

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 4, 2022**

CASE No. 22949

*TEA OLIVE 25-36-33 FED COM 104H WELL
TEA OLIVE 25-36-33 FED COM 114H WELL
TEA OLIVE 25-36-33 FED COM 124H WELL*

LEA COUNTY, NEW MEXICO



AmeredeV II, LLC

**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. 22949

TABLE OF CONTENTS

- **Ameredev Exhibit A:** Compulsory Pooling Application Checklist
- **Ameredev Exhibit B:** Application of Ameredev Operating, LLC for Compulsory Pooling
- **Ameredev Exhibit C:** Affidavit of Brandon Forteza, Landman
 - Ameredev Exhibit C-1: C-102s
 - Ameredev Exhibit C-2: Land Tract Map and Ownership
 - Ameredev Exhibit C-3: Sample Well Proposal Letters with AFE
 - Ameredev Exhibit C-4: Chronology of Contacts
- **Ameredev Exhibit D:** Affidavit of Parker Foy, Geologist
 - Ameredev Exhibit D-1: Locator map
 - Ameredev Exhibit D-2: Wolfcamp subsea structure
 - Ameredev Exhibit D-3: Wolfcamp cross-section map
 - Ameredev Exhibit D-4: Wolfcamp stratigraphic cross-section
- **Ameredev Exhibit E:** Self-Affirmed Statement of Notice


COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22949	APPLICANT'S RESPONSE
Date	August 4, 2022
Applicant	Ameredev Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 372224
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF AMEREDEV OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Tea Olive Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Jal; Wolfcamp, West Pool (33813)
Well Location Setback Rules:	Statewide oil rules
Spacing Unit Size:	640 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2 E/2 and E/2 W/2 of Section 28 and the W/2 E/2 and E/2 W/2 of Section 33, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	The completed intervals of the Tea Olive Fed Com 25-36-33 104H well , the Tea Olive Fed Com 25-36-33 114H well , and the Tea Olive Fed Com 25-36-33 124H well , are all expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).
Applicant's Ownership in Each Tract	See Exhibit C-2
Well(s)	

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. A
 Submitted by: Ameredev Operating, LLC
 Hearing Date: August 4, 2022
 Case No. 22949

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Tea Olive Fed Com 25-36-33 104H well SHL: NE/4 NW/4 (Unit C) of Section 4, T26S-R36E BHL: NE/4 NW/4 (Unit C) of Section 28, T25S-R36E Target: Wolfcamp Orientation: South-North Completion: Standard Location
Well #2	Tea Olive Fed Com 25-36-33 114H well SHL: NE/4 NW/4 (Unit C) of Section 4, T26S-R36E BHL: NE/4 NW/4 (Unit C) of Section 28, T25S-R36E Target: Wolfcamp Orientation: South-North Completion: Standard Location
Well #3	Tea Olive Fed Com 25-36-33 124H well SHL: NE/4 NW/4 (Unit C) of Section 4, T26S-R36E BHL: NE/4 NW/4 (Unit C) of Section 28, T25S-R36E Target: Wolfcamp Orientation: South-North Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	Yes; see Exhibit C
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3

Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D; D-4
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M Vance
Signed Name (Attorney or Party Representative):	
Date:	August 2-2022

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. 22949

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 Wolfcamp formation underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 and E/2 W/2 of Section 28 and the W/2 E/2 and E/2 W/2 of Section 33, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant proposes to initially dedicate the above-referenced spacing unit to the proposed **Tea Olive Fed Com 25-36-33 104H well**, the **Tea Olive Fed Com 25-36-33 114H well**, and the **Tea Olive Fed Com 25-36-33 124H well**, all to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 4, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.
3. The completed intervals of the **Tea Olive Fed Com 25-36-33 104H well**, the **Tea Olive Fed Com 25-36-33 114H well**, and the **Tea Olive Fed Com 25-36-33 124H well**, are all expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts

to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners and unleased fee 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 Applicant 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 Applicant should be designated the operator of this proposed horizontal well spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, 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 Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- 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 Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
arankin@hollandhart.com
jbroggi@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR AMEREDEV OPERATING, LLC

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. 22949

AFFIDAVIT BRANDON FORTEZA

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 uncommitted parties has indicated opposition to this pooling application, and therefore I do not expect any opposition at the hearing.

5. In **Case No. 22949**, Ameredev seeks an order pooling all uncommitted interests in the Wolfcamp formation [Jal; Wolfcamp, West Pool (33813)] underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 and E/2 W/2 of Section 28 and the W/2 E/2 and E/2 W/2 of Section 33, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev seeks to pool and initially dedicate this Wolfcamp spacing unit to the proposed **Tea Olive Fed Com 25-36-33 104H well**, the **Tea Olive Fed Com 25-36-33 114H well**, and the **Tea Olive Fed Com 25-36-33 124H well**, all to be horizontally drilled from a surface

location in the NE/4 NW/4 (Unit C) of Section 4, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

6. The completed intervals of the **Tea Olive Fed Com 25-36-33 104H well**, the **Tea Olive Fed Com 25-36-33 114H well**, and the **Tea Olive Fed Com 25-36-33 124H well**, are all expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

7. **Ameredev Exhibit C-1** contains the C-102s for the proposed wells. The exhibit show that the wells will be assigned to the Jal; Wolfcamp, West Pool (Pool Code 33813).

8. **Ameredev Exhibit A-2** is an exhibit prepared by me that identifies the tracts of land comprising the proposed horizontal spacing unit in this case. The proposed spacing unit includes federal and fee 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 units, is also included in the exhibit. Ameredev is seeking to pool the uncommitted interest owners, which is denoted by an asterisk.

9. There are no depth severances in the Wolfcamp formation.

10. **Ameredev Exhibit C-3** is a sample of the well proposal letter and AFEs sent to all uncommitted owners. The costs reflected in the AFEs are consistent with what Ameredev and other operators have incurred for drilling similar horizontal wells in the area. Additionally, Ameredev requests overhead and administrative rates of \$7,000 per month for drilling and \$700 per month for a producing well. These rates are consistent with the rates charged by Ameredev and other operators for wells of this type in this area.

11. Ameredev has been unable to locate contact information for two of the parties it seeks to pool (Estate of Jack Nichols Royal and Susan R Saunders); however, has undertaken good faith efforts to reach an agreement with all locatable uncommitted interest owners. Notification to these unlocatable parties is provided through notice by publication under 19.15.4.12B (See Exhibit F). A chronology of Ameredev's contacts with the uncommitted interest owners it is seeking to pool is attached as **Ameredev Exhibit C-4**.

12. 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 the parties it is seeking to pool before the Division enters an order, I will let the Division know that Ameredev is no longer seeking to pool those parties.

13. I provided the law firm of Holland & Hart LLP a list of names and addresses for all locatable uncommitted interest owners shown on Ameredev Exhibit C-2. In compiling these addresses, 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.

14. **Ameredev Exhibit C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NAUGHT.

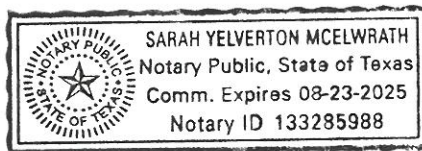
[Signature]
BRANDON FORTEZA

STATE OF TEXAS)
COUNTY OF TRANS)

SUBSCRIBED and SWORN to before me this 27th day of July 2022 by
Brandon Forteza.

[Signature]
NOTARY PUBLIC

My Commission Expires:
8/23/2025



19326487_v1

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

Submitted by: Amerdev Operating, LLC
Hearing Date: August 4, 2022
Case No. 22949

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: 1 API Number (30-025-), 2 Pool Code (33813), 3 Pool Name (Jal; Wolfcamp, West), 4 Property Code, 5 Property Name (TEA OLIVE FED COM 25 36 33), 6 Well Number (104H), 7 OGRID No. (372224), 8 Operator Name (AMEREDEV OPERATING, LLC.), 9 Elevation (2993')

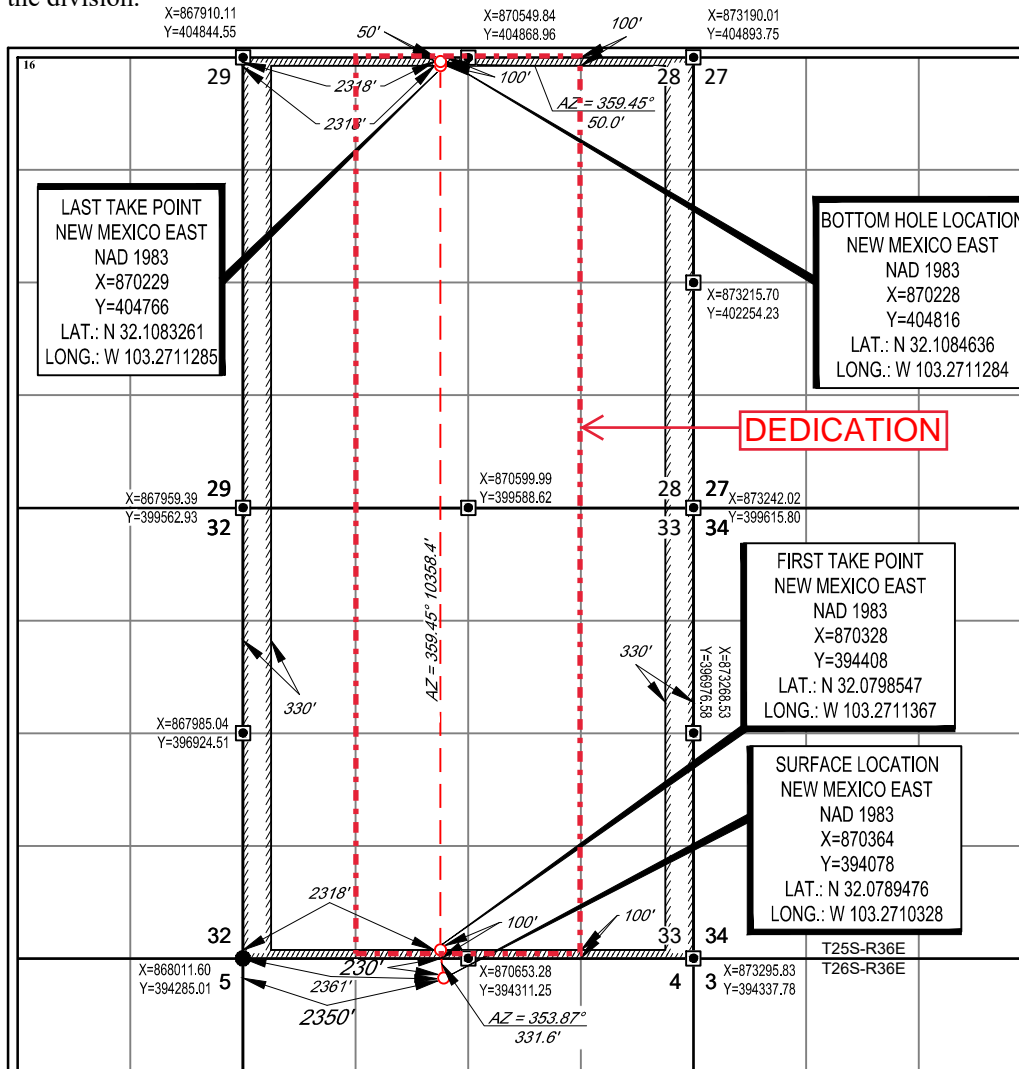
10 Surface Location

Table with 10 columns: UL or lot no. (C), Section (4), Township (26-S), Range (36-E), Lot Idn (-), Feet from the (230'), North/South line (NORTH), Feet from the (2350'), East/West line (WEST), County (LEA)

Table with 10 columns: UL or lot no. (C), Section (28), Township (25-S), Range (36-E), Lot Idn (-), Feet from the (50'), North/South line (NORTH), Feet from the (2318'), East/West line (WEST), County (LEA)

Table with 4 columns: 12 Dedicated Acres (640), 13 Joint or Infill, 14 Consolidation Code (C), 15 Order No.

