

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING SEPTEMBER 12, 2024**

**CASE NO. 24701**

*NANDINA FED COM 25 36 31 #71H 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. 24701**

**TABLE OF CONTENTS**


- **Ameredev Exhibit A:** Compulsory Pooling Application Checklist
- **Ameredev Exhibit B:** Application of Ameredev Operating, LLC
- **Ameredev Exhibit C:** Self-Affirmed Statement of Lizzy Laufer, Landman
  - Ameredev Exhibit C-1: C-102
  - Ameredev Exhibit C-2: Land Tract Map
  - Ameredev Exhibit C-3: Ownership Breakdown
  - Ameredev Exhibit C-4: Sample Well Proposal Letters with AFE & Lease Offers
  - Ameredev Exhibit C-5: Chronology of Contacts
- **Ameredev Exhibit D:** Self-Affirmed Statement 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
- **Ameredev Exhibit E:** Self-Affirmed Statement of Notice
- **Ameredev Exhibit F:** Affidavit of Publication

# COMPULSORY POOLING APPLICATION CHECKLIST

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

<b>Case: 24701</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>September 12, 2024</b>
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	Nandina
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code (Only if NSP is requested):	WC-025 G-08 S263620C; LWR BONE SPRING [98150]
Well Location Setback Rules (Only if NSP is Requested):	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640.4
Building Blocks:	40 acres
Orientation:	Standup
Description: TRS/County	Lots 1-4 and the E/2 W/2 (W/2 equivalent) of irregular Sections 30 and 31, Township 25 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
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	The completed interval of the <b>Nandina Fed Com 25 36 31 71H</b> well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.
Proximity Defining Well: if yes, description	See above
Applicant's Ownership in Each Tract	<b>BEFORE THE OIL CONSERVATION DIVISION</b> Santa Fe, New Mexico Exhibit No. A
<b>Well(s)</b>	Submitted by: Ameredev Operating, LLC Hearing Date: September 12, 2024 Case No. 24701

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<b><u>Nandina Fed Com 25 36 31 71H</u></b> SHL: 230' FSL, 870' FWL (Lot 4) of irregular Section 31 BHL: 50' FNL, 1,320' FEL (Unit C) of Section 30 Target: Bone Spring Orientation: Standup Completion: Standard Location / Proximity well
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
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	3 parties / Exhibit C-3
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
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
<b>Geology</b>	
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
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	9/5/2024

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. 24701

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 640.4-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4 and the E/2 W/2 (W/2 equivalent) of irregular 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 71H** well, to be horizontally drilled from a surface location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31, a first take point from Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31, to a bottom hole location in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30.
3. The completed interval of the **Nandina Fed Com 25 36 31 71H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

4. Ameredev has sought and been unable to obtain voluntary agreement for the development of these lands from all unleased mineral interest owners in the subject spacing unit.

5. 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 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:  \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
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 640.4-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4 and the E/2 W/2 (W/2 equivalent) of irregular 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 71H** well, to be horizontally drilled from a surface location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31, a first take point from Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31, to a bottom hole location in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30. The completed interval of the **Nandina Fed Com 25 36 31 71H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit. 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 7 miles southwest of Jal, New Mexico.

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. 24701

SELF-AFFIRMED STATEMENT OF LIZZY LAUFER

1. My name is Lizzy Laufer. 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 640.4-acre, more or less, horizontal well spacing unit underlying Lots 1-4 and the E/2 W/2 (W/2 equivalent) of irregular Sections 30 and 31, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev seeks to initially dedicate this Bone Spring spacing unit to the proposed **Nandina Fed Com 25 36 31 71H** well, to be horizontally drilled from a surface location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31, a first take point from Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31, to a bottom hole location in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30.

6. The completed interval of the **Nandina Fed Com 25 36 31 71H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

7. **Ameredev Exhibit C-1** contains the C-102 for the proposed well. The exhibit shows that the well will be assigned to the WC-025 G-08 S263620C; LWR Bone Spring [Pool Code 98150].

8. **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. 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 unit, is also included in the exhibit. Ameredev is seeking to pool the uncommitted interest owners highlighted in yellow.

9. There are no depth severances in the Bone Spring formation.

10. **Ameredev Exhibit C-3** is a sample of the well proposal letter and AFEs, plus 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 \$10,000 per month for drilling and \$1,000 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.

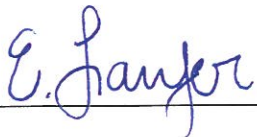
11. **Ameredev Exhibit C-4** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Ameredev has made a good faith effort to locate and has had communications with all locatable parties that it seeks to pool in this case in

an effort to reach voluntary joinder. 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-4** 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.

  
\_\_\_\_\_

Lizzy Laufer

9/3/24  
\_\_\_\_\_

Date

32765884\_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) 748-9270  
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: Ameredev Operating, LLC  
Hearing Date: September 12, 2024  
Case No. 24701

Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

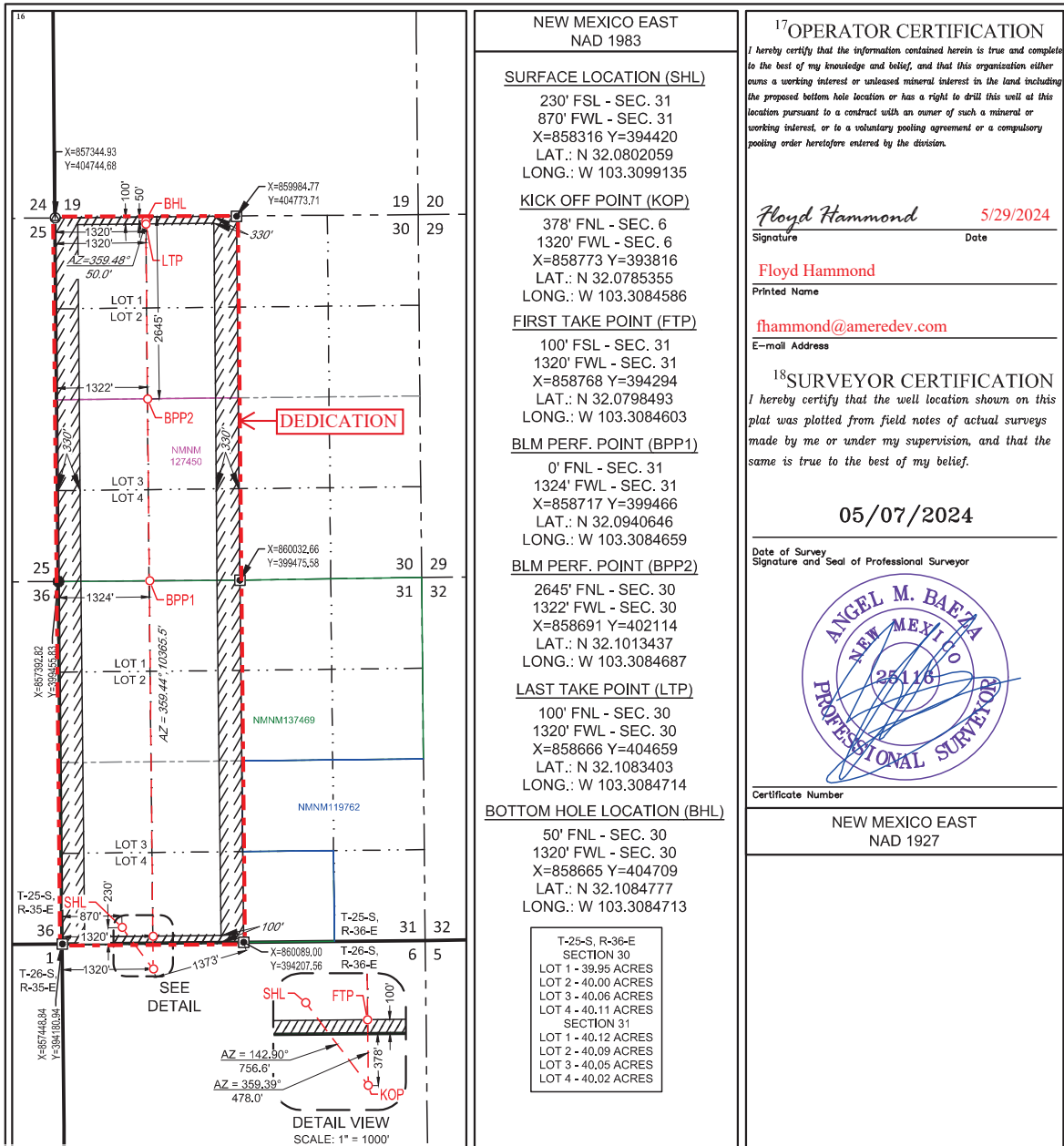
<sup>1</sup> API Number <b>30-025-</b>	<sup>2</sup> Pool Code <b>98150</b>	<sup>3</sup> Pool Name <b>WC-025 G-08 S263620C; LWR BONE SPRING</b>
<sup>4</sup> Property Code <b>322647</b>	<sup>5</sup> Property Name <b>NANDINA 25 36 31 FED COM</b>	
<sup>7</sup> OGRID No. <b>372224</b>	<sup>8</sup> Operator Name <b>AMEREDEV OPERATING, LLC.</b>	<sup>9</sup> Elevation <b>3022'</b>

