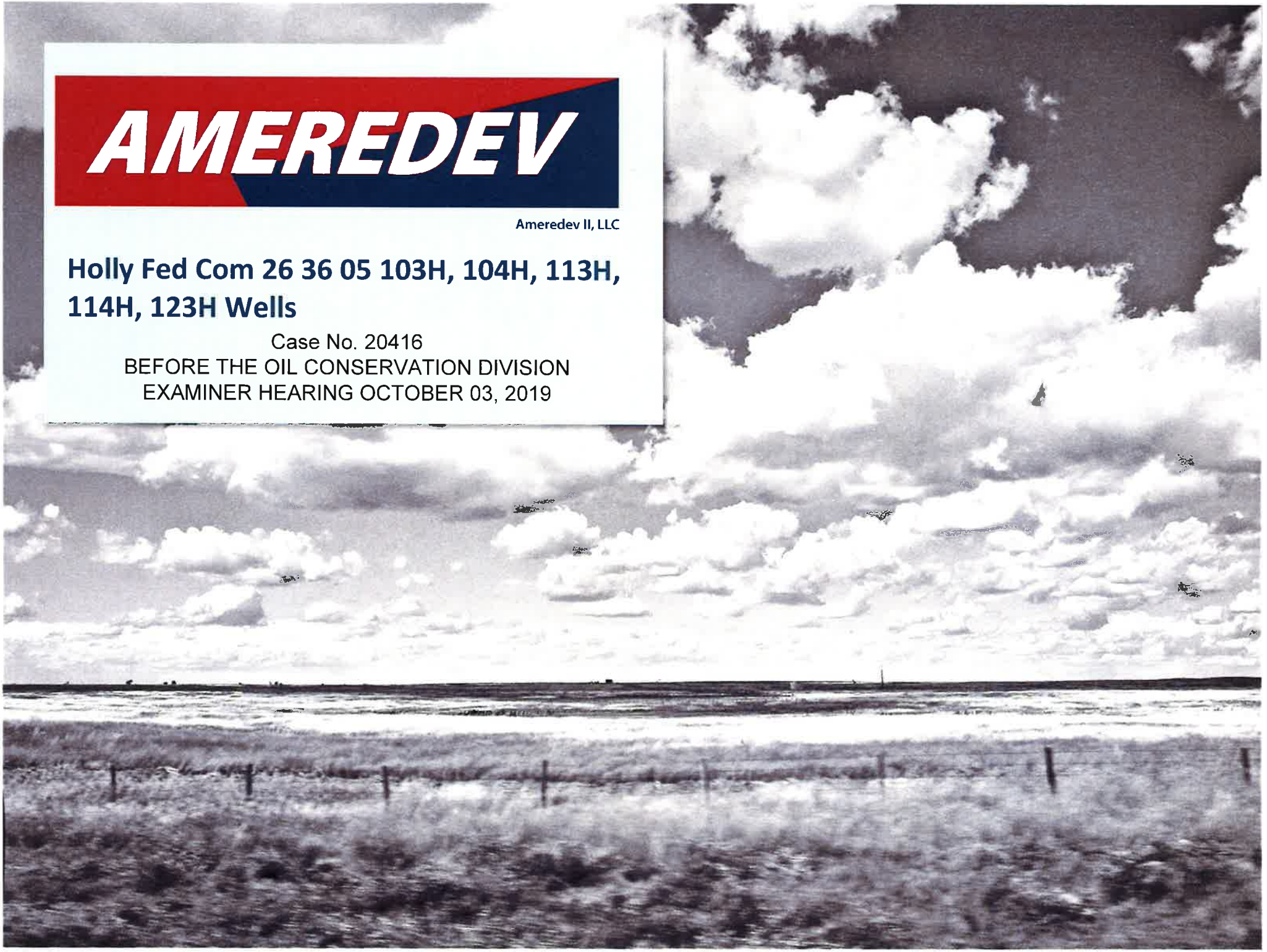


AMEREDEV

Ameredev II, LLC

Holly Fed Com 26 36 05 103H, 104H, 113H, 114H, 123H Wells

Case No. 20416
BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 03, 2019

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

APPLICATION OF AMEREDEV OPERATING, LLC TO RE-OPEN CASE NO. 20416 TO ADD ADDITIONAL INITIAL WELLS UNDER THE TERMS OF COMPULSORY POOLING ORDER NO. R-20608, LEA COUNTY, NEW MEXICO.

CASE NO. 20416 (Re-Opened)
ORDER NO. R-20608

AFFIDAVIT OF PARKER FOY
IN SUPPORT OF RE-OPENED CASE NO. 20416

Parker Foy, of lawful age and being first duly sworn on oath, declares as follows:

1. My name is Parker Foy. I work for Ameredev Operating, LLC ("Ameredev") as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology, and my credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Ameredev in this case, and I have conducted a geologic study of the Wolfcamp formation underlying the subject acreage.

4. Division Order R-20608, attached as **Exhibit A-1**, entered on June 6, 2019, created a 640-acre, more or less, horizontal oil well spacing unit in Wolfcamp formation (Jal; Wolfcamp, West Pool (Pool Code 33813)) underlying the E/2 W/2 and W/2 E/2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico (the "Unit").

5. Order R-20608 further pooled the uncommitted interests in the Wolfcamp in this Unit and dedicated the Unit to the **Holly Fed Com 26 36 05 #103H Well** (API No. 30-025-

pending), the **Holly Fed Com 26 36 05 #113H Well** (API No. 30-025- pending), and the **Holly Fed Com 26 36 05 #124H Well** (API No. 30-025- pending), each of which are to be drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 5 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8.

6. Since the entry of Order R-20608, Ameredev has proposed three additional initial wells in the Wolfcamp formation. The spacing unit and the pool remain the same as designated under Order R-20608. The parties pooled under Order R-20608 remain the same.

7. In addition to the wells included in Order R-20608, the Unit will also be dedicated to following three initial wells: (1) the **Holly Fed Com 26 36 05 #104H Well**, (2) the **Holly Fed Com 26 36 05 #114H Well**, and (3) the **Holly Fed Com 26 36 05 #123H Well**. All three of these additional initial wells will be drilled horizontally from a common surface location in the NE/4 NW/4 (Unit C) of Section 5 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 8.

8. Additionally, Ameredev re-proposed the **Holly Fed Com 26 36 05 #113H Well** to reflect the footages have been changed since the entry of Order R-20608, with the surface hole location 230 feet from the North line and 1,730 feet from the West line of Section 5, and the bottom hole location 50 feet from the South line and 1,699 feet from the West line of Section 8.

9. **Exhibit No. A-2** contains a Form C-102 for the three additional proposed wells as well as a revised C-102 for the **Holly Fed Com 26 36 05 #113H Well**, which reflect the additional initial wells are in the Jal; Wolfcamp, West Pool (Pool Code 33813).

10. The completed interval for the **Holly Fed Com 26-36-05 114H Well** will remain within 330 feet of the W/2 E/2 of Sections 5 and 8 to allow these tracts to be incorporated in the Unit, pursuant to NMAC 19.15.16.15(B)(1)(b).

11. **Exhibit A-3** contains the well proposal letter for these three additional initial wells

as well as the **Holly Fed Com 26 36 05 #113H Well**, along with the AFE provided to the only other working interest owner in the Unit. The costs reflected in the AFE are consistent with what Ameredev and other operators have incurred for drilling similar horizontal wells in the area. Ameredev provided the law firm of Holland & Hart LLP with the name and address of the only other working interest owner in the Unit to be provided notice, which is included in **Exhibit A-3**.

12. Pursuant to Order R-20608, Ameredev requests that the Division apply the previously approved charges for supervision as $7000 per month while drilling, and $700 per month while producing, and similarly requests that the 200 percent risk charge for uncommitted interest owners apply to the three additional initial wells.

13. **Exhibit A-4** are the same cross-section maps admitted at hearing in Case No. 20416 that identify the wells that I used to construct a stratigraphic cross-section for the targeted Wolfcamp intervals. I chose these wells because they are representative of the geology of the area.

14. **Exhibit A-5** are the same stratigraphic cross sections admitted at hearing in Case No. 20416 for the targeted Wolfcamp intervals using the representative wells depicted on **Exhibit A-4**. Each well in the cross-section contains gamma ray and resistivity logs. The proposed targeted intervals for the **Holly Fed Com 26 36 05 #104H Well**; the **Holly Fed Com 26 36 05 #114H Well**; and the **Holly Fed Com 26 36 05 #123H Well**, in the Wolfcamp are identified with a bracket. These cross-sections demonstrate the targeted intervals extend across the subject acreage.

15. My geologic study demonstrates that the targeted Wolfcamp intervals underlying the subject acreage is suitable for development with horizontal wells, that the acreage comprising the proposed horizontal spacing unit will contribute more-or-less equally to the production from the wellbores, and the granting of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

16. **Exhibit A-1** through **A-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

PARKER FOY

STATE OF TEXAS)
)
COUNTY OF TRAVIS)

SUBSCRIBED and SWORN to before me this 1st day of October 2019 by Parker Foy.

