

**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. 24604

NOTICE OF REVISED EXHIBITS C-3, C-5, E & F

Ameredev Operating, LLC, applicant in the above-referenced case, gives notice that it is filing the attached exhibit for acceptance into the record.

Revised Exhibit C-3 is an updated pooling exhibit showing the correct parties to be pooled.

Revised Exhibit C-5 is an updated chronology of contacts with the correct parties to be pooled and additional details regarding Ameredev's communications with those parties.

Revised Exhibit E & F is updated notice information with the correct parties to be pooled.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
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(505) 988-4421
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ATTORNEYS FOR AMEREDEV OPERATING, LLC

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING August 22, 2024**

CASE NO. 24604

PIMENTO FED COM 26 36 03 117H

LEA COUNTY, NEW MEXICO



Ameredev II, LLC

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

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

CASE NO. 24604

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- **Ameredev Exhibit C:** Affidavit of Brandon Forteza, Landman
 - Ameredev Exhibit C-1: C-102s
 - Ameredev Exhibit C-2: Land Tract Map
 - *Revised* Ameredev Exhibit C-3: Ownership Breakdown
 - Ameredev Exhibit C-4: Well Proposal Ltrs w/ AFE & Lease Offers
 - *Revised* Ameredev Exhibit C-5: Chronology of Contacts
- **Ameredev Exhibit D:** Affidavit of Parker Foy, Geologist
 - Ameredev Exhibit D-1: Locator map
 - Ameredev Exhibit D-2: Subsea structure
 - Ameredev Exhibit D-3: Cross-section map
 - Ameredev Exhibit D-4: Stratigraphic cross-section
- ***Revised* Ameredev Exhibit E:** Self-Affirmed Statement of Notice
- ***Revised* Ameredev Exhibit F:** Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24604	APPLICANT'S RESPONSE
Date	July 11, 2024
Applicant	Ameredev Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Ameredev Operating, LLC (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	Pimento
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code (Only if NSP is requested):	N/A
Well Location Setback Rules (Only if NSP is Requested):	N/A
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres
Orientation:	Standup
Description: TRS/County	E/2 E/2 of Sections 3 and 10, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

SHL: 160' FNL, 794' FEL (Unit A) of Section 3
BHL: 50' FSL, 720' FWL (Unit P) of Section 10
Target: Wolfcamp
Orientation: Standup
Completion: Standard Location

Horizontal Well First and Last Take Points

Exhibit C-1

Completion Target (Formation, TVD and MD)

Exhibit C-4

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

If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.

N/A

Pooled Parties (including ownership type)

Exhibit C-3

Unlocatable Parties to be Pooled

12; See Exhibit C

Ownership Depth Severance (including percentage above & below)

N/A

Joinder

Sample Copy of Proposal Letter

Exhibit C-4

List of Interest Owners (ie Exhibit A of JOA)

Exhibit C-3

Chronology of Contact with Non-Joined Working Interests

Exhibit C-5

Overhead Rates In Proposal Letter

Exhibit C-4

Cost Estimate to Drill and Complete

Exhibit C-4

Cost Estimate to Equip Well

Exhibit C-4

Cost Estimate for Production Facilities

Exhibit C-4


Geology

Summary (including special considerations)

Exhibit D

Spacing Unit Schematic

Exhibit D-1

Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-4
HSU Cross Section	Exhibit D-3, D-4
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-3
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:	7/3/2024

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. 24604

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 Wolfcamp formation underlying the E/2 E/2 of Sections 3 and 10, 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 seeks to initially dedicate the above-referenced spacing unit to the proposed **Pimento Fed Com 26-36-03 117H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3, a first take point from the NE/4 NE/4 (Unit A) of Section 3, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10.
3. Ameredev has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners and unleased mineral 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 July 11, 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 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% 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 well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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pmvance@hollandhart.com

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 Wolfcamp formation underlying the E/2 E/2 of Sections 3 and 10, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev seeks to initially dedicate the above-referenced spacing unit to the proposed **Pimento Fed Com 26-36-03 117H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3, a first take point from the NE/4 NE/4 (Unit A) of Section 3, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10. Also, to be considered will be the cost of drilling and completing the well 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles southwest of Jal, New Mexico.

**/11/24STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

CASE NO. 24604

SELF-AFFIRMED STATEMENT OF BRANDON FORTEZA

1. My name is Brandon Forteza. I work for Ameredev Operating, LLC (“Ameredev”) as a Senior Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“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 in this case have indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.

5. In this case, Ameredev seeks an order pooling all uncommitted minerals owners in a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 E/2 of Sections 3 and 10, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev seeks to initially dedicate the above-referenced spacing unit to the proposed **Pimento Fed Com 26-36-03 117H** (API: 30-025-52578), to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3, a first take point from the NE/4 NE/4 (Unit A) of Section 3, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10.

6. **Ameredev Exhibit C-1** contains the C-102 for the proposed well. The exhibit shows that the wells will be assigned to the WC-025 G-09 S263619C, Wolfcamp [98234].

7. **Ameredev Exhibit C-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.

8. **Ameredev Exhibit C-3** 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 unit, is also included in the exhibit. Ameredev is seeking to pool the uncommitted interest owners with an asterisk next to their name.

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

10. **Ameredev Exhibit C-4** is a sample of the well proposal letter and AFEs sent to all working interest owners, along with sample lease offer sent to the unleased mineral interest 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 Exhibit C-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Ameredev has made a good faith effort to locate and has had communications with most of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. Ameredev was unable to locate twelve of the parties; Ameredev tried multiple addresses for these unlocatable parties and was unable to make contact

but has continued efforts to try and reach them. In my opinion, Ameredev has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

12. Ameredev has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Ameredev seeks to pool and instructed that they be notified of this hearing. Ameredev has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

13. **Ameredev Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

14. 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.



Brandon Forteza

7/11/24

Date

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-6170
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

Exhibit No. C-1
Submitted by: Ameredev Operating, LLC
Hearing Date: August 22, 2024
Case No. 24604