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Floyd Hammond, Date: 9/15/2020

Printed Name: Floyd Hammond

E-mail Address: fhammond@amerdev.com

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

Date of Survey: 01/19/2017
Signature and Seal of Professional Surveyor: MICHAEL B. BROWN, NEW MEXICO, 18329, PROFESSIONAL SURVEYOR
Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
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

¹ API Number 30-025-	² Pool Code 33813	³ Pool Name Jal; Wolfcamp, West
⁴ Property Code	⁵ Property Name TEA OLIVE FED COM 25 36 33	
⁷ OGRID No. 372224	⁸ Operator Name AMEREDEV OPERATING, LLC.	⁶ Well Number 114H
⁹ Elevation 2993'		

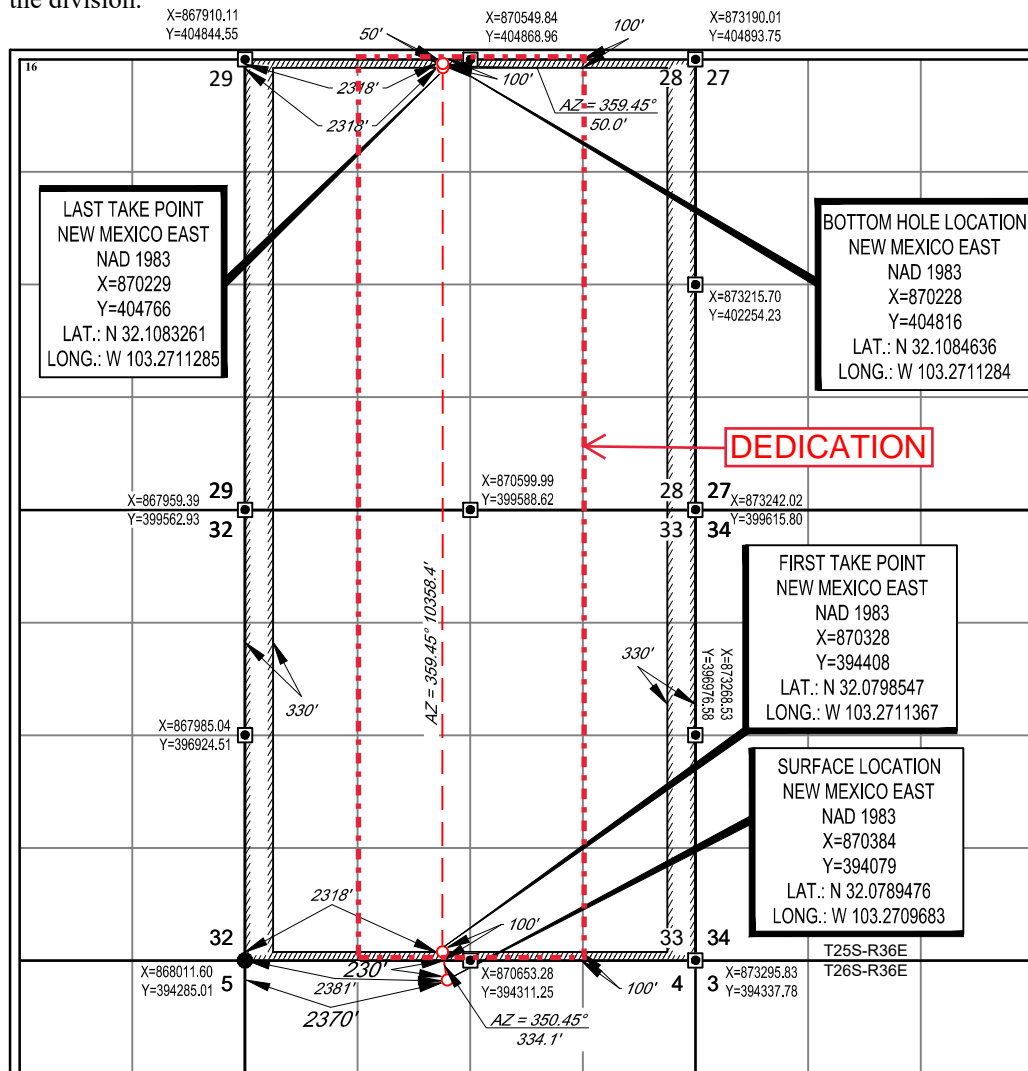
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	4	26-S	36-E	-	230'	NORTH	2370'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	28	25-S	36-E	-	50'	NORTH	2318'	WEST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code C	¹⁵ Order No.
---	-------------------------------	--	-------------------------

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



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Floyd Hammond 9/15/2020
Signature Date

Floyd Hammond
Printed Name

fhammond@amereDEV.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

01/19/2017
Date of Survey
Signature and Seal of Professional Surveyor
MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
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

¹ API Number 30-025-	² Pool Code 33813	³ Pool Name Jal; Wolfcamp, West
⁴ Property Code	⁵ Property Name TEA OLIVE FED COM 25 36 33	
⁷ OGRID No. 372224	⁸ Operator Name AMEREDEV OPERATING, LLC.	⁶ Well Number 124H
⁹ Elevation 2993'		

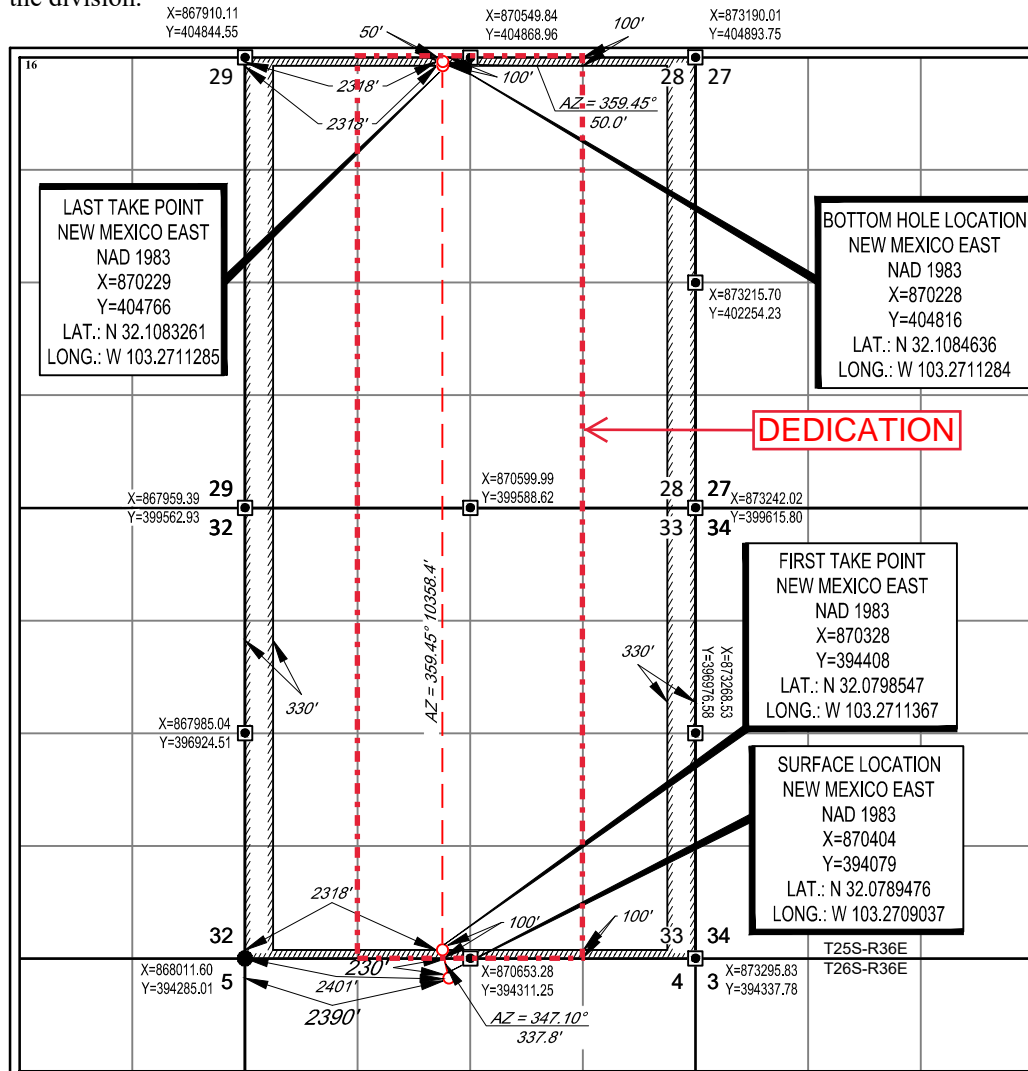
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	4	26-S	36-E	-	230'	NORTH	2390'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	28	25-S	36-E	-	50'	NORTH	2318'	WEST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code C	¹⁵ Order No.
---	-------------------------------	--	-------------------------

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



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Floyd Hammond 9/15/2020
Signature Date

Floyd Hammond
Printed Name

fhammond@ameredev.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

01/19/2017
Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL D. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

**TEA OLIVE FED COM 25-36-33 104H, 114H, AND 124H
T25S-R36E-SECTION 28 AND 33, E2W2 AND W2E2
LEA COUNTY, NEW MEXICO**

	<p>TRACT 2 E2NW4 AND W2NE4 160.00 ACRES</p>	<p>28</p>
	<p>TRACT 1 E2SW4 80.00 ACRES</p>	<p>TRACT 3 W2SE4 80.00 ACRES</p>
	<p>TRACT 4 E2W2 AND W2E2 320 ACRES</p>	<p>33</p>

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Ameredev Operating, LLC
Hearing Date: August 4, 2022
Case No. 22949

**TEA OLIVE FED COM 25-36-33 104H, 114H, AND 124H
T25S-R36E-SECTION 28 AND 33, E2W2 AND W2E2
LEA COUNTY, NEW MEXICO**

TRACT 1: E2SW4 OF SECTION 28 25S 36E

ANDREA NICHOLS	0.6696%
ANN MARIE LUNDWALL	0.1563%
THE CHARLES R. MEEKER TRUST	0.3720%
CATHERINE MARCELLA CHAPIN	0.1563%
CATHY C. LUCAS	0.0465%
CHARLES FREDERICK CHAMBERS FAMILY TRUST	0.0465%
DAVID NEWTON PAYNE, JR.	0.2232%
DSCH CAPITAL PARTNERS, LLC	1.5625%
ESTATE OF JACK NICHOLS ROYAL, DECEASED	0.5357%
FRANCIS S. SANDERS	0.0465%
JEREMY YOUNG	0.1429%
MARY KAY LUNDWALL	0.7813%
NANCY SEWELL SERWATKA	1.5625%
SANDRA RUTH KOVAL	0.2232%
SHERRIE LYNN PAYNE	0.2232%
SUSAN R SAUNDERS	0.2679%
TERESA J ROYAL	0.2679%
WILLIAM B. NICHOLS	0.3348%
WILLIAM L. CHAMBERS	0.0465%
AMEREDEV NEW MEXICO, LLC	92.3348%
TOTAL	100.0000%

TRACT 2: E2NW4 AND W2NE4 OF SECTION 28 25S 36E

SHARBRO ENERGY, LLC	4.8000%
OXY Y-1 COMPANY	32.0000%
AMEREDEV NEW MEXICO, LLC	63.2000%
TOTAL	100.0000%

TRACT 3: W2SE4 OF SECTION 28 25S 36E

AMEREDEV NEW MEXICO, LLC	100.0000%
TOTAL	100.0000%

TRACT 4: E2W2 AND W2E2 OF SECTION 33 25S 36E

AMEREDEV NEW MEXICO, LLC	100.0000%
TOTAL	100.0000%

**TEA OLIVE FED COM 25-36-33 104H, 114H, AND 124H
T25S-R36E-SECTION 28 AND 33, E2W2 AND W2E2
LEA COUNTY, NEW MEXICO**

*ANDREA NICHOLS	0.0837%
*ANN MARIE LUNDWALL	0.0195%
*THE CHARLES R. MEEKER TRUST	0.0465%
*CATHERINE MARCELLA CHAPIN	0.0195%
*CATHY C. LUCAS	0.0058%
*CHARLES FREDERICK CHAMBERS FAMILY TRUST	0.0058%
*DAVID NEWTON PAYNE, JR.	0.0279%
*DSCH CAPITAL PARTNERS, LLC	0.1953%
*ESTATE OF JACK NICHOLS ROYAL, DECEASED	0.0670%
*FRANCIS S. SANDERS	0.0058%
*JEREMY YOUNG	0.0179%
*MARY KAY LUNDWALL	0.0977%
*NANCY SEWELL SERWATKA	0.1953%
*SANDRA RUTH KOVAL	0.0279%
*SHERRIE LYNN PAYNE	0.0279%
*SUSAN R SAUNDERS	0.0335%
*TERESA J ROYAL	0.0335%
*WILLIAM B. NICHOLS	0.0419%
*WILLIAM L. CHAMBERS	0.0058%
*SHARBRO ENERGY, LLC	1.2000%
*OXY Y-1 COMPANY	8.0000%
AMEREDEV NEW MEXICO, LLC	89.8419%
TOTAL	100.0000%
*Interest Seeking to force pool	

Ameredev II, LLC
2901 Via Fortuna, Suite 600
Austin, Texas 78746



June 20, 2022

VIA Certified Mail

ANDREA NICHOLS
14100 MONTFORD DRIVE APT 1236
DALLAS, TX 75254

RE: Tea Olive Fed Com 25-36-33 #104H, #114H and 124H Well Proposals
Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico

Dear Owner:

Ameredev Operating, LLC (“Ameredev”), as Operator, hereby proposes to commence to drill and complete the following wells, collectively referred to as “the Wells”:

Tea Olive Fed Com 25-36-33 #104H
Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230’ FNL & 2350’ FWL Section 4; BHL: 50’ FNL & 2105’ FWL Section 28
Formation: Wolfcamp
MD: 22,254’ TVD: 11,572’

Tea Olive Fed Com 25-36-33 #114H
Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230’ FNL & 2370’ FWL Section 4; BHL: 50’ FNL & 2345’ FWL Section 28
Formation: Wolfcamp
MD: 22,354’ TVD: 11,672’

Tea Olive Fed Com 25-36-33 #124H
Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230’ FNL & 2390’ FWL Section 4; BHL: 50’ FNL & 1700’ FWL Section 28
Formation: Wolfcamp
MD: 22,354’ TVD: 11,672’

Ameredev’s records indicate ANDREA NICHOLS (“NICHOLS”) owns a 0.00083705 interest in the Wells, and NICHOLS’s estimated costs associated with the Operation are approximately \$37,892.13, as shown in the included AFE’s.

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 640.00 acres, more or less, out of Township 25 South, Range 36 East, E2W2 and W2E2 of Sections 28 and Section 33, with Ameredev listed as the Operator (“Contract Area”)
- 100%/300%/300% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Ameredev Operating, LLC
Hearing Date: August 4, 2022
Case No. 22949

Ameredev looks forward to working with NICHOLS 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,

A handwritten signature in blue ink, appearing to read 'Brandon Forteza', is positioned above the typed name.