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>4</b>	<b>31</b>	<b>25-S</b>	<b>36-E</b>	<b>-</b>	<b>230'</b>	<b>SOUTH</b>	<b>870'</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>C</b>	<b>30</b>	<b>25-S</b>	<b>36-E</b>	<b>-</b>	<b>50'</b>	<b>NORTH</b>	<b>1320'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>640.4</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code <b>C</b>	<sup>15</sup> 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)**  
230' FSL - SEC. 31  
870' FWL - SEC. 31  
X=858316 Y=394420  
LAT.: N 32.0802059  
LONG.: W 103.3099135

**KICK OFF POINT (KOP)**  
378' FNL - SEC. 6  
1320' FWL - SEC. 6  
X=858773 Y=393816  
LAT.: N 32.0785355  
LONG.: W 103.3084586

**FIRST TAKE POINT (FTP)**  
100' FSL - SEC. 31  
1320' FWL - SEC. 31  
X=858768 Y=394294  
LAT.: N 32.0798493  
LONG.: W 103.3084603

**BLM PERF. POINT (BPP1)**  
0' FNL - SEC. 31  
1324' FWL - SEC. 31  
X=858717 Y=399466  
LAT.: N 32.0940646  
LONG.: W 103.3084659

**BLM PERF. POINT (BPP2)**  
2645' FNL - SEC. 30  
1322' FWL - SEC. 30  
X=858691 Y=402114  
LAT.: N 32.1013437  
LONG.: W 103.3084687

**LAST TAKE POINT (LTP)**  
100' FNL - SEC. 30  
1320' FWL - SEC. 30  
X=858666 Y=404659  
LAT.: N 32.1083403  
LONG.: W 103.3084714

**BOTTOM HOLE LOCATION (BHL)**  
50' FNL - SEC. 30  
1320' FWL - SEC. 30  
X=858665 Y=404709  
LAT.: N 32.1084777  
LONG.: W 103.3084713

**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.

*Floyd Hammond* 5/29/2024  
Signature Date

**Floyd Hammond**  
Printed Name

[fhammond@amerdev.com](mailto:fhammond@amerdev.com)  
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.

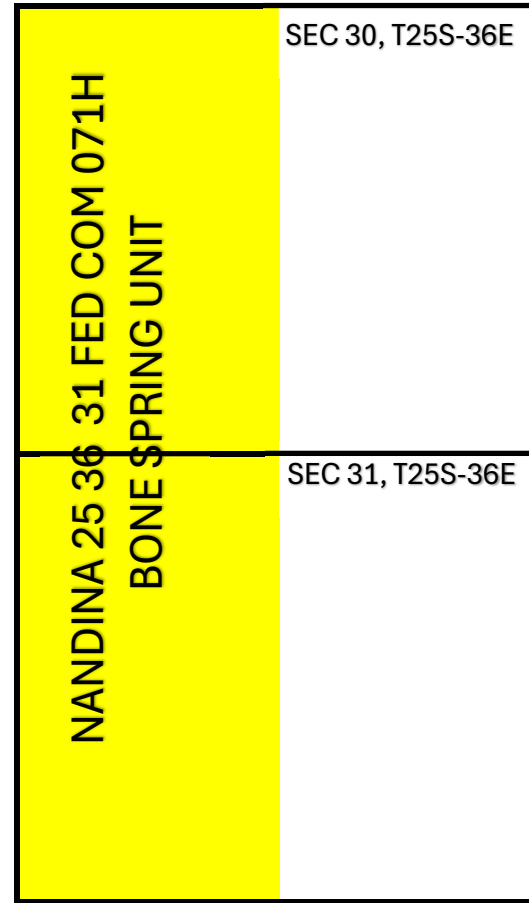
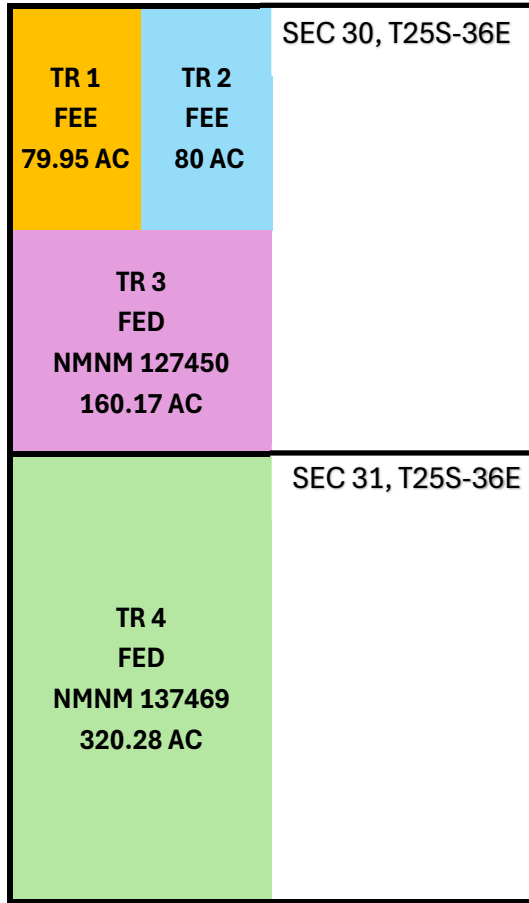
05/07/2024  
Date of Survey

*ANGEL M. BAEZA*  
Signature and Seal of Professional Surveyor

ANGEL M. BAEZA  
NEW MEXICO  
PROFESSIONAL SURVEYOR  
25116

Certificate Number

NEW MEXICO EAST  
NAD 1927



**NANDINA 25 36 31 FED COM 071H- BONE SPRING UNIT**  
 W2 OF SECTIONS 30 & 31, T25S-R36E, LEA COUNTY, NM  
 WELLS INCLUDED IN UNIT: NANDINA FED COM 25 36 31 071H

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. C-2  
 Submitted by: Ameredev Operating, LLC  
 Hearing Date: September 12, 2024  
 Case No. 24701

<b>LEASEHOLD OWNERSHIP IN NANDINA 25 36 31 FED COM 071H- BONE SPRING UNIT W2 OF SECTIONS 30 &amp; 31, T25S-R36E, LEA COUNTY, NM</b>					
<b>PARTY</b>	<b>TR 1</b>	<b>TR2</b>	<b>TR 3</b>	<b>TR 4</b>	<b>UNIT RECAP</b>
AMEREDEV NEW MEXICO LLC	0.12310413	0.12318111	0.25010931	0.50012492	0.99651947
ST. JOSEPH RESIDENCE (UMI)	0.00057220	0.00057256	-	-	0.00114476
HEIRS OR DEVISEES OF DONALD WOODS (UMI)	0.00064734	0.00064774	-	-	0.00129508
NANCY CAROLYN HALEY HEIRS (UMI)	0.00052018	0.00052051	-	-	0.00104069
					<b>1.00000000</b>

<b>PARTIES TO POOL</b>	<b>INTEREST TYPE</b>
<b>ST. JOSEPH RESIDENCE</b> 2450 N. HARVARD AVE TULSA, OK 74115	UMI
<b>HEIRS OR DEVISEES OF DONALD WOODS</b> 1120 E ROXANA ST HOBBS, NM 88240	UMI- UNLOCATABLE
<b>HEIRS OR DEVISEES OF DONALD WOODS</b> Attn: TEMIKA D. WOODS 2200 W NORTHWEST LOOP 323, APT. 615 TYLER, TX 75702	UMI- UNLOCATABLE
<b>NANCY CAROLYN HALEY HEIRS (UMI)</b> NO KNOWN ADDRESS	UMI- UNLOCATABLE

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



Ameredev II, LLC

May 24, 2024

Via Certified Return Receipt Mail Tracking

Heirs or devisees of Donald Woods  
1120 E ROXANA ST  
HOBBS, NM 88240

RE: Nandina Fed Com 25-36-31 71H Well Proposal  
W2 of Sections 30 and 31  
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 horizontal well, testing the Bone Spring formation at a surface hole location in Section 31, T25S-36E and a bottom hole location in Section 30, T25S-R36E, Lea County, New Mexico (collectively, the "Operation"). The proposed well will fall within a 640.00-acre spacing unit limited to the W2 of Sections 30 and 31, T25S-R36E, Lea County, New Mexico.

