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. 16394, 16395

AMEREDEV OPERATING, LLC'S PRE-HEARING STATEMENT

Ameredev Operating, LLC ("Ameredev") (OGRID No. 372224) submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

Ameredev Operating, LLC

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APPLICANT'S STATEMENT OF CASES

In Case No. 16394, Ameredev seeks an Order pooling all uncommitted interest in the Bone Spring formation in the 640.96-acre spacing unit comprised of the W/2 W/2 of Section 5, the W/2 W/2 of Section 8, the E/2 E/2 of Section 6 and the E/2 E/2 of Section 7, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev proposes to dedicate the above-referenced spacing unit to the proposed **Pine Straw Fed Com 25 36 08 No. 091H Well**.

This well will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 8 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 5. Pursuant to NMAC 19.15.16.15(B)(1)(b), 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.

In Case No. 16395, Ameredev seeks an Order pooling all uncommitted interest in the Wolfcamp formation in the 640.96-acre spacing unit comprised of the W/2 W/2 of Section 5, the W/2 W/2 of Section 8, the E/2E/2 of Section 6 and the E/2E/2 of Section 7, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev proposes to dedicate the above-referenced spacing unit to the proposed **Pine Straw Fed Com 25 36 08 No. 101H Well**. This well will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 8 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 5. Pursuant to NMAC 19.15.16.15(B)(1)(b), 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.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Brandon Fortez – Landman	Approx. 10	Approx. 8
Parker Foy – Geologist	Approx. 10	Approx. 8

PROCEDURAL MATTERS

These consolidated cases were originally presented on September 6, 2018. The applications in both cases have since been amended to incorporate the proximity tracts due to the

location of the wells. Ameredev requests that Case Nos. 16394 and 19395 be consolidated for the upcoming hearing. If unopposed, Ameredev anticipates presenting these consolidated cases by affidavits.

Respectfully submitted,

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