Brandon Forteza
737-300-4721

Election Ballot for the Tea Olive Fed Com 25-36-33 #104H Well (AFE# 2022-072)

_____ NICHOLS elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2022-072.

_____ NICHOLS elects to not participate in the proposed Operation.

NICHOLS

By:

Its:

Election Ballot for the Tea Olive Fed Com 25-36-33 #114H Well (AFE# 2022-073)

_____ NICHOLS elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2022-073.

_____ NICHOLS elects to not participate in the proposed Operation.

NICHOLS

By:

Its:

Election Ballot for the Tea Olive Fed Com 25-36-33 #124H Well (AFE# 2022-074)

_____ NICHOLS elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2022-074.

_____ NICHOLS elects to not participate in the proposed Operation.

NICHOLS

By:

Its:



Single Well Project

Tea Olive Fed Com 25-36-33 104H Delaware

Intangibles	Code	Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 260,000
EASEMENT, ROW, AND ACQUISITION	0.006	\$ 120,000	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ 42,500	\$ 42,500	\$ 162,500
ROAD / LOCATION PREP / RESTORATION	0.008	\$ 10,001	\$ -	\$ -	\$ 10,001	\$ -	\$ 2,500	\$ -	\$ 102,000	\$ 104,500	\$ 114,501
DRILLING RIG	0.010	\$ 525,000	\$ -	\$ 50,000	\$ 575,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,000
COIL TUBING	0.012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,000	\$ -	\$ 234,000	\$ 234,000
FUEL	0.016	\$ 105,188	\$ -	\$ 3,500	\$ 108,688	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ 111,688
TRAILER, CAMP, AND CATERING	0.018	\$ 11,025	\$ -	\$ 1,050	\$ 12,075	\$ 130	\$ 845	\$ 325	\$ -	\$ 1,300	\$ 13,375
WATER & SEPTIC	0.020	\$ 26,000	\$ -	\$ -	\$ 26,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,000
SURFACE RENTALS	0.024	\$ 39,396	\$ -	\$ 2,000	\$ 41,396	\$ 2,670	\$ 92,965	\$ 6,510	\$ 5,355	\$ 107,500	\$ 148,896
DRILL BITS	0.028	\$ 165,930	\$ -	\$ -	\$ 165,930	\$ -	\$ -	\$ 3,500	\$ -	\$ 3,500	\$ 169,430
DOWNHOLE RENTALS	0.030	\$ 40,835	\$ -	\$ -	\$ 40,835	\$ -	\$ -	\$ 450	\$ -	\$ 450	\$ 41,285
DIRECTIONAL DRILLING	0.032	\$ 209,471	\$ -	\$ -	\$ 209,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,471
COMPOSITE PLUGS	0.034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,600	\$ -	\$ -	\$ 57,600	\$ 57,600
TUBING & BHA INSPECT & REPAIR	0.042	\$ 7,345	\$ -	\$ 5,619	\$ 12,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,965
RENTAL TUBING	0.046	\$ 79,783	\$ -	\$ -	\$ 79,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,783
WELL CONTROL EQUIP / SERVICES	0.048	\$ 79,475	\$ -	\$ 4,510	\$ 83,985	\$ 3,900	\$ 150,000	\$ 7,500	\$ -	\$ 161,400	\$ 245,385
PUMP TRUCK / PRESSURE TESTING	0.054	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 200	\$ -	\$ -	\$ 8,700	\$ 8,700
MISC SUPPLIES & MATERIALS	0.056	\$ 4,200.00	\$ -	\$ -	\$ 4,200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200.00
MUD, ADDITIVES, AND CHEMICALS	0.060	\$ 326,055	\$ -	\$ -	\$ 326,055	\$ -	\$ 497,000	\$ 12,230	\$ -	\$ 509,230	\$ 835,285
FRAC PUMPING CHARGES	0.061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,473,000	\$ -	\$ -	\$ 4,473,000	\$ 4,473,000
WATER RIGHTS / TRANSFER / STORAGE	0.062	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ 4,000	\$ 528,050	\$ 33,000	\$ -	\$ 565,050	\$ 590,050
SOLIDS CONTROL EQUIP / SERVICES	0.066	\$ 72,835	\$ -	\$ -	\$ 72,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,835
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ -	\$ 3,800	\$ 20,000	\$ -	\$ 23,800	\$ 223,800
CASING CREWS	0.070	\$ 23,000	\$ -	\$ 14,350	\$ 37,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,350
CEMENTING	0.072	\$ 175,000	\$ -	\$ 85,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,000
CASING / LINER / FLOAT EQUIPMENT	0.074	\$ 28,000	\$ -	\$ 30,000	\$ 58,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,000
MOBILIZE & DEMOBILIZE	0.086	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
SUPERVISION / CONTRACT	0.094	\$ 73,500	\$ -	\$ 7,000	\$ 80,500	\$ 2,400	\$ 72,800	\$ 16,550	\$ 5,000	\$ 96,750	\$ 177,250
CONTRACT ROUSTABOUT	0.103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,080	\$ 40,080	\$ 40,080
CONTRACT LANDWORK / SURVEY	0.114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
REGULTRY / ENVIRON CONSULTANT	0.122	\$ 11,000	\$ -	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 16,000
SAFETY AND EMERGENCY RESPONSE	0.124	\$ 2,100	\$ -	\$ 200	\$ 2,300	\$ 160	\$ 1,300	\$ 9,815	\$ 850	\$ 12,125	\$ 14,425
GEOLOGY	0.186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FLOW TESTING / EQUIP	0.194	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 20,000	\$ 19,400	\$ -	\$ 43,400	\$ 43,400
MUD LOGGING	0.198	\$ -	\$ 30,000.00	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
WIRELINE / PERF / PUMPDOWN COSTS	0.200	\$ 6,000	\$ -	\$ -	\$ 6,000	\$ -	\$ 511,600	\$ 20,000	\$ -	\$ 531,600	\$ 537,600
SECONDARY CONTAINMENT	0.254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
FACILITY ELECTRIC & AUTOMATION	0.258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ 80,000
Contingency	5.00%	\$ 145,307	\$ 1,500	\$ 10,161	\$ 156,968	\$ 1,438	\$ 324,583	\$ 19,264	\$ 19,327	\$ 364,612	\$ 521,580
Tax	6.25%	\$ 181,634	\$ 1,875	\$ 12,702	\$ 196,211	\$ 1,798	\$ 405,729	\$ 24,080	\$ 24,158	\$ 455,765	\$ 651,975
Total Intangible Cost		\$ 3,233,079	\$ 33,375	\$ 226,093	\$ 3,492,547	\$ 31,996	\$ 7,221,972	\$ 428,624	\$ 430,020	\$ 8,112,612	\$ 11,605,159
Tangibles - Well Equipment											
		Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
CONDUCTOR PIPE	0.206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SURFACE CASING	0.210	\$ 173,400	\$ -	\$ -	\$ 173,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,400
INTERMEDIATE CASING	0.212	\$ 1,034,000	\$ -	\$ -	\$ 1,034,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,034,000
PRODUCTION CASING	0.216	\$ -	\$ -	\$ 1,173,000	\$ 1,173,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,173,000
TUBING	0.217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,250	\$ -	\$ 109,250	\$ 109,250
WELLHEAD / TREE / CHOKES	0.218	\$ 46,871	\$ -	\$ 119,911	\$ 166,782	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 171,782
ISOLATION PACKER	0.222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ 12,000	\$ 12,000
DOWNHOLE LIFT EQUIPMENT	0.234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ -	\$ 8,500	\$ 8,500
Tangibles - Lease Equipment											
		Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
BATTERY (HEATER TREATERS)	0.246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BATTERY (SEPARATOR)	0.248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
BATTERY (GAS TREATING EQUIP)	0.250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
METERS AND METERING EQUIPMENT	0.274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,700	\$ 45,700	\$ 45,700
VALVES, FITTINGS, PROD INSTRUM	0.282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ 60,000
Contingency	5.00%	\$ 62,714	\$ -	\$ 64,646	\$ 127,359	\$ -	\$ -	\$ 6,738	\$ 16,235	\$ 22,973	\$ 150,332
Tax	6.25%	\$ 78,392	\$ -	\$ 80,807	\$ 159,199	\$ -	\$ -	\$ 8,422	\$ 20,294	\$ 28,716	\$ 187,915
Total Tangible Cost		\$ 1,395,376	\$ -	\$ 1,438,364	\$ 2,833,740	\$ -	\$ -	\$ 149,909	\$ 361,229	\$ 511,138	\$ 3,344,878
TOTAL		\$ 4,628,456	\$ 33,375	\$ 1,664,456	\$ 6,326,287	\$ 31,996	\$ 7,221,972	\$ 578,534	\$ 791,249	\$ 8,623,750	\$ 14,950,037



Single Well Project

Tea Olive Fed Com 25-36-33 104H Delaware

Intangibles	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	\$ 240,000.00	\$ 20,000.00	\$ 260,000.00
EASEMENT, ROW, AND ACQUISITION	0.006	\$ 120,000.00	\$ 42,500.00	\$ 162,500.00
ROAD / LOCATION PREP / RESTORATION	0.008	\$ 10,001.00	\$ 104,500.00	\$ 114,501.00
DRILLING RIG	0.010	\$ 575,000.00	\$ -	\$ 575,000.00
COIL TUBING	0.012	\$ -	\$ 234,000.00	\$ 234,000.00
FUEL	0.016	\$ 108,687.50	\$ 3,000.00	\$ 111,687.50
TRAILER, CAMP, AND CATERING	0.018	\$ 12,075.00	\$ 1,300.00	\$ 13,375.00
WATER & SEPTIC	0.020	\$ 26,000.00	\$ -	\$ 26,000.00
SURFACE RENTALS	0.024	\$ 41,396.00	\$ 107,500.00	\$ 148,896.00
DRILL BITS	0.028	\$ 165,930.00	\$ 3,500.00	\$ 169,430.00
DOWNHOLE RENTALS	0.030	\$ 40,835.00	\$ 450.00	\$ 41,285.00
DIRECTIONAL DRILLING	0.032	\$ 209,471.12	\$ -	\$ 209,471.12
COMPOSITE PLUGS	0.034	\$ -	\$ 57,600.00	\$ 57,600.00
TUBING & BHA INSPECT & REPAIR	0.042	\$ 12,964.54	\$ -	\$ 12,964.54
RENTAL TUBING	0.046	\$ 79,783.00	\$ -	\$ 79,783.00
WELL CONTROL EQUIP / SERVICES	0.048	\$ 83,985.00	\$ 161,400.00	\$ 245,385.00
PUMP TRUCK / PRESSURE TESTING	0.054	\$ -	\$ 8,700.00	\$ 8,700.00
MUD, ADDITIVES, AND CHEMICALS	0.060	\$ 326,055.00	\$ 509,230.00	\$ 835,285.00
FRAC PUMPING CHARGES	0.061	\$ -	\$ 4,473,000.00	\$ 4,473,000.00
WATER RIGHTS / TRANSFER / STORAGE	0.062	\$ 25,000.00	\$ 565,050.00	\$ 590,050.00
SOLIDS CONTROL EQUIP / SERVICES	0.066	\$ 72,835.00	\$ -	\$ 72,835.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$ 200,000.00	\$ 23,800.00	\$ 223,800.00
CASING CREWS	0.070	\$ 37,350.00	\$ -	\$ 37,350.00
CEMENTING	0.072	\$ 260,000.00	\$ -	\$ 260,000.00
CASING / LINER / FLOAT EQUIPMENT	0.074	\$ 58,000.00	\$ -	\$ 58,000.00
MOBILIZE & DEMOBILIZE	0.086	\$ 300,000.00	\$ -	\$ 300,000.00
SUPERVISION / CONTRACT	0.094	\$ 80,500.00	\$ 96,750.00	\$ 177,250.00
CONTRACT ROUSTABOUT	0.103	\$ -	\$ 40,080.00	\$ 40,080.00
CONTRACT LANDWORK / SURVEY	0.114	\$ -	\$ 15,000.00	\$ 15,000.00
REGULTRY / ENVIRON CONSULTANT	0.122	\$ 11,000.00	\$ 5,000.00	\$ 16,000.00
SAFETY AND EMERGENCY RESPONSE	0.124	\$ 2,300.00	\$ 12,125.28	\$ 14,425.28
GEOLOGY	0.186	\$ -	\$ -	\$ -
FLOW TESTING / EQUIP	0.194	\$ -	\$ 43,400.00	\$ 43,400.00
MUD LOGGING	0.198	\$ 30,000.00	\$ -	\$ 30,000.00
WIRELINE / PERF / PUMPDOWN COSTS	0.200	\$ 6,000.00	\$ 531,600.00	\$ 537,600.00
SECONDARY CONTAINMENT	0.254	\$ -	\$ 30,000.00	\$ 30,000.00
FACILITY ELECTRIC & AUTOMATION	0.258	\$ -	\$ 80,000.00	\$ 80,000.00
Contingency	5.00%	\$ 156,968.41	\$ 364,611.76	\$ 521,580.17
Tax	6.25%	\$ 196,210.51	\$ 455,764.71	\$ 651,975.22
Total Intangible Cost		\$ 3,492,547.09	\$ 8,112,611.75	\$ 11,605,158.83
Tangibles - Well Equipment		Dry Hole Cost	After Casing Point Cost	Total Cost
PIPELINE MECH MATERIALS / EQUIP	0.134	\$ -	\$ -	\$ -
FACILITY MECH MATERIALS / EQUIP	0.136	\$ -	\$ -	\$ -
DRIVE PIPE	0.204	\$ -	\$ -	\$ -
CONDUCTOR PIPE	0.206	\$ -	\$ -	\$ -
WATER STRING	0.208	\$ -	\$ -	\$ -
SURFACE CASING	0.210	\$ 173,400.00	\$ -	\$ 173,400.00
INTERMEDIATE CASING	0.212	\$ 1,034,000.00	\$ -	\$ 1,034,000.00
REMEDIAL CASING	0.213	\$ -	\$ -	\$ -
DRILLING LINER	0.214	\$ -	\$ -	\$ -
PRODUCTION CASING	0.216	\$ 1,173,000.00	\$ -	\$ 1,173,000.00
TUBING	0.217	\$ -	\$ 109,250.00	\$ 109,250.00
WELLHEAD / TREE / CHOKES	0.218	\$ 166,782.15	\$ 5,000.00	\$ 171,782.15
DRILLING LINER HANGER	0.220	\$ -	\$ -	\$ -
ISOLATION PACKER	0.222	\$ -	\$ 12,000.00	\$ 12,000.00
PUMPING UNIT, ENGINE	0.232	\$ -	\$ -	\$ -
SURFACE LIFT EQUIP	0.233	\$ -	\$ -	\$ -
DOWNHOLE LIFT EQUIPMENT	0.234	\$ -	\$ 8,500.00	\$ 8,500.00
TANK BATT / PROCESS EQUIP / MAINT	0.236	\$ -	\$ -	\$ -