NOTARY PUBLIC

My Commission Expires:

12-5-2020

GORDON G. GALLET
Notary Public, State of Texas
Comm. Expires 12-05-2020
Notary ID 130921617

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 TO CONSIDER:

CASE NO. 20416
ORDER NO. R-20608

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on May 2, 2019, at Santa Fe, New Mexico, before Examiner Scott A. Dawson.

NOW, on this 6th day of June 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".

(3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.

(4) No other party entered an appearance in this case or otherwise opposed this application.

(5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:

(a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

(b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.

(c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL
Director

Exhibit "A"

Applicant: Ameredev Operating, LLC
Operator: Ameredev Operating, LLC (OGRID 372224)

Spacing Unit: Horizontal Oil
Building Blocks: quarter-quarter sections
Unit Size: 640 acres (more or less)
Orientation of Unit: North to South

Unit Description: E/2 W/2 and W/2 E/2 of Sections 5 and 8, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: Jal; Wolfcamp, West (Pool code 33813)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: W/2 E/2 of Sections 5 and 8
Proximity Defining Well: Proposed Well
Proximity Distance from Boundary: 322 feet

Monthly charge for supervision: While drilling: $7000 While producing: $700
As the charge for risk, 200 percent of reasonable well costs.

Proposed Well(s):

Holly Fed Com 26 36 05 Well No. 103H, API No. 30-025-Pending
SHL: 230 feet from the North line and 1710 feet from the West line,
(Unit C) of Section 5, Township 26 South, Range 36 East, NMPM.
BHL: 50 feet from the North line and 1672 feet from the West line,
(Unit N) of Section 8, Township 26 South, Range 36 East, NMPM.
Completion Target: Wolfcamp A at approx 11,667 feet TVD and 22,411 feet MD.
Well Orientation: North to South
Completion Location expected to be: standard

Holly Fed Com 26 36 05 Well No. 113H, API No. 30-025-Pending
SHL: 230 feet from the North line and 1730 feet from the West line,
(Unit C) of Section 5, Township 26 South, Range 36 East, NMPM.
BHL: 50 feet from the North line and 1672 feet from the West line,
(Unit N) of Section 8, Township 26 South, Range 36 East, NMPM.

Completion Target: Wolfcamp A at approx 11,667 feet TVD and 22,592 feet MD.
Well Orientation: North to South
Completion Location expected to be: standard

Holly Fed Com 26 36 05 Well No. 124H, API No. 30-025-Pending
SHL: 230 feet from the North line and 2300 feet from the West line,
(Unit C) of Section 5, Township 26 South, Range 36 East, NMPM.
BHL: 50 feet from the South line and 2318 feet from the West line,
(Unit N) of Section 8, Township 26 South, Range 36 East, NMPM.
Completion Target: Wolfcamp A at approx 12,105 feet TVD and 22,889 feet MD.
Well Orientation: North to South
Completion Location expected to be: standard

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A2
Submitted by: Ameredev
Hearing Date: October 3, 2019
Case No 20416

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) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1]API Number	[2]Pool Code	[3]Pool Name
30-025-	33813	Jal; Wolfcamp, West

[4]Property Code	[5]Property Name	[6]Well Number
	HOLLY FED COM 26 36 05	104H

[7]OGRID No.	[8]Operator Name	[9]Elevation
372224	AMEREDEV OPERATING, LLC.	3002'

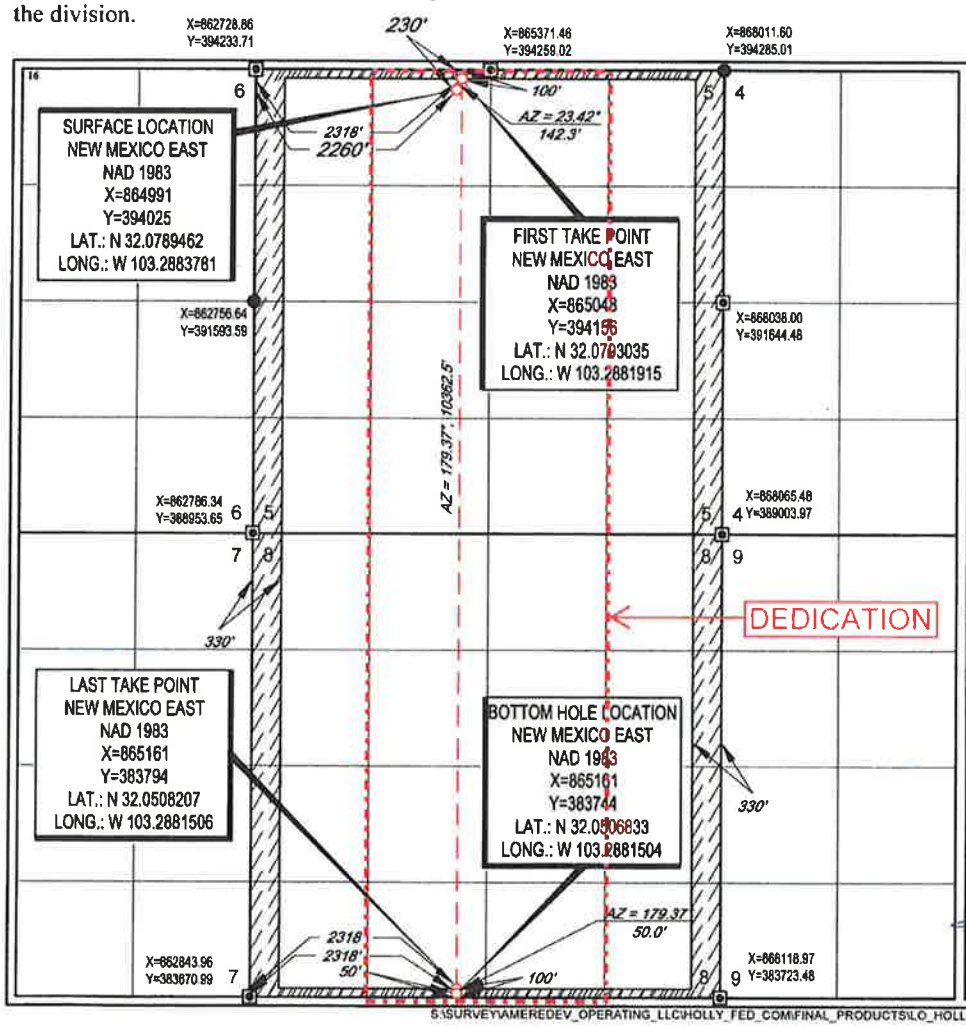
[10]Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	36-E	-	230'	NORTH	2260'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	26-S	36-E	-	50'	SOUTH	2318'	WEST	LEA

[12]Dedicated Acres	[13]Joint or Infill	[14]Consolidation Code	[15]Order No.
640		C	

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.



[17]OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — Date: 8/15/19

Floyd Hammond
Printed Name

fhammond@ameredev.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.

01/31/2018
Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\AMEREDEV_OPERATING_LLC\HOLLY_FED_COM\FINAL_PRODUCTS\LO_HOLLY_FED_COM_26_36_05_104H_REV2.DWG 12/3/2018 5:27:51 PM ccaston

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1625 N. French Dr., Hobbs, NM 88240
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1]API Number	[2]Pool Code	[3]Pool Name
30-025-	33813	Jal; Wolfcamp, West

[4]Property Code	[5]Property Name	[6]Well Number
	HOLLY FED COM 26 36 05	114H

[7]OGRID No.	[8]Operator Name	[9]Elevation
372224	AMEREDEV OPERATING, LLC.	3003'

