

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

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

CASE NO. _____

APPLICATION

Ameredev Operating, LLC (“Ameredev” or “Applicant”) (OGRID No. 372224), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interest in the Bone Spring formation, in a 320-acre, more or less, standard spacing unit comprised of the E/2 E/2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico.

In support of its application, Ameredev states:

1. Ameredev is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Ameredev proposes to dedicate the above-referenced spacing unit to the proposed initial **Holly Fed Com 26-36-05 #097H well** (API No. 30-025-49453), which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 5 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 8.
3. The completed interval of the well will be at standard statewide setbacks for oil wells.
4. Ameredev has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Ameredev to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the horizontal spacing unit should be pooled and Ameredev Operating, LLC should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, Ameredev requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Ameredev Operating, LLC operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Ameredev to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Ameredev in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



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