Proposed Well:

- 1) **Nandina Fed Com 25 36 31 71H** to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 9,800 feet and a measured depth of 20,543 feet. The surface location for this well is proposed at a legal location in Lot 4 (unit letter M) being 230' FSL and 870' FWL of Section 31, T25S, R36E and a bottom hole location at a legal location in unit letter C being 50' FNL and 1320' FWL of Section 30, T25S-R36E. The estimated cost to drill and complete said well is \$11,724,761.32, as shown on the attached authority for expenditure ("AFE").

Our records indicate that you own a 0.5185190% unleased mineral interest within Lots 1 & 2 and E2NW of Section 30, T25S-R36E, limited to the depths from the surface to the base of the Bone Spring formation, 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:

<b>Legal Description:</b>	Lots 1 & 2 and E2NW of Section 30, T25S-R36E, N.M.P.M Lea County, NM limited to the depths from the surface to the base of the Bone Spring Formation. (159.95 gross acres)
<b>Mineral Interest:</b>	0.5185190% (0.829371141)
<b>Bonus:</b>	\$1,000/net acres
<b>Term:</b>	3 years
<b>Royalty Rate:</b>	25%
<b>Lease Form:</b>	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 **Thursday, August 8<sup>th</sup>, 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 W2 of Sections 30 and 31, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico, with Ameredev listed as the Operator ("Contract Area")
- 100%/300%/300% non-consent risk penalties
- \$10,000/\$1,000 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 737-444-2997 or [LLaufer@ameredev.com](mailto:LLaufer@ameredev.com). Ameredev looks forward to working with you on this matter.

Sincerely,



Lizzy Laufer

737-444-2997

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 May 24, 2024.*

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_

Name: Heirs or Devises of Donald Woods

\_\_\_\_\_

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

**Election Ballot for the Nandina Fed Com 25 36 31 71H Well Proposal (AFE# 2024-018)**

\_\_\_\_\_ Heirs or Devises of Donald Woods elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2024-018.

\_\_\_\_\_ Heirs or Devises of Donald Woods elects to not participate in the proposed Operation.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

Heirs or Devises of Donald Woods

\_\_\_\_\_

By:

Its:

Producers 88 Paid Up Revised  
640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE

THIS LEASE is made and entered into May 24, 2024 deemed the Effective Date, between HEIRS OR DEVISEES OF DONALD WOODS, referred to as Lessor, (whether one or more), whose mailing address is \_\_\_\_\_ and Ameredev New Mexico, LLC referred to as Lessee, whose address is 2901 Via Fortuna, Suite 600, Austin, Texas, 78746.

1. Lessor, in consideration of Ten Dollars and other valuable consideration (\$10.00 & OVC), the receipt and sufficiency of which is acknowledged, and for the royalties reserved in this lease, GRANTS, LEASES & LETS, the lands described below, exclusively to Lessee, for the purpose of exploring, drilling, producing and owning, oil, gas and all other minerals produced with them, and conducting all activities necessary and reasonably incident to the exploration for, operations in search of, and production of oil, gas, and other minerals. All of the lands subject to this Lease (referred to as the "land" or the "leased premises") are located in LEA COUNTY, New Mexico and are described as follows:

159.95 acres of land, more or less, being Lots 1 & 2, and East Half of the Northwest Quarter (E/2NW/4) of Section 30, Township 25 South, Range 36 East, N.M.P.M., Lea County New Mexico limited to depths from the surface to the base of the Bone Spring Formation.

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THE INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

For the purpose of determining any bonus or other payments provided for in this Lease, the land shall be deemed to contain 159.95 acres, whether actually containing more or less. A recital of acreage in any tract shall be deemed to be the true acreage in a described tract. Lessor accepts the bonus as lump sum consideration for this Lease and all rights and options it provides.

2. **This is a Paid-Up Lease.** No Payments are due under this Lease during the primary term, except for the payment of royalties. Unless sooner terminated or longer kept in force under any other of its provisions, this Lease shall remain in force for a term of **Three (3)** years from the Effective Date stated above, (the "primary term"), and as long thereafter as operations, as defined in this Lease, are conducted on the land with no cessation for more than ninety (90) consecutive days, or this Lease is maintained by any of its other provisions. If, at the end of the primary term Lessee has drilled and abandoned a well on the Leased premises, or lands pooled with it, this Lease shall not terminate at the end of the primary term, if Lessee, within ninety (90) days of the end of the primary term commences additional operations on the Leased premises, or lands pooled with it, which operations shall be deemed operations during the primary term of this Lease and shall serve to maintain it in full force and effect.

3. Lessor reserves as royalty, and Lessee agrees to pay Lessor as royalty on oil, other liquid hydrocarbons, and non-gaseous materials produced and saved from the leased premises (the "oil"), 25% of the gross amount received by Lessee for the sale of the oil at the time it is run from the storage tanks, or into the pipeline to which the well or wells on the leased premises are connected. In either case, Lessor's interest shall bear the stated part of all taxes. Lessee shall pay Lessor as royalty on gas and casinghead gas produced from the leased premises 25% of the gross amount received by Lessee for the gas if sold at the wellhead, at a location on the leased premises, or on lands with which the leased premises are pooled, with Lessor's share of those proceeds to bear its proportionate share of all taxes. On all other gas, casinghead gas, liquids and all other gaseous substances sold or used off the leased premises or on lands with which the leased premises are pooled or used in the manufacture of gasoline and other products, Lessor shall pay Lessee as royalty 25% of the gross amount received by the Lessee for the gas or other products so sold. For all gas sold, Lessor shall bear its proportionate share of all adjustments for heating content, shrinkage and deductions for impurity.

If, at the expiration of the primary term or any later time or times, there is a well or wells on the land or on lands with which the land are pooled, or unitized, capable of producing oil or gas, and all the wells are shut-in, this Lease shall, nevertheless, continue in force as though operations were being conducted on the land for so long as the wells are shut-in, and Lessee pays the shut-in royalty provided below, and this Lease may be continued in force as if no shut-in had occurred. Lessee agrees to use reasonable diligence to produce, utilize or market the oil and gas capable of being produced from the wells, but in the exercise of

diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator and lease tank, shall not be required to settle labor trouble, or to market oil or gas on terms unacceptable to Lessee.

If, at any time after the expiration of the primary term of this Lease, all the wells, oil or gas, on the leased premises, or lands pooled with it, are shut-in and this Lease is not maintained in effect, Lessee shall pay or tender, by its check or draft, as shut-in royalty, an amount equal to One Hundred Dollars (\$100.00) for each acre of land then covered by this Lease (the "shut-in royalty") on or before the end of each 12 month period during which all wells on the leased premises, or lands pooled with it, are shut-in and oil or gas is not being produced, sold, or used and this Lease is not otherwise being maintained. **In no event shall any such shut-in royalty period run for a period of time or times, or from time to time in excess of three (3) years in the aggregate.**

Each payment or tender shall be made to the parties, who at the time of payment, would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be made directly to each party entitled to a payment, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive payments, Lessee may, at its election, in lieu of any other method of payment, pay or tender the shut-in royalty, in the manner specified above, either jointly to the parties or separately to each in accordance with their respective ownership. Any payment may be made by Lessee's check or draft, deposited in the mail or delivered to the party entitled to receive payment, on or before the last date for payment. Lessee's failure to pay, or tender, or to properly pay or tender any sum due as shut-in royalty shall render Lessee liable for the amount due, and shall operate to terminate this lease. Nothing shall impair Lessee's right to deliver a release as provided in paragraph 5 below. In the event of an assignment of this Lease, in whole or in part, liability for any payments of any sums which may be due under this Lease shall rest exclusively with on the then owner or owners of this Lease, severally, as to the acreage owned by each, and the original Lessee, or an assignee will have no obligation for royalties payable after an assignment to a subsequent or successor lessee or assignee.

4. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Spacing units (for vertical wells) or project areas (for horizontal wells) pooled hereunder shall not exceed the spacing unit or project area fixed by law, from time to time during the term hereof, or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent (10%). Lessee shall file written unit or project area designations in the county in which the premises are located and such units or project areas may be designated from time to time and either before or after the completion of wells. Operations (including, but not limited to, drilling operations) on or production from any part of any such unit or project area shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease, including, for a horizontal well, those cases in which the location of the well site tract for such well is not located on the leased premises or on any other lands included within the project area for such well. There shall be allocated to the land covered by this lease included in any such unit or project area that portion of the total production of pooled minerals from wells in the unit or project area, after deducting any used in lease or unit (or project area) operations, which the net oil or gas acreage in the land covered by this lease included in the unit or project area bears to the total number of surface acres in the unit or project area. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit or project area in the same manner as though produced from said land under the terms of this lease. Any pooled unit or project area designated by Lessee, as provided herein, may be amended or dissolved by Lessee, in whole or in part, at any time and from time to time, by recording an appropriate instrument in the County where the land is situated. As used in this lease, the term "horizontal well" shall mean a well containing a single lateral that is drilled in a manner in which the horizontal component of the completion interval extends at least one hundred (100) feet in the objective formation and which exceeds the vertical component of the completion interval in the objective formation. A horizontal well may have more than one lateral as long as each lateral component meets the above requirements for a single lateral. As used in this lease, the term "lateral" shall mean that portion of the well bore that deviates from approximate vertical orientation to approximate horizontal orientation and the remainder of the well bore beyond such deviation to the end of the well bore. A "vertical well" is a well other than a horizontal well.

For the purpose of computing the royalties to which owners of royalties and payments out of production shall be entitled on production of oil and/or gas from a pooled unit, there shall be allocated to the land covered by this Lease and included in a unit (or to each separate tract within the unit if this Lease covers separate tracts within the unit) a pro rata portion of the oil and/or gas, produced from the pooled unit after deducting that used for operations on the Lease or pooled unit. The allocation shall be on an acreage basis; i.e. there shall be allocated to the acreage covered by this Lease and included in the pooled unit (or to each separate tract within the unit if this Lease covers separate tracts within the unit) that pro rata portion of the oil and/or gas, produced from the pooled unit which the number of surface acres covered by this Lease (or in each separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties shall be computed on the portion of the production, whether it be oil or gas, allocated to the land covered by this Lease and included in the unit just as though the production were from the land. The production from an oil well will be considered as production from the Lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and, production from a gas well will be considered as production from the Lease or gas pooled unit from which it is producing and not from an oil pooled unit.

The formation of any unit shall not have the effect of changing the ownership of any shut-in royalty which may become payable under this Lease. If this Lease now or later covers separate tracts, no pooling or unitization of royalty interest as between any separate tracts is intended or shall be implied or result merely from the inclusion of the separate tracts within this Lease, but Lessee shall nevertheless have the right to pool, as provided above, with the consequent allocation of production as provided above. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or later, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may, at any time and from time to time, execute and deliver to Lessor, or file for record, a release or releases of this Lease as to all or any part of the land or of any mineral, depth, or horizon under the land, and immediately be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this Lease the word "operations" shall mean operations for any of the following: drilling; testing; completing; reworking; recompleting; deepening; plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals; or production of oil, gas, or other mineral, in commercial quantities.

7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells. Lessee shall have the right, at any time, to remove all machinery and fixtures placed on the land, including the rights to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on the land, without the consent of Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on the land.

8. The rights and estate of any party to this Lease may be assigned from time to time, in whole or in part, and as to any minerals, depths, or horizons. All of the covenants, obligations, and considerations of this Lease shall extend to and be binding on the parties to this Lease, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of the land, royalties, or other moneys, or any part of them, however affected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurements of production. Notwithstanding any other actual or constructive knowledge or notice to Lessee, its successors or assigns, no change or division in the ownership or the land, the royalties, other moneys, or the right to receive the same, however effected, shall be binding on the then record owner of this Lease until thirty (30) days after there has been furnished to the record owner at its principal place of business, by Lessor or Lessor's heirs, successors, or assigns, notice of the change or division of ownership, supported by either originals or certified copies of the instruments which have been properly filed for record which evidence the change or division of ownership, and of any applicable court records and proceedings, transcripts, or other documents necessary, in the opinion of the record owner, to establish the validity of the change or division of ownership. If any change in ownership occurs by reason of the death of the owner, Lessee may nevertheless pay or tender the royalties, other monies, or any part of them, to the credit of the decedent.

9. In the event Lessor considers Lessee has not complied with all its obligations under this Lease, either express or implied, Lessor shall notify Lessee in writing, setting out specifically how Lessee is claimed to have breached this Lease. Lessee shall then have thirty (30) days after receipt of the notice within which to meet or commence to meet all or any part of the claimed breaches alleged by Lessor. The service of the notice shall be a mandatory precedent to Lessor bringing any action, for any cause, and no action shall be brought until thirty (30) days after service of Lessor's notice on Lessee. Neither the service of the notice, nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform its obligations under the terms of this Lease. If this Lease is cancelled or terminated for any cause, it shall nevertheless remain in force and effect as to: (1) sufficient acreage around each well on which there are operations to constitute a drilling or maximum allowable or proration unit under applicable governmental regulations, such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in the shape as then existing spacing rules require; and, (2) any part of the land included in a pooled unit on which there are operations. Lessee shall also have all easements on all the land reasonably necessary for operations on the acreage retained.

10. Lessor hereby warrants and agrees to defend title to the leased premises, by through and under Lessor but not otherwise, against the claims of all persons whomsoever claiming all or any part of it. Lessor's rights and interests in the land shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on the land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce them for Lessor, either before or after maturity, and be subrogated to the rights of the holder of the lien and to deduct amounts so paid from royalties or other moneys payable or which may become payable to Lessor and/or Lessor's assigns. If this Lease covers less interest in the oil, gas, or other minerals in all or any part of the land than the entire and undivided fee simple estate (whether Lessor's interest is specified or not), or no interest, then the royalties, and other moneys accruing from any part of the land in which this Lease covers less than the full interest, shall be paid only in the proportion which the Lessor's interest, if any, covered by this Lease, bears to the whole and undivided fee simple estate in the land. All royalty interest covered by this Lease (whether or not owned by Lessor) shall be paid out of the royalty provided for in this Lease. This Lease shall be binding on each party who executes it without regard to whether it is executed by all those that may be named as Lessor.





Amerdev S, LLC

Company Entity
Amerdev Operating, LLC

Date Prepared
May 22, 2024

AFE Type	Project	Field Name	Cost Center	AFE No.
Capital	Nandina Fed Com 25 36 31 071H	Delaware	40775	2024-018

Location	County	State	Well Type	
SHL: Sec. 31 25S 36E 230' FSL 870' FWL BHL: Sec. 30 25S 36E 50' FNL 1320' FWL	Lea	NM	Oil	Prod

Estimate Type	Start Date	Completion Date	Formation	MD
Original	October 16, 2024	January 14, 2025	BONE SPRING	20,543' TVD 9,800'

**Project Description**  
Drill ~10,000' BONE SPRING lateral. Complete with ~2200 PPF. Drill out plugs and run tubing with gas lift. Tie in to the Central Tank Battery.

**Total Cost** **\$11,724,761.32**

**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**  
Amerdev 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 Amerdev, you will be subject to all of the terms of such contracts. Upon written request to Amerdev, 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 Amerdev pursuant to the terms and conditions of its contracts.