Tangibles - Lease Equipment		Dry Hole Cost	After Casing Point Cost	Total Cost
LINE PIPE	0.238	\$ -	\$ -	\$ -
POWERLINES & SUBSTATION	0.242	\$ -	\$ 60,000.00	\$ 60,000.00
TANKS, TANKS STEPS, STAIRS	0.244	\$ -	\$ -	\$ -
BATTERY (HEATER TREATERS)	0.246	\$ -	\$ -	\$ -
BATTERY (SEPARATOR)	0.248	\$ -	\$ 75,000.00	\$ 75,000.00
BATTERY (GAS TREATING EQUIP)	0.250	\$ -	\$ -	\$ -
BATTERY (MISC EQUIP)	0.252	\$ -	\$ -	\$ -
FLOW LINE (PIPE WH TO FACILITY)	0.266	\$ -	\$ 84,000.00	\$ 84,000.00
PIPELINE TO SALES	0.270	\$ -	\$ -	\$ -
METERS AND METERING EQUIPMENT	0.274	\$ -	\$ 45,700.00	\$ 45,700.00
VALVES, FITTINGS, PROD INSTRUM	0.282	\$ -	\$ 60,000.00	\$ 60,000.00
BUILDINGS	0.310	\$ -	\$ -	\$ -
Contingency	5.00%	\$ 127,359.11	\$ 22,972.50	\$ 150,331.61
Tax	6.25%	\$ 159,198.88	\$ 28,715.63	\$ 187,914.51
Total Tangible Cost		\$ 2,833,740.14	\$ 511,138.13	\$ 3,344,878.27
TOTAL		\$ 6,326,287.23	\$ 8,623,749.87	\$ 14,950,037.10



Single Well Project

Tea Olive Fed Com 25-36-33 114H Delaware

Intangibles	Code	Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 260,000
EASEMENT, ROW, AND ACQUISITION	0.006	\$ 120,000	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ 42,500	\$ 42,500	\$ 162,500
ROAD / LOCATION PREP / RESTORATION	0.008	\$ 10,001	\$ -	\$ -	\$ 10,001	\$ -	\$ 2,500	\$ -	\$ 102,000	\$ 104,500	\$ 114,501
DRILLING RIG	0.010	\$ 625,000	\$ -	\$ 50,000	\$ 675,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,000
COIL TUBING	0.012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,000	\$ -	\$ 234,000	\$ 234,000
FUEL	0.016	\$ 125,223	\$ -	\$ 3,500	\$ 128,723	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ 131,723
TRAILER, CAMP, AND CATERING	0.018	\$ 13,125	\$ -	\$ 1,050	\$ 14,175	\$ 130	\$ 845	\$ 325	\$ -	\$ 1,300	\$ 15,475
WATER & SEPTIC	0.020	\$ 26,000	\$ -	\$ -	\$ 26,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,000
SURFACE RENTALS	0.024	\$ 46,900	\$ -	\$ 2,000	\$ 48,900	\$ 2,670	\$ 92,965	\$ 6,510	\$ 5,355	\$ 107,500	\$ 156,400
DRILL BITS	0.028	\$ 165,930	\$ -	\$ -	\$ 165,930	\$ -	\$ -	\$ 3,500	\$ -	\$ 3,500	\$ 169,430
DOWNHOLE RENTALS	0.030	\$ 41,375	\$ -	\$ -	\$ 41,375	\$ -	\$ -	\$ 450	\$ -	\$ 450	\$ 41,825
DIRECTIONAL DRILLING	0.032	\$ 228,418	\$ -	\$ -	\$ 228,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,418
COMPOSITE PLUGS	0.034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,600	\$ -	\$ -	\$ 57,600	\$ 57,600
TUBING & BHA INSPECT & REPAIR	0.042	\$ 7,345	\$ -	\$ 5,619	\$ 12,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,965
RENTAL TUBING	0.046	\$ 79,783	\$ -	\$ -	\$ 79,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,783
WELL CONTROL EQUIP / SERVICES	0.048	\$ 93,775	\$ -	\$ 4,510	\$ 98,285	\$ 3,900	\$ 150,000	\$ 7,500	\$ -	\$ 161,400	\$ 259,685
PUMP TRUCK / PRESSURE TESTING	0.054	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 200	\$ -	\$ -	\$ 8,700	\$ 8,700
MISC SUPPLIES & MATERIALS	0.056	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00
MUD, ADDITIVES, AND CHEMICALS	0.060	\$ 326,255	\$ -	\$ -	\$ 326,255	\$ -	\$ 497,000	\$ 12,230	\$ -	\$ 509,230	\$ 835,485
FRAC PUMPING CHARGES	0.061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,473,000	\$ -	\$ -	\$ 4,473,000	\$ 4,473,000
WATER RIGHTS / TRANSFER / STORAGE	0.062	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ 4,000	\$ 528,050	\$ 33,000	\$ -	\$ 565,050	\$ 590,050
SOLIDS CONTROL EQUIP / SERVICES	0.066	\$ 82,035	\$ -	\$ -	\$ 82,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,035
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ -	\$ 3,800	\$ 20,000	\$ -	\$ 23,800	\$ 223,800
CASING CREWS	0.070	\$ 23,000	\$ -	\$ 14,350	\$ 37,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,350
CEMENTING	0.072	\$ 175,000	\$ -	\$ 85,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,000
CASING / LINER / FLOAT EQUIPMENT	0.074	\$ 28,000	\$ -	\$ 30,000	\$ 58,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,000
MOBILIZE & DEMOBILIZE	0.086	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
SUPERVISION / CONTRACT	0.094	\$ 87,500	\$ -	\$ 7,000	\$ 94,500	\$ 2,400	\$ 72,800	\$ 16,550	\$ 5,000	\$ 96,750	\$ 191,250
CONTRACT ROUSTABOUT	0.103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,080	\$ 40,080	\$ 40,080
CONTRACT LANDWORK / SURVEY	0.114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
REGULTRY / ENVIRON CONSULTANT	0.122	\$ 11,000	\$ -	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 16,000
SAFETY AND EMERGENCY RESPONSE	0.124	\$ 2,500	\$ -	\$ 200	\$ 2,700	\$ 160	\$ 1,300	\$ 9,815	\$ 850	\$ 12,125	\$ 14,825
GEOLOGY	0.186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FLOW TESTING / EQUIP	0.194	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 20,000	\$ 19,400	\$ -	\$ 43,400	\$ 43,400
MUD LOGGING	0.198	\$ -	\$ 30,000.00	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
WIRELINE / PERF / PUMPDOWN COSTS	0.200	\$ 6,000	\$ -	\$ -	\$ 6,000	\$ -	\$ 511,600	\$ 20,000	\$ -	\$ 531,600	\$ 537,600
SECONDARY CONTAINMENT	0.254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
FACILITY ELECTRIC & AUTOMATION	0.258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ 80,000
Contingency	5.00%	\$ 154,708	\$ 1,500	\$ 10,161	\$ 166,370	\$ 1,438	\$ 324,583	\$ 19,264	\$ 19,327	\$ 364,612	\$ 530,982
Tax	6.25%	\$ 193,385	\$ 1,875	\$ 12,702	\$ 207,962	\$ 1,798	\$ 405,729	\$ 24,080	\$ 24,158	\$ 455,765	\$ 663,727
Total Intangible Cost		\$ 3,442,259	\$ 33,375	\$ 226,093	\$ 3,701,727	\$ 31,996	\$ 7,221,972	\$ 428,624	\$ 430,020	\$ 8,112,612	\$ 11,814,338
Tangibles - Well Equipment											
		Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
CONDUCTOR PIPE	0.206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SURFACE CASING	0.210	\$ 173,400	\$ -	\$ -	\$ 173,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,400
INTERMEDIATE CASING	0.212	\$ 1,034,000	\$ -	\$ -	\$ 1,034,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,034,000
PRODUCTION CASING	0.216	\$ -	\$ -	\$ 1,173,000	\$ 1,173,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,173,000
TUBING	0.217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,250	\$ -	\$ 109,250	\$ 109,250
WELLHEAD / TREE / CHOKES	0.218	\$ 46,871	\$ -	\$ 119,911	\$ 166,782	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 171,782
ISOLATION PACKER	0.222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ 12,000	\$ 12,000
DOWNHOLE LIFT EQUIPMENT	0.234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ -	\$ 8,500	\$ 8,500
Tangibles - Lease Equipment											
		Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
BATTERY (HEATER TREATERS)	0.246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BATTERY (SEPARATOR)	0.248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
BATTERY (GAS TREATING EQUIP)	0.250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
METERS AND METERING EQUIPMENT	0.274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,700	\$ 45,700	\$ 45,700
VALVES, FITTINGS, PROD INSTRUM	0.282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ 60,000
Contingency	5.00%	\$ 62,714	\$ -	\$ 64,646	\$ 127,359	\$ -	\$ -	\$ 6,738	\$ 16,235	\$ 22,973	\$ 150,332
Tax	6.25%	\$ 78,392	\$ -	\$ 80,807	\$ 159,199	\$ -	\$ -	\$ 8,422	\$ 20,294	\$ 28,716	\$ 187,915
Total Tangible Cost		\$ 1,395,376	\$ -	\$ 1,438,364	\$ 2,833,740	\$ -	\$ -	\$ 149,909	\$ 361,229	\$ 511,138	\$ 3,344,878
TOTAL		\$ 4,837,636	\$ 33,375	\$ 1,664,456	\$ 6,535,467	\$ 31,996	\$ 7,221,972	\$ 578,534	\$ 791,249	\$ 8,623,750	\$ 15,159,217