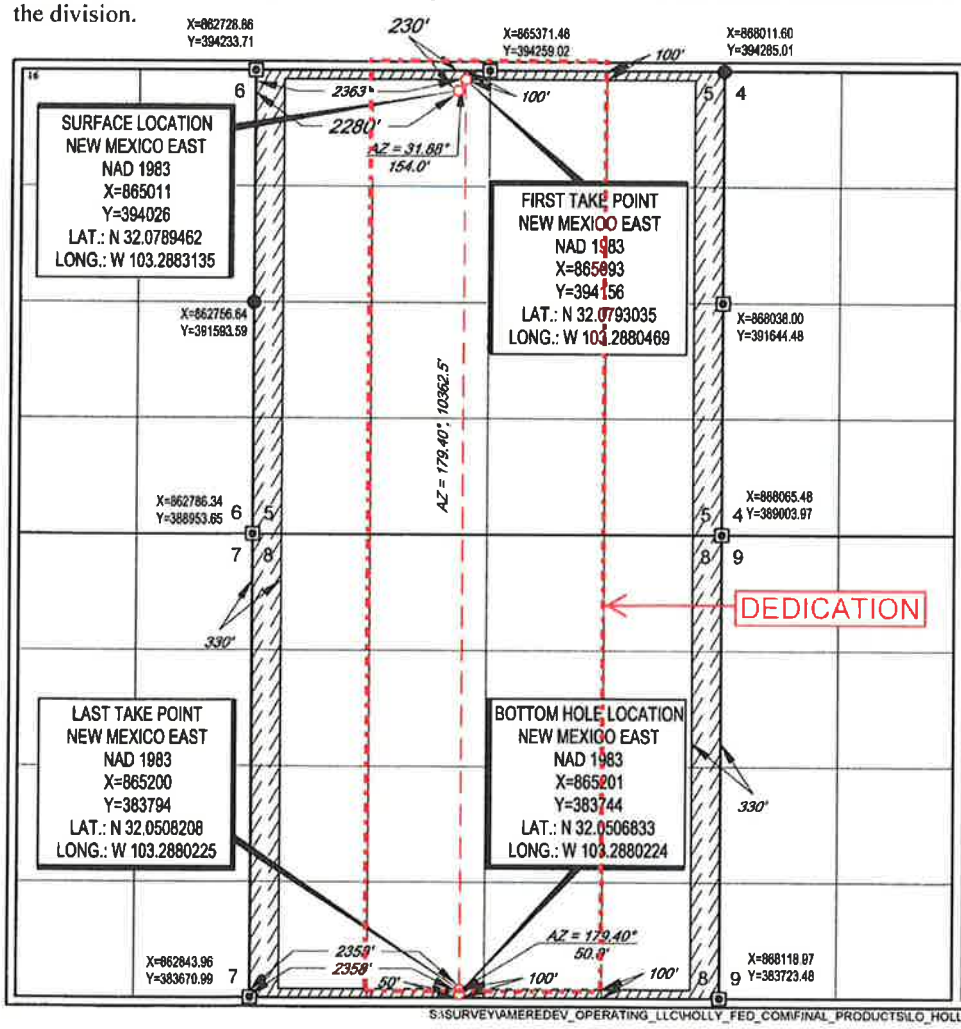
[10]Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	36-E	-	230'	NORTH	2280'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	26-S	36-E	-	50'	SOUTH	2358'	WEST	LEA

[12]Dedicated Acres	[13]Joint or Infill	[14]Consolidation Code	[15]Order No.
640		C	

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.



[17]OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature 7/19/19 Date

Floyd Hammond
Printed Name

fhammond@ameredev.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.

01/31/2018
Date of Survey
Signature and Seal of Professional Surveyor

JOHN TREVOR CARNEGIE
NEW MEXICO
11401
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\AMEREDEV_OPERATING_LLC\HOLLY_FED_COM\FINAL_PRODUCTS\LO_HOLLY_FED_COM_26_36_05_114H_REV4.DWG 7/18/2019 7:01:52 PM ccaston

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1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-	33813	Jal; Wolfcamp, West

[4] Property Code	[5] Property Name	[6] Well Number
	HOLLY FED COM 26 36 05	123H

[7] OGRID No.	[8] Operator Name	[9] Elevation
372224	AMEREDEV OPERATING, LLC.	3001'

[10] Surface Location

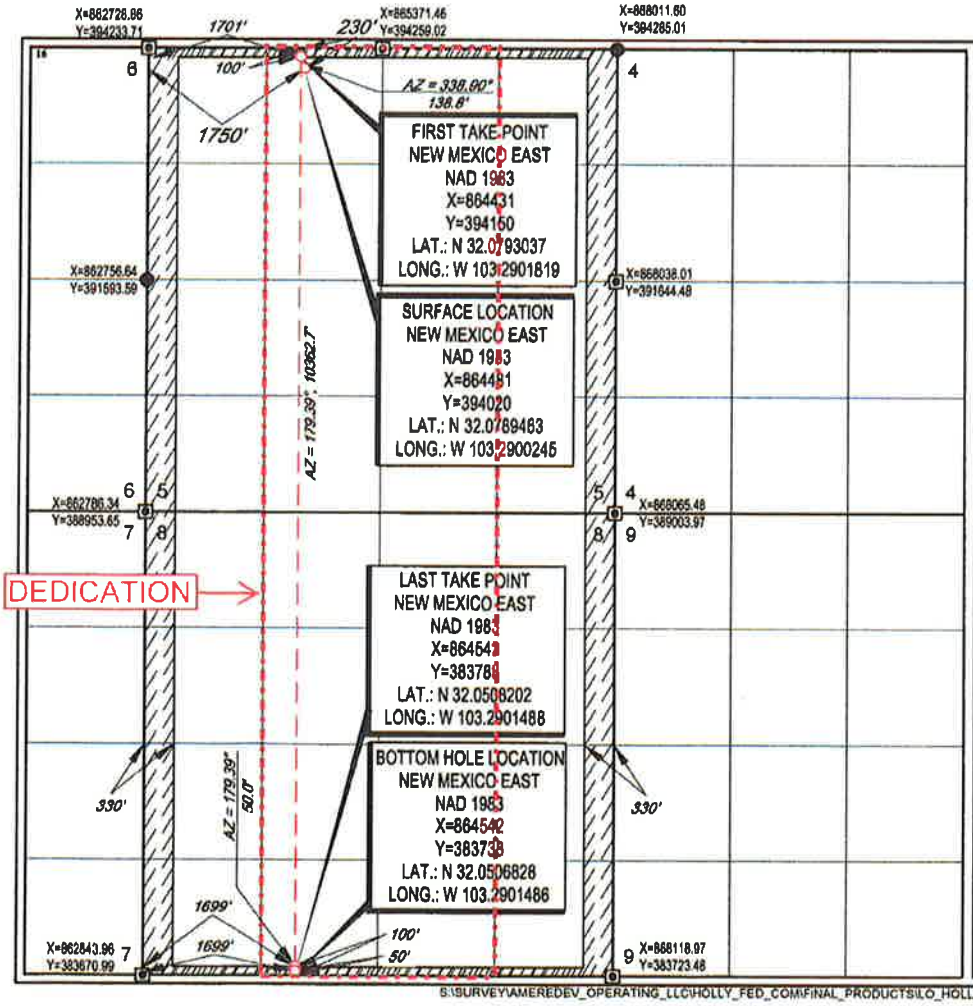
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	36-E	–	230'	NORTH	1750'	WEST	LEA

[11] 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
N	8	26-S	36-E	–	50'	SOUTH	1699'	WEST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
640		C	

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.



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — Date: 7/19/19

Floyd Hammond
Printed Name

fhammond@ameredev.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.

05/01/2018
Date of Survey
Signature and Seal of Professional Surveyor:

JOHN TREVOR CARNEGIE
NEW MEXICO
11401
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\AMEREDEV_OPERATING_LLC\HOLLY_FED_COM\FINAL_PRODUCTS\LO_HOLLY_FED_COM_26_36_05_123H_REV2.DWG 7/18/2019 8:12:50 AM coaston

Ameredev II, LLC
5707 Southwest Parkway
Building 1, Suite 275
Austin, Texas 78735

August 15, 2019

VIA Certified Mail

XTO Holdings, LLC
22777 Springwoods Village Pkwy
Spring, TX 77389

RE: Holly Fed Com 26-36-05 #124H, #113H, #103H Well Proposals
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: Section 5; BHL: Section 8

Dear Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, received pooling Order No. R-20608, enclosed herein, to drill and complete the following wells:

Holly Fed Com 26-36-05 #124H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FNL & 2,300' FWL Section 5; BHL: 50' FSL & 2,318' FWL Section 8
Formation: Wolfcamp
MD: 22,889' TVD: 12,105'

Holly Fed Com 26-36-05 #113H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FNL & 1,730' FWL Section 5; BHL: 50' FSL & 1,672' FWL Section 8
Formation: Wolfcamp
MD: 22,592' TVD: 11,767'

Holly Fed Com 26-36-05 #103H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FNL & 1,710' FWL Section 5; BHL: 50' FSL & 1,672' FWL Section 8
Formation: Wolfcamp
MD: 22,411' TVD: 11,667'

Ameredev will request the division to amend Order No. R-20608 to include 4 additional wells:

Holly Fed Com 26-36-05 #123H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FNL & 1,750' FWL Section 5; BHL: 50' FSL & 1,699' FWL Section 8
Formation: Wolfcamp
MD: 23,017' TVD: 12,120'

Holly Fed Com 26-36-05 #114H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FNL & 2,280' FWL Section 5; BHL: 50' FSL & 2,358' FWL Section 8

CONFIDENTIAL

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A3
Submitted by: Ameredev
Hearing Date: October 3, 2019
Case No 20416

Formation: Wolfcamp
MD: 22,449' TVD: 11,702'

Holly Fed Com 26-36-05 #104H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FNL & 2,260" FWL Section 5; BHL: 50' FSL & 2,318' FWL Section 8
Formation: Wolfcamp
MD: 22,366' TVD: 11,602'

Holly Fed Com 26-36-05 #113H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FNL & 1,730" FWL Section 5; BHL: 50' FSL & 1,699' FWL Section 8
Formation: Wolfcamp
MD: 22,592' TVD: 11,767'

Ameredev's records indicate XTO Holdings, LLC ("XTO") owns an 18.75% working interest in the Wells, and XTO's estimated costs associated with the operation are approximately $2,407,750.80, per well as shown in the included AFE's.

