

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

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 20416 (Re-opened)

Application of Ameredev Operating, LLC,
to Re-Open Case No. 20146 to Add
Additional initial Wells under the Terms
of Compulsory Pooling Order No. R-20608

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, OCTOBER 3, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, Examiner Richard
Goetz, Examiner Dylan Rose-Coss, and Legal Examiner Eric
Ames on Thursday, October 3, 2019, at the New Mexico
Energy, Minerals, and Natural Resources Department,
Wendell Chino Building, 1220 South St. Francis Drive,
Porter Hall, Room 102, Santa Fe, New Mexico

Reported by: Mary Therese Macfarlane
New Mexico CCR 122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1 A P P E A R A N C E S .

2 For the Applicant: Kaitlyn A. Luck, Esq.
 3 Holland & Hart
 4 110 Guadalupe, Suite 1
 5 Santa Fe, NM 87501
 (505) 954-7286
 kaluck@hollandhart.com

6 I N D E X

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|----|-------------------------|------|
| 7 | CASE No. 20416 CALLED | PAGE |
| 8 | APPLICANT WITNESSES: | |
| 9 | PATRICK FOY (Geologist) | 3 |
| 10 | (By affidavit) | |
| 11 | Taken Under Advisement: | 6 |

13 E X H I B I T I N D E X

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|----|------------------------------------|-----------|
| 14 | APPLICANT Ameredev Operating, LLC, | |
| 15 | EXHIBIT | ADMITTEDA |
| 16 | | 5 |
| 17 | A-1 | 5 |
| 18 | A-2 | 5 |
| 19 | A-3 | 5 |
| 20 | A-4 | 5 |
| 21 | A-5 | 5 |
| 22 | B | 5 |

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1 (Time noted 3:37 p.m.)

2 EXAMINER GOETZ: So we call 20416. That case is
3 the Application of Ameredev Operating, LLC to Re-Open Case
4 No. 20416 to add an Additional Wells Under the Terms of
5 Compulsory Pooling Order No. R-20608, Lea County, the New
6 Mexico.

7 Call for appearances.

8 MS. LUCK: Kaitlyn Luck with the Santa Fe office
9 of Holland & Hart on behalf of the Applicant in this case
10 Ameredev Operating, LLC.

11 This is is little bit different than the
12 others I have been presenting today.

13 Ameredev is presenting this case by
14 affidavit and we have one affidavit behind Tab A that's
15 the affidavit of Parker Foy. He's a geologist for
16 Ameredev. He has previously testified before the Division
17 and had his credentials accepted. He's familiar with the
18 application and he's conducted the geologic study of the
19 Wolfcamp Formation.

20 What he has also done is provided a copy of
21 Order R-20608 behind Tab A-1. It shows under the Order
22 the horizontal spacing unit was creatd by the Order
23 entered on June 6th, and the spacing unit is located at
24 Wolfcamp Formation. And it further pooled the uncommitted
25 interests in the Wolfcamp Formation Unit that dedicated it

1 to these three initial proposed wells, the Holly Fed Com
2 103H, 113H and 124H.

3 Since the entry of the Order Ameredev has
4 proposed three additional wells in the Wolfcamp. The
5 spacing units in the pool remain the same, the parties
6 pooled remain the same. There's only one party pooled in
7 this case.

8 So in addition to the wells included in the
9 original Order, the Unit will be dedicated now to the
10 three additional wells, the Holly Federal Com 104H, 114H
11 and 123H. These will share the same surface location as
12 the other wells.

13 In addition, Mr. Foy notes that Ameredev
14 re-proposed the 113H well, which was included in the
15 original order, because the bottom-hole location changed
16 under what was reflected in Exhibit A to the order.

17 Exhibit A-2 contains Form C-102S for the
18 three additional proposed wells.

19 Exhibit A-3 contains the Well Proposal
20 Letter that was sent before this application was filed to
21 re-open the case to the only the party to be pooled which
22 is XTO Holdings, LLC.

23 And then A-4 are the cross section map for
24 the two targeted intervals, the Wolfcamp A and the
25 Wolfcamp B pool. Those are the cross sectionals.

1 Then Exhibit 5 with the actual cross
2 section for Wolfcamp A Pool, noting the lands for Holly
3 114 and then the Wolfcamp B pool for the 123.

4 I'm sorry, the 104 is in the Wolfcamp A, as
5 well.

6 So he concludes that, as stated before in
7 the record of the original case, that his geologic study
8 demonstrates the targeted Wolfcamp intervals are suitable
9 to development with horizontal wells, and the acreage
10 comprising the spacing units will contribute more-or-less
11 equally to the production from the wellbores, and the
12 granting of this application is in the best interest of
13 conservation, the prevention of waste, and the protection
14 of correlative rights.

15 Then finally Exhibit B was attached by my
16 office, just showing that we provided Notice of this
17 hearing together with a copy of the application to the
18 only party to be pooled in this case, which is XTO
19 Holdings, and the tracking report reflects it was
20 delivered.

21 So with that I'd move the admission of
22 Exhibits A and B together with the attachments.

23 EXAMINER GOETZ: Exhibits A and B with
24 attachments are entered in the record.

25 MS. LUCK: And I'd ask the case be taken under

1 advisement.

2 EXAMINER GOETZ: Thank you. Case 20416 is taken
3 under advisement.

4 MS. LUCK: Okay. Thank you. Have a good
5 afternoon.

6 EXAMINER AMES: Thank you. You, too.

7 EXAMINER GOETZ: So seeing Mr. Bruce is on the
8 last four cases, let's go ahead and take a break. We will
9 give him a call

10 (Time noted 3:40 p.m.)

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1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF TAOS)
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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday,
8 October 3, 2019, the proceedings in the above-captioned
9 matter were taken before me; that I did report in
10 stenographic shorthand the proceedings set forth herein,
11 and the foregoing pages are a true and correct
12 transcription to the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

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MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
License Expires: 12/31/2019