Joint Interest Approval		
Company	Approved By	Date



Single Well Project

Nandina Fed Com 25 36 31 071H Delaware

Intangibles	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	4	\$ 46,924.56	\$ -	\$ 46,924.56
EASEMENT, ROW, AND ACQUISITION	6	\$ -	\$ 4,559.62	\$ 4,559.62
ROAD / LOCATION PREP / RESTORATION	8	\$ 8,005.90	\$ 60,571.78	\$ 68,577.68
DRILLING RIG	10	\$ 712,500.00	\$ 44,400.00	\$ 756,900.00
COIL TUBING	12	\$ -	\$ 165,306.75	\$ 165,306.75
FUEL	16	\$ 96,187.50	\$ 616,170.92	\$ 712,358.42
TRAILER, CAMP, AND CATERING	18	\$ 68,325.00	\$ 49,026.66	\$ 117,351.66
SURFACE RENTALS	24	\$ 118,290.00	\$ 77,739.33	\$ 196,029.33
DRILL BITS	28	\$ 100,050.00	\$ 3,500.00	\$ 103,550.00
DOWNHOLE RENTALS	30	\$ 26,765.00	\$ 56,000.00	\$ 82,765.00
DIRECTIONAL DRILLING	32	\$ 238,500.00	\$ -	\$ 238,500.00
COMPOSITE PLUGS	34	\$ -	\$ 45,900.00	\$ 45,900.00
TUBING & BHA INSPECT & REPAIR	42	\$ 60,911.00	\$ -	\$ 60,911.00
RENTAL TUBING	46	\$ 46,893.18	\$ -	\$ 46,893.18
WELL CONTROL EQUIP / SERVICES	48	\$ 50,516.93	\$ 255,554.96	\$ 306,071.89
PUMP TRUCK / PRESSURE TESTING	54	\$ 2,500.00	\$ -	\$ 2,500.00
MUD, ADDITIVES, AND CHEMICALS	60	\$ 139,183.75	\$ 388,901.13	\$ 528,084.88
FRAC PUMPING CHARGES	61	\$ -	\$ 1,831,226.00	\$ 1,831,226.00
WATER RIGHTS / TRANSFER / STORAGE	62	\$ 39,925.00	\$ 591,694.53	\$ 631,619.53
SOLIDS CONTROL EQUIP / SERVICES	66	\$ 75,409.50	\$ -	\$ 75,409.50
MUD / FLUIDS DISPOSAL CHARGES	68	\$ 198,441.00	\$ 33,365.27	\$ 231,806.27
CASING CREWS	70	\$ 58,938.32	\$ -	\$ 58,938.32
CEMENTING	72	\$ 353,644.32	\$ -	\$ 353,644.32
MOBILIZE & DEMOBILIZE	86	\$ 211,355.00	\$ -	\$ 211,355.00
SUPERVISION / COMPANY	92	\$ 1,045.22	\$ -	\$ 1,045.22
SUPERVISION / CONTRACT	94	\$ 90,000.00	\$ 183,230.00	\$ 273,230.00
ENGINEERING / CONSULTANT	102	\$ 77,683.27	\$ 6,750.00	\$ 84,433.27
CONTRACT ROUSTABOUT	103	\$ 2,400.20	\$ -	\$ 2,400.20
CONTRACT LANDWORK / SURVEY	114	\$ -	\$ 64,000.00	\$ 64,000.00
NONDESTRUCTIVE WELD TESTING	118	\$ -	\$ 3,000.00	\$ 3,000.00
CONSTRUCTION LABOR	120	\$ -	\$ 17,925.00	\$ 17,925.00
REGULTRY / ENVIRON CONSULTANT	122	\$ -	\$ 13,500.00	\$ 13,500.00
SAFETY AND EMERGENCY RESPONSE	124	\$ 3,000.00	\$ 102,395.00	\$ 105,395.00
WELDING & MATERIALS	138	\$ -	\$ 12,925.00	\$ 12,925.00
GASLIFT / FLOW LINE CONSTRUCTION	144	\$ -	\$ 58,510.00	\$ 58,510.00
OVERHEAD	152	\$ 7,183.00	\$ -	\$ 7,183.00
BLOWOUT INSURANCE	158	\$ 14,241.00	\$ -	\$ 14,241.00
ENVIRONMENTAL / PERMITTING	172	\$ 10,500.00	\$ -	\$ 10,500.00
LEGAL / REGULATORY	182	\$ 2,307.00	\$ -	\$ 2,307.00
FLOW TESTING / EQUIP	194	\$ -	\$ 66,706.45	\$ 66,706.45
MUD LOGGING	198	\$ 18,600.00	\$ -	\$ 18,600.00
WIRELINE / PERF / PUMPDOWN COSTS	200	\$ -	\$ 473,999.69	\$ 473,999.69
OVERHEAD POWER	256	\$ -	\$ 159,100.00	\$ 159,100.00
FACILITY ELECTRIC & AUTOMATION	258	\$ -	\$ 144,754.50	\$ 144,754.50
ELECTRICAL	296	\$ -	\$ 36,350.00	\$ 36,350.00
TRANSPORTATION	326	\$ 90,000.00	\$ 9,630.00	\$ 99,630.00
VACUUM TRUCK	328	\$ 22,500.00	\$ 26,255.19	\$ 48,755.19
TRANSPORTATION / GATHERING EXP	378	\$ -	\$ 240.94	\$ 240.94
Contingency	3.00%	\$ 89,781.77	\$ 168,095.66	\$ 257,877.43
Tax	6.25%	\$ 187,045.35	\$ 350,199.30	\$ 537,244.65
<b>Total Intangible Cost</b>		\$ 3,269,552.77	\$ 6,121,483.68	\$ 9,391,036.45

Tangibles - Well Equipment	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
CASING / LINER / FLOAT EQUIPMENT	74	\$ 43,500.00	\$ -	\$ 43,500.00
SURFACE CASING	210	\$ 103,855.00	\$ -	\$ 103,855.00
INTERMEDIATE CASING	212	\$ 397,513.08	\$ -	\$ 397,513.08
PRODUCTION CASING	216	\$ 764,929.05	\$ -	\$ 764,929.05
TUBING	217	\$ -	\$ 110,951.47	\$ 110,951.47
WELLHEAD / TREE / CHOKES	218	\$ 85,000.00	\$ 187,605.07	\$ 272,605.07
ISOLATION PACKER	222	\$ -	\$ 13,959.09	\$ 13,959.09



DOWNHOLE LIFT EQUIPMENT	234	\$ -	\$ 12,000.00	\$ 12,000.00
TANK BATT / PROCESS EQUIP / MAINT	236	\$ -	\$ 90,000.00	\$ 90,000.00
LINE PIPE	238	\$ -	\$ 42,760.00	\$ 42,760.00
FLOW LINE (PIPE WH TO FACILITY)	266	\$ -	\$ 48,610.00	\$ 48,610.00
PIPELINE TO SALES	270	\$ -	\$ 166,270.00	\$ 166,270.00
METERS AND METERING EQUIPMENT	274	\$ -	\$ 39,400.00	\$ 39,400.00
VALVES, FITTINGS, PROD INSTRUM	282	\$ -	\$ 29,779.84	\$ 29,779.84
Contingency	3.00%	\$ 40,538.91	\$ 22,240.06	\$ 64,083.98
Tax	6.25%	\$ 84,456.07	\$ 46,333.47	\$ 133,508.29
<b>Total Tangible Cost</b>		\$ 1,476,292.11	\$ 809,909.00	\$ 2,333,724.87
<b>TOTAL</b>		\$ 4,745,844.89	\$ 6,931,392.68	\$ 11,724,761.32

Chronology Efforts Nandina Fed Com 25 36 31 071H, W2 of Sections 30 & 31, T25S-R36E, Lea County, NM, Bone Spring Unit:

5/1/2024 to Present – Used computer data services to locate relatives, last known addresses, death certificates, obituary, etc., of Nancy Carolyn Haley. Called and emailed extended family members for contact information but no one has been in communication with Nancy Carolyn Haley or her daughter in years. Called phone numbers listed on computer data services.

5/2/2024 to Present – Used computer data services to locate last known addresses, relatives and phone numbers for Donald Woods heirs. Sent lease offer and proposal letters to multiple addresses listed on computer data services.

5/20/2024- Communication with The Catholic Charities Foundation who manages the St. Joseph Residence. Discussed lease offer.