In addition, Ameredev proposes the operation to be governed by the terms of the 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 26 South, Range 36 East, Section 5 and Section 8: E2W2 and W2E2 with Ameredev listed as the Operator ("Contract Area")
- 100%/300%/300% non-consent risk penalties
- $7,000/$700 drilling and producing overhead rates

Ameredev looks forward to working with XTO on this matter. Please feel free to contact me at the information provided below with any questions. Ameredev plans to commence operation on or about December 1, 2019. Please indicate your election below and return to bforteza@ameredev.com at your earliest convenience. This letter is to replace the previous correspondence sent on August 5, 2019.

Sincerely,

Brandon Forteza
737-300-4721

Election Ballot for the Holly Fed Com 26-36-05 #123H Well Proposal (AFE# 2019-019)

_____ XTO elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2019-019.

_____ XTO elects to not participate in the proposed Operation.

XTO Holdings, LLC

_____

By:

Its:

Election Ballot for the Holly Fed Com 26-36-05 #114H Well Proposal (AFE# 2019-020)

_____ XTO elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2019-020.

_____ XTO elects to not participate in the proposed Operation.

XTO, Holdings, LLC

_____

By:

Its:

Election Ballot for the Holly Fed Com 26-36-05 #104H Well Proposal (AFE# 2019-023)

_____ XTO elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2019-023.

_____ XTO elects to not participate in the proposed Operation.

XTO, Holdings, LLC

_____

By:

Its:

Election Ballot for the Holly Fed Com 26-36-05 #113H Well Proposal (AFE# 2019-009)

_____ XTO elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2019-113H.

_____ XTO elects to not participate in the proposed Operation.

XTO, Holdings, LLC

_____

By:

Its:

AMEREDEV

Ameredev II, LLC

Lea County, New Mexico
SHL: Sec. 5 26S-36E 230' FNL & 1750' FWL
BHL: Sec. 8 26S-36E 50' FSL & 1699' FWL

Holly Fed Com 26-36-05 123H
AFE # 2019-019
Capital Expenditure

August 5, 2019

Ameredev Operating, LLC
5707 Southwest Parkway Building I, Suite 275 Austin, Texas 78735

AMEREDEV

Company Entity	Date Prepared
Ameredev Operating, LLC	July 26, 2019

AFE Type	Project	Well No.	Field Name	Cost Center	AFE No.
Capital	Holly Fed Com 26-36-05	123H	Delaware	40864	2019-019

Location	County	State	Well Type	
SHL: Sec. 5 26S-36E 230' FNL & 1750' FWL BHL: Sec. 8 26S-36E 50' FSL & 1699' FWL	Lea	NM	***Oil*** *Gas*	***Expl*** *Prod*

Estimate Type	Start Date	Completion Date	Formation	MD
Original *Revised* *Supplemental*	December 3, 2019	February 1, 2020	Wolfcamp	23,017' TVD 12,120'

Project Description

Drill and Complete 2 Mile Wolfcamp Lateral and Tie In to Central Tank Battery.

Total Cost **$12,841,337.61**

Comments on Associated Costs

Water disposal not included.

Comments on AFE

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

Well Control Insurance

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

☐ I elect to purchase my own well control insurance policy.

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

Marketing Election

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

☐ I elect to take my gas in kind.

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

Joint Interest Approval

Company	Approved By	Date

AMEREDEV

Single Well Project

Holly Fed Com 26-36-05 123H

Intangibles	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	$ 20,000.00	$ -	$ 20,000.00
EASEMENT, ROW, AND ACQUISITION	0.006	$ 100,000.00	$ -	$ 100,000.00
ROAD / LOCATION PREP / RESTORATION	0.008	$ 100,000.00	$ -	$ 100,000.00
DRILLING RIG	0.010	$ 950,003.04	$ 90,200.00	$ 1,040,203.04
COIL TUBING	0.012	$ -	$ 130,000.00	$ 130,000.00
FUEL	0.016	$ 217,500.00	$ 2,500.00	$ 220,000.00
TRAILER, CAMP, AND CATERING	0.018	$ 36,670.00	$ 19,305.00	$ 55,975.00
WATER & SEPTIC	0.020	$ 68,850.00	$ -	$ 68,850.00
SURFACE RENTALS	0.024	$ 86,630.00	$ 73,020.00	$ 159,650.00
DRILL BITS	0.028	$ 87,000.00	$ 3,500.00	$ 90,500.00
DOWNHOLE RENTALS	0.030	$ 17,775.00	$ 81,700.00	$ 99,475.00
DIRECTIONAL DRILLING	0.032	$ 630,865.00	$ -	$ 630,865.00
COMPOSITE PLUGS	0.034	$ -	$ 63,000.00	$ 63,000.00
TUBING & BHA INSPECT & REPAIR	0.042	$ 10,803.50	$ -	$ 10,803.50
RENTAL TUBING	0.046	$ -	$ 32,500.00	$ 32,500.00
WELL CONTROL EQUIP / SERVICES	0.048	$ 91,519.60	$ 216,048.00	$ 307,567.60
PUMP TRUCK / PRESSURE TESTING	0.054	$ -	$ 1,000.00	$ 1,000.00
MUD, ADDITIVES, AND CHEMICALS	0.060	$ 303,920.00	$ 312,400.00	$ 616,320.00
FRAC PUMPING CHARGES	0.061	$ -	$ 3,500,000.00	$ 3,500,000.00
WATER RIGHTS / TRANSFER / STORAGE	0.062	$ 43,600.00	$ 724,500.00	$ 768,100.00
SOLIDS CONTROL EQUIP / SERVICES	0.066	$ 102,072.00	$ -	$ 102,072.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	$ 106,000.00	$ 28,430.00	$ 134,430.00
CASING CREWS	0.070	$ 47,500.00	$ -	$ 47,500.00
CEMENTING	0.072	$ 290,000.00	$ -	$ 290,000.00
CASING / LINER / FLOAT EQUIPMENT	0.074	$ 41,500.00	$ -	$ 41,500.00
MOBILIZE & DEMOBILIZE	0.086	$ 235,000.24	$ 3,000.00	$ 238,000.24
SUPERVISION / CONTRACT	0.094	$ 198,000.00	$ 141,750.00	$ 339,750.00
CONTRACT ROUSTABOUT	0.103	$ -	$ 10,000.00	$ 10,000.00
CONTRACT LANDWORK / SURVEY	0.114	$ -	$ 10,000.00	$ 10,000.00
REGULTRY / ENVIRON CONSULTANT	0.122	$ 10,050.00	$ 5,000.00	$ 15,050.00
SAFETY AND EMERGENCY RESPONSE	0.124	$ 3,876.00	$ 9,340.00	$ 13,216.00
GEOLOGY	0.186	$ 10,000.00	$ -	$ 10,000.00
FLOW TESTING / EQUIP	0.194	$ -	$ 109,125.00	$ 109,125.00
MUD LOGGING	0.198	$ 100,000.00	$ -	$ 100,000.00
WIRELINE / PERF / PUMPDOWN COSTS	0.200	$ 110,000.00	$ 545,050.00	$ 655,050.00
FACILITY ELECTRIC & AUTOMATION	0.258	$ -	$ 70,500.00	$ 70,500.00
Contingency	5.00%	$ 200,956.72	$ 309,093.40	$ 510,050.12
Tax	6.25%	$ 251,195.90	$ 386,366.75	$ 637,562.65
Total Intangible Cost		$ 4,471,287.00	$ 6,877,328.15	$ 11,348,615.15