Single Well Project

Tea Olive Fed Com 25-36-33 114H Delaware

Intangibles	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	\$ 240,000.00	\$ 20,000.00	\$ 260,000.00
EASEMENT, ROW, AND ACQUISITION	0.006	\$ 120,000.00	\$ 42,500.00	\$ 162,500.00
ROAD / LOCATION PREP / RESTORATION	0.008	\$ 10,001.00	\$ 104,500.00	\$ 114,501.00
DRILLING RIG	0.010	\$ 675,000.00	\$ -	\$ 675,000.00
COIL TUBING	0.012	\$ -	\$ 234,000.00	\$ 234,000.00
FUEL	0.016	\$ 128,723.22	\$ 3,000.00	\$ 131,723.22
TRAILER, CAMP, AND CATERING	0.018	\$ 14,175.00	\$ 1,300.00	\$ 15,475.00
WATER & SEPTIC	0.020	\$ 26,000.00	\$ -	\$ 26,000.00
SURFACE RENTALS	0.024	\$ 48,900.00	\$ 107,500.00	\$ 156,400.00
DRILL BITS	0.028	\$ 165,930.00	\$ 3,500.00	\$ 169,430.00
DOWNHOLE RENTALS	0.030	\$ 41,375.00	\$ 450.00	\$ 41,825.00
DIRECTIONAL DRILLING	0.032	\$ 228,418.00	\$ -	\$ 228,418.00
COMPOSITE PLUGS	0.034	\$ -	\$ 57,600.00	\$ 57,600.00
TUBING & BHA INSPECT & REPAIR	0.042	\$ 12,964.54	\$ -	\$ 12,964.54
RENTAL TUBING	0.046	\$ 79,783.00	\$ -	\$ 79,783.00
WELL CONTROL EQUIP / SERVICES	0.048	\$ 98,285.00	\$ 161,400.00	\$ 259,685.00
PUMP TRUCK / PRESSURE TESTING	0.054	\$ -	\$ 8,700.00	\$ 8,700.00
MUD, ADDITIVES, AND CHEMICALS	0.060	\$ 326,255.00	\$ 509,230.00	\$ 835,485.00
FRAC PUMPING CHARGES	0.061	\$ -	\$ 4,473,000.00	\$ 4,473,000.00
WATER RIGHTS / TRANSFER / STORAGE	0.062	\$ 25,000.00	\$ 565,050.00	\$ 590,050.00
SOLIDS CONTROL EQUIP / SERVICES	0.066	\$ 82,035.00	\$ -	\$ 82,035.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$ 200,000.00	\$ 23,800.00	\$ 223,800.00
CASING CREWS	0.070	\$ 37,350.00	\$ -	\$ 37,350.00
CEMENTING	0.072	\$ 260,000.00	\$ -	\$ 260,000.00
CASING / LINER / FLOAT EQUIPMENT	0.074	\$ 58,000.00	\$ -	\$ 58,000.00
MOBILIZE & DEMOBILIZE	0.086	\$ 300,000.00	\$ -	\$ 300,000.00
SUPERVISION / CONTRACT	0.094	\$ 94,500.00	\$ 96,750.00	\$ 191,250.00
CONTRACT ROUSTABOUT	0.103	\$ -	\$ 40,080.00	\$ 40,080.00
CONTRACT LANDWORK / SURVEY	0.114	\$ -	\$ 15,000.00	\$ 15,000.00
REGULTRY / ENVIRON CONSULTANT	0.122	\$ 11,000.00	\$ 5,000.00	\$ 16,000.00
SAFETY AND EMERGENCY RESPONSE	0.124	\$ 2,700.00	\$ 12,125.28	\$ 14,825.28
GEOLOGY	0.186	\$ -	\$ -	\$ -
FLOW TESTING / EQUIP	0.194	\$ -	\$ 43,400.00	\$ 43,400.00
MUD LOGGING	0.198	\$ 30,000.00	\$ -	\$ 30,000.00
WIRELINE / PERF / PUMPDOWN COSTS	0.200	\$ 6,000.00	\$ 531,600.00	\$ 537,600.00
SECONDARY CONTAINMENT	0.254	\$ -	\$ 30,000.00	\$ 30,000.00
FACILITY ELECTRIC & AUTOMATION	0.258	\$ -	\$ 80,000.00	\$ 80,000.00
Contingency	5.00%	\$ 166,369.74	\$ 364,611.76	\$ 530,981.50
Tax	6.25%	\$ 207,962.17	\$ 455,764.71	\$ 663,726.88
Total Intangible Cost		\$ 3,701,726.67	\$ 8,112,611.75	\$ 11,814,338.42
Tangibles - Well Equipment		Dry Hole Cost	After Casing Point Cost	Total Cost
PIPELINE MECH MATERIALS / EQUIP	0.134	\$ -	\$ -	\$ -
FACILITY MECH MATERIALS / EQUIP	0.136	\$ -	\$ -	\$ -
DRIVE PIPE	0.204	\$ -	\$ -	\$ -
CONDUCTOR PIPE	0.206	\$ -	\$ -	\$ -
WATER STRING	0.208	\$ -	\$ -	\$ -
SURFACE CASING	0.210	\$ 173,400.00	\$ -	\$ 173,400.00
INTERMEDIATE CASING	0.212	\$ 1,034,000.00	\$ -	\$ 1,034,000.00
REMEDIAL CASING	0.213	\$ -	\$ -	\$ -
DRILLING LINER	0.214	\$ -	\$ -	\$ -
PRODUCTION CASING	0.216	\$ 1,173,000.00	\$ -	\$ 1,173,000.00
TUBING	0.217	\$ -	\$ 109,250.00	\$ 109,250.00
WELLHEAD / TREE / CHOKES	0.218	\$ 166,782.15	\$ 5,000.00	\$ 171,782.15
DRILLING LINER HANGER	0.220	\$ -	\$ -	\$ -
ISOLATION PACKER	0.222	\$ -	\$ 12,000.00	\$ 12,000.00
PUMPING UNIT, ENGINE	0.232	\$ -	\$ -	\$ -
SURFACE LIFT EQUIP	0.233	\$ -	\$ -	\$ -
DOWNHOLE LIFT EQUIPMENT	0.234	\$ -	\$ 8,500.00	\$ 8,500.00
TANK BATT / PROCESS EQUIP / MAINT	0.236	\$ -	\$ -	\$ -

Tangibles - Lease Equipment		Dry Hole Cost	After Casing Point Cost	Total Cost
LINE PIPE	0.238	\$ -	\$ -	\$ -
POWERLINES & SUBSTATION	0.242	\$ -	\$ 60,000.00	\$ 60,000.00
TANKS, TANKS STEPS, STAIRS	0.244	\$ -	\$ -	\$ -
BATTERY (HEATER TREATERS)	0.246	\$ -	\$ -	\$ -
BATTERY (SEPARATOR)	0.248	\$ -	\$ 75,000.00	\$ 75,000.00
BATTERY (GAS TREATING EQUIP)	0.250	\$ -	\$ -	\$ -
BATTERY (MISC EQUIP)	0.252	\$ -	\$ -	\$ -
FLOW LINE (PIPE WH TO FACILITY)	0.266	\$ -	\$ 84,000.00	\$ 84,000.00
PIPELINE TO SALES	0.270	\$ -	\$ -	\$ -
METERS AND METERING EQUIPMENT	0.274	\$ -	\$ 45,700.00	\$ 45,700.00
VALVES, FITTINGS, PROD INSTRUM	0.282	\$ -	\$ 60,000.00	\$ 60,000.00
BUILDINGS	0.310	\$ -	\$ -	\$ -
Contingency	5.00%	\$ 127,359.11	\$ 22,972.50	\$ 150,331.61
Tax	6.25%	\$ 159,198.88	\$ 28,715.63	\$ 187,914.51
Total Tangible Cost		\$ 2,833,740.14	\$ 511,138.13	\$ 3,344,878.27
TOTAL		\$ 6,535,466.81	\$ 8,623,749.87	\$ 15,159,216.69



Single Well Project

Tea Olive Fed Com 25-36-33 124H Delaware

Intangibles	Code	Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 260,000
EASEMENT, ROW, AND ACQUISITION	0.006	\$ 120,000	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ 42,500	\$ 42,500	\$ 162,500
ROAD / LOCATION PREP / RESTORATION	0.008	\$ 10,001	\$ -	\$ -	\$ 10,001	\$ -	\$ 2,500	\$ -	\$ 102,000	\$ 104,500	\$ 114,501
DRILLING RIG	0.010	\$ 625,000	\$ -	\$ 50,000	\$ 675,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,000
COIL TUBING	0.012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,000	\$ -	\$ 234,000	\$ 234,000
FUEL	0.016	\$ 125,223	\$ -	\$ 3,500	\$ 128,723	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ 131,723
TRAILER, CAMP, AND CATERING	0.018	\$ 13,125	\$ -	\$ 1,050	\$ 14,175	\$ 130	\$ 845	\$ 325	\$ -	\$ 1,300	\$ 15,475
WATER & SEPTIC	0.020	\$ 26,000	\$ -	\$ -	\$ 26,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,000
SURFACE RENTALS	0.024	\$ 46,900	\$ -	\$ 2,000	\$ 48,900	\$ 2,670	\$ 92,965	\$ 6,510	\$ 5,355	\$ 107,500	\$ 156,400
DRILL BITS	0.028	\$ 165,930	\$ -	\$ -	\$ 165,930	\$ -	\$ -	\$ 3,500	\$ -	\$ 3,500	\$ 169,430
DOWNHOLE RENTALS	0.030	\$ 41,375	\$ -	\$ -	\$ 41,375	\$ -	\$ -	\$ 450	\$ -	\$ 450	\$ 41,825
DIRECTIONAL DRILLING	0.032	\$ 228,418	\$ -	\$ -	\$ 228,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,418
COMPOSITE PLUGS	0.034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,600	\$ -	\$ -	\$ 57,600	\$ 57,600
TUBING & BHA INSPECT & REPAIR	0.042	\$ 7,345	\$ -	\$ 5,619	\$ 12,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,965
RENTAL TUBING	0.046	\$ 79,783	\$ -	\$ -	\$ 79,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,783
WELL CONTROL EQUIP / SERVICES	0.048	\$ 93,775	\$ -	\$ 4,510	\$ 98,285	\$ 3,900	\$ 150,000	\$ 7,500	\$ -	\$ 161,400	\$ 259,685
PUMP TRUCK / PRESSURE TESTING	0.054	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 200	\$ -	\$ -	\$ 8,700	\$ 8,700
MISC SUPPLIES & MATERIALS	0.056	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00
MUD, ADDITIVES, AND CHEMICALS	0.060	\$ 326,255	\$ -	\$ -	\$ 326,255	\$ -	\$ 497,000	\$ 12,230	\$ -	\$ 509,230	\$ 835,485
FRAC PUMPING CHARGES	0.061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,473,000	\$ -	\$ -	\$ 4,473,000	\$ 4,473,000
WATER RIGHTS / TRANSFER / STORAGE	0.062	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ 4,000	\$ 528,050	\$ 33,000	\$ -	\$ 565,050	\$ 590,050
SOLIDS CONTROL EQUIP / SERVICES	0.066	\$ 82,035	\$ -	\$ -	\$ 82,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,035
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ -	\$ 3,800	\$ 20,000	\$ -	\$ 23,800	\$ 223,800
CASING CREWS	0.070	\$ 23,000	\$ -	\$ 14,350	\$ 37,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,350
CEMENTING	0.072	\$ 175,000	\$ -	\$ 85,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,000
CASING / LINER / FLOAT EQUIPMENT	0.074	\$ 28,000	\$ -	\$ 30,000	\$ 58,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,000
MOBILIZE & DEMOBILIZE	0.086	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
SUPERVISION / CONTRACT	0.094	\$ 87,500	\$ -	\$ 7,000	\$ 94,500	\$ 2,400	\$ 72,800	\$ 16,550	\$ 5,000	\$ 96,750	\$ 191,250
CONTRACT ROUSTABOUT	0.103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,080	\$ 40,080	\$ 40,080
CONTRACT LANDWORK / SURVEY	0.114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
REGULTRY / ENVIRON CONSULTANT	0.122	\$ 11,000	\$ -	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 16,000
SAFETY AND EMERGENCY RESPONSE	0.124	\$ 2,500	\$ -	\$ 200	\$ 2,700	\$ 160	\$ 1,300	\$ 9,815	\$ 850	\$ 12,125	\$ 14,825
GEOLOGY	0.186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FLOW TESTING / EQUIP	0.194	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 20,000	\$ 19,400	\$ -	\$ 43,400	\$ 43,400
MUD LOGGING	0.198	\$ -	\$ 30,000.00	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
WIRELINE / PERF / PUMPDOWN COSTS	0.200	\$ 6,000	\$ -	\$ -	\$ 6,000	\$ -	\$ 511,600	\$ 20,000	\$ -	\$ 531,600	\$ 537,600
SECONDARY CONTAINMENT	0.254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
FACILITY ELECTRIC & AUTOMATION	0.258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ 80,000
Contingency	5.00%	\$ 154,708	\$ 1,500	\$ 10,161	\$ 166,370	\$ 1,438	\$ 324,583	\$ 19,264	\$ 19,327	\$ 364,612	\$ 530,982
Tax	6.25%	\$ 193,385	\$ 1,875	\$ 12,702	\$ 207,962	\$ 1,798	\$ 405,729	\$ 24,080	\$ 24,158	\$ 455,765	\$ 663,727
Total Intangible Cost		\$ 3,442,259	\$ 33,375	\$ 226,093	\$ 3,701,727	\$ 31,996	\$ 7,221,972	\$ 428,624	\$ 430,020	\$ 8,112,612	\$ 11,814,338
Tangibles - Well Equipment		Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
CONDUCTOR PIPE	0.206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SURFACE CASING	0.210	\$ 173,400	\$ -	\$ -	\$ 173,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,400
INTERMEDIATE CASING	0.212	\$ 1,034,000	\$ -	\$ -	\$ 1,034,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,034,000
PRODUCTION CASING	0.216	\$ -	\$ -	\$ 1,173,000	\$ 1,173,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,173,000
TUBING	0.217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,250	\$ -	\$ 109,250	\$ 109,250
WELLHEAD / TREE / CHOKES	0.218	\$ 46,871	\$ -	\$ 119,911	\$ 166,782	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 171,782
ISOLATION PACKER	0.222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ 12,000	\$ 12,000
DOWNHOLE LIFT EQUIPMENT	0.234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ -	\$ 8,500	\$ 8,500
Tangibles - Lease Equipment		Drilling	Geology	Dry Hole Completion	Dry Hole Cost	Pre Completion	Stimulation	Post Completion	Construction	After Casing Point Cost	Total Cost
BATTERY (HEATER TREATERS)	0.246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BATTERY (SEPARATOR)	0.248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
BATTERY (GAS TREATING EQUIP)	0.250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
METERS AND METERING EQUIPMENT	0.274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,700	\$ 45,700	\$ 45,700
VALVES, FITTINGS, PROD INSTRUM	0.282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ 60,000
Contingency	5.00%	\$ 62,714	\$ -	\$ 64,646	\$ 127,359	\$ -	\$ -	\$ 6,738	\$ 16,235	\$ 22,973	\$ 150,332
DIRECTIONAL DRILLING	0.032	\$ 228,418	\$ -	\$ -	\$ 228,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,418
Total Tangible Cost	0.034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,600	\$ -	\$ -	\$ 57,600	\$ 57,600
TUBING & BHA INSPECT & REPAIR	0.042	\$ 7,345	\$ -	\$ 5,619	\$ 12,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,965