5/20/2024 to 8/26/24—Email and phone call communication with SRO Land & Minerals L.P., Monroe Properties, Inc., and MES Land & Minerals regarding lease offer and development plan for the Nandina 25 36 31 Fed Com 71H. Negotiated OGL and received executed OGL on 8/26/24.

5/24/24 - Well proposals, AFE's and lease offer letters mailed via certified mail to all unleased mineral owners and working interest owners.

5/29/24- Phone conversations with Nathan Dittmer and Kassandra Dittmer regarding lease offer and bonus consideration.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-5  
Submitted by: Ameredev Operating, LLC  
Hearing Date: September 12, 2024  
Case No. 24701

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. 24701

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 applications 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 Bone Spring formation, with a contour interval of 50 feet. The structure map shows the Bone Spring gently dipping to the southwest. The Bone Spring 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: September 12, 2024  
Case No. 24701

6. **Ameredev Exhibit D-3** shows a line of cross-section in red consisting of wells penetrating the Bone Spring 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.

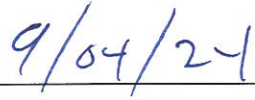
9. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing units will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments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

  
\_\_\_\_\_  
Date

# Bone Spring Pool – Nandina 25 36 31 071H

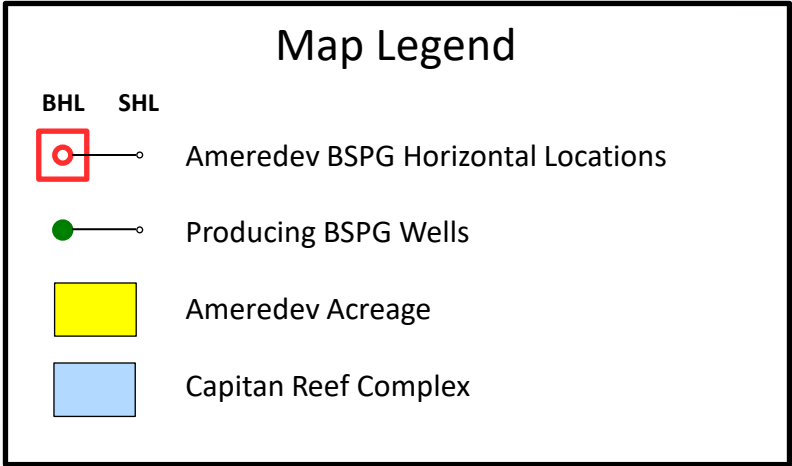
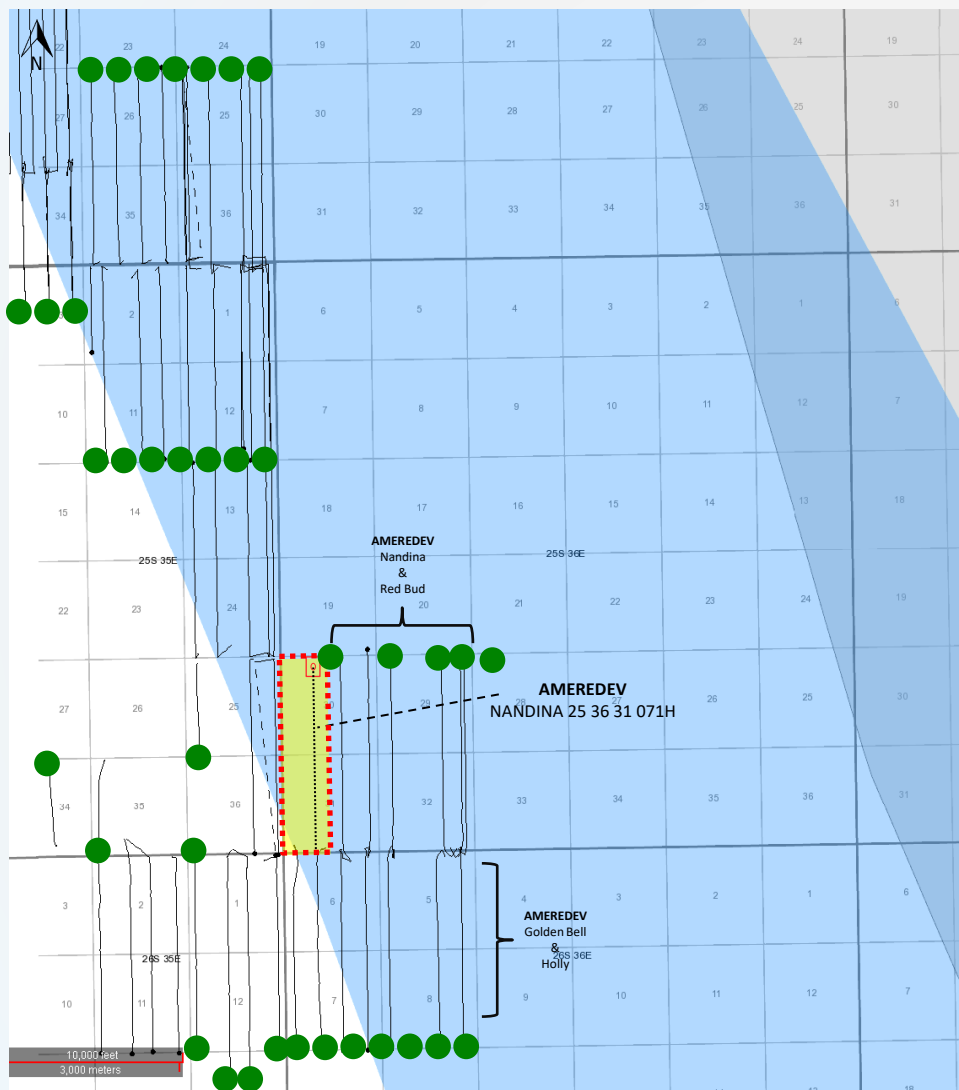


### Map Legend

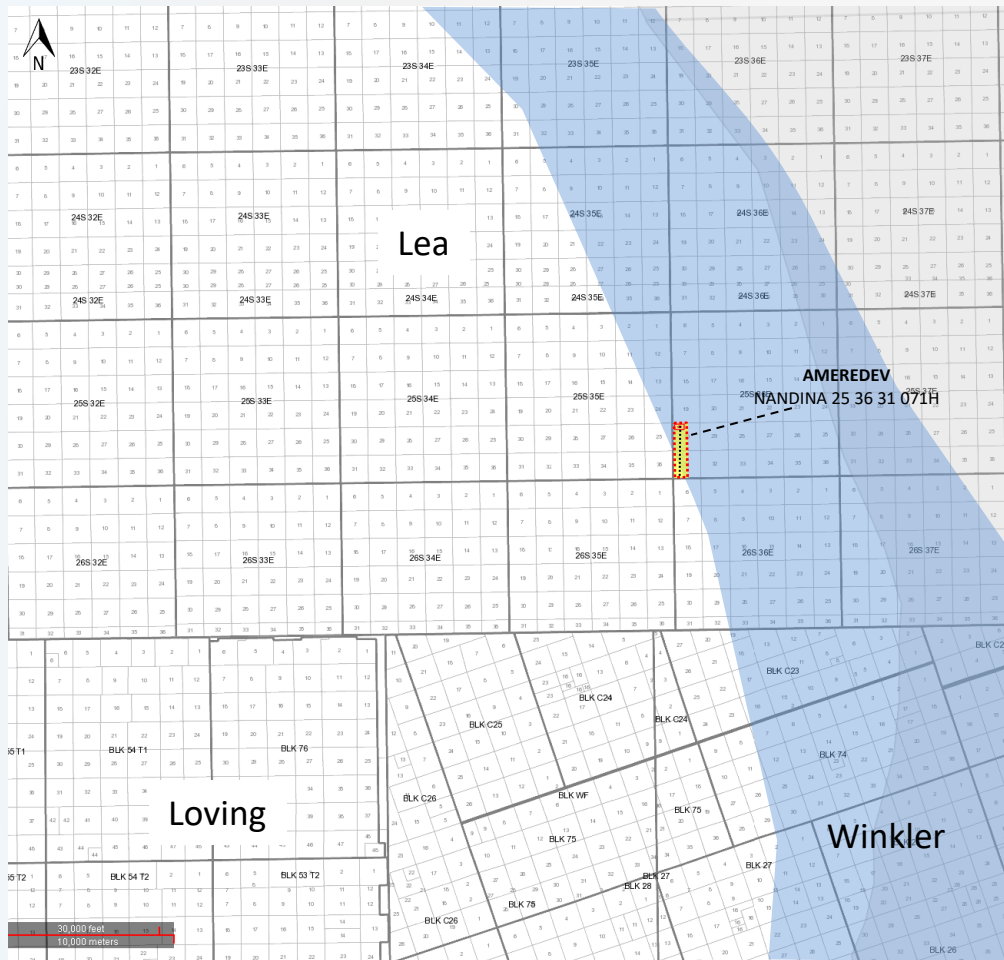
<b>BHL</b>	<b>SHL</b>	
		
		Ameredev BSPG Horizontal Locations
		Producing BSPG Wells
		Ameredev Acreage

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-1  
 Submitted by: Ameredev Operating, LLC  
 Hearing Date: September 12, 2024  
 Case No. 24701





