7, 2019
Case No. 20222

AMEREDEV

# Wolfcamp Pool - WFMP Structure Map (Subsea Depth)

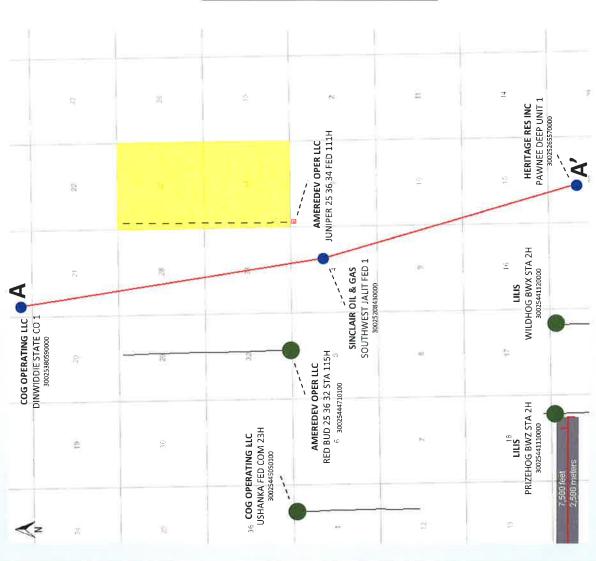


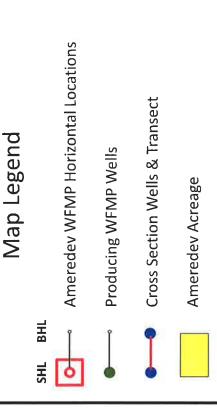


BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-2
Submitted by: AMEREDEV OPERATING LLC
Hearing Date: February 7, 2019
Case No. 20222



### Wolfcamp Pool — Cross Section Map





BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-3
Submitted by: AMFREDEV OPERATING LLC
Hearing Date: February 7, 2019
Case No. 20222



## Wolfcamp Pool - Stratigraphic Cross Section

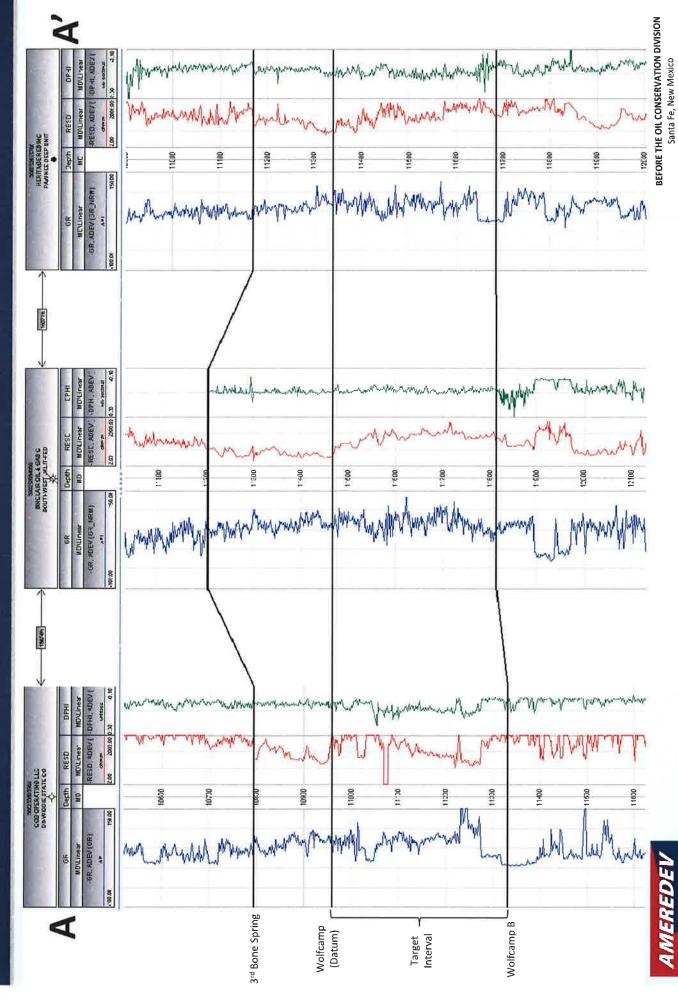


Exhibit No. B-4
Submitted by: AMEREDEV OPERATING LLC
Hearing Date: February 7, 2019
Case No. 20222

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

APPLICATION OF AMEREDEV OPERATING, LLC FOR CONPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 20222** 

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

Julia Broggi, attorney in fact and authorized representative of Ameredev Operating, LLC the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letter and proof of receipts attached hereto.

Julia Broggi

SUBSCRIBED AND SWORN to before me this 6th day of February 2019 by Julia Broggi.

