

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. 22785, 22786, 22787

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 2, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing
before the New Mexico Oil Conservation Division,
HEARING OFFICER WILLIAM BRANCARD and TECHNICAL
HEARING OFFICER JOHN GARCIA on Thursday, June 2,
2022, through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

For Ameredev Operating, LLC:

HOLLAND & HART LLP
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Santa Fe, New Mexico 87501-1849
505-988-4411
BY: PAULA VANCE
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1 HEARING OFFICER BRANCARD: All right.

2 With that, I will call Cases 22785, 22786, 22787,
3 Ameredev Operating.

4 MS. VANCE: Good morning, Mr. Hearing
5 Examiner and Mr. Garcia, Paula Vance with the Santa
6 Fe office of Holland & Hart on behalf of the
7 Applicant, Ameredev Operating, LLC. And I have no
8 intro music this time. I apologize.

9 HEARING OFFICER BRANCARD: Okay. But
10 you're a little soft.

11 MS. VANCE: Am I? Is that better?

12 HEARING OFFICER BRANCARD: That's better.

13 MS. VANCE: Okay. Good.

14 HEARING OFFICER BRANCARD: Are there any
15 interested parties for Cases 22785, 22786, 22787?

16 Hearing none, Ms. Vance, please proceed.

17 MS. VANCE: Yes. In case 22785 Ameredev
18 seeks to pool uncommitted mineral interests within
19 the Wolfcamp formation, Pool Code 33813, underlying
20 a standard 320-acre horizontal spacing unit
21 comprised of the east half of the west half of
22 Sections 5 and 8, Township 25 South, Range 36 East,
23 Lea County, New Mexico.

24 Ameredev seeks to dedicate the spacing
25 unit to the proposed Pine Straw Fed Com 25-36-08,

1 103H well.

2 In Case 22786 Ameredev seeks to pool
3 uncommitted mineral interests within the Wolfcamp
4 formation, Pool Code 33813, underlying a standard
5 320-acre horizontal spacing unit comprised of the
6 west half of the east half of Sections 5 and 8,
7 Township 25 South, Range 36 East, Lea County, New
8 Mexico.

9 And Ameredev seeks to dedicate the spacing
10 unit to the proposed Pine Straw Fed Com 25-36-08,
11 105H well.

12 And lastly in Case 22787 Ameredev seeks to
13 pool uncommitted mineral interests within the
14 Wolfcamp formation, Pool Code 33813, underlying a
15 standard 230-acre horizontal spacing unit comprised
16 of the east half/east half of Sections 5 and 8,
17 Township 25 South, Range 36 East, Lea County, New
18 Mexico.

19 And Ameredev seeks to dedicate this
20 spacing unit to the proposed Pine Straw Fed Com
21 25-36-08, 107H well.

22 In all three cases we have provided the
23 compulsory pooling checklist as well as a
24 self-affirmed statement and testimony of landman
25 Brandon Forteza and geologist Parker Foy, both of

1 whom have previously testified before the Division
2 and their credentials have been accepted as a matter
3 of record.

4 And Mr. Forteza's affidavit is Exhibit C,
5 which includes sub-exhibits C1, which are the C102s;
6 C2, the land tract map and ownership list; C3, the
7 sample well proposal letter with AFEs, and C4, the
8 chronology of contacts.

9 In all three cases, Mr. Forteza testifies
10 that the drilling of these wells is in the best
11 interest of conservation, the prevention of waste,
12 and the protection of correlative rights.

13 This is followed by Mr. Foy's affidavit,
14 which is Exhibit D and includes sub-exhibits D1, the
15 locator map; D2, Wolfcamp sub-C structure map; D3,
16 Wolfcamp cross map; and D4, Wolfcamp stratigraphic
17 cross section.

18 In all three cases Mr. Foy did not observe
19 any faulting, pinch-out or other geologic
20 impediments to the horizontal drilling of these
21 wells.

22 And lastly is Exhibit E, affidavit of
23 notice with sample letter that were timely mailed on
24 May 13, 2022. And you'll note that there was no
25 affidavit of notice of publication because Oxy is

1 the only party that Ameredev is seeking to pool and
2 they received notice by letter.

3 One other point I wanted to bring to the
4 attention of the Examiner and Mr. Garcia is in the
5 prehearing statement and landman affidavit, we noted
6 that the completed interval for the 105H well was
7 nonstandard. And if you do check, I believe the
8 107H well is also nonstandard, however, because of
9 the ownership is uniform and each of the units for
10 each of these cases under 19.15.16.15C(7) NMAC,
11 Ameredev would not have to seek administrative
12 approval for those nonstandard locations.