# Bone Spring Pool – Capitan Reef Complex



# Bone Spring Pool – Capitan Reef Complex

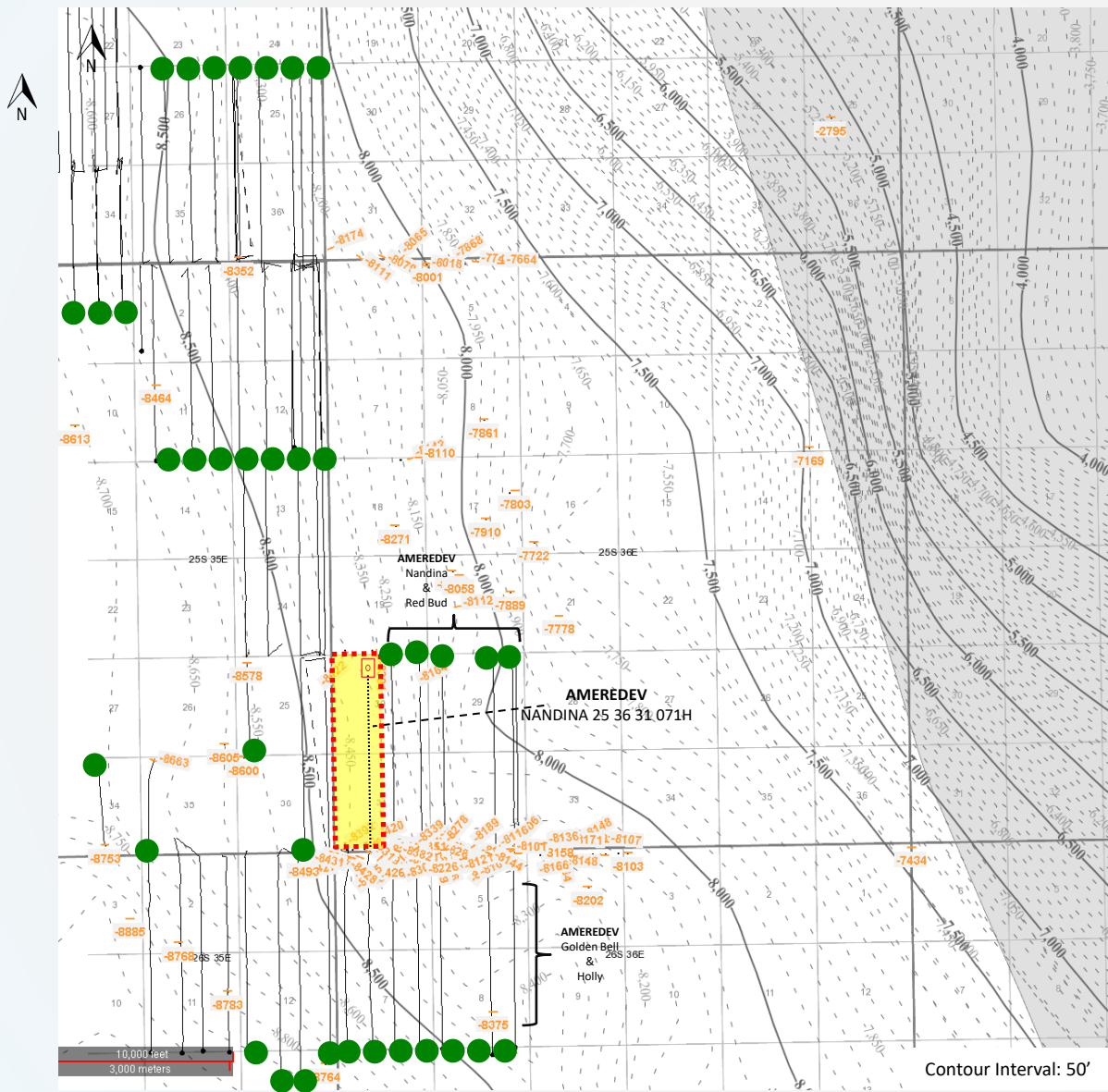


### Map Legend




- BHL SHL**
-  Ameredev BSPG Horizontal Locations
-  Producing BSPG Wells
-  Ameredev Acreage
-  Capitan Reef Complex



# Bone Spring Pool – BSPG Structure Map (Subsea Depth)

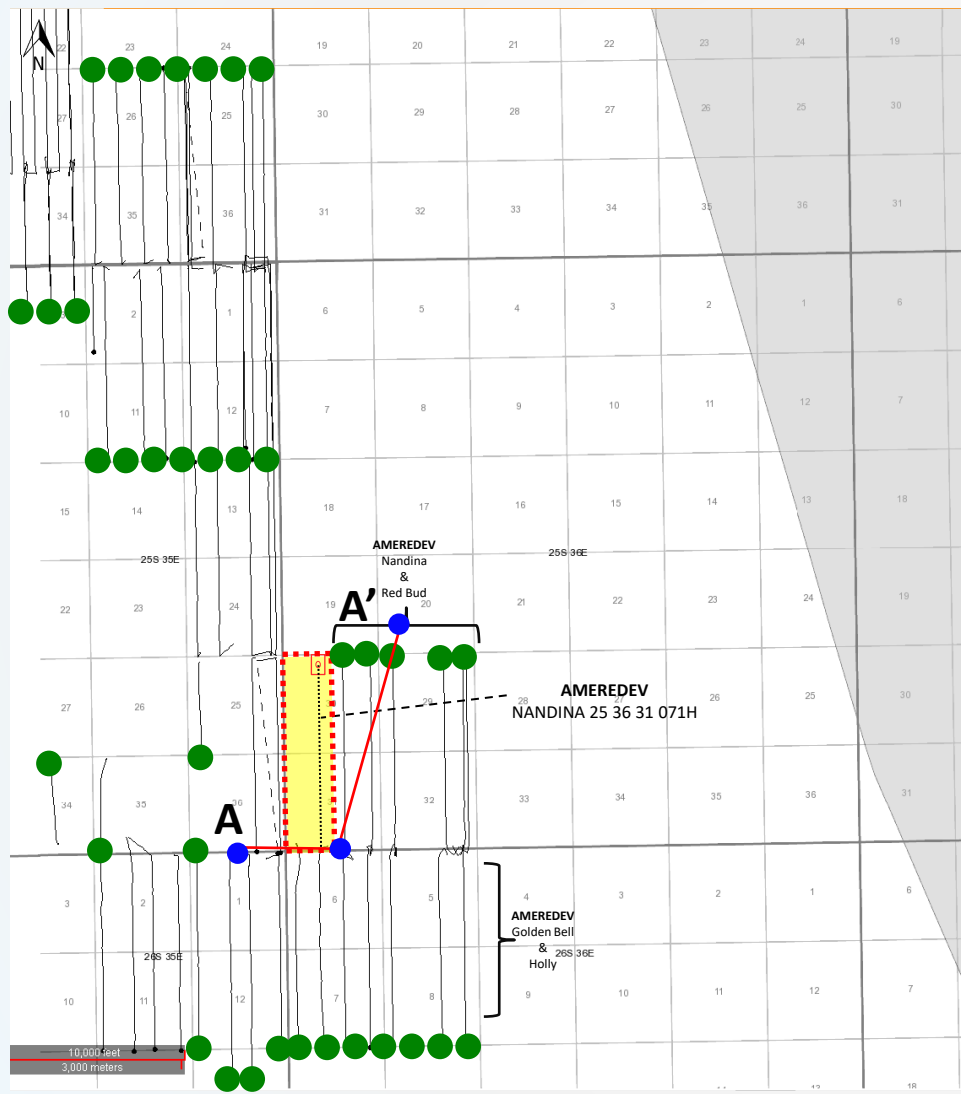


### Map Legend

-  BHL SHL Ameredev BSPG Horizontal Locations
-  Producing BSPG Wells
-  Ameredev Acreage