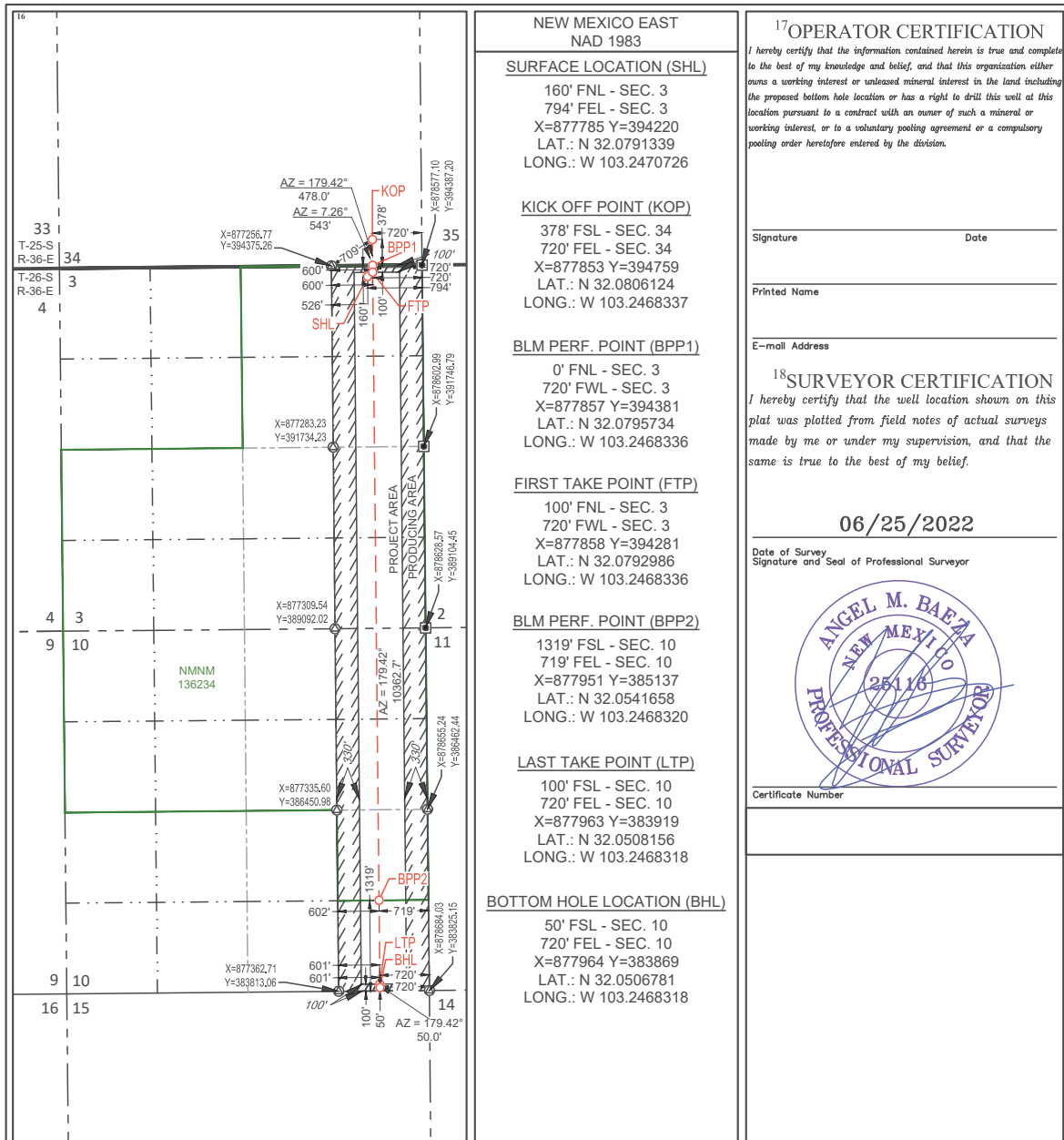
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 300025-52578		² Pool Code 98234		³ Pool Name WC-025 G-09 S263619C; WOLFCAMP					
⁴ Property Code 325012		⁵ Property Name PIMENTO FED COM 26 36 03			⁶ Well Number 117H				
⁷ OGRID No. 37224		⁸ Operator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 2998'				
¹⁰ Surface Location									
UL or lot no. A	Section 3	Township 26-S	Range 36-E	Lot Idn -	Feet from the 160'	North/South line NORTH	Feet from the 794'	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. P	Section 10	Township 26-S	Range 36-E	Lot Idn -	Feet from the 50'	North/South line SOUTH	Feet from the 720'	East/West line EAST	County LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		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.



NEW MEXICO EAST
NAD 1983

SURFACE LOCATION (SHL)
160' FNL - SEC. 3
794' FEL - SEC. 3
X=877785 Y=394220
LAT.: N 32.0791339
LONG.: W 103.2470726

KICK OFF POINT (KOP)
378' FSL - SEC. 34
720' FEL - SEC. 34
X=877853 Y=394759
LAT.: N 32.0806124
LONG.: W 103.2468337

BLM PERF. POINT (BPP1)
0' FNL - SEC. 3
720' FWL - SEC. 3
X=877857 Y=394381
LAT.: N 32.0795734
LONG.: W 103.2468336

FIRST TAKE POINT (FTP)
100' FNL - SEC. 3
720' FWL - SEC. 3
X=877858 Y=394281
LAT.: N 32.0792986
LONG.: W 103.2468336

BLM PERF. POINT (BPP2)
1319' FSL - SEC. 10
719' FEL - SEC. 10
X=877951 Y=385137
LAT.: N 32.0541658
LONG.: W 103.2468320

LAST TAKE POINT (LTP)
100' FSL - SEC. 10
720' FEL - SEC. 10
X=877963 Y=383919
LAT.: N 32.0508156
LONG.: W 103.2468318

BOTTOM HOLE LOCATION (BHL)
50' FSL - SEC. 10
720' FEL - SEC. 10
X=877964 Y=383869
LAT.: N 32.0506781
LONG.: W 103.2468318

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 _____ Date _____

Printed Name _____

E-mail Address _____

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.

06/25/2022

Date of Survey
Signature and Seal of Professional Surveyor

ANGEL M. BAEZA
NEW MEXICO
25118
PROFESSIONAL SURVEYOR

Certificate Number _____

**PIMENTO FED COM 26-36-03 117H
T26S-R36E-SECTION 3 AND 10, E2E2
LEA COUNTY, NEW MEXICO**

SEC 3	<p>TRACT 1 E2E2 SEC 3 E2NE4, NE4SE4 SEC 10 280.00 ACRES NMNM 136234</p>
SEC 10	
	<p>TRACT 2 SE4SE4 40.00 ACRES</p>

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Ameredev Operating, LLC
Hearing Date: August 22, 2024
Case No. 24604**

**PIMENTO FED COM 26-36-03 117H
T26S-R36E-SECTION 3 AND 10, E2E2
LEA COUNTY, NEW MEXICO**

TRACT 1: E2E2 OF SECTION 3 AND E2NE4, NE4SE4 OF SECTION 10 26S 36E	
AMEREDEV NEW MEXICO, LLC	100.000000%
TOTAL	100.000000%

TRACT 2: SE4SE4 OF SECTION 10 26S 36E	
Heirs of ELIZABETH SPENCER PFAU	2.777778%
ELIZABETH SPENCER	0.555556%
FLYING H FAMILY RANCH, LLC	0.900000%
KANE RESOURCES, LLC	18.750000%
KATHRYN HOWARD	0.555556%
ANN MARIE HUGHES	0.185185%
RICHARD LEE WRIGHT	0.185185%
CONNOR ISAISH WRIGHT	0.185185%
MARGERY SPENCER	0.555556%
ROBERT DEMING SPENCER	2.777778%
RRIG ENERGY, LLC	18.750000%
VERONICA LEE SPENCER	0.555556%
WARD AND VEDA VICKERY HEIRS, LLC	16.666667%
BIG CEDAR RESOURCES, LLC	2.850000%
AMEREDEV NEW MEXICO, LLC	33.750000%
TOTAL	100.000000%

**UNIT RECAPITULATION
PIMENTO FED COM 26-36-03 117H**

**T26S-R36E-SECTION 3 AND 10, E2E2
LEA COUNTY, NEW MEXICO**

*Heirs of ELIZABETH SPENCER PFAU	0.347222%
*ELIZABETH SPENCER	0.069444%
*FLYING H FAMILY RANCH, LLC	0.112500%
*KANE RESOURCES, LLC	2.343750%
*KATHRYN HOWARD	0.069444%
*ANN MARIE HUGHES	0.023148%
*RICHARD LEE WRIGHT	0.023148%
*CONNOR ISAISH WRIGHT	0.023148%
*MARGERY SPENCER	0.069444%
*ROBERT DEMING SPENCER	0.347222%
*RRIG ENERGY, LLC	2.343750%
*VERONICA LEE SPENCER	0.069444%
*WARD AND VEDA VICKERY HEIRS, LLC	2.083333%
*BIG CEDAR RESOURCES, LLC	0.356250%
AMEREDEV NEW MEXICO, LLC	91.718750%
TOTAL	100.000000%

**Interst Seeking to Force Pool*

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



April 12, 2024

Via Certified Return Receipt Mail

Heirs of ELIZABETH SPENCER PFAU
713 JOREE LANE
SAN RAMON, CA 94582

RE: Pimento Fed Com 26-36-03 117H Well Proposal
Sections 3 and 10
Township 26 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 horizontal well, testing the Wolfcamp formation at applicable lease surface location in Section 3, T26S-36E with bottom hole location in Section 10, T26S-R36E, Lea County, New Mexico (collectively, the “Operation”). The proposed well will fall within a 320.00-acre spacing unit located in Section 3 and 10 of Township 26S, Range 36E, Lea County, NM:

- E2E2 (Pimento Fed Com 26-36-03 #117H)

Proposed Wells:

- 1) Pimento Fed Com 26-36-03 #117H (**API: 30-025-52578**) to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 11,313 feet and a measured depth of 21,964 feet. The surface location for this well is proposed at a legal location in Lot A (UL A) of Section 3, T26S, R36E and a bottom hole location at a legal location in unit letter P of Section 10, T26S-36E. The estimated cost to drill and complete said well is \$13,158,833.85 as shown on the attached authority for expenditure (“AFE”).