Tangibles - Well Equipment	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
PIPELINE MECH MATERIALS / EQUIP	0.134	$ -	$ -	$ -
FACILITY MECH MATERIALS / EQUIP	0.136	$ -	$ -	$ -
DRIVE PIPE	0.204	$ -	$ -	$ -
CONDUCTOR PIPE	0.206	$ 8,400.00	$ -	$ 8,400.00
WATER STRING	0.208	$ -	$ -	$ -
SURFACE CASING	0.210	$ 74,400.00	$ -	$ 74,400.00
INTERMEDIATE CASING	0.212	$ 386,500.00	$ -	$ 386,500.00
REMEDIAL CASING	0.213	$ -	$ -	$ -
DRILLING LINER	0.214	$ -	$ -	$ -
PRODUCTION CASING	0.216	$ 486,500.00	$ -	$ 486,500.00
TUBING	0.217	$ -	$ 69,000.00	$ 69,000.00
WELLHEAD / TREE / CHOKES	0.218	$ 65,173.00	$ 95,000.00	$ 160,173.00
DRILLING LINER HANGER	0.220	$ -	$ -	$ -
ISOLATION PACKER	0.222	$ -	$ 12,000.00	$ 12,000.00
PUMPING UNIT, ENGINE	0.232	$ -	$ -	$ -
SURFACE LIFT EQUIP	0.233	$ -	$ -	$ -
DOWNHOLE LIFT EQUIPMENT	0.234	$ -	$ 10,000.00	$ 10,000.00
TANK BATT / PROCESS EQUIP / MAINT	0.236	$ -	$ -	$ -
Tangibles - Lease Equipment		**Dry Hole Cost**	**After Casing Point Cost**	**Total Cost**
LINE PIPE	0.238	$ -	$ -	$ -
POWERLINES & SUBSTATION	0.242	$ -	$ -	$ -
TANKS, TANKS STEPS, STAIRS	0.244	$ -	$ -	$ -
BATTERY (HEATER TREATERS)	0.246	$ -	$ 42,500.00	$ 42,500.00
BATTERY (SEPARATOR)	0.248	$ -	$ 24,800.00	$ 24,800.00
BATTERY (GAS TREATING EQUIP)	0.250	$ -	$ 12,500.00	$ 12,500.00
BATTERY (MISC EQUIP)	0.252	$ -	$ -	$ -
FLOW LINE (PIPE WH TO FACILITY)	0.266	$ -	$ -	$ -
PIPELINE TO SALES	0.270	$ -	$ -	$ -
METERS AND METERING EQUIPMENT	0.274	$ -	$ 30,000.00	$ 30,000.00
VALVES, FITTINGS, PROD INSTRUM	0.282	$ -	$ 25,000.00	$ 25,000.00
BUILDINGS	0.310	$ -	$ -	$ -
Contingency	5.00%	$ 51,048.65	$ 16,040.00	$ 67,088.65
Tax	6.25%	$ 63,810.81	$ 20,050.00	$ 83,860.81
Total Tangible Cost		$ 1,135,832.46	$ 356,890.00	$ 1,492,722.46
TOTAL		$ 5,607,119.46	$ 7,234,218.15	$ 12,841,337.61

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) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-	33813	Jal; Wolfcamp, West

[4] Property Code	[5] Property Name	[6] Well Number
	HOLLY FED COM 26 36 05	123H

[7] OGRID No.	[8] Operator Name	[9] Elevation
372224	AMEREDEV OPERATING, LLC.	3001'

[10] Surface Location

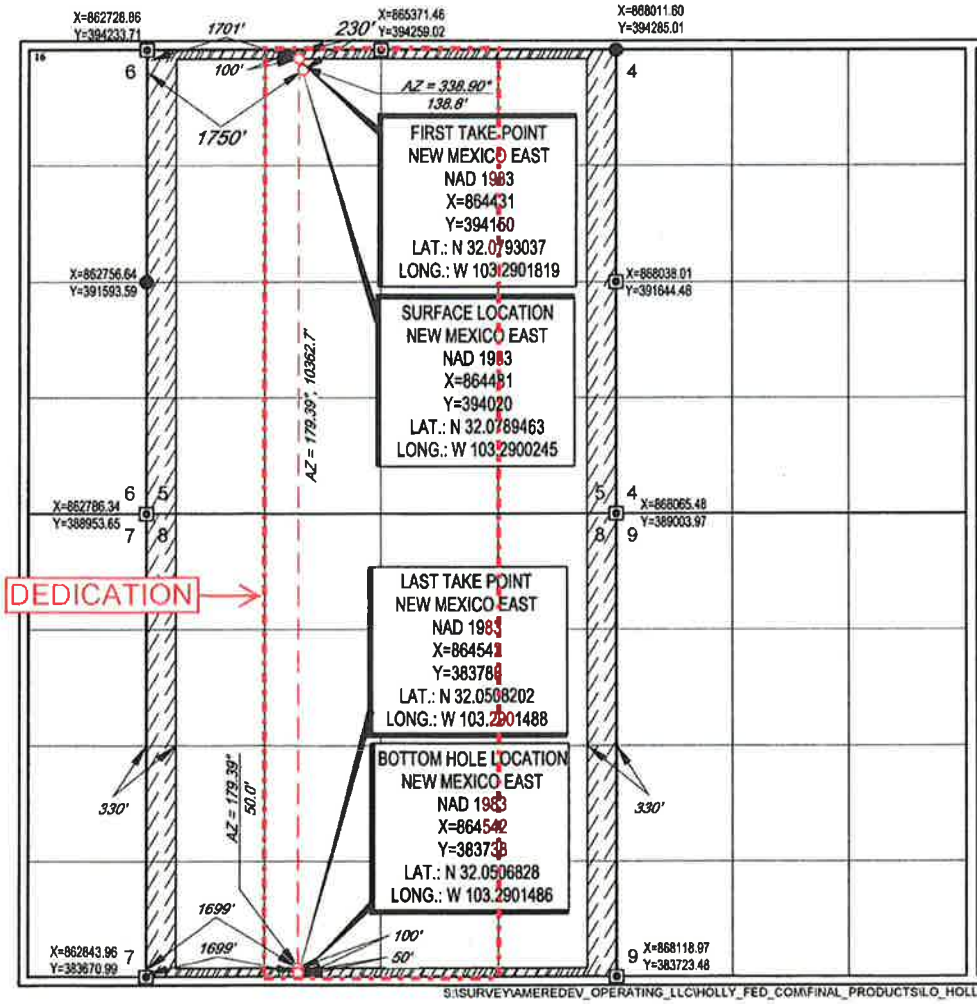
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	36-E	–	230'	NORTH	1750'	WEST	LEA

[11] 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
N	8	26-S	36-E	–	50'	SOUTH	1699'	WEST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
640		C	

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.



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — Date: 7/19/19

Floyd Hammond
Printed Name

fhammond@ameredev.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.

05/01/2018
Date of Survey
Signature and Seal of Professional Surveyor:

JOHN TREVOR CARNEGIE — NEW MEXICO — 11401 — REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\AMEREDEV_OPERATING_LLC\HOLLY_FED_COM\FINAL_PRODUCTS\LO_HOLLY_FED_COM_26_36_05_123H_REV2.DWG 7/18/2019 8:12:50 AM ccaston

AMEREDEV

Ameredev II, LLC

Lea County, New Mexico
SHL: Sec. 5 26S-36E 230' FNL & 2280' FWL
BHL: Sec. 8 26S-36E 50' FSL & 2358' FWL

Holly Fed Com 26-36-05 114H
AFE # 2019-020
Capital Expenditure

August 5, 2019

5707 Southwest Parkway
Ameredev Operating, LLC
Building I, Suite 275
Austin, Texas 78735

AMEREDEV

Company Entity	Date Prepared
Ameredev Operating, LLC	July 26, 2019

AFE Type	Project	Well No.	Field Name	Cost Center	AFE No.
Capital	Holly Fed Com 26-36-05	114H	Delaware	40868	2019-020

Location	County	State	Well Type	
SHL: Sec. 5 26S-36E 230' FNL & 2280' FWL BHL: Sec. 8 26S-36E 50' FSL & 2358' FWL	Lea	NM	***Oil*** *Gas*	***Expl*** *Prod*

Estimate Type	Start Date	Completion Date	Formation	MD
Original *Revised* *Supplemental*	December 3, 2019	February 1, 2020	Wolfcamp	22,449' TVD 11,702'

Project Description

Drill and Complete 2 Mile Wolfcamp Lateral and Tie In to Central Tank Battery.

Total Cost **$12,841,337.61**

Comments on Associated Costs

Water disposal not included.

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.

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☐ I elect to take my gas in kind.

