

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

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

Application of AMEREDEV OPERATING, llc,  
for Compulsory Pooling  
Lea County, New Mexico

Case No. 22248

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, NOVEMBER 4, 2021

EXAMINER HEARING

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William  
Brancard, Esq. Hearing Examiner, Dean McClure  
Technical Examiner, on Thursday, November 4, 2021,  
via Webex Virtual Conferencing Platform hosted  
by the New Mexico Department of Energy, Minerals and  
Natural Resources

Reported by: Mary Therese Macfarlane  
New Mexico CCR #122  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

A P P E A R A N C E S

FOR AMEREDEV OPERATING, LLC:

Kaitlyn A. Luck, Esq  
Holland & Hart  
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C O N T E N T S

CASE NO. 22248	PAGE
CASE CALLED:	4
TAKEN UNDER ADVISEMENT: (Information to be provided post hearing)	5

1	I N D E X   O F   E X H I B I T S		
2	AMEREDEV OPERATING, LLC, EXHIBITS:		ADMITTED
3	A	Compulsory Pooling Checklist	5
4	B	Application	5
5	C	Affidavit of Brandon Forteza, Landman	5
6	C-1	C-102	5
7	C-2	Land Plat/Unit Recap	5
8	C-3	Well Proposal/AFE	5
9	C-4	Chronology of Contacts	5
10	D	Affidavit of Parker Foy, Geologist	5
11	D-1	Project Locator Map	5
12	D-2	Expanded Capitan Reef Map	5
13	D-3	Structure Map	5
14	D-4	Cross Section Map	5
15	D-5	Cross Section	5
16	E	Notice Affidavit	5
17	F	Notice of Publication	5
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1 (Time noted 9:40 a.m.)

2 EXAMINER BRANCARD: With that, calling Case  
3 22248, Ameredev Operating.

4 MS. LUCK: Good morning. Kaitlyn Luck with the  
5 Santa Fe office of Holland & Hart for the applicant  
6 Ameredev Operating, LLC.

7 EXAMINER BRANCARD: Thank you. Are there any  
8 other interested persons for Case 22248? (Pause.)  
9 Hearing none, you may proceed, Ms. Luck.

10 MS. LUCK: Thank you.

11 Ameredev understood there would be no  
12 objection to this case, just like the last one, and  
13 Ameredev filed the standard set of exhibits on Tuesday  
14 with the Division.

15 Included in the package are the Compulsory  
16 Pooling Application Checklist as Exhibit A, followed by a  
17 copy of the Application as Exhibit B.

18 Next in the packet is Exhibit C which is  
19 the Affidavit of Brandon Forteza. He testifies that  
20 Ameredev is seeking an Order pooling all uncommitted  
21 interests in the Bone Spring Formation underlying a  
22 standard 320-acre spacing unit in the east half/east half  
23 of Sections 30 and 31, all in Township 25 South, Range 36  
24 East, in Lea County, New Mexico.

25 Ameredev seeks to initially dedicate the

1 spacing unit to the Nandina Fed Com 25 36 31 097H well  
2 which will be at a standard location. And Ameredev has  
3 included a copy of the C-102 for the well as Exhibit C-1.

4 Ameredev has also included the standard  
5 land, tract and unit recap exhibit as Exhibit C-2, which  
6 reflects the interest owners in the spacing units that  
7 Ameredev is seeking to pool.

8 Next in the packet is Ameredev's Well  
9 Proposal Letter as Exhibit C-3.

10 And then finally Ameredev's Exhibit C-4 is  
11 the Chronology of Contacts with the uncommitted working  
12 interest owners.

13 As mentioned in the prior case, Ameredev's  
14 landman testifies that they are seeking \$10,000 a month in  
15 overhead while drilling and 1,000 a month while producing  
16 but there is a discrepancy between this figure and  
17 Exhibit A, and so Ameredev will follow up after the  
18 hearing to clarify the correct administrative and overhead  
19 rates for this well.

20 Ameredev has included also the standard  
21 geology exhibits in the packet as Exhibit D, and with  
22 Exhibit D are also the geology exhibits, which include the  
23 Structure Map, Cross Section Map, and Project Locator Map.

24 Again in this case Ameredev's geologist  
25 testifies that it his opinion that horizontal well

1 development is appropriate for the Bone Springs Formation  
2 in this area.

3 Then finally in our exhibit packet we have  
4 included Ameredev Exhibits E and F, which are Notice  
5 information reflecting that Ameredev has provided Notice  
6 of this hearing in a timely manner to the interest owners  
7 Ameredev seeks to pool.

8 So with that I move the admission of  
9 Ameredev's Exhibits A through F with the understanding  
10 that we will supplement after hearing the accurate rates  
11 for the Order.

12 EXAMINER BRANCARD: Thank you.

13 Mr. McClure, any questions?

14 EXAMINER McCLURE: No questions. Thank you.

15 EXAMINER BRANCARD: Thank you. Are there any  
16 other interested persons for Case 22248? (Note: Pause.)

17 Hearing none, Case 22248, the exhibits will  
18 be admitted, the case will be taken under advisement, with  
19 the proviso that Ameredev will submit corrected  
20 Application pages regarding monthly charges.

21 MS. LUCK: Thank you.

22 (Time noted 9:55 a.m. )

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1 STATE OF NEW MEXICO )  
2 : ss  
3 COUNTY OF TAOS )  
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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter  
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday,  
8 November 4, 2021, the proceedings in the above-captioned  
9 matter were taken before me; that I did report in  
10 stenographic shorthand the proceedings set forth herein,  
11 and the foregoing pages are a true and correct  
12 transcription to the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by  
14 nor related to nor contracted with (unless excepted by the  
15 rules) any of the parties or attorneys in this case, and  
16 that I have no interest whatsoever in the final  
17 disposition of this case in any court.

18  
19 /s/Mary Macfarlane\_\_\_\_\_

20 MARY THERESE MACFARLANE, CCR  
21 NM Certified Court Reporter No. 122  
22 License Expires: 12/31/2021  
23  
24  
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