Our records indicate that you own a 0.02777778 unleased mineral interest within the SE4SE4 of Section 10, T26S-R36E, which falls within the spacing unit of the Operation. As a mineral interest owner, you have the following options:

- 1) Lease your mineral interest to Ameredev and receive revenues from the Operations as a royalty interest owner. Royalty interest owners are subject to their proportionate share of revenues pursuant to the lease’s royalty rate and are not responsible for any of the costs associated with the drilling and completing of the Operation; or
- 2) Participate in the Operations as a working interest owner. Working interest owners are responsible to pay their proportionate share of expenses with the drilling and completing of the Operation.

In the event you wish to lease your mineral interest, Ameredev hereby offers the following lease terms:

Legal Description:	SE4SE4 of Section 10, T26S-R36E, N.M.P.M Lea County, NM
Mineral Interest:	0.02777778 (1.11111111 net acres)
Bonus:	\$2,000/net acres
Term:	3 years
Royalty Rate:	25%
Lease Form:	Enclosed

Upon acceptance of this lease offer please execute the enclosed Oil, Gas & Mineral Lease in front of a notary public. The following documents are to be returned to the attention of the undersigned:

- 1.) Signed letter indicated acceptance of the aforementioned lease offer
- 2.) Fully executed and notarized Oil, Gas & Mineral Lease Form

3.) Fully executed W-9 form

The terms of this lease offer are subject to confirmation of record title ownership and may be rescinded at any time. The lease offer shall expire on **Sunday, May 12th, 2024.**

In the event you choose to participate in the Operation as a working interest owner, Ameredev proposes the Operation to be governed by the 2015 Horizontal AAPL Form 610 Operating Agreement (“OA”) with the following terms:

- Contract Area consisting of the following all in Sections 3 and 10 of Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico, with Ameredev listed as the Operator (“Contract Area”):
 - E2E2
- 100%/300%/300% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Please indicate your election on the following page and return the executed letter to the attention of the undersigned. In the interest of time, if we do not reach an agreement within thirty (30) days of the date of this letter, Ameredev will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a horizontal spacing unit for the proposed Operation.

Thank you for your consideration of our proposal. If you have any questions, please contact me at 737-300-4721 or bforteza@ameredev.com. Ameredev looks forward to working with you on this matter.

Sincerely,



Brandon Forteza

This portion shall be completed if you choose to **LEASE** your mineral interest:

The undersigned hereby accepts Ameredev's offer to lease its mineral interest per the terms of the letter dated April 12, 2024

Executed this _____ day of _____, 2024.

Name: Heirs of ELIZABETH SPENCER PFAU

This portion shall be completed if you choose to **PARTICIPATE** as a working interest owner:

Election Ballot for the Pimento Fed Com 26-36-03 #117H Well Proposal (AFE# 2024-013)

_____ Heirs of ELIZABETH SPENCER PFAU elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2024-013.

_____ Heirs of ELIZABETH SPENCER PFAU elects to not participate in the proposed Operation.

Executed this _____ day of _____, 2024.

Heirs of ELIZABETH SPENCER PFAU

By:

Its:



Lea County, NM

Pimento Fed Com 26-36-03 117H

**2024-013
Single Well Project
4/11/2024**

Ameredev Operating, LLC
2901 Via Fortuna Suite 600, Austin, TX 78746



Amerdev II, LLC

Company Entity
Amerdev Operating, LLC

Date Prepared
April 11, 2024

AFE Type	Project	Field Name	Cost Center	AFE No.
Capital	Pimento Fed Com 26-36-03 117H	Delaware	40438	2024-013

Location	County	State	Well Type	
SHL: Sec. 3 26S-36E 160' FNL & 794' FEL BHL: Sec. 10 26S-36E 50' FSL & 720' FEL	Lea	NM	Oil	Prod

Estimate Type	Start Date	Completion Date	Formation	MD
Original	July 1, 2024	December 1, 2024	Wolfcamp A	21,964'
				TVD
				11,313'

Project Description
 Drill ~10,000' Wolfcamp lateral. Complete with ~2200 PPF. Drill out plugs and run tubing with gas lift. Tie in to the Firethorn Central Tank Battery. This well will flow to a new satellite.

Total Cost	\$13,158,833.85
-------------------	------------------------

Comments on Associated Costs
 Included costs for satellite pad if well goes through a satellite. This is split respectively on the number of wells that are going through the satellite.

Comments on AFE
 The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory, and well costs under term of the joint operating agreement, regulatory order, or other applicable agreement covering this well.

Well Control Insurance
 Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.
 Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$250,000 (100% W.I.) retention.

Marketing Election
 Ameredev sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Ameredev, you will be subject to all of the terms of such contracts. Upon written request to Ameredev, we will share with you the terms and conditions pursuant to which gas will be sold.

I elect to take my gas in kind.
 I elect to market my gas with Ameredev pursuant to the terms and conditions of its contracts.