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

Joint Interest Approval

Company	Approved By	Date

AMEREDEV

Single Well Project

Holly Fed Com 26-36-05 114H

Intangibles	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	$ 20,000.00	$ -	$ 20,000.00
EASEMENT, ROW, AND ACQUISITION	0.006	$ 100,000.00	$ -	$ 100,000.00
ROAD / LOCATION PREP / RESTORATION	0.008	$ 100,000.00	$ -	$ 100,000.00
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RENTAL TUBING	0.046	$ -	$ 32,500.00	$ 32,500.00
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WATER RIGHTS / TRANSFER / STORAGE	0.062	$ 43,600.00	$ 724,500.00	$ 768,100.00
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CASING CREWS	0.070	$ 47,500.00	$ -	$ 47,500.00
CEMENTING	0.072	$ 290,000.00	$ -	$ 290,000.00
CASING / LINER / FLOAT EQUIPMENT	0.074	$ 41,500.00	$ -	$ 41,500.00
MOBILIZE & DEMOBILIZE	0.086	$ 235,000.24	$ 3,000.00	$ 238,000.24
SUPERVISION / CONTRACT	0.094	$ 198,000.00	$ 141,750.00	$ 339,750.00
CONTRACT ROUSTABOUT	0.103	$ -	$ 10,000.00	$ 10,000.00
CONTRACT LANDWORK / SURVEY	0.114	$ -	$ 10,000.00	$ 10,000.00
REGULTRY / ENVIRON CONSULTANT	0.122	$ 10,050.00	$ 5,000.00	$ 15,050.00
SAFETY AND EMERGENCY RESPONSE	0.124	$ 3,876.00	$ 9,340.00	$ 13,216.00
GEOLOGY	0.186	$ 10,000.00	$ -	$ 10,000.00
FLOW TESTING / EQUIP	0.194	$ -	$ 109,125.00	$ 109,125.00
MUD LOGGING	0.198	$ 100,000.00	$ -	$ 100,000.00
WIRELINE / PERF / PUMPDOWN COSTS	0.200	$ 110,000.00	$ 545,050.00	$ 655,050.00
FACILITY ELECTRIC & AUTOMATION	0.258	$ -	$ 70,500.00	$ 70,500.00
Contingency	5.00%	$ 200,956.72	$ 309,093.40	$ 510,050.12
Tax	6.25%	$ 251,195.90	$ 386,366.75	$ 637,562.65
Total Intangible Cost		$ 4,471,287.00	$ 6,877,328.15	$ 11,348,615.15

Tangibles - Well Equipment		Dry Hole Cost	After Casing Point Cost	Total Cost
PIPELINE MECH MATERIALS / EQUIP	0.134	$ -	$ -	$ -
FACILITY MECH MATERIALS / EQUIP	0.136	$ -	$ -	$ -
DRIVE PIPE	0.204	$ -	$ -	$ -
CONDUCTOR PIPE	0.206	$ 8,400.00	$ -	$ 8,400.00
WATER STRING	0.208	$ -	$ -	$ -
SURFACE CASING	0.210	$ 74,400.00	$ -	$ 74,400.00
INTERMEDIATE CASING	0.212	$ 386,500.00	$ -	$ 386,500.00
REMEDIAL CASING	0.213	$ -	$ -	$ -
DRILLING LINER	0.214	$ -	$ -	$ -
PRODUCTION CASING	0.216	$ 486,500.00	$ -	$ 486,500.00
TUBING	0.217	$ -	$ 69,000.00	$ 69,000.00
WELLHEAD / TREE / CHOKES	0.218	$ 65,173.00	$ 95,000.00	$ 160,173.00
DRILLING LINER HANGER	0.220	$ -	$ -	$ -
ISOLATION PACKER	0.222	$ -	$ 12,000.00	$ 12,000.00
PUMPING UNIT, ENGINE	0.232	$ -	$ -	$ -
SURFACE LIFT EQUIP	0.233	$ -	$ -	$ -
DOWNHOLE LIFT EQUIPMENT	0.234	$ -	$ 10,000.00	$ 10,000.00
TANK BATT / PROCESS EQUIP / MAINT	0.236	$ -	$ -	$ -
Tangibles - Lease Equipment		**Dry Hole Cost**	**After Casing Point Cost**	**Total Cost**
LINE PIPE	0.238	$ -	$ -	$ -
POWERLINES & SUBSTATION	0.242	$ -	$ -	$ -
TANKS, TANKS STEPS, STAIRS	0.244	$ -	$ -	$ -
BATTERY (HEATER TREATERS)	0.246	$ -	$ 42,500.00	$ 42,500.00
BATTERY (SEPARATOR)	0.248	$ -	$ 24,800.00	$ 24,800.00
BATTERY (GAS TREATING EQUIP)	0.250	$ -	$ 12,500.00	$ 12,500.00
BATTERY (MISC EQUIP)	0.252	$ -	$ -	$ -
FLOW LINE (PIPE WH TO FACILITY)	0.266	$ -	$ -	$ -
PIPELINE TO SALES	0.270	$ -	$ -	$ -
METERS AND METERING EQUIPMENT	0.274	$ -	$ 30,000.00	$ 30,000.00
VALVES, FITTINGS, PROD INSTRUM	0.282	$ -	$ 25,000.00	$ 25,000.00
BUILDINGS	0.310	$ -	$ -	$ -
Contingency	5.00%	$ 51,048.65	$ 16,040.00	$ 67,088.65
Tax	6.25%	$ 63,810.81	$ 20,050.00	$ 83,860.81
Total Tangible Cost		$ 1,135,832.46	$ 356,890.00	$ 1,492,722.46
TOTAL		$ 5,607,119.46	$ 7,234,218.15	$ 12,841,337.61

District I
1625 N. French Dr., Hobbs, NM 88240
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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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1]API Number	[2]Pool Code	[3]Pool Name
30-025-	33813	Jal; Wolfcamp, West

[4]Property Code	[5]Property Name	[6]Well Number
	HOLLY FED COM 26 36 05	114H

[7]OGRID No.	[8]Operator Name	[9]Elevation
372224	AMEREDEV OPERATING, LLC.	3003'

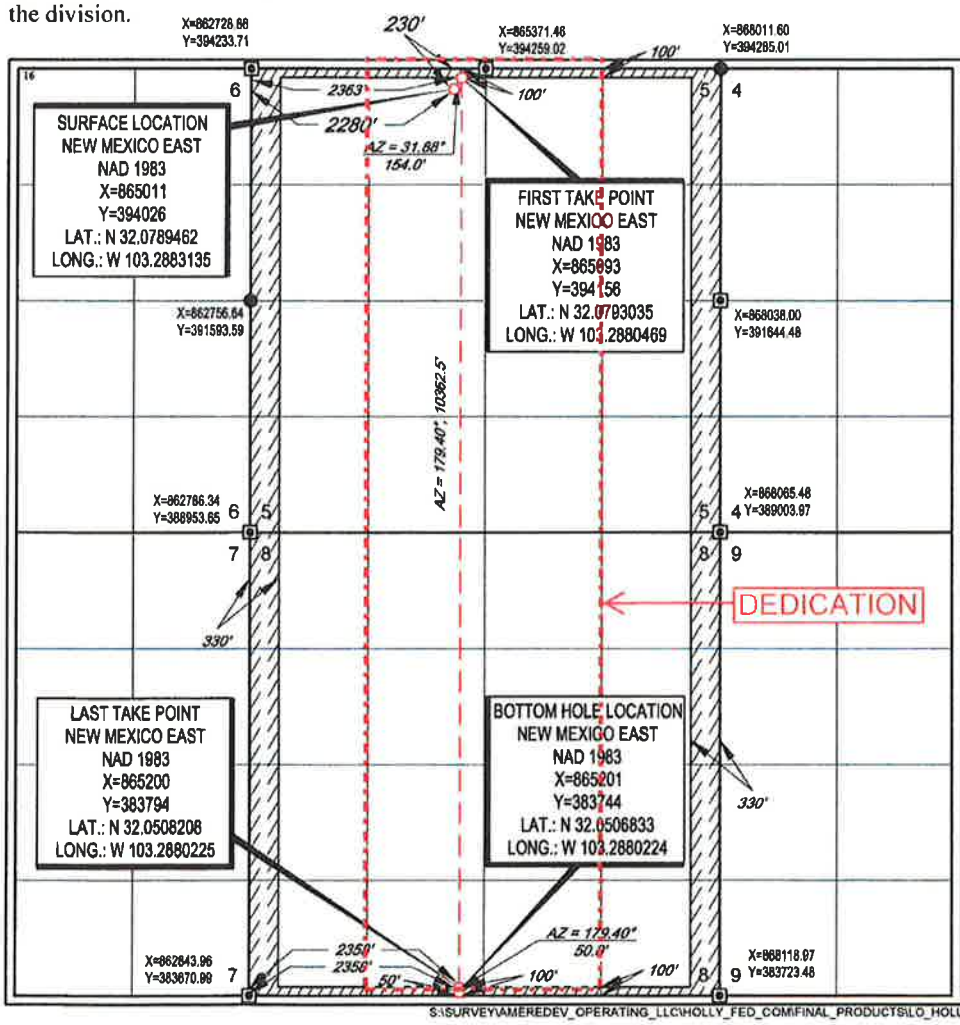
[10]Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	36-E	-	230'	NORTH	2280'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	26-S	36-E	-	50'	SOUTH	2358'	WEST	LEA

[12]Dedicated Acres	[13]Joint or Infill	[14]Consolidation Code	[15]Order No.
640		C	

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.



[17]OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature 7/19/19 Date

Floyd Hammond
Printed Name

fhammond@ameredev.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.