Single Well Project

Tea Olive Fed Com 25-36-33 124H Delaware

Intangibles	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	\$ 240,000.00	\$ 20,000.00	\$ 260,000.00
EASEMENT, ROW, AND ACQUISITION	0.006	\$ 120,000.00	\$ 42,500.00	\$ 162,500.00
ROAD / LOCATION PREP / RESTORATION	0.008	\$ 10,001.00	\$ 104,500.00	\$ 114,501.00
DRILLING RIG	0.010	\$ 675,000.00	\$ -	\$ 675,000.00
COIL TUBING	0.012	\$ -	\$ 234,000.00	\$ 234,000.00
FUEL	0.016	\$ 128,723.22	\$ 3,000.00	\$ 131,723.22
TRAILER, CAMP, AND CATERING	0.018	\$ 14,175.00	\$ 1,300.00	\$ 15,475.00
WATER & SEPTIC	0.020	\$ 26,000.00	\$ -	\$ 26,000.00
SURFACE RENTALS	0.024	\$ 48,900.00	\$ 107,500.00	\$ 156,400.00
DRILL BITS	0.028	\$ 165,930.00	\$ 3,500.00	\$ 169,430.00
DOWNHOLE RENTALS	0.030	\$ 41,375.00	\$ 450.00	\$ 41,825.00
DIRECTIONAL DRILLING	0.032	\$ 228,418.00	\$ -	\$ 228,418.00
COMPOSITE PLUGS	0.034	\$ -	\$ 57,600.00	\$ 57,600.00
TUBING & BHA INSPECT & REPAIR	0.042	\$ 12,964.54	\$ -	\$ 12,964.54
RENTAL TUBING	0.046	\$ 79,783.00	\$ -	\$ 79,783.00
WELL CONTROL EQUIP / SERVICES	0.048	\$ 98,285.00	\$ 161,400.00	\$ 259,685.00
PUMP TRUCK / PRESSURE TESTING	0.054	\$ -	\$ 8,700.00	\$ 8,700.00
MUD, ADDITIVES, AND CHEMICALS	0.060	\$ 326,255.00	\$ 509,230.00	\$ 835,485.00
FRAC PUMPING CHARGES	0.061	\$ -	\$ 4,473,000.00	\$ 4,473,000.00
WATER RIGHTS / TRANSFER / STORAGE	0.062	\$ 25,000.00	\$ 565,050.00	\$ 590,050.00
SOLIDS CONTROL EQUIP / SERVICES	0.066	\$ 82,035.00	\$ -	\$ 82,035.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$ 200,000.00	\$ 23,800.00	\$ 223,800.00
CASING CREWS	0.070	\$ 37,350.00	\$ -	\$ 37,350.00
CEMENTING	0.072	\$ 260,000.00	\$ -	\$ 260,000.00
CASING / LINER / FLOAT EQUIPMENT	0.074	\$ 58,000.00	\$ -	\$ 58,000.00
MOBILIZE & DEMOBILIZE	0.086	\$ 300,000.00	\$ -	\$ 300,000.00
SUPERVISION / CONTRACT	0.094	\$ 94,500.00	\$ 96,750.00	\$ 191,250.00
CONTRACT ROUSTABOUT	0.103	\$ -	\$ 40,080.00	\$ 40,080.00
CONTRACT LANDWORK / SURVEY	0.114	\$ -	\$ 15,000.00	\$ 15,000.00
REGULTRY / ENVIRON CONSULTANT	0.122	\$ 11,000.00	\$ 5,000.00	\$ 16,000.00
SAFETY AND EMERGENCY RESPONSE	0.124	\$ 2,700.00	\$ 12,125.28	\$ 14,825.28
GEOLOGY	0.186	\$ -	\$ -	\$ -
FLOW TESTING / EQUIP	0.194	\$ -	\$ 43,400.00	\$ 43,400.00
MUD LOGGING	0.198	\$ 30,000.00	\$ -	\$ 30,000.00
WIRELINE / PERF / PUMPDOWN COSTS	0.200	\$ 6,000.00	\$ 531,600.00	\$ 537,600.00
SECONDARY CONTAINMENT	0.254	\$ -	\$ 30,000.00	\$ 30,000.00
FACILITY ELECTRIC & AUTOMATION	0.258	\$ -	\$ 80,000.00	\$ 80,000.00
Contingency	5.00%	\$ 166,369.74	\$ 364,611.76	\$ 530,981.50
Tax	6.25%	\$ 207,962.17	\$ 455,764.71	\$ 663,726.88
Total Intangible Cost		\$ 3,701,726.67	\$ 8,112,611.75	\$ 11,814,338.42
Tangibles - Well Equipment		Dry Hole Cost	After Casing Point Cost	Total Cost
PIPELINE MECH MATERIALS / EQUIP	0.134	\$ -	\$ -	\$ -
FACILITY MECH MATERIALS / EQUIP	0.136	\$ -	\$ -	\$ -
DRIVE PIPE	0.204	\$ -	\$ -	\$ -
CONDUCTOR PIPE	0.206	\$ -	\$ -	\$ -
WATER STRING	0.208	\$ -	\$ -	\$ -
SURFACE CASING	0.210	\$ 173,400.00	\$ -	\$ 173,400.00
INTERMEDIATE CASING	0.212	\$ 1,034,000.00	\$ -	\$ 1,034,000.00
REMEDIAL CASING	0.213	\$ -	\$ -	\$ -
DRILLING LINER	0.214	\$ -	\$ -	\$ -
PRODUCTION CASING	0.216	\$ 1,173,000.00	\$ -	\$ 1,173,000.00
TUBING	0.217	\$ -	\$ 109,250.00	\$ 109,250.00
WELLHEAD / TREE / CHOKES	0.218	\$ 166,782.15	\$ 5,000.00	\$ 171,782.15
DRILLING LINER HANGER	0.220	\$ -	\$ -	\$ -
ISOLATION PACKER	0.222	\$ -	\$ 12,000.00	\$ 12,000.00
PUMPING UNIT, ENGINE	0.232	\$ -	\$ -	\$ -
SURFACE LIFT EQUIP	0.233	\$ -	\$ -	\$ -
DOWNHOLE LIFT EQUIPMENT	0.234	\$ -	\$ 8,500.00	\$ 8,500.00
TANK BATT / PROCESS EQUIP / MAINT	0.236	\$ -	\$ -	\$ -

Tangibles - Lease Equipment		Dry Hole Cost	After Casing Point Cost	Total Cost
LINE PIPE	0.238	\$ -	\$ -	\$ -
POWERLINES & SUBSTATION	0.242	\$ -	\$ 60,000.00	\$ 60,000.00
TANKS, TANKS STEPS, STAIRS	0.244	\$ -	\$ -	\$ -
BATTERY (HEATER TREATERS)	0.246	\$ -	\$ -	\$ -
BATTERY (SEPARATOR)	0.248	\$ -	\$ 75,000.00	\$ 75,000.00
BATTERY (GAS TREATING EQUIP)	0.250	\$ -	\$ -	\$ -
BATTERY (MISC EQUIP)	0.252	\$ -	\$ -	\$ -
FLOW LINE (PIPE WH TO FACILITY)	0.266	\$ -	\$ 84,000.00	\$ 84,000.00
PIPELINE TO SALES	0.270	\$ -	\$ -	\$ -
METERS AND METERING EQUIPMENT	0.274	\$ -	\$ 45,700.00	\$ 45,700.00
VALVES, FITTINGS, PROD INSTRUM	0.282	\$ -	\$ 60,000.00	\$ 60,000.00
BUILDINGS	0.310	\$ -	\$ -	\$ -
Contingency	5.00%	\$ 127,359.11	\$ 22,972.50	\$ 150,331.61
Tax	6.25%	\$ 159,198.88	\$ 28,715.63	\$ 187,914.51
Total Tangible Cost		\$ 2,833,740.14	\$ 511,138.13	\$ 3,344,878.27
TOTAL		\$ 6,535,466.81	\$ 8,623,749.87	\$ 15,159,216.69

OWNER	NAME	1ST ATTEMPT	2ND ATTEMPT	3RD ATTEMPT
ANDREA NICHOLS	NICHOLS	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
ANN MARIE LUNDWALL	LUNDWALL	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
BANK OF AMERICA, N.A., AS TRUSTEE OF THE CHARLES R. MEEKER TRUST	MEEKER	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
CATHERINE MARCELLA CHAPIN	CHAPIN	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
CATHY C. LUCAS	LUCAS	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
CHARLES FREDERICK CHAMBERS FAMILY TRUST	CHAMBERS	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
DAVID NEWTON PAYNE, JR.	PAYNE	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
DSCH CAPITAL PARTNERS, LLC	DSCH	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
ESTATE OF JACK NICHOLS ROYAL, DECEASED	ROYAL	1/20/2022 - MAILED OFFER LETTERS	UNABLE TO LOCATE	UNABLE TO LOCATE
FRANCIS S. SANDERS	SANDERS	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
JEREMY YOUNG	YOUNG	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
MARY KAY LUNDWALL	LUNDWALL			
MAX PERMIAN, LLC	MAX	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
NANCY SEWELL SERWATKA	SERWATKA	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
OXY Y-1 COMPANY	OXY	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
ROY G. BARTON, JR.	BARTON	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
SANDRA RUTH KOVAL	KOVAL	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
SHARBRO ENERGY, LLC	SHARBRO	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
SHERRIE LYNN PAYNE	PAYNE	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
STARBOARD PERMIAN RESOURCES LLC	STARBOARD	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
SUSAN R SAUNDERS	SAUNDERS	1/20/2022 - MAILED OFFER LETTERS	UNABLE TO LOCATE	UNABLE TO LOCATE
TERESA J ROYAL	ROYAL	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
WILLIAM B. NICHOLS	NICHOLS	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS
WILLIAM L. CHAMBERS	CHAMBERS	1/20/2022 - MAILED OFFER LETTERS	5/25/2022 - SENT FOLLOW UP LETTERS	6/20/2022 - MAILED WELL PROPOSALS

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. 22949

AFFIDAVIT OF PARKER FOY

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 (“Ameredev”) 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 area.
4. **Ameredev Exhibit D-1** is a locator map that shows Ameredev’s acreage in yellow and the path of the proposed wellbores for the proposed wells in this case. Nearby wells that are producing in the target formation are marked with green dots. This map also shows the location of the Capitan Reef Complex.
5. **Ameredev Exhibit D-2** is a subsea structure map that I prepared for the targeted interval within the Wolfcamp formation, with a contour interval of 50 feet. The structure map shows the Wolfcamp gently dipping to the Southwest. The Wolfcamp structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontally drilling the wells proposed in this spacing unit.
6. **Ameredev Exhibit D-3** is a map showing the location of the wells used to create the stratigraphic cross-section on Ameredev Exhibit D-4. These wells from A to A’ are representative of the geology in the area.
7. **Ameredev Exhibit D-4** contains the stratigraphic cross-sections that I prepared displaying open-hole logs run over the target formations from three representative wells denoted from A to A’. For each well in the cross-sections, the exhibit shows the following logs: gamma

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Ameredev Operating, LLC
Hearing Date: August 4, 2022
Case No. 22949

ray, resistivity, and porosity. The targeted interval is labeled and marked on the left side of the cross-sections. The logs in the cross-sections demonstrate that the targeted interval, within the Wolfcamp, is consistent in thickness, across the entirety of the proposed spacing unit.

8. In my opinion, each tract comprising the proposed horizontal spacing unit will be productive and contribute more-or-less equally to production from the wellbores.

9. In my opinion, the granting of Ameredev's application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.


10. **Ameredev Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NAUGHT.


PARKER FOY

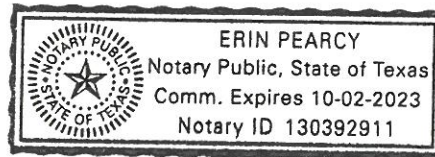
STATE OF TEXAS)
)
COUNTY OF TRAVIS)

SUBSCRIBED and SWORN to before me this 27th day of July 2022 by Parker Foy.