Joint Interest Approval

Company	Approved By	Date



Single Well Project

Pimento Fed Com 26-36-03 117H Delaware

Intangibles	Code	Drilling	Geology	Dry Hole Cost	Stimulation	Post Completion	Const / Facilities	Production	Workover	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	4	\$ 46,924.56	\$ -	\$ 46,924.56	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,924.56
EASEMENT, ROW, AND ACQUISITION	6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,637.57	\$ -	\$ -	\$ 55,637.57	\$ 55,638
ROAD / LOCATION PREP / RESTORATION	8	\$ -	\$ -	\$ -	\$ 32,565.88	\$ -	\$ 240,942.67	\$ -	\$ -	\$ 273,508.55	\$ 273,509
DRILLING RIG	10	\$ 893,000.00	\$ -	\$ 893,000.00	\$ -	\$ 44,400.00	\$ -	\$ -	\$ -	\$ 44,400.00	\$ 937,400
COIL TUBING	12	\$ -	\$ -	\$ -	\$ -	\$ 165,306.75	\$ -	\$ -	\$ -	\$ 165,306.75	\$ 165,307
FUEL	16	\$ 121,837.50	\$ -	\$ 121,837.50	\$ 594,792.50	\$ 21,378.42	\$ -	\$ -	\$ -	\$ 616,170.92	\$ 738,008.42
MUD FUEL	17	\$ 74,100.00	\$ -	\$ 74,100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,100.00
TRAILER, CAMP, AND CATERING	18	\$ 54,000.00	\$ -	\$ 54,000.00	\$ 11,526.66	\$ 3,750.00	\$ -	\$ -	\$ -	\$ 15,276.66	\$ 69,277
SURFACE RENTALS	24	\$ 149,834.00	\$ -	\$ 149,834.00	\$ 55,847.33	\$ 16,892.00	\$ -	\$ -	\$ -	\$ 72,739.33	\$ 222,573.33
DRILL BITS	28	\$ 114,587.29	\$ -	\$ 114,587.29	\$ -	\$ 3,500.00	\$ -	\$ -	\$ -	\$ 3,500.00	\$ 118,087.29
DOWNHOLE RENTALS	30	\$ 28,531.76	\$ -	\$ 28,531.76	\$ -	\$ 56,000.00	\$ -	\$ -	\$ -	\$ 56,000.00	\$ 84,532
DIRECTIONAL DRILLING	32	\$ 244,921.41	\$ -	\$ 244,921.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,921
COMPOSITE PLUGS	34	\$ -	\$ -	\$ -	\$ 45,900.00	\$ -	\$ -	\$ -	\$ -	\$ 45,900.00	\$ 45,900
TUBING & BHA INSPECT & REPAIR	42	\$ 40,414.88	\$ -	\$ 40,414.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,415
RENTAL TUBING	46	\$ 46,893.18	\$ -	\$ 46,893.18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,893
WELL CONTROL EQUIP / SERVICES	48	\$ 45,317.41	\$ -	\$ 45,317.41	\$ 230,166.62	\$ 25,388.34	\$ -	\$ -	\$ -	\$ 255,554.96	\$ 300,872
MUD AND ADDITIVES	60	\$ 146,221.34	\$ -	\$ 146,221.34	\$ 375,619.30	\$ 13,986.04	\$ -	\$ -	\$ -	\$ 389,605.34	\$ 535,827
FRAC PUMPING CHARGES	61	\$ -	\$ -	\$ -	\$ 2,098,976.00	\$ -	\$ -	\$ -	\$ -	\$ 2,098,976.00	\$ 2,098,976
WATER RIGHTS / TRANSFER / STORAGE	62	\$ 39,925.00	\$ -	\$ 39,925.00	\$ 511,528.44	\$ -	\$ 97,717.18	\$ -	\$ -	\$ 609,245.62	\$ 649,171
SOLIDS CONTROL EQUIP / SERVICES	66	\$ 93,009.90	\$ -	\$ 93,009.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,010
MUD / FLUIDS DISPOSAL CHARGES	68	\$ 152,370.82	\$ -	\$ 152,370.82	\$ 4,500.00	\$ 28,865.27	\$ -	\$ -	\$ -	\$ 33,365.27	\$ 185,736
CASING CREWS	70	\$ 59,226.89	\$ -	\$ 59,226.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,227
CEMENTING	72	\$ 298,276.33	\$ -	\$ 298,276.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298,276
MOBILIZE & DEMOBILIZE	86	\$ 211,380.01	\$ -	\$ 211,380.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,380
SUPERVISION / COMPANY	92	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
SUPERVISION / CONTRACT	94	\$ 68,400.00	\$ -	\$ 68,400.00	\$ 74,250.00	\$ 18,230.00	\$ 52,500.00	\$ -	\$ -	\$ 144,980.00	\$ 213,380
ENGINEERING / CONSULTANT	102	\$ 109,683.27	\$ -	\$ 109,683.27	\$ -	\$ -	\$ 9,000.00	\$ -	\$ -	\$ 9,000.00	\$ 118,683.27
CONTRACT ROUSTABOUT	103	\$ 16,091.15	\$ -	\$ 16,091.15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,091
CONTRACT LANDWORK / SURVEY	114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,666.67	\$ -	\$ -	\$ 53,666.67	\$ 53,666.67
NONDESTRUCTIVE WELD TESTING	118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,122.67	\$ -	\$ -	\$ 6,122.67	\$ 6,122.67
CONSTRUCTION LABOR	120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,091.67	\$ -	\$ -	\$ 33,091.67	\$ 33,091.67
REGULTRY / ENVIRON CONSULTANT	122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,500.00	\$ -	\$ -	\$ 6,500.00	\$ 6,500.00
SAFETY AND EMERGENCY RESPONSE	124	\$ 3,800.00	\$ -	\$ 3,800.00	\$ 80,694.16	\$ 21,700.86	\$ -	\$ -	\$ -	\$ 102,395.01	\$ 106,195
PAINTING / INSULATION	128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,420.00	\$ -	\$ -	\$ 16,420.00	\$ 16,420.00
WELDING & MATERIALS	138	\$ 2,769.20	\$ -	\$ 2,769.20	\$ -	\$ -	\$ 18,985.00	\$ -	\$ -	\$ 18,985.00	\$ 21,754.20
GASLIFT / FLOW LINE CONSTRUCTION	144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,063.57	\$ -	\$ -	\$ 44,063.57	\$ 44,063.57
ENVIRONMENTAL / PERMITTING	172	\$ 10,500.00	\$ -	\$ 10,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,500.00
LEGAL / REGULATORY	182	\$ 4,960.00	\$ -	\$ 4,960.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,960.00
FLOW TESTING / EQUIP	194	\$ -	\$ -	\$ -	\$ -	\$ 66,706.46	\$ -	\$ -	\$ -	\$ 66,706.46	\$ 66,706.46
MUD LOGGING	198	\$ -	\$ 23,560.00	\$ 23,560.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,560
WIRELINE / PERF / PUMPDOWN COSTS	200	\$ -	\$ -	\$ -	\$ 603,024.69	\$ 13,000.00	\$ -	\$ -	\$ -	\$ 616,024.69	\$ 616,025
SECONDARY CONTAINMENT	254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,097.14	\$ -	\$ -	\$ 7,097.14	\$ 7,097
OVERHEAD POWER	256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,034.00	\$ -	\$ -	\$ 53,034.00	\$ 53,034
FACILITY ELECTRIC & AUTOMATION	258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,199.00	\$ -	\$ -	\$ 226,199.00	\$ 226,199
ELECTRICAL	296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,600.00	\$ -	\$ -	\$ 61,600.00	\$ 61,600.00
TRANSPORTATION	326	\$ 97,000.00	\$ -	\$ 97,000.00	\$ -	\$ 9,630.00	\$ 5,333.33	\$ -	\$ -	\$ 14,963.33	\$ 111,963.33
VACUUM TRUCK	328	\$ 7,831.74	\$ -	\$ 7,831.74	\$ 2,000.00	\$ 25,255.19	\$ -	\$ -	\$ -	\$ 27,255.19	\$ 35,086.93
TRANSPORTATION / GATHERING EXP	378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240.94	\$ -	\$ -	\$ 240.94	\$ 240.94
Sub Total		\$ 3,213,231.63	\$ 23,560.00	\$ 3,236,791.63	\$ 4,721,391.58	\$ 533,989.32	\$ 988,151.40	\$ -	\$ -	\$ 6,243,532.30	\$ 9,480,323.93
CONTINGENCY 3.00%		\$ 96,396.95	\$ 706.80	\$ 97,103.75	\$ 141,641.75	\$ 16,019.68	\$ 29,644.54	\$ -	\$ -	\$ 187,305.97	\$ 284,409.72
TAX 6.25%		\$ 200,826.98	\$ 1,472.50	\$ 202,299.48	\$ 295,086.97	\$ 33,374.33	\$ 61,759.46	\$ -	\$ -	\$ 390,220.77	\$ 592,520.25
Total Intangible Cost		\$ 3,510,455.55	\$ 25,739.30	\$ 3,536,194.85	\$ 5,158,120.30	\$ 583,383.34	\$ 1,079,555.41	\$ -	\$ -	\$ 6,821,059.04	\$ 10,357,253.90

Tangibles	Code	Drilling	Geology	Dry Hole Cost	Stimulation	Post Completion	Const / Facilities	Production	Workover	After Casing Point Cost	Total Cost
CASING / LINER / FLOAT EQUIPMENT	74	\$ 64,500.00	\$ -	\$ 64,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,500.00
SURFACE CASING	210	\$ 107,050.00	\$ -	\$ 107,050.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,050
INTERMEDIATE CASING	212	\$ 426,198.08	\$ -	\$ 426,198.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426,198
PRODUCTION CASING	216	\$ 1,000,679.05	\$ -	\$ 1,000,679.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,679
TUBING	217	\$ -	\$ -	\$ -	\$ -	\$ 110,951.47	\$ -	\$ -	\$ -	\$ 110,951.47	\$ 110,951
WELLHEAD / TREE / CHOKES	218	\$ 105,451.12	\$ -	\$ 105,451.12	\$ -	\$ 187,605.07	\$ -	\$ -	\$ -	\$ 187,605.07	\$ 293,056.20
ISOLATION PACKER	222	\$ -	\$ -	\$ -	\$ -	\$ 13,959.09	\$ -	\$ -	\$ -	\$ 13,959.09	\$ 13,959.09
DOWNHOLE LIFT EQUIPMENT	234	\$ -	\$ -	\$ -	\$ -	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 12,000.00	\$ 12,000
TANK BATT / PROCESS EQUIP / MAINT	236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,000.00	\$ -	\$ -	\$ 154,000.00	\$ 154,000
LINE PIPE	238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,503.33	\$ -	\$ -	\$ 37,503.33	\$ 37,503
FLOW LINE (PIPE WH TO FACILITY)	266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,966.67	\$ -	\$ -	\$ 54,966.67	\$ 54,967
PIPELINE TO SALES	270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,410.00	\$ -	\$ -	\$ 106,410.00	\$ 106,410
METERS AND METERING EQUIPMENT	274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,033.33	\$ -	\$ -	\$ 120,033.33	\$ 120,033
VALVES, FITTINGS, PROD INSTRUM	282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,068.02	\$ -	\$ -	\$ 63,068.02	\$ 63,068
Sub Total		\$ 1,703,878.26	\$ -	\$ 1,703,878.26	\$ -	\$ 324,515.63	\$ 535,981.35	\$ -	\$ -	\$ 860,496.98	\$ 2,564,375.24
CONTINGENCY 3.00%		\$ 51,116.35	\$ -	\$ 51,116.35	\$ -	\$ 9,735.47	\$ 16,079.44	\$ -	\$ -	\$ 25,814.91	\$ 76,931.26
TAX 6.25%		\$ 106,492.39	\$ -	\$ 106,492.39	\$ -	\$ 20,282.23	\$ 33,498.83	\$ -	\$ -	\$ 53,781.06	\$ 160,273.45
Total Tangible Cost		\$ 1,861,487.00	\$ -	\$ 1,861,487.00	\$ -	\$ 354,533.33	\$ 585,559.63	\$ -	\$ -	\$ 940,092.95	\$ 2,801,579.95
Total Cost		\$ 5,371,942.55	\$ 25,739.30	\$ 5,397,681.85	\$ 5,158,120.30	\$ 937,916.66	\$ 1,665,115.04	\$ -	\$ -	\$ 7,761,152.00	\$ 13,158,833.85