OFFICIAL SEAL

CLARINDA L. WETZSTEON

NOTARY PUBLIC

STATE OF NEW MEXICO

My Commission Expires:

Notary Public



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 jlkessler@hollandhart.com

January 18, 2019

### VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Ameredev Operating, LLC for compulsory pooling, Lea

County, New Mexico.

Juniper Fed Com 25 36 34 No. 111H Well

### Ladies & Gentlemen:

This letter is to advise you that Ameredev Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on February 7, 2019. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Brandon Forteza at (737) 300-4721 or bforteza@ameredev.com.

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR** 

AMEREDEV OPERATING, LLC



### **Shipment Confirmation Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

Ameredev - Juniper CM# 100091.0001 Notice List for 20190207 docket Shipment Date: 01/14/2019 Shipped From: Name: HOLLAND & HART LLP Address: 110 N GUADALUPE ST # 1 City: SANTA FE

ZIP+4® 87501

State: NM

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

<sup>\*</sup>Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

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  4. Confirm the volume count message by selecting Yes or No
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USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE

9275 0901 1935 6200 0012 1684 76

Firm Mailing Book For Accountable Mail

SH e Special Handling SCRD Fee Signature Confirmation Restricted Delivery SC Signature Confirmation RR Fee 1.50 1,50 Return Receipt Pee Fee Restricted Deliver ASRD Fee Delivery Adult Signature Restricted ASR Fee Adult Signature Required Due Sender if COD Actual Value Insured if Registered Value additional copies of this receipt).

Postmark with Date of Receipt. (if issued as an international certificate of mailing or for Handling Charge Affix Stamp Here Handling Charge - if Registered and dver \$50,000 in value (Extra Service) Fee 3.45 3.45 Postage 1.21 1,21 □ Signature Confirmation Signature Confirmation □ Priority Mail Express □ Adult Signature Restricted Delivery □ Registered Mail

 ★ Certified Mail
 □ Certified Mail Restricted Delivery Mail
 □ Collect on Delivery (COD) □ Signature Confirmat □ Insured Mail □ Signature Confirmat □ Priority Mail □ Return Receipt for Merchandise Restricted Delivery Addressee (Name, Street, City, State, & ZIP Code™) Postmaster, Per (Name of receiving employee) OXY Y-1 Company PO BOX 27570 Houston TX 77227 Sharbro Energy LLC PO BOX 840 Artesia NM 8821 Complete in Ink Check type of mail or service □ Adult Signature Required (Page 1 of 1) Total Number of Pieces Received at Post Office USPS Tracking/Article Number 9214 8901 9403 8377 3415 24 9214 8901 9403 8377 3415 31 110 N Guadalupe St # 1 Santa Fe NM 87501 Name and Address of Sender PS Form 3877, April 2015 Holland & Hart LLP Total Number of Pieces Listed by Sender

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921489019403837734	Sharbro Energy LLC PO BOX 840 Artesia NM 88211	Delivered Signature Received	Ref#: C1167052.6704686 RetRef#:	clwetzsteon@hollandhart.com Label 4 x 2.5 (flat)		116705
9214890194038377341	OXY Y-1 Company PO BOX 531 27570 Houston TX 77227	Delivered Signature Received	Ref#: C1167052.6704687 RetRef#:	clwetzsteon@hollandhart.com Label 4 x 2.5 (flat)		1167052
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### **Affidavit of Publication**

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated January 24, 2019 and ending with the issue dated January 24, 2019.

Sworn and subscribed to before me this 24th day of January 2019.

Business Manager

My commission expires

January 29, 2023 (Seal)

OFFICIAL SEAL GUSSIE BLACK Notary Public State of New Mexico

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

EGAL NOTICE **JANUARY 24, 2019** 

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on February 7, 2019, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by January 28, 2019. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed. of accessible form is needed.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: All overriding royalty interest owners and pooled parties, including: Sharbro Energy LLC; OXY Y-1 Company.

Case No. 20222: Application of Ameredev Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest in the Wolfcamp formation in the 640-acre spacing unit comprised of the W/2W/2 of Sections 27 and 34 and the E/2E/2 of Sections 33 and 34. Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit is to be dedicated to the proposed Juniper Fed Com 25 36 34 No. 111H Well. This well will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 3. Township 26 South, Range 36 East to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 27. Township 25 South, Range 36 East. Ameredev will incorporate the proximity tracts into its horizontal spacing unit. Incorporating the proximity tracts, the completed interval for the well will remain within the standard offset required by the statewide rules set forth in 19.15.15 NMAC. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles west of Jal, New Mexico.

67100754

00223648

**HOLLAND & HART LLC** PO BOX 2208 SANTA FE., NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. D Submitted by: AMEREDEV OPERATING LLC Hearing Date: February 7, 2019 Case No. 20222