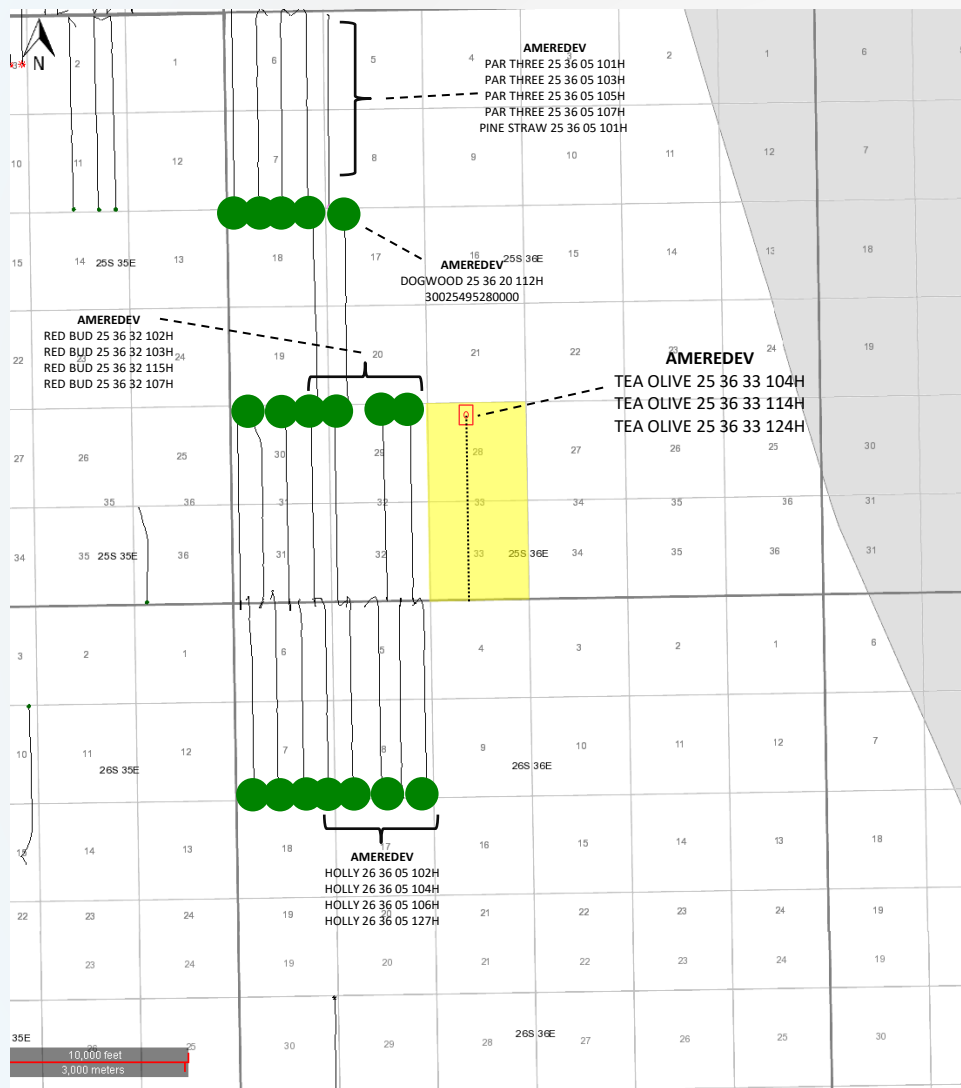

NOTARY PUBLIC

My Commission Expires:

10/2/23



Wolfcamp Pool – Tea Olive Fed Com 25 36 33 104H,114H, & 124H

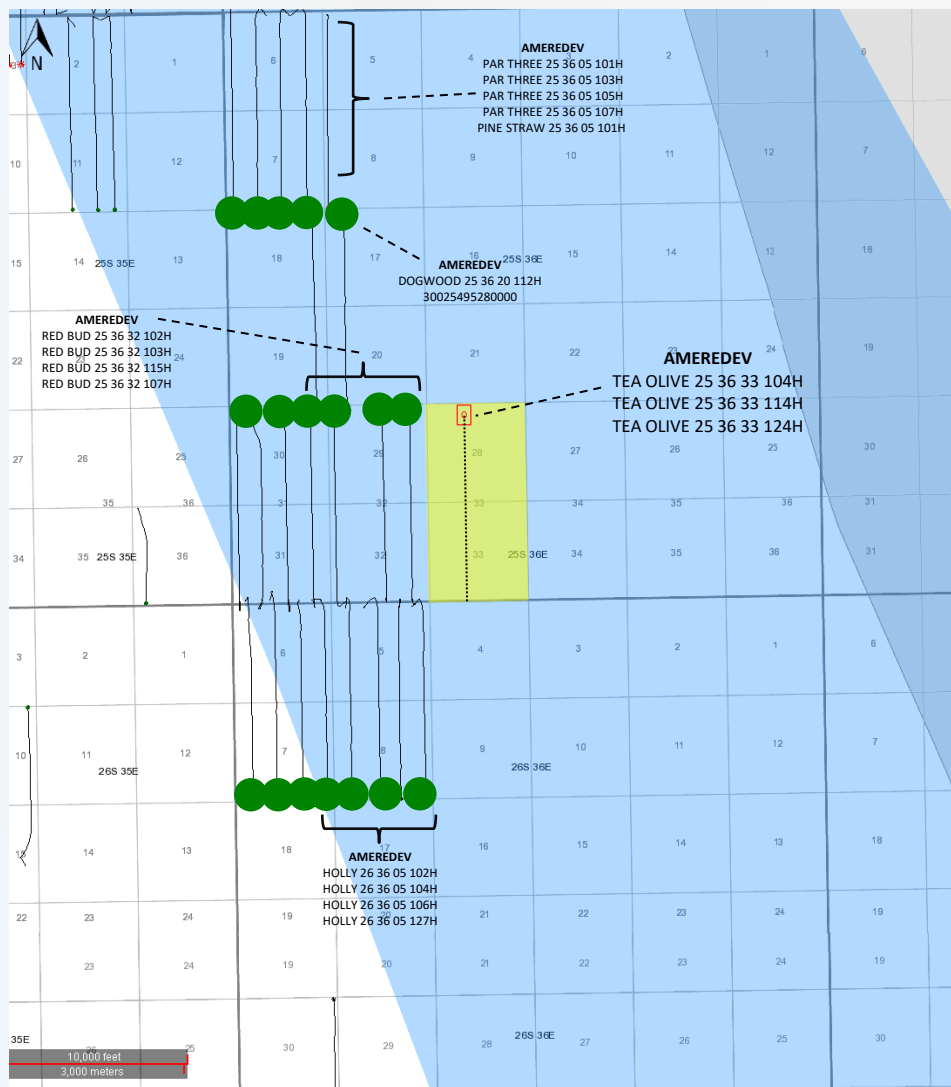


Map Legend

BHL	SHL	
		Ameredeve WFMP Horizontal Locations
		Producing WFMP Wells
		Ameredeve Acreage

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-1
 Submitted by: Ameredeve Operating, LLC
 Hearing Date: August 4, 2022
 Case No. 22949

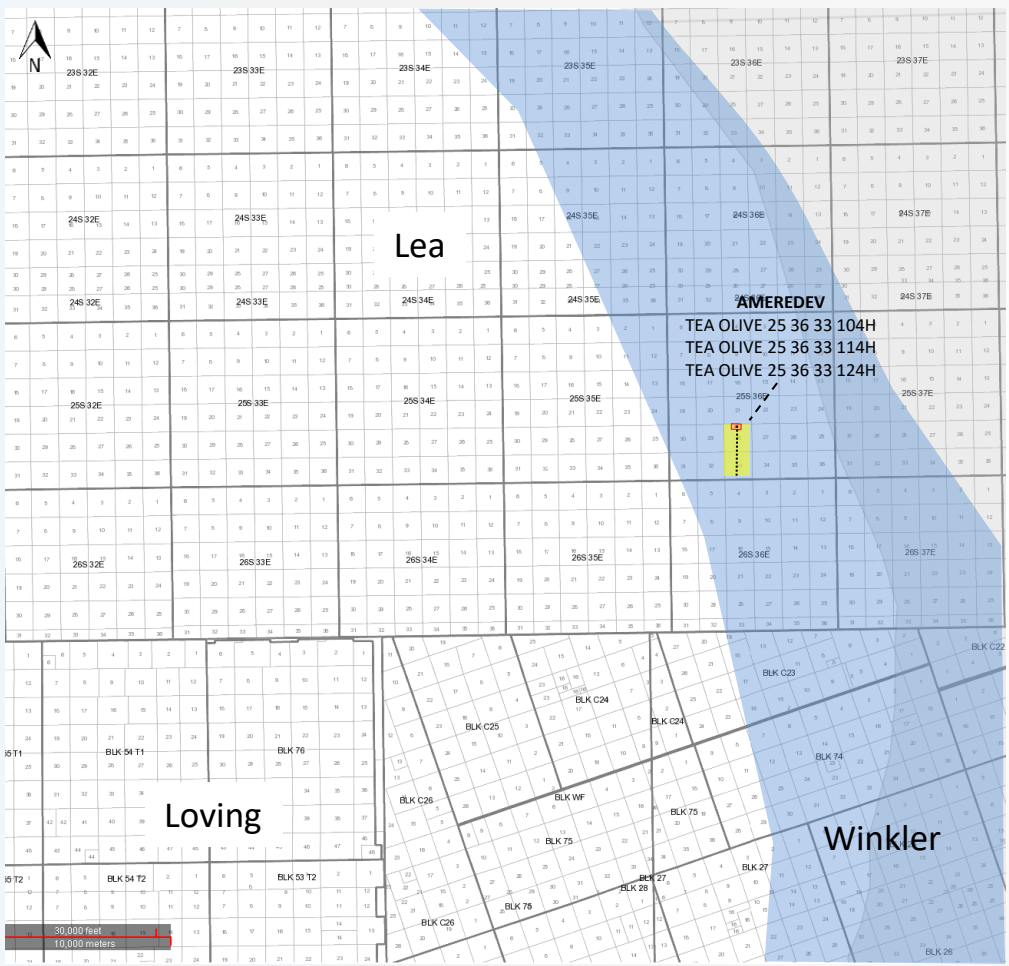
Wolfcamp Pool – Capitan Reef Complex



Map Legend

BHL	SHL	Description
		Ameredev WFMP Horizontal Locations
		Producing WFMP Wells
		Ameredev Acreage
		Capitan Reef Complex

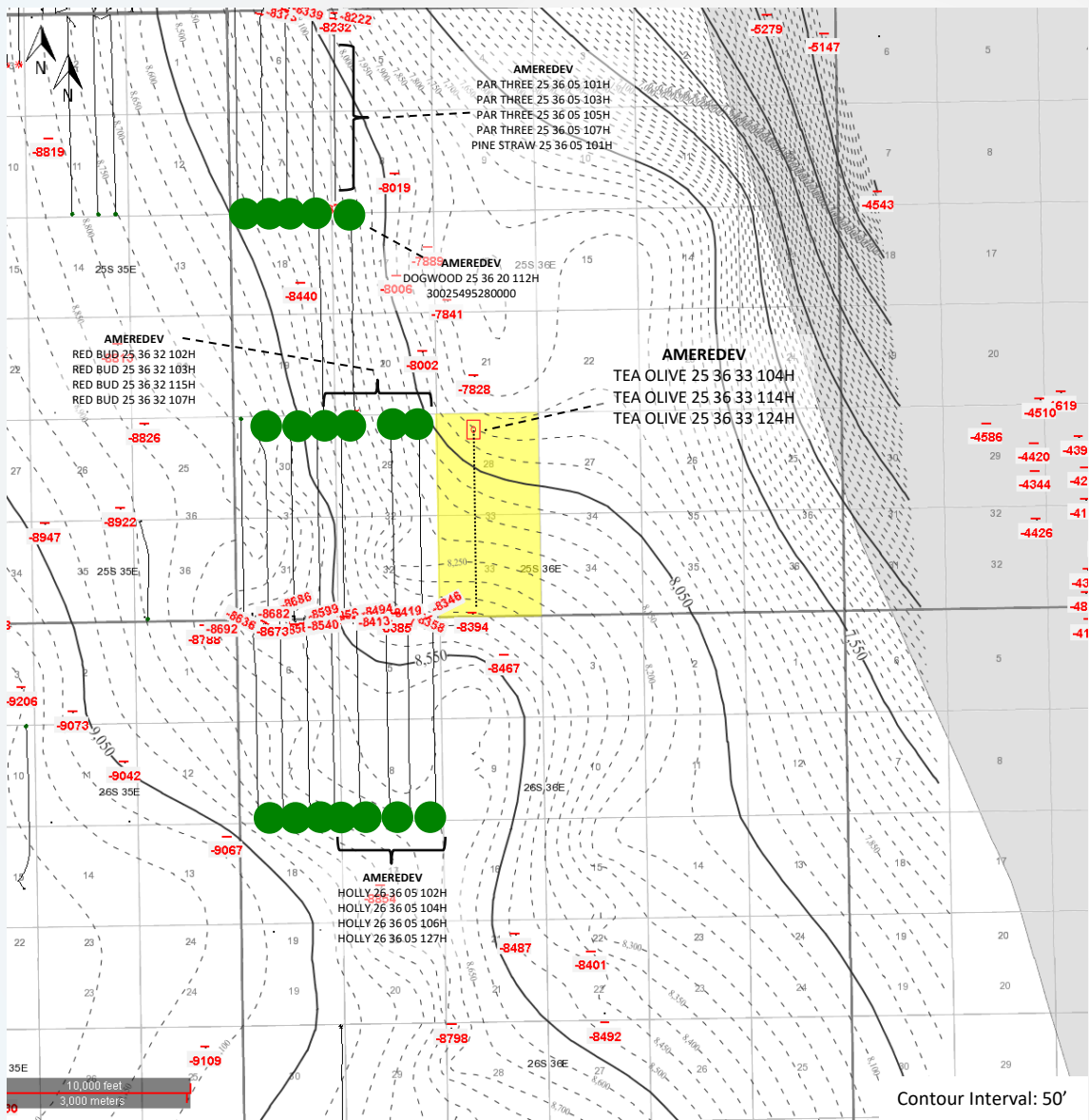
Wolfcamp Pool – Capitan Reef Complex



Map Legend




BHL	SHL	
		Ameredev WFMP Horizontal Locations
		Producing WFMP Wells
		Ameredev Acreage
		Capitan Reef Complex

Wolfcamp Pool – WFMP Structure Map (Subsea Depth)