PIMENTO FED COM 26-36-03 117H Contacts

Heirs of ELIZABETH SPENCER PFAU

- 07-08-2024 – email with Molly Pfau Clopp, she is working with her attorney to clear up her mothers estate and will lease to Ameredev - received green card 7/8/2024

FLYING H FAMILY RANCH, LLC

- 4/16/2024 – mailed offer packet, did not receive a green card back
- 6/21/2024 – mailed 2nd packet to different address
- 07/1/2024 – continuing to try to locate – received green card 6/25/2024

KANE RESOURCES, LLC

- Has indicated will participate under force pooling order – received green card 5/6/2024

KATHRYN HOWARD

- 4/16/2024 – mailed offer packet, did not receive a green card back
- 6/21/2024 – mailed 2nd packet to different address
- 07/1/2024 – continuing to try to locate – still pending receipt

ANN MARIE HUGHES

- 4/16/2024 – mailed offer packet, did not receive a green card back

RICHARD LEE WRIGHT

- 4/16/2024 – mailed offer packet, did not receive a green card back
- 6/21/2024 – mailed 2nd packet to different address
- 07/1/2024 – continuing to try to locate
- still pending receipt

CONNOR ISAISH WRIGHT

- 4/16/2024 – mailed offer packet, did not receive a green card back

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. C-5
Submitted by: Ameredev Operating, LLC
Hearing Date: July 11, 2024
Case No. 24604**

PIMENTO FED COM 26-36-03 117H Contacts

- 6/21/2024 – mailed 2nd packet to different address
- 07/1/2024 – continuing to try to locate
- still pending receipt

MARGERY SPENCER

- 4/16/2024 – mailed offer packet, did not receive a green card back
- 6/21/2024 – mailed 2nd packet to different address – RECEIVED green card back
7/2/2024

ROBERT DEMING SPENCER

- 4/16/2024 – mailed offer packet, did not receive a green card back
- 6/21/2024 – mailed 2nd packet to different address
- 07/1/2024 – continuing to try to locate
still pending receipt

RRIG ENERGY, LLC

- Has indicated will participate under force pooling order - received green card
4/18/2024

VERONICA LEE SPENCER

- 4/16/2024 – mailed offer packet, did not receive a green card back
- 6/21/2024 – mailed 2nd packet to different address
- 07/1/2024 – continuing to try to locate
- still pending receipt

WARD AND VEDA VICKERY HEIRS, LLC

- 4/16/2024 – mailed offer packet, did not receive a green card back
- 6/21/2024 – mailed 2nd packet to different address
- 07/1/2024 – continuing to try to locate

BIG CEDAR RESOURCES, LLC

- Has indicated will participate under force pooling order

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

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

CASE NO. 24604

SELF-AFFIRMED STATEMENT OF PARKER FOY

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 (“Division”) as an expert witness in petroleum geology matters. 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 wellbore. 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 well proposed in this spacing unit.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Ameredev Operating, LLC
Hearing Date: August 22, 2024
Case No. 24604**

6. **Ameredev Exhibit D-3** shows a line of cross-section in red consisting of wells penetrating the Wolfcamp formation that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be 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 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 interval is continuous across the entire spacing unit.

8. In my opinion, standup orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is near perpendicular to the maximum horizontal stress of the area.

9. Based on my geologic study, the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing units will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

10. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Ameredev's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

12. 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.



