

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, Case No. 22400
Lea County, New Mexico Case No. 22401

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 6, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, January 6, 2022 via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

FOR AMEREDEV OPERATING, LLC:

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C O N T E N T S

CASE NOS. 22400 and 22401	PAGE
CASE CALLED:	4
TAKEN UNDER ADVISEMENT WITN REQUIREMENTS:	10

1	I N D E X O F E X H I B I T S	
2	AMEREDEV EXHIBITS	ADMITTED
3	A Checklists	10
4	B Application	10
5	C Affidavit of Brandon Forteza, Landman	10
6	C-1 Case No. 22400 C-102s	10
7	C-2 Case No. 22400 Land Plat/Unit Recap	10
8	C-3 Case No. 22401 C-102s	10
9	C-4 Case No. 22401 Land Plat/Unit Recap	10
10	C-5 Well Proposals	10
11	C-6 Chronology of Contacts	10
12	D Affidavit of Parker Foy, Geologist	10
13	D-1 Case No. 22400 Project Locator Map	10
14	D-2 Case No. 22400 Expanded Capitan Reef Map	10
15	D-3 Case No. 22400 Structure Map	10
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18	D-6 Case No. 22401 Project Locator Map	10
19	D-7 Case No. 22401 Expanded Capitan Reef Map	10
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21	D-9 Case No. 22401 Cross Section Map	10
22	D-10 Case No. 22400 Cross Section	10
23	E Notice Affidavit	10
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1 EXAMINER BRANCARD: We are now at Items 59 and
2 60 on the department worksheet. These are Cases 22400 and
3 22401, Ameredev Operating.

4 MS. LUCK: Good morning Mr. Examiner. Kaitlyn
5 Luck with the Santa Fe office of Holland & Hart on behalf
6 of the Applicant, and Ameredev has asked that these cases
7 be consolidated.

8 EXAMINER BRANCARD: Thank you.

9 Are there any other interested persons for
10 Cases 22400, 22401.

11 Hearing none, Ms. Luck you may proceed.

12 MS. LUCK: Thank you. Ameredev understood
13 that there would be no objection to these cases proceeding
14 by affidavit today, and on Tuesday Ameredev filed the
15 standard set of exhibits with the Division.

16 In the exhibit packet you will see the
17 checklists for both cases included as Exhibit A, followed
18 by copies of the applications as Exhibit B.

19 Ameredev's Exhibit C is the affidavit of
20 Brandon Forseza, the landman for Ameredev, and he has
21 previously testified before the Division. His affidavit
22 explains that Ameredev is seeking to pool all uncommitted
23 interests in two separate 320-acre standard horizontal
24 spacing units in the east half/west half of Sections 29
25 and 32, and this is all in Township 25 South, Range 36

1 East in Lea County, New Mexico.

2 His affidavit explains that in Case 22400
3 Ameredev is seeking to pool the Bone Spring Formation, and
4 then in Case 22401 Ameredev is seeking to pool the
5 Wolfcamp Formation. In each case Ameredev has dedicated
6 proposed initial wells, and Ameredev has provided copies
7 of those C-102s as Exhibits C1 and C-3

8 For the first case Ameredev has broken down
9 the interest owners by tract that it seeks to pool, and
10 that is included as Exhibit C-2, and then for the second
11 case Ameredev has done the same thing in preparing an
12 exhibit that identifies the interest owners it seeks to
13 pool in the spacing unit, and it has explained their
14 interest in the tracts and in the spacing unit, and that
15 is included as Exhibit C-4.

16 The last two exhibits in the packet are the
17 Well Proposal Letters and the Chronology of Ameredev's
18 contact with the working interest owners.

19 Followed by the land exhibit is the geology
20 exhibit of Mr. Parker Foy. He is the geologist for
21 Ameredev in this case, and he testified that he -- excuse
22 me, he provides the standard geology testimony with the
23 standard geology exhibits, first for the Bone Spring
24 Formation as Exhibits D-1 through D-5, and then he
25 includes the standard geology exhibits for the Wolfcamp

1 Formation as Exhibits D-6 through D-10.

2 His affidavit explains that the Wolfcamp
3 and Bone Spring Formations are prospective for horizontal
4 well development and these horizontal wells are
5 appropriate to develop the acreage efficiently.

6 And then the last two exhibits in the
7 packet -- excuse me, the last exhibits are typically are
8 the Notice exhibits, Exhibits E and F. And Ameredev has
9 the same publication issue in this case that Mr. Bruce and
10 Ms. Shaheen were speaking of earlier, but we were -- uh,
11 excuse me.