01/31/2018
Date of Survey
Signature and Seal of Professional Surveyor

JOHN TREVOR CARNEGIE
NEW MEXICO
11401
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\AMEREDEV_OPERATING_LLC\HOLLY_FED_COM\FINAL_PRODUCTS\LO_HOLLY_FED_COM_26_36_05_114H_REV4.DWG 7/18/2019 7:01:52 PM ccaston

AMEREDEV

Ameredev II, LLC

Lea County, New Mexico
SHL: Sec. 5 26S-36E 230' FNL & 2260' FWL
BHL: Sec. 8 26S-36E 50' FSL & 2318' FWL

Holly Fed Com 26-36-05 104H
AFE # 2019-023
Capital Expenditure

August 15, 2019

5707 Southwest Parkway Ameredev Operating, LLC Building I, Suite 275 Austin, Texas 78735

AMEREDEV

Company Entity	Date Prepared
Ameredev Operating, LLC	August 15, 2019

AFE Type	Project	Well No.	Field Name	Cost Center	AFE No.
Capital	Holly Fed Com 26-36-05	104H	Delaware	40853	2019-023

Location	County	State	Well Type	
SHL: Sec. 5 26S-36E 230' FNL & 2260' FWL BHL: Sec. 8 26S-36E 50' FSL & 2318' FWL	Lea	NM	***Oil*** *Gas*	***Expl*** *Prod*

Estimate Type	Start Date	Completion Date	Formation	MD
Original *Revised* *Supplemental*	January 31, 2020	March 31, 2020	Wolfcamp	22,366' TVD 11,602'

Project Description

Drill and Complete 2 Mile Wolfcamp Lateral and Tie In to Central Tank Battery.

Total Cost **$12,841,337.61**

Comments on Associated Costs

Water disposal not included.

Comments on AFE

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

Well Control Insurance

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

☐ I elect to purchase my own well control insurance policy.

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

Marketing Election

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

☐ I elect to take my gas in kind.

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

Joint Interest Approval

Company	Approved By	Date

AMEREDEV

Single Well Project

Holly Fed Com 26-26-05 104H

Intangibles	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	$ 20,000.00	$ -	$ 20,000.00
EASEMENT, ROW, AND ACQUISITION	0.006	$ 100,000.00	$ -	$ 100,000.00
ROAD / LOCATION PREP / RESTORATION	0.008	$ 100,000.00	$ -	$ 100,000.00
DRILLING RIG	0.010	$ 950,003.04	$ 90,200.00	$ 1,040,203.04
COIL TUBING	0.012	$ -	$ 130,000.00	$ 130,000.00
FUEL	0.016	$ 217,500.00	$ 2,500.00	$ 220,000.00
TRAILER, CAMP, AND CATERING	0.018	$ 36,670.00	$ 19,305.00	$ 55,975.00
WATER & SEPTIC	0.020	$ 68,850.00	$ -	$ 68,850.00
SURFACE RENTALS	0.024	$ 86,630.00	$ 73,020.00	$ 159,650.00
DRILL BITS	0.028	$ 87,000.00	$ 3,500.00	$ 90,500.00
DOWNHOLE RENTALS	0.030	$ 17,775.00	$ 81,700.00	$ 99,475.00
DIRECTIONAL DRILLING	0.032	$ 630,865.00	$ -	$ 630,865.00
COMPOSITE PLUGS	0.034	$ -	$ 63,000.00	$ 63,000.00
TUBING & BHA INSPECT & REPAIR	0.042	$ 10,803.50	$ -	$ 10,803.50
RENTAL TUBING	0.046	$ -	$ 32,500.00	$ 32,500.00
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PUMP TRUCK / PRESSURE TESTING	0.054	$ -	$ 1,000.00	$ 1,000.00
MUD, ADDITIVES, AND CHEMICALS	0.060	$ 303,920.00	$ 312,400.00	$ 616,320.00
FRAC PUMPING CHARGES	0.061	$ -	$ 3,500,000.00	$ 3,500,000.00
WATER RIGHTS / TRANSFER / STORAGE	0.062	$ 43,600.00	$ 724,500.00	$ 768,100.00
SOLIDS CONTROL EQUIP / SERVICES	0.066	$ 102,072.00	$ -	$ 102,072.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	$ 106,000.00	$ 28,430.00	$ 134,430.00
CASING CREWS	0.070	$ 47,500.00	$ -	$ 47,500.00
CEMENTING	0.072	$ 290,000.00	$ -	$ 290,000.00
CASING / LINER / FLOAT EQUIPMENT	0.074	$ 41,500.00	$ -	$ 41,500.00
MOBILIZE & DEMOBILIZE	0.086	$ 235,000.24	$ 3,000.00	$ 238,000.24
SUPERVISION / CONTRACT	0.094	$ 198,000.00	$ 141,750.00	$ 339,750.00
CONTRACT ROUSTABOUT	0.103	$ -	$ 10,000.00	$ 10,000.00
CONTRACT LANDWORK / SURVEY	0.114	$ -	$ 10,000.00	$ 10,000.00
REGULTRY / ENVIRON CONSULTANT	0.122	$ 10,050.00	$ 5,000.00	$ 15,050.00
SAFETY AND EMERGENCY RESPONSE	0.124	$ 3,876.00	$ 9,340.00	$ 13,216.00
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TANK BATT / PROCESS EQUIP / MAINT	0.236	$ -	$ -	$ -

Tangibles - Lease Equipment	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
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VALVES, FITTINGS, PROD INSTRUM	0.282	$ -	$ 25,000.00	$ 25,000.00
BUILDINGS	0.310	$ -	$ -	$ -
Contingency	5.00%	$ 51,048.65	$ 16,040.00	$ 67,088.65
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TOTAL		$ 5,607,119.46	$ 7,234,218.15	$ 12,841,337.61

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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1]API Number	[2]Pool Code	[3]Pool Name
30-025-	33813	Jal; Wolfcamp, West

[4]Property Code	[5]Property Name	[6]Well Number
	HOLLY FED COM 26 36 05	104H

[7]OGRID No.	[8]Operator Name	[9]Elevation
372224	AMEREDEV OPERATING, LLC.	3002'

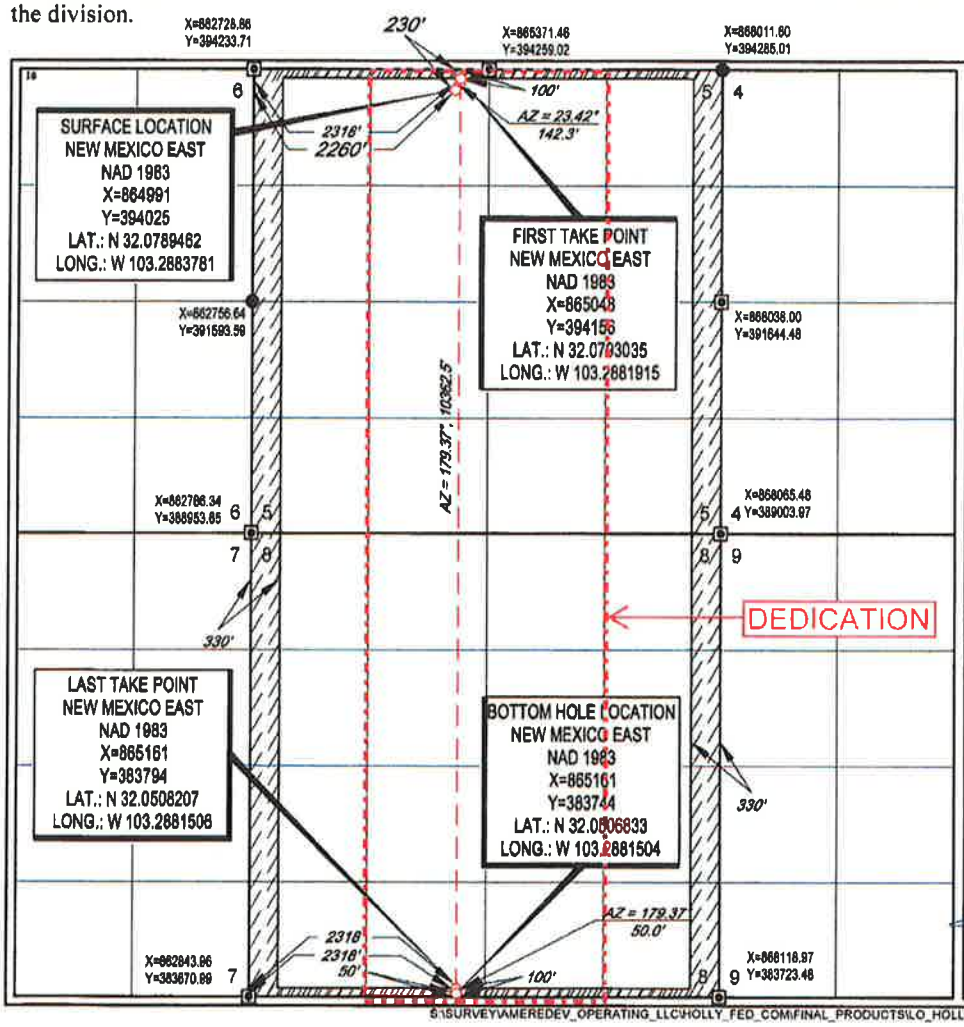
[10]Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	36-E	-	230'	NORTH	2260'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	26-S	36-E	-	50'	SOUTH	2318'	WEST	LEA

[12]Dedicated Acres	[13]Joint or Infill	[14]Consolidation Code	[15]Order No.
640		C	

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.