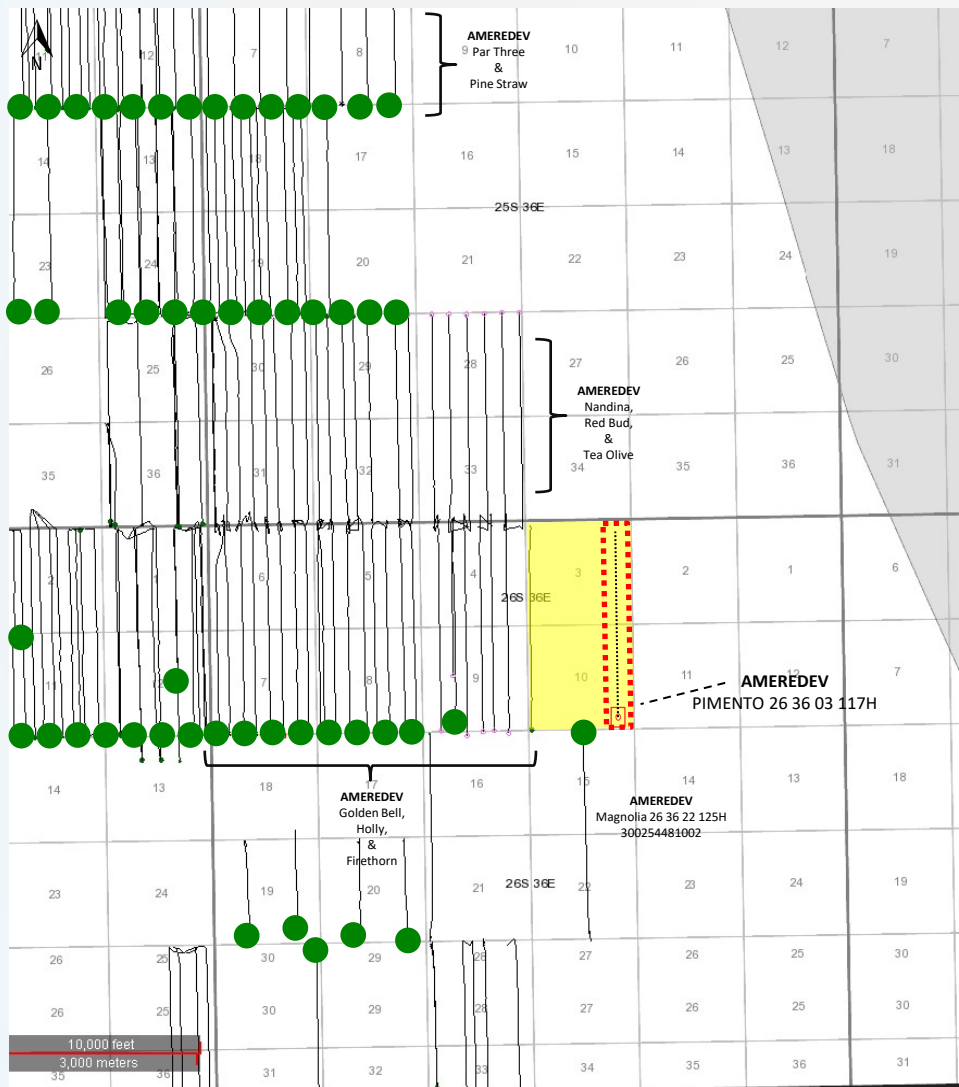
PARKER FOY

7/11/24

Parker Foy

Date

Wolfcamp Pool – Pimento 26 36 03 117H

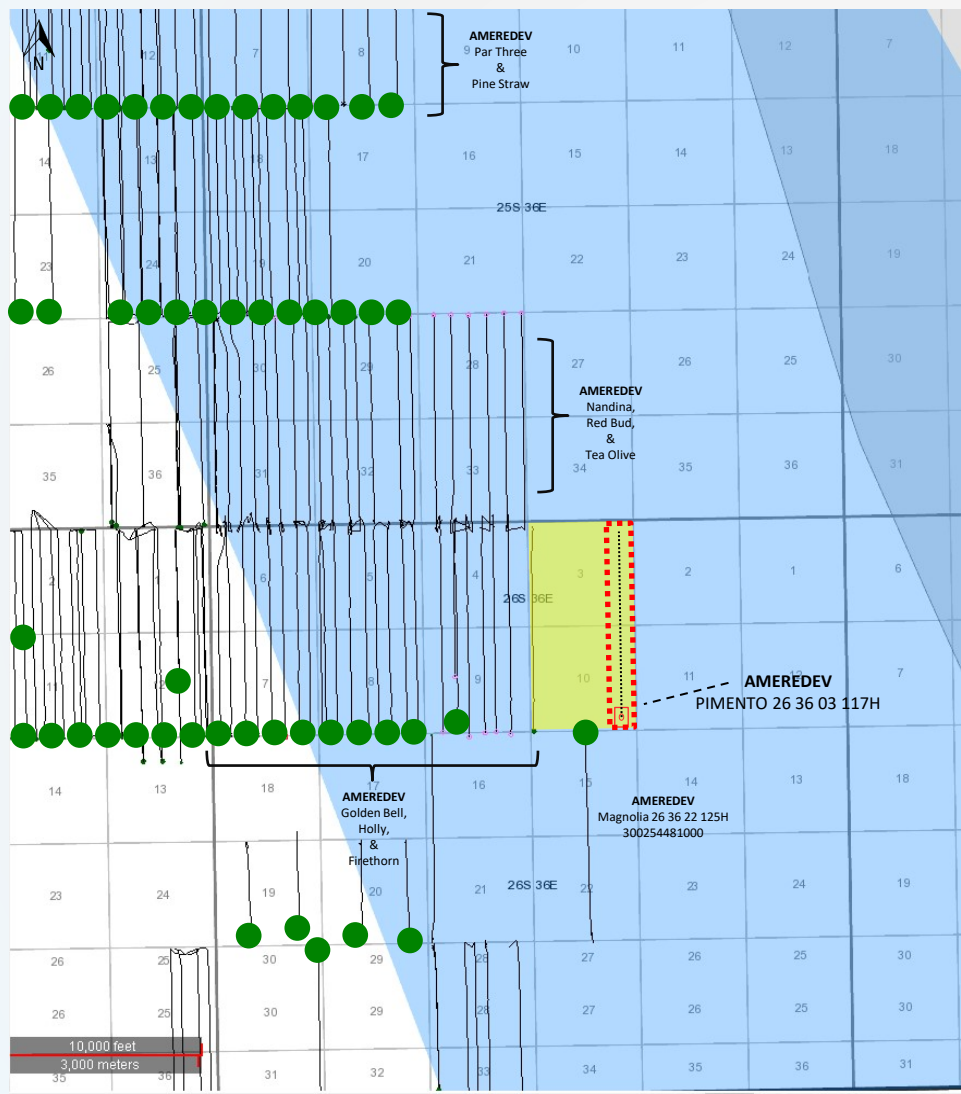


Map Legend

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 22, 2024
 Case No. 24604

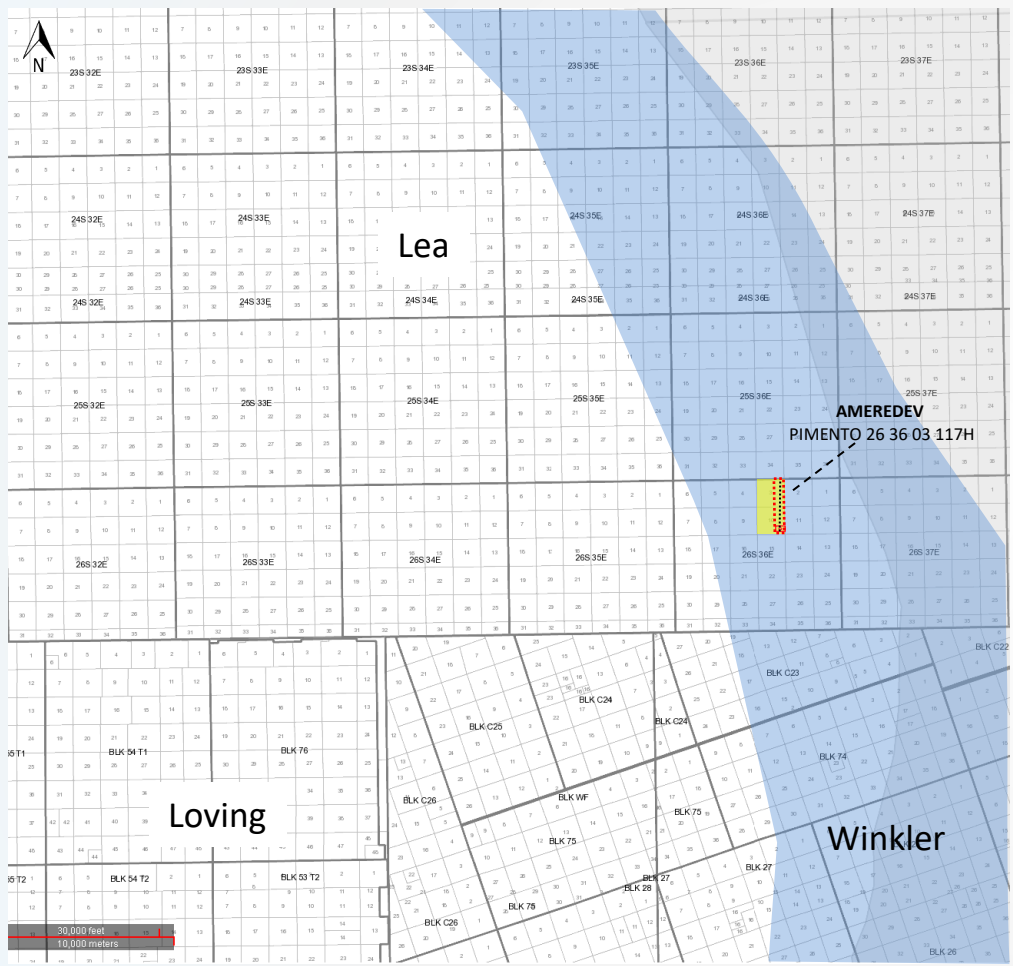
Wolfcamp Pool – Capitan Reef Complex