12 Notice was mailed to all of the parties
13 that Ameredev seeks to pool, but some of the Notices were
14 not delivered, and that's reflected in Exhibit E. So
15 specifically we would include the Notice of Publication as
16 Exhibit F., But we weren't the able to get that back from
17 the newspaper in time. However, we have verified with the
18 newspaper that it was published in time, so we would just
19 ask that that Exhibit be accepted by the Division and we
20 will supplement the record after the hearing when we
21 acctually are able to get it from the newspaper. We've
22 just had some issues with correspondence with the
23 newspaper, so we will include that after the hearing, but
24 it doesn't appear that a continuance would be required.

25 So with that, that concludes my

1 presentation Of exhibits A through E, and I would ask the
2 Division take this case under advisement once we receive
3 the final Notoice of Publication

4 EXAMINER BRANCARD: Thank you.

5 Mr. Garcia, questions?

6 EXAMINER GARCIA: I think most of my questions
7 are about Notice, which I will leave to you. You might
8 have similar questions.

9 EXAMINER BRANCARD: Okay. All right.

10 So when was the newspaper publication,
11 since you have no evidence of it?

12 MS. LUCK: So it actually happened on December
13 21st, I think is the day that it happened. I'm just
14 getting back down to it.

15 So, yes, it was published on December 21st.
16 So by our calculation that is sufficient, that gives the
17 parties the typical 10 days under the rules. But we just
18 haven't gotten a copy of the affidavit from the newspaper
19 yet to show that was in fact published on December 21st.

20 EXAMINER BRANCARD: It was published in which
21 newspaper?

22 MS. LUCK: I'm going to get this wrong. Uhm,
23 I --

24 EXAMINER BRANCARD: There is nothing in the
25 record right now about the newspaper publication, so I'm

1 just trying to get something into the record.

2 MS. LUCK: Yeah. Yeah, yeah. No, I understand.

3 So the -- because these are in Lea County,
4 so I'm not sure if that's -- I think that's the Hobbs News
5 Sun.

6 EXAMINER BRANCARD: So what are these exhibits
7 at the end about mailing to United Kingdom?

8 MS. LUCK: So some of the parties that are
9 included in this case are foreign, or they live, you know,
10 international, and so this is the proof that we were able
11 to deliver to these foreign addresses. That's the only
12 information the post office was able to provide us is the
13 receipt with the tracking information on it like this. We
14 don't have a way of pulling up the foreign addresses is my
15 understanding, so that's why we included this receipt.

16 EXAMINER BRANCARD: Okay. Well, you could
17 always include the affidavit from somebody saying that
18 they delivered these to the mail drop offices.

19 Okay. Mr. Garcia, I'm sure you have other
20 questions.

21 EXAMINER GARCIA: No. I was trying to calculate
22 the mailed Notice days. It looked like it was cutting it
23 really close but it looks like it made it. Very close, I
24 guess, since the U.S. Post Office receipt is for 59 p.m.
25 on December 17th.

1 But I have no further questioneses.

2 EXAMINER BRANCARD: I mean, December 17th is
3 your last possible day and December 21st is the last
4 possible day for publication, so if that's true we can
5 accept that afterwards, okay, without a need to continue
6 the case.

7 So that's what you're requesting, correct?

8 MS. LUCK: That is correct. And if the
9 publication says those were after the 21st then we will
10 ask for a continuance to explain why.

11 EXAMINER BRANCARD: Okay. All right. So are
12 there any other interested persons for Cases 22400, 22401?

13 Hearing none, the exhibits will be admitted
14 to the record and the case will be taken under advisement
15 with the requirement that Notice of Publication be
16 provided soon, like tomorrow or early next week.

17 MS. LUCK: Yeah, as soon as I have it from the
18 newspaper I will submit it to the Division.

19 EXAMINER BRANCARD: Okay. With, as you have
20 stated, a proviso that if publication occurred anything
21 later than December 21st we will need to continue this
22 case, you need to request a continuance.

23 MS. LUCK: Understood.

24 EXAMINER BRANCARD: Is that clear, Mr. Garcia,
25 since you have to clean up this mess?

1 EXAMINER GARCIA: Yes, I turn to my notes now
2 for it.

3 EXAMINER BRANCARD: Okay. All right.

4 Mr. Garcia?

5 EXAMINER GARCIA: Yeah, I'm okay with this case.

6 EXAMINER BRANCARD: Okay. Thank you.

7 (Time noted 10:10 a.m.)

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1 STATE OF NEW MEXICO)

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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 January 6, 2022, 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

/s/ Mary MacFarlane

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MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
License Expires: 12/31/2022

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