13 Unless there are any questions, I would
14 ask that all the exhibits and sub-exhibits be
15 admitted into the record and that cases 22785,
16 22786, and 22787 be taken under advisement by the
17 Division at this time.

18 And I'll stand by for any questions that
19 you might have.

20 Thank you.

21 HEARING OFFICER BRANCARD: Thank you.

22 Mr. Garcia, questions?

23 TECHNICAL HEARING OFFICER GARCIA: I don't
24 believe I have any questions. I guess that's a lie,
25 actually. What day was the notice was sent out?

1 That's what I was struggling to find.

2 MS. VANCE: May 13th and it should be at
3 the top of that letterhead.

4 TECHNICAL HEARING OFFICER GARCIA: I
5 believe that's less than 20 days.

6 MS. VANCE: It's actually exactly 20 days.

7 TECHNICAL HEARING OFFICER GARCIA: We had
8 a holiday on the 30th, so that would be excluded, I
9 believe.

10 MS. VANCE: No, I believe, Mr. Garcia, the
11 rules are that it's 20 days and that the publication
12 by notice is the 10 business days. So excluding
13 business and holidays and weekends.

14 TECHNICAL HEARING OFFICER GARCIA: I have
15 to give newspaper notice it's (audio cut out), isn't
16 it?

17 MS. VANCE: I'm sorry, go ahead. Sorry
18 about that.

19 TECHNICAL HEARING OFFICER GARCIA: It's in
20 a letter 20 days and newspaper ten days and you did
21 letter notice?

22 MS. VANCE: That's correct. We only -- we
23 just did letter notice and May 13th is exactly 20
24 days from the hearing.

25 TECHNICAL HEARING OFFICER GARCIA: Okay.

1 I don't get 20 days, so I will pass to Bill,
2 Mr. Brancard.

3 HEARING OFFICER BRANCARD: Well, it's
4 publication is ten business days, mailing is 20
5 calendar days. So there's no Saturday, Sunday,
6 holiday exceptions.

7 TECHNICAL HEARING OFFICER GARCIA: Yeah.
8 I guess when I count that it still seems off, but
9 I'll defer to you. You're the expert.

10 HEARING OFFICER BRANCARD: I have the 13th
11 as being the last possible day so ...

12 TECHNICAL HEARING OFFICER GARCIA: Okay.

13 HEARING OFFICER BRANCARD: Ms. Vance, I'm
14 looking at Exhibit C4, your landman's chronology of
15 contacts.

16 MS. VANCE: Yes.

17 HEARING OFFICER BRANCARD: A, it's pretty
18 sparse.

19 B, it says, "Sent well proposal, sent
20 offer."

21 I guess I have to assume that it means
22 sent well proposals to Oxy. It doesn't identify who
23 you are sending it to, you know, et cetera.

24 So normally when you do this, I mean, in
25 this case there is only one party, so one can guess

1 who you're sending it to, but normally in your
2 chronology of contacts, you identify who you're
3 sending it to, which entity. So we're sort of left
4 guessing here.

5 MS. VANCE: I believe your guess is
6 correct since it is just the one party, but I will
7 take note that if we do have in the future
8 additional parties that we include exactly who those
9 parties are. But, hopefully, this is enough to
10 suffice for the Division knowing it's just the one
11 party that Amereedev is seeking to pool.

12 HEARING OFFICER BRANCARD: All right.
13 Well, in general it's helpful to indicate which
14 entity you're sending it to or sometimes some
15 parties indicate that they're in contact with a
16 particular person because they're often negotiating
17 with a particular person at an entity, so that's
18 helpful. And any response is, obviously is helpful.

19 MS. VANCE: I will take note, Mr. Hearing
20 Examiner.

21 HEARING OFFICER BRANCARD: Thank you.
22 Anything else, Mr. Garcia?

23 TECHNICAL HEARING OFFICER GARCIA: I have
24 no further questions.

25 HEARING OFFICER BRANCARD: All right.

1 With that, are there any interested persons for
2 Cases 22785, 786, 787?

3 Hearing none, Cases 22785, 786, 787, the
4 exhibits will be admitted into the record and the
5 cases will be taken under advisement.

6 MS. VANCE: Thank you, Mr. Hearing
7 Examiner.

8 Thank you, Mr. Garcia.

9 (Matter concluded.)

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REPORTER'S CERTIFICATE

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 2, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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