Map Legend





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

Wolfcamp Pool – Capitan Reef Complex

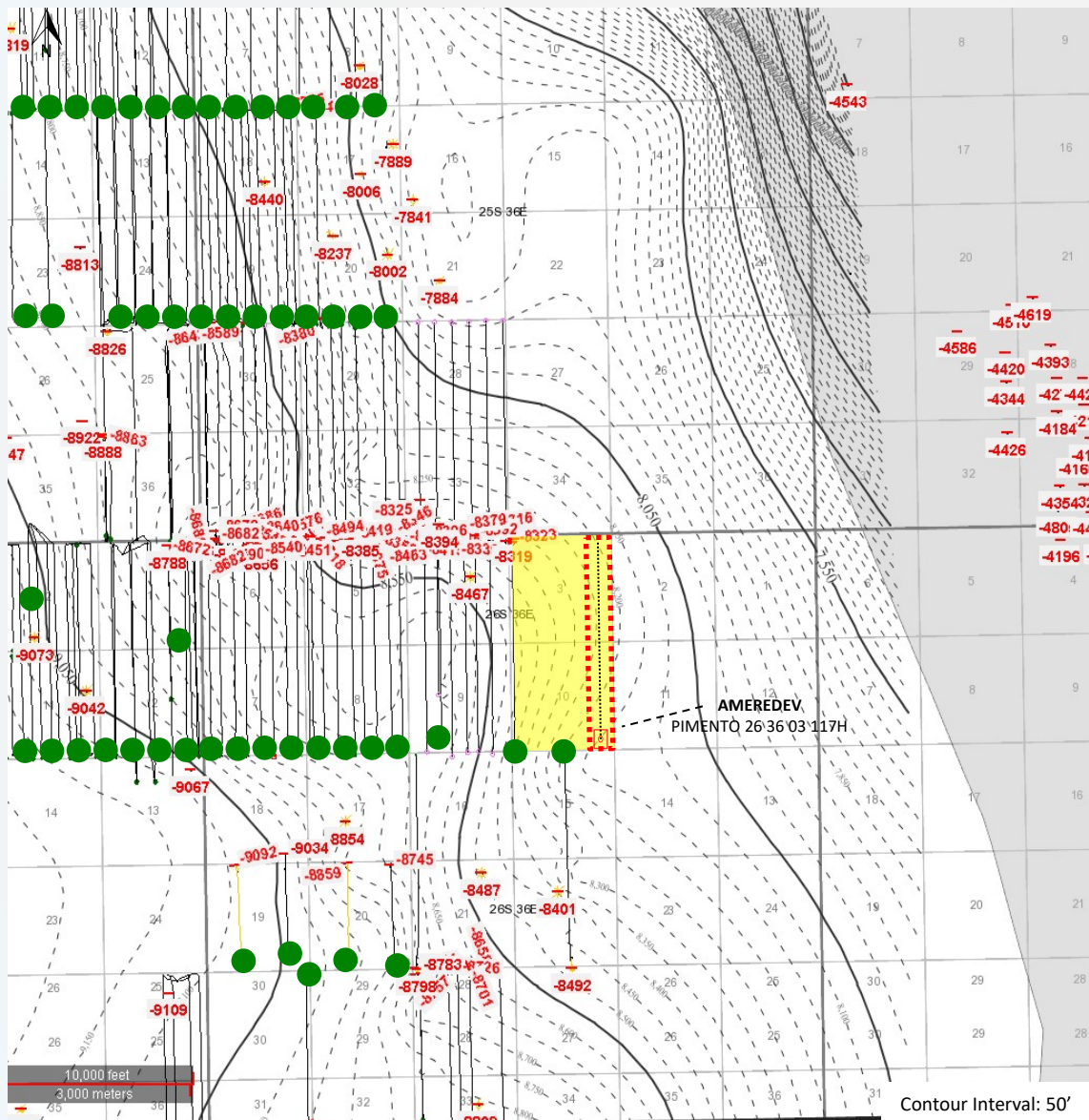


Map Legend

BHL	SHL	
		
		

-  Ameredev WFMP Horizontal Locations
-  Producing WFMP Wells
-  Ameredev Acreage
-  Capitan Reef Complex

Wolfcamp Pool – WFMP Structure Map (Subsea Depth)

