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.

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 minerals owners in a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E/2 E/2 of Sections 30 and 31, Township 25 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 seeks to initially dedicate the above-referenced spacing unit to the proposed **Nandina Fed Com 25 36 31 87H** and **Nandina Fed Com 25 36 31 97H** well, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 31, a first take point from the SE/4 SE/4 (Unit P) of Section 31, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 30.
- 3. Ameredev has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners and non-participating royalty interest owners in the subject spacing unit.

4. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral owners in the horizontal spacing unit;
- B. Designating Ameredev Operating, LLC operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Ameredev 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% charge 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 wells.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR AMEREDEV OPERATING, LLC

CASE :

Application of Ameredev Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E/2 E/2 of Sections 30 and 31, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev seeks to initially dedicate the above-referenced spacing unit to the proposed Nandina Fed Com 25 36 31 87H and Nandina Fed Com 25 36 31 97H well, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 31, a first take point from the SE/4 SE/4 (Unit P) of Section 31, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 30. Also, to be considered will be the cost of drilling and completing the wells 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 wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 7 miles southwest of Jal, New Mexico.