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-2  
 Submitted by: Ameredev Operating, LLC  
 Hearing Date: September 12, 2024  
 Case No. 24701

# Bone Spring Pool – Cross Section Map



### Map Legend

BHL	SHL	
		Ameredeve BSPG Horizontal Locations
		Producing BSPG Wells
		Cross Section Wells & Transect
		Ameredeve Acreage

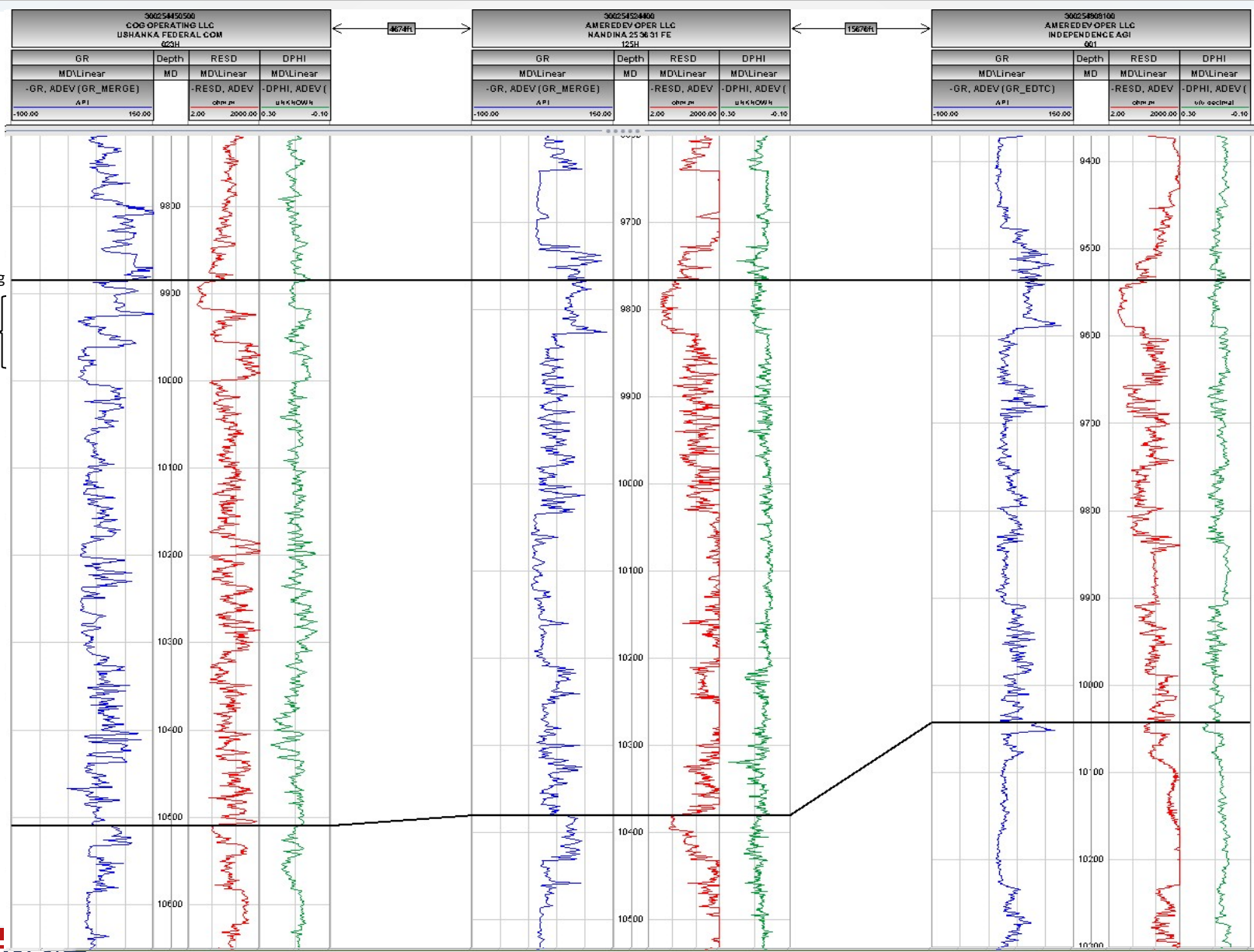
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-3  
 Submitted by: Ameredeve Operating, LLC  
 Hearing Date: September 12, 2024  
 Case No. 24701

# Bone Spring Pool - Stratigraphic Cross Section

Submitted by: Amerdev Operating, LLC  
Hearing Date: September 12, 2024  
Case No. 24701

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. 24701**

**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 29, 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  
Exhibit No. E  
Submitted by: Ameredev Operating, LLC  
Hearing Date: September 12, 2024  
Case No. 24701**



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Paula M. Vance

9/4/2024

---

Date

Ameredev - Nandina 071H - Case no. 24701  
Postal Delivery Report

9414811898765466406322	St. Joseph Residence Inc	2450 N Harvard Ave	Tulsa	OK	74115-3140	Your item was delivered to an individual at the address at 9:39 am on July 23, 2024 in TULSA, OK 74115.
9414811898765466406308	Heirs Or Devisees Of Donald Woods	1120 E Roxana St	Hobbs	NM	88240-6952	Your item was delivered to an individual at the address at 11:06 am on July 22, 2024 in HOBBS, NM 88240.
9414811898765466406391	Heirs Or Devisees Of Donald Woods	2200 W Northwest Loop 323 Apt 615	Tyler	TX	75702	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466406346	Kassandra Dawn Dittmer	1341 W 710 N	St George	UT	84770-4609	Your item was delivered to an individual at the address at 2:42 pm on July 25, 2024 in SAINT GEORGE, UT 84770.
9414811898765466406384	SRO Land & Minerals, L.P.	9575 Katy Fwy Ste 440	Houston	TX	77024-1411	Your item was delivered to an individual at the address at 1:04 pm on July 25, 2024 in HOUSTON, TX 77024.
9414811898765466406339	Monroe Properties, Inc	PO Box 53168	Midland	TX	79710-3168	Your item was picked up at a postal facility at 1:40 pm on July 24, 2024 in MIDLAND, TX 79705.
9414811898765466406377	Mes Land & Minerals, LP	PO Box 53168	Midland	TX	79710-3168	Your item was picked up at a postal facility at 1:41 pm on July 24, 2024 in MIDLAND, TX 79705.



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

July 19, 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: *Nandina Fed Com 25 36 31 71H 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 8, 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 Lizzy Laufer at (737) 444-2997 or [llauffer@ameredev.com](mailto:llauffer@ameredev.com).

Sincerely,

Paula M. Vance  
**ATTORNEY FOR AMEREDEV OPERATING, LLC**

T 505.988.4421  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

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

# 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  
July 25, 2024  
and ending with the issue dated  
July 25, 2024.



Publisher

Sworn and subscribed to before me this  
25th day of July 2024.



Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087528  
COMMISSION EXPIRES 01/29/2027

**LEGAL                      LEGAL**

**LEGAL NOTICE**  
July 25, 2024

**Case No. 24701: 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: St. Joseph Residence Inc.; Heirs Or Devisees Of Donald Woods; Kassandra Dawn Dittmer; SRO Land & Minerals, L.P.; Monroe Properties, Inc.; Mes Land & Minerals, LP; Nancy Carolyn Haley Heirs.** 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 8, 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](mailto:Freya.Tschantz@emnrd.nm.gov). Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 640.4-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4 and the E/2 W/2 (W/2 equivalent) of irregular 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 71H** well, to be horizontally drilled from a surface location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31, a first take point from Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31, to a bottom hole location in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 30. The completed interval of the **Nandina Fed Com 25 36 31 71H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit. 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 7 miles southwest of Jal, New Mexico.  
**#00292543**

67100754

00292543

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

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. F**  
**Submitted by: Ameredev Operating, LLC**  
**Hearing Date: September 12, 2024**  
**Case No. 24701**