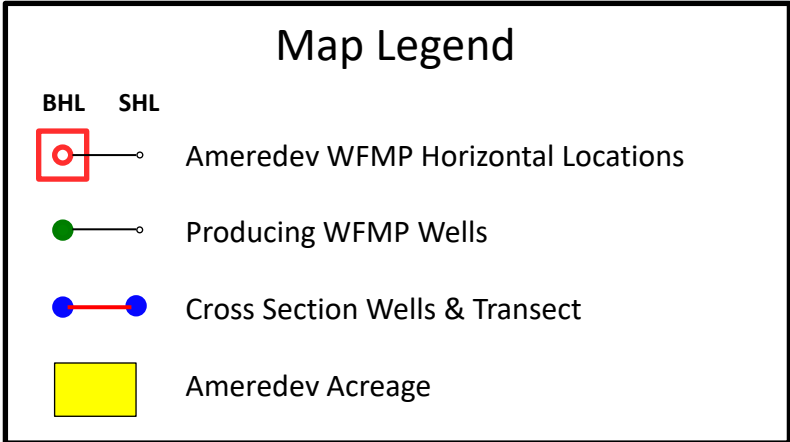
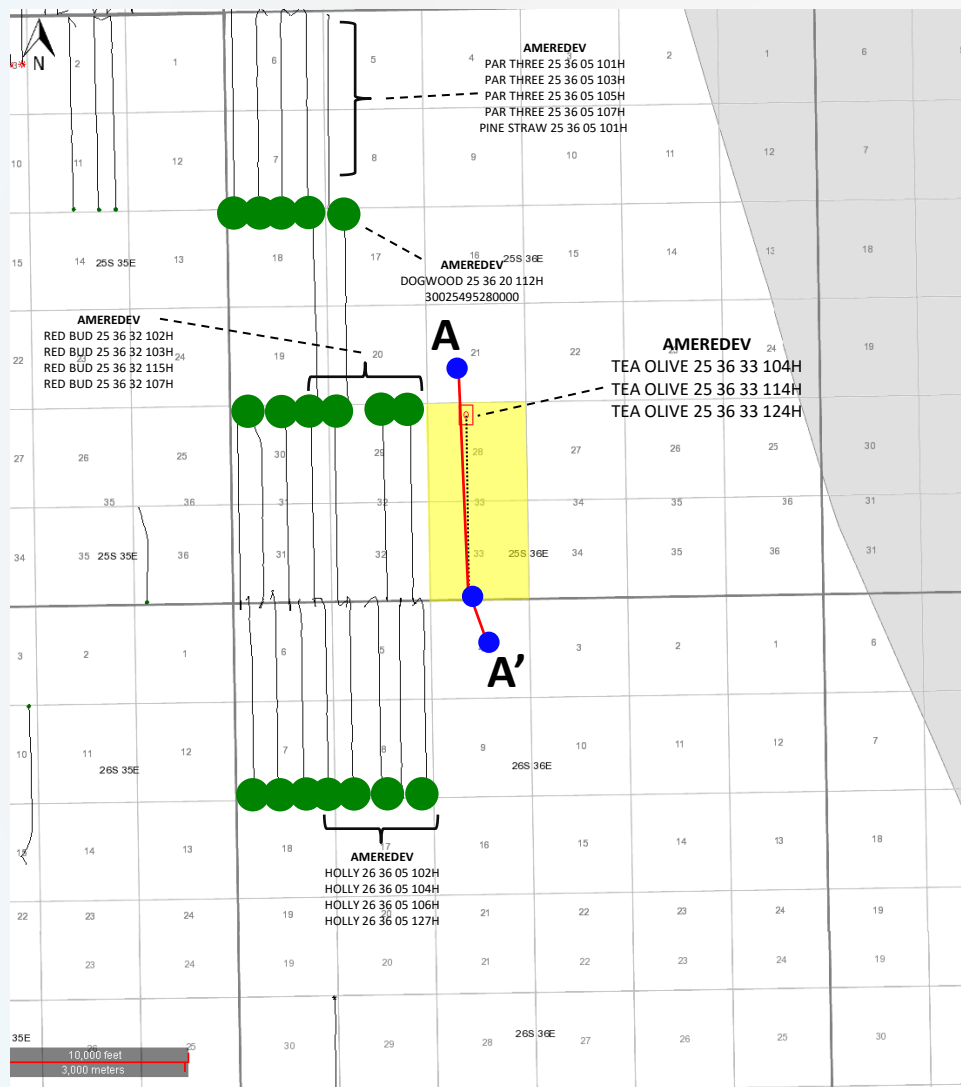
Map Legend

BHL SHL

-  Ameredeve WFMP Horizontal Locations
-  Producing WFMP Wells
-  Ameredeve Acreage

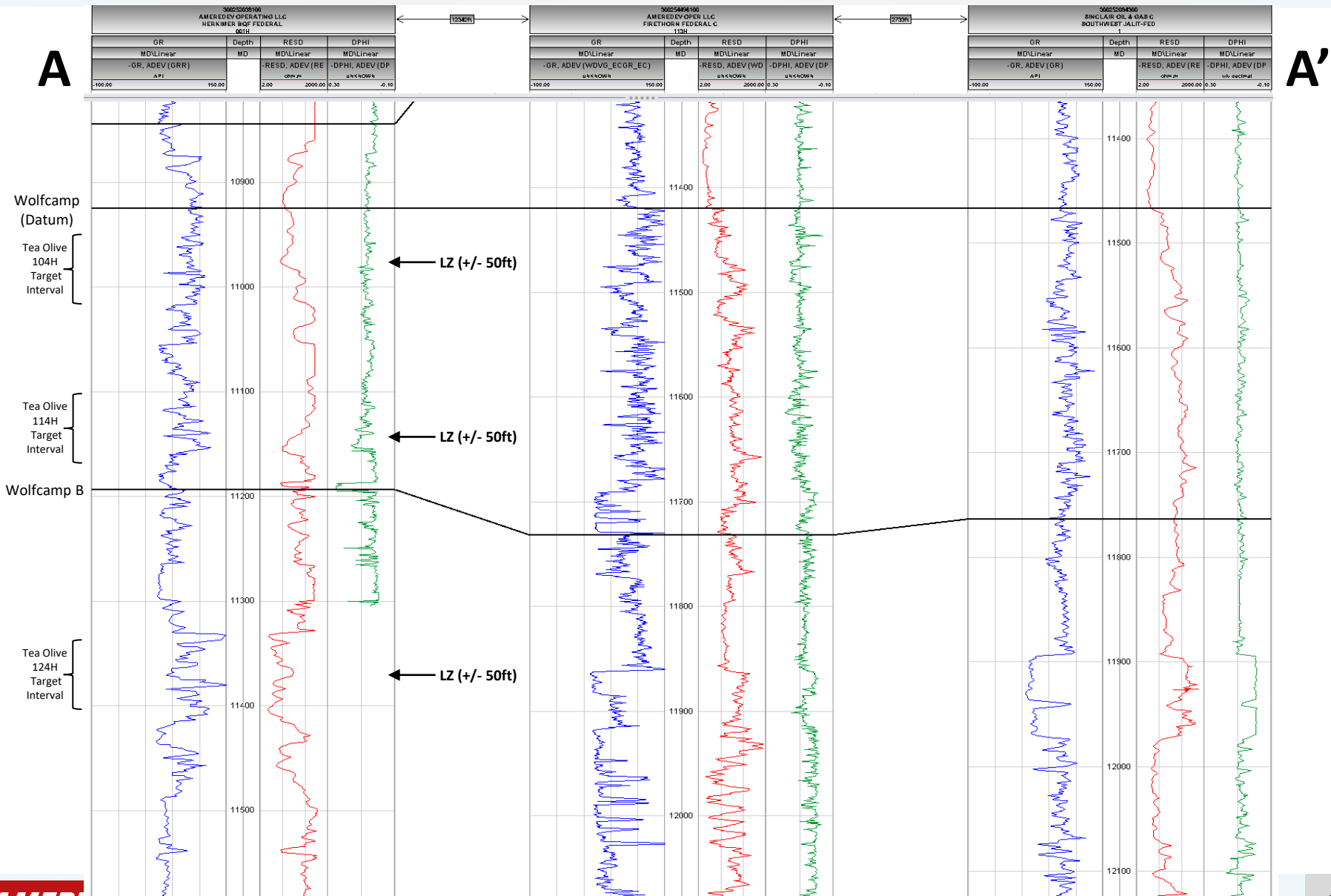
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-2
 Submitted by: Ameredeve Operating, LLC
 Hearing Date: August 4, 2022
 Case No. 22949

Wolfcamp Pool – Cross Section Map



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-3
 Submitted by: Ameredeve Operating, LLC
 Hearing Date: August 4, 2022
 Case No. 22949

Wolfcamp Pool - Stratigraphic Cross Section



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. 22949

SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE

1. I am attorney in fact and authorized representative of Ameredev Operating, LLC (“Ameredev”), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of July 28, 2022.

5. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Paula M. Vance

8/2/2022

Date

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Ameredev Operating, LLC
Hearing Date: August 4, 2022
Case No. 22949



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

July 15, 2022

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.
Tea Olive Fed Com 25-36-33 #104H, #114H, and #124H wells**

Ladies & Gentlemen:

This letter is to advise you that Ameredev Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 4, 2022, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

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

Sincerely,

Paula M. Vance
ATTORNEY FOR AMEREDEV OPERATING, LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Ameredev_Tea Olive_104H, 114H, 124H
Case No. 22949 POstal Delivery Report

TrackingNo	Name	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765876571641	Francis S. Sanders	149 Franklin St	Santa Cruz	CA	95060-2807	Your item was refused by the addressee at 2:06 pm on July 22, 2022 in SANTA FE, NM 87501 and is being returned to the sender.
9414811898765876571696	DSCH Capital Partners, LLC	4601 Spicewood Springs Rd	Austin	TX	78759-8598	Your item arrived at the SANTA FE, NM 87504 post office at 7:45 am on July 26, 2022 and is ready for pickup.
9414811898765876571603	David Newton Payne, Jr.	2300 Pimmit Dr Apt 404	Falls Church	VA	22043-2816	Your item arrived at the SANTA FE, NM 87504 post office at 8:35 am on July 25, 2022 and is ready for pickup.
9414811898765876571665	Charles Frederick Chambers Family Trust	11818 Village Park Cir	Houston	TX	77024-4418	Your item was delivered to an individual at the address at 3:01 pm on July 18, 2022 in HOUSTON, TX 77024.
9414811898765876571610	Cathy C. Lucas	6503 Mount Hood Dr	Bakersfield	CA	93309-2499	Your item was delivered to an individual at the address at 4:01 pm on July 18, 2022 in BAKERSFIELD, CA 93309.
9414811898765876571979	Catherine Marcella Chapin	1124 E 18th Ave	Spokane	WA	99203	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765876571931	Bank Of America, N.A., As Trustee Of The Charles R. Meeker Trust	PO Box 840738	Dallas	TX	75284-0738	Your item has been delivered and is available at a PO Box at 5:17 am on July 18, 2022 in DALLAS, TX 75266.
9414811898765876571177	William L. Chambers	805 Howard St	Savannah	GA	31401-6317	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765876571139	William B. Nichols	1201 Community Ln	Midland	TX	79701-4007	Your item arrived at our EL PASO TX DISTRIBUTION CENTER destination facility on July 26, 2022 at 1:44 pm. The item is currently in transit to the destination.
9414811898765876571184	Teresa J Royal	1055 9th Ave Apt 414	San Diego	CA	92101-5529	Your item arrived at the SANTA FE, NM 87504 post office at 8:35 am on July 25, 2022 and is ready for pickup.
9414811898765876571986	Ann Marie Lundwall	151 Grande View Dr Apt 89	Biloxi	MS	39531-4731	Your item arrived at the SANTA FE, NM 87504 post office at 8:35 am on July 25, 2022 and is ready for pickup.
9414811898765876571146	Starboard Permian Resources LLC	4128 Bryn Mawr Dr	Dallas	TX	75225-6736	Your item was delivered to an individual at the address at 2:50 pm on July 18, 2022 in DALLAS, TX 75225.
9414811898765876571191	Sherrie Lynn Payne	5400 Planz Rd Apt 54	Bakersfield	CA	93309-6290	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765876571108	Sharbro Energy, LLC	PO Box 840738	Artesia	NM	88211	Your item was picked up at the post office at 10:44 am on July 18, 2022 in ARTESIA, NM 88210.
9414811898765876571122	Sandra Ruth Koval	16 Mangrove Ct N	Homosassa	FL	34446-4509	Your item was delivered to an individual at the address at 10:07 am on July 19, 2022 in HOMOSASSA, FL 34446.

Ameredev_Tea Olive_104H, 114H, 124H
Case No. 22949 PPostal Delivery Report

9414811898765876571160	Roy G. Barton, Jr.	1919 N Turner St	Hobbs	NM	88240-2712	Your item was delivered to an individual at the address at 11:24 am on July 18, 2022 in HOBBS, NM 88240.
9414811898765876571153	Oxy Y-1 Company	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on July 18, 2022 at 12:08 pm.
9414811898765876571115	Nancy Sewell Serwatka	705 Post Oak Ct	El Paso	TX	79932-2511	Your item was delivered to an individual at the address at 1:26 pm on July 18, 2022 in EL PASO, TX 79932.
9414811898765876571672	Max Permian, LLC	PO Box 9287	Salt Lake City	UT	84109-0287	Your item was delivered at 7:48 am on July 18, 2022 in SALT LAKE CITY, UT 84109.
9414811898765876571634	Mary Kay Lundwall	8577 Little Swift Cir	Jacksonville	FL	32256-9642	Your item departed our JACKSONVILLE FL DISTRIBUTION CENTER destination facility on July 25, 2022 at 3:54 pm. The item is currently in transit to the destination.
9414811898765876571689	Jeremy Young	2105 Kings Rd	Carrollton	TX	75007-3227	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765876571948	Andrea Nichols	14100 Montfort Dr Apt 1236	Dallas	TX	75254-3021	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.