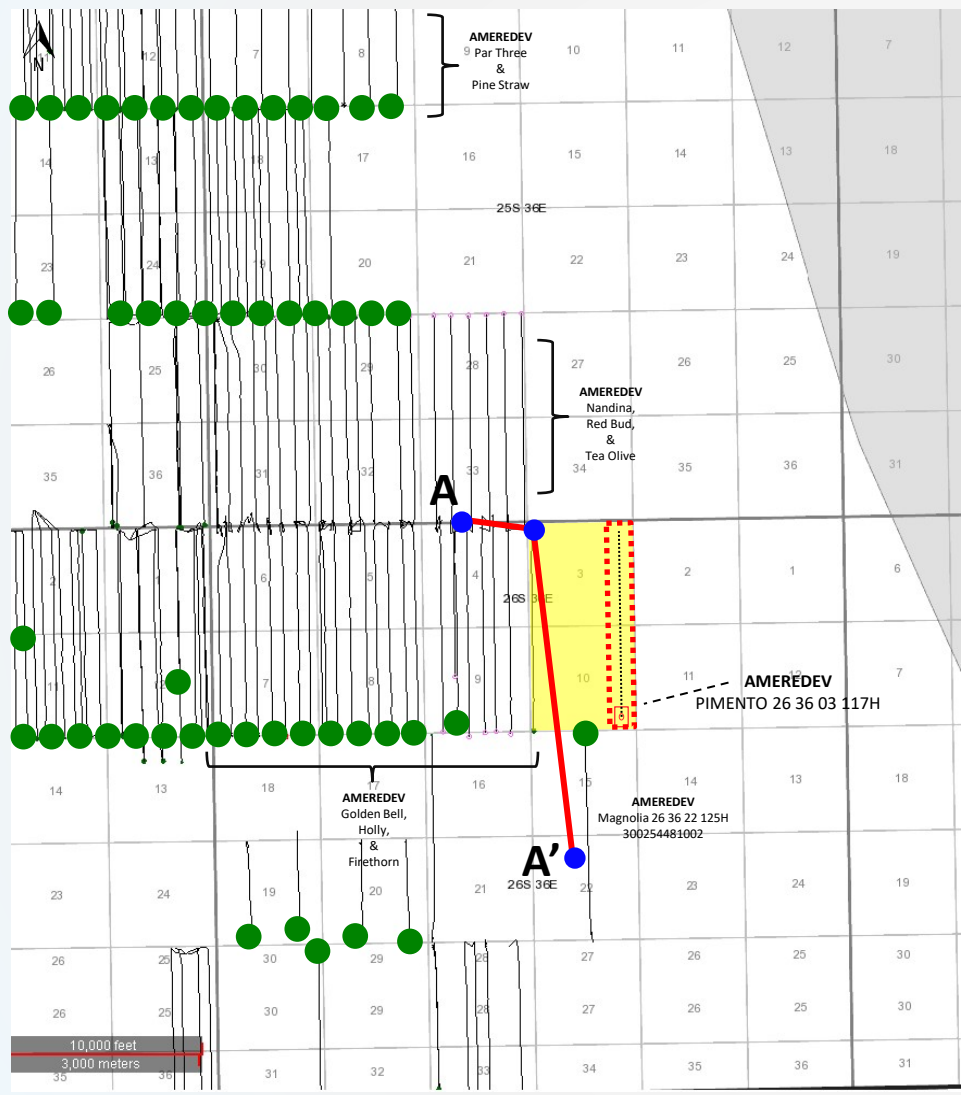


Map Legend

- 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 22, 2024
 Case No. 24604

Wolfcamp Pool – Cross Section Map



Map Legend

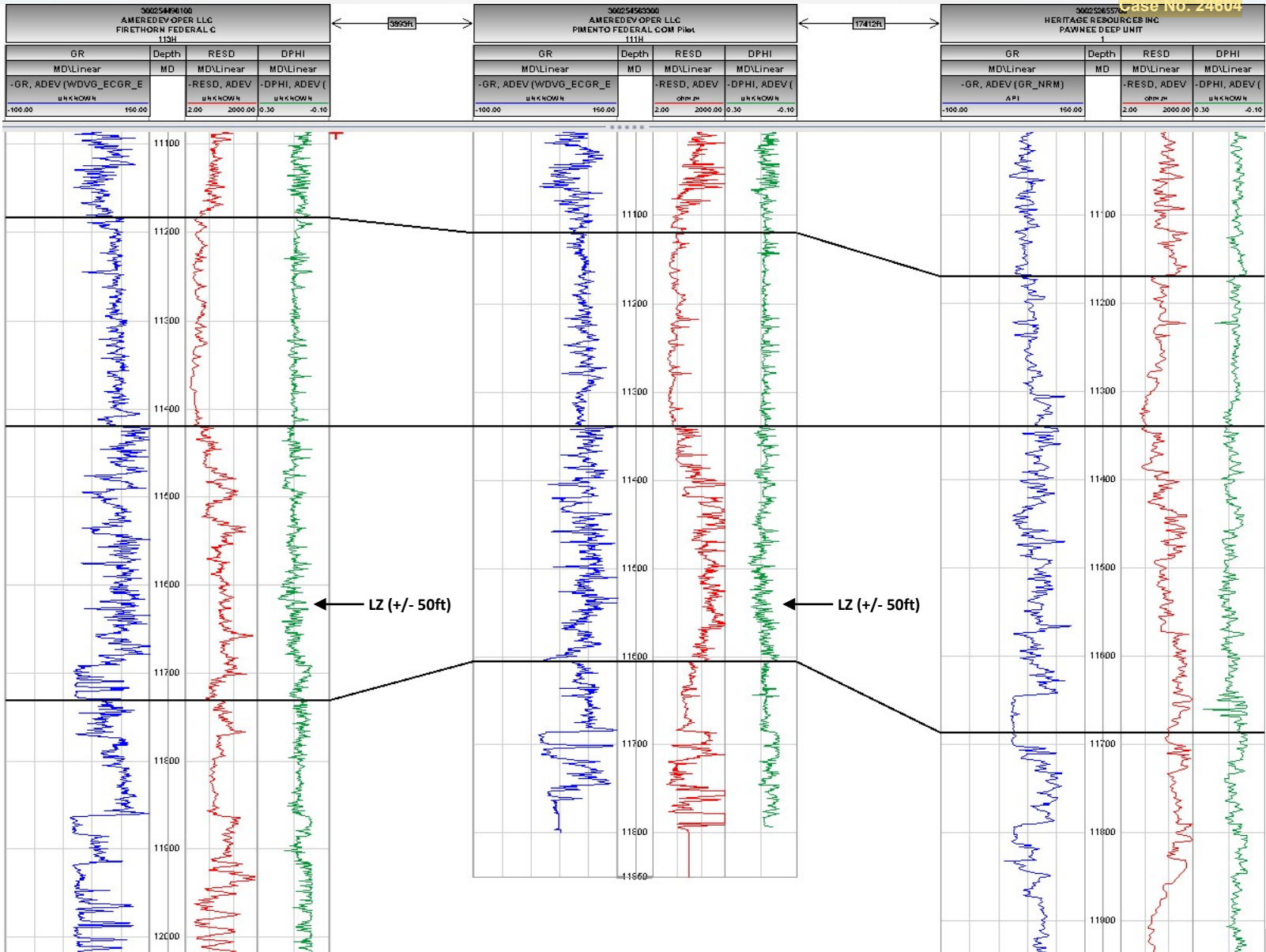
BHL	SHL	Description
		Ameredev WFMP Horizontal Locations
		Producing WFMP Wells
		Cross Section Wells & Transect
		Ameredev Acreage

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-3
 Submitted by: Ameredev Operating, LLC
 Hearing Date: August 22, 2024
 Case No. 24604

Wolfcamp Pool - Stratigraphic Cross Section

A

A'



**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. 24604

**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 matter 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 locatable 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 August 12, 2024.

5. I caused a notice to be published to the parties subject to this compulsory pooling proceeding. The affidavit of publication from the publication’s legal clerk with a copy of the notices of publication is attached herein.

6. 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.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. E
Submitted by: Ameredev Operating, LLC
Hearing Date: August 22, 2024
Case No. 24604**



Paula M. Vance

8/14/2024

Date



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

August 2, 2024

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: Pimento Fed Com 26 36 03 117H Well

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 22, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the 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

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

Postal Delivery Report

9414811898765463838423	Ann Marie Hughes	1106 S Walnut St	Seneca	SC	29678-4430	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765463838409	Big Cedar Resrouces, LLC	3936 Spyglass Rd	Oklahoma City	OK	73120-8860	Your item arrived at the OKLAHOMA CITY, OK 73120 post office at 10:00 am on August 11, 2024 and is ready for pickup.
9414811898765463838492	Connor Isaish Wright	460 Glenn Ferry Rd	Fair Play	SC	29643-2814	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765463838447	Elizabeth Spencer	713 Joree Ln	San Ramon	CA	94582-3202	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765463838485	Flying H Family Ranch, LLC	PO Box 5148	Edmond	OK	73083-5148	Your item arrived at the EDMOND, OK 73013 post office at 10:21 am on August 10, 2024 and is ready for pickup.
9414811898765463838430	Heirs Of Elizabeth Spencer PFAU	713 Joree Ln	San Ramon	CA	94582-3202	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Ameredev - Pimento 117H - Case no. 24604
Postal Delivery Report

9414811898765463838478	Kane Resources, LLC	PO Box 471096	Fort Worth	TX	76147-1096	Your item has been delivered and is available at a PO Box at 9:43 am on August 6, 2024 in FORT WORTH, TX 76147.
9414811898765463838515	Kathryn Howard	205 S Eaton St	Lakewood	CO	80226-2332	Your item was delivered to an individual at the address at 12:13 pm on August 5, 2024 in DENVER, CO 80226.
9414811898765463838553	Margery Spencer	752 SE Fairwinds Loop	Vancouver	WA	98661-8087	Your item was delivered to an individual at the address at 3:02 pm on August 6, 2024 in VANCOUVER, WA 98661.
9414811898765463838560	Richard Lee Wright	460 Glenn Ferry Rd	Fair Play	SC	29643-2814	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765463838508	Robert Deming Spencer	5875 Logwood Rd	Westlake Village	CA	91362-4113	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Ameredev - Pimento 117H - Case no. 24604
Postal Delivery Report

9414811898765463838546	Rrig Energy, LLC	6600 Hawks Creek Ave Ste 101	Westworth Village	TX	76114-4056	Your item was delivered to the front desk, reception area, or mail room at 11:59 am on August 6, 2024 in FORT WORTH, TX 76114.
9414811898765463838539	Veronica Lee Spencer	7312 E 4th Ave	Spokane Valley	WA	99212-0505	Your item was returned to the sender on August 6, 2024 at 2:39 pm in SPOKANE, WA 99212 because the addressee was not known at the delivery address noted on the package.
9414811898765463838577	Ward And Veda Vickery Heirs, LLC	11415 E Fairfax St	Wichita	KS	67226-0109	Your item was picked up at the post office at 9:28 am on August 10, 2024 in WICHITA, KS 67207.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

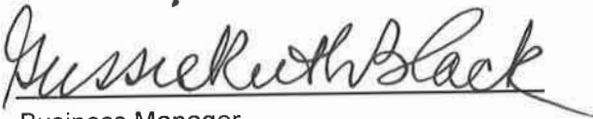
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated August 06, 2024 and ending with the issue dated August 06, 2024.



Publisher

Sworn and subscribed to before me this 6th day of August 2024.



Business Manager

My commission expires January 29, 2027

(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
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COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
August 6, 2024

Case No. 24604: Application of Ameredev Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Ann Marie Hughes; Big Cedar Resources, LLC; Connor Isaish Wright; Elizabeth Spencer; Flying H Family Ranch, LLC; Heirs Of Elizabeth Spencer PFAU; Kane Resources, LLC; Kathryn Howard; Margery Spencer; Richard Lee Wright; Robert Deming Spencer; Rrig Energy, LLC; Veronica Lee Spencer; Ward And Veda Vickery Heirs, LLC. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on August 22, 2024, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. 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 Wolfcamp formation underlying the E/2 E/2 of Sections 3 and 10, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev seeks to initially dedicate the above-referenced spacing unit to the proposed **Pimento Fed Com 26-36-03 117H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3, a first take point from the NE/4 NE/4 (Unit A) of Section 3, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10. Also, to be considered will be the cost of drilling and completing the well 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles southwest of Jal, New Mexico.
#00293051

67100754

00293051

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. F
Submitted by: Ameredev Operating, LLC
Hearing Date: August 22, 2024
Case No. 24604