[17]OPERATOR CERTIFICATION

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Signature — Date: 8/15/19

Floyd Hammond
Printed Name

fhammond@ameredev.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.

01/31/2018
Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\AMEREDEV_OPERATING_LLC\HOLLY_FED_COM\FINAL_PRODUCTS\LO_HOLLY_FED_COM_26_36_05_104H_REV2.DWG 12/3/2018 5:27:51 PM ccaston

AMEREDEV

Ameredev II, LLC

Lea County, New Mexico
SHL: Sec. 5 26S-36E 230' FNL & 1730' FWL
BHL: Sec. 8 26S-36E 50' FSL & 1699' FWL

Holly Fed Com 26-36-05 113H
AFE # 2019-009
Capital Expenditure

August 5, 2019

5707 Southwest Parkway
Ameredev Operating, LLC
Building I, Suite 275
Austin, Texas 78735

AMEREDEV

Company Entity	Date Prepared
Ameredev Operating, LLC	March 7, 2019

AFE Type	Project	Well No.	Field Name	Cost Center	AFE No.
Capital	Holly Fed Com 26-36-05	113H	Delaware	40859	2019-009

Location	County	State	Well Type	
SHL: Sec. 5 26S-36E 230' FNL & 1730' FWL BHL: Sec. 8 26S-36E 50' FSL & 1699' FWL	Lea	NM	***Oil*** *Gas*	***Expl*** *Prod*

Estimate Type	Start Date	Completion Date	Formation	MD
Original *Revised* *Supplemental*	November 5, 2019	January 4, 2020	Wolfcamp	22,592' TVD 11,767'

Project Description

Drill and Complete 2 Mile Wolfcamp Lateral and Tie In to Central Tank Battery.

Total Cost **$12,841,337.61**

Comments on Associated Costs

Water disposal not included.

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.

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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.

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☐ I elect to take my gas in kind.

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

Joint Interest Approval

Company	Approved By	Date

AMEREDEV

Single Well Project

Holly Fed Com 26-36-05 115H

Intangibles	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
MISC PREPARATION COSTS	0.004	$ 20,000.00	$ -	$ 20,000.00
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ROAD / LOCATION PREP / RESTORATION	0.008	$ 100,000.00	$ -	$ 100,000.00
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COIL TUBING	0.012	$ -	$ 130,000.00	$ 130,000.00
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SURFACE RENTALS	0.024	$ 86,630.00	$ 73,020.00	$ 159,650.00
DRILL BITS	0.028	$ 87,000.00	$ 3,500.00	$ 90,500.00
DOWNHOLE RENTALS	0.030	$ 17,775.00	$ 81,700.00	$ 99,475.00
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FRAC PUMPING CHARGES	0.061	$ -	$ 3,500,000.00	$ 3,500,000.00
WATER RIGHTS / TRANSFER / STORAGE	0.062	$ 43,600.00	$ 724,500.00	$ 768,100.00
SOLIDS CONTROL EQUIP / SERVICES	0.066	$ 102,072.00	$ -	$ 102,072.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	$ 106,000.00	$ 28,430.00	$ 134,430.00
CASING CREWS	0.070	$ 47,500.00	$ -	$ 47,500.00
CEMENTING	0.072	$ 290,000.00	$ -	$ 290,000.00
CASING / LINER / FLOAT EQUIPMENT	0.074	$ 41,500.00	$ -	$ 41,500.00
MOBILIZE & DEMOBILIZE	0.086	$ 235,000.24	$ 3,000.00	$ 238,000.24
SUPERVISION / CONTRACT	0.094	$ 198,000.00	$ 141,750.00	$ 339,750.00
CONTRACT ROUSTABOUT	0.103	$ -	$ 10,000.00	$ 10,000.00
CONTRACT LANDWORK / SURVEY	0.114	$ -	$ 10,000.00	$ 10,000.00
REGULTRY / ENVIRON CONSULTANT	0.122	$ 10,050.00	$ 5,000.00	$ 15,050.00
SAFETY AND EMERGENCY RESPONSE	0.124	$ 3,876.00	$ 9,340.00	$ 13,216.00
GEOLOGY	0.186	$ 10,000.00	$ -	$ 10,000.00
FLOW TESTING / EQUIP	0.194	$ -	$ 109,125.00	$ 109,125.00
MUD LOGGING	0.198	$ 100,000.00	$ -	$ 100,000.00
WIRELINE / PERF / PUMPDOWN COSTS	0.200	$ 110,000.00	$ 545,050.00	$ 655,050.00
FACILITY ELECTRIC & AUTOMATION	0.258	$ -	$ 70,500.00	$ 70,500.00
Contingency	5.00%	$ 200,956.72	$ 309,093.40	$ 510,050.12
Tax	6.25%	$ 251,195.90	$ 386,366.75	$ 637,562.65
Total Intangible Cost		$ 4,471,287.00	$ 6,877,328.15	$ 11,348,615.15

Tangibles - Well Equipment	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
PIPELINE MECH MATERIALS / EQUIP	0.134	$ -	$ -	$ -
FACILITY MECH MATERIALS / EQUIP	0.136	$ -	$ -	$ -
DRIVE PIPE	0.204	$ -	$ -	$ -
CONDUCTOR PIPE	0.206	$ 8,400.00	$ -	$ 8,400.00
WATER STRING	0.208	$ -	$ -	$ -
SURFACE CASING	0.210	$ 74,400.00	$ -	$ 74,400.00
INTERMEDIATE CASING	0.212	$ 386,500.00	$ -	$ 386,500.00
REMEDIAL CASING	0.213	$ -	$ -	$ -
DRILLING LINER	0.214	$ -	$ -	$ -
PRODUCTION CASING	0.216	$ 486,500.00	$ -	$ 486,500.00
TUBING	0.217	$ -	$ 69,000.00	$ 69,000.00
WELLHEAD / TREE / CHOKES	0.218	$ 65,173.00	$ 95,000.00	$ 160,173.00
DRILLING LINER HANGER	0.220	$ -	$ -	$ -
ISOLATION PACKER	0.222	$ -	$ 12,000.00	$ 12,000.00
PUMPING UNIT, ENGINE	0.232	$ -	$ -	$ -
SURFACE LIFT EQUIP	0.233	$ -	$ -	$ -
DOWNHOLE LIFT EQUIPMENT	0.234	$ -	$ 10,000.00	$ 10,000.00
TANK BATT / PROCESS EQUIP / MAINT	0.236	$ -	$ -	$ -
Tangibles - Lease Equipment		**Dry Hole Cost**	**After Casing Point Cost**	**Total Cost**
LINE PIPE	0.238	$ -	$ -	$ -
POWERLINES & SUBSTATION	0.242	$ -	$ -	$ -
TANKS, TANKS STEPS, STAIRS	0.244	$ -	$ -	$ -
BATTERY (HEATER TREATERS)	0.246	$ -	$ 42,500.00	$ 42,500.00
BATTERY (SEPARATOR)	0.248	$ -	$ 24,800.00	$ 24,800.00
BATTERY (GAS TREATING EQUIP)	0.250	$ -	$ 12,500.00	$ 12,500.00
BATTERY (MISC EQUIP)	0.252	$ -	$ -	$ -
FLOW LINE (PIPE WH TO FACILITY)	0.266	$ -	$ -	$ -
PIPELINE TO SALES	0.270	$ -	$ -	$ -
METERS AND METERING EQUIPMENT	0.274	$ -	$ 30,000.00	$ 30,000.00
VALVES, FITTINGS, PROD INSTRUM	0.282	$ -	$ 25,000.00	$ 25,000.00
BUILDINGS	0.310	$ -	$ -	$ -
Contingency	5.00%	$ 51,048.65	$ 16,040.00	$ 67,088.65
Tax	6.25%	$ 63,810.81	$ 20,050.00	$ 83,860.81
Total Tangible Cost		$ 1,135,832.46	$ 356,890.00	$ 1,492,722.46
TOTAL		$ 5,607,119.46	$ 7,234,218.15	$ 12,841,337.61

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) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-	33813	Jal; Wolfcamp, West

[4] Property Code	[5] Property Name	[6] Well Number
	HOLLY FED COM 26 36 05	113H

[7] OGRID No.	[8] Operator Name	[9] Elevation
372224	AMEREDEV OPERATING, LLC.	3001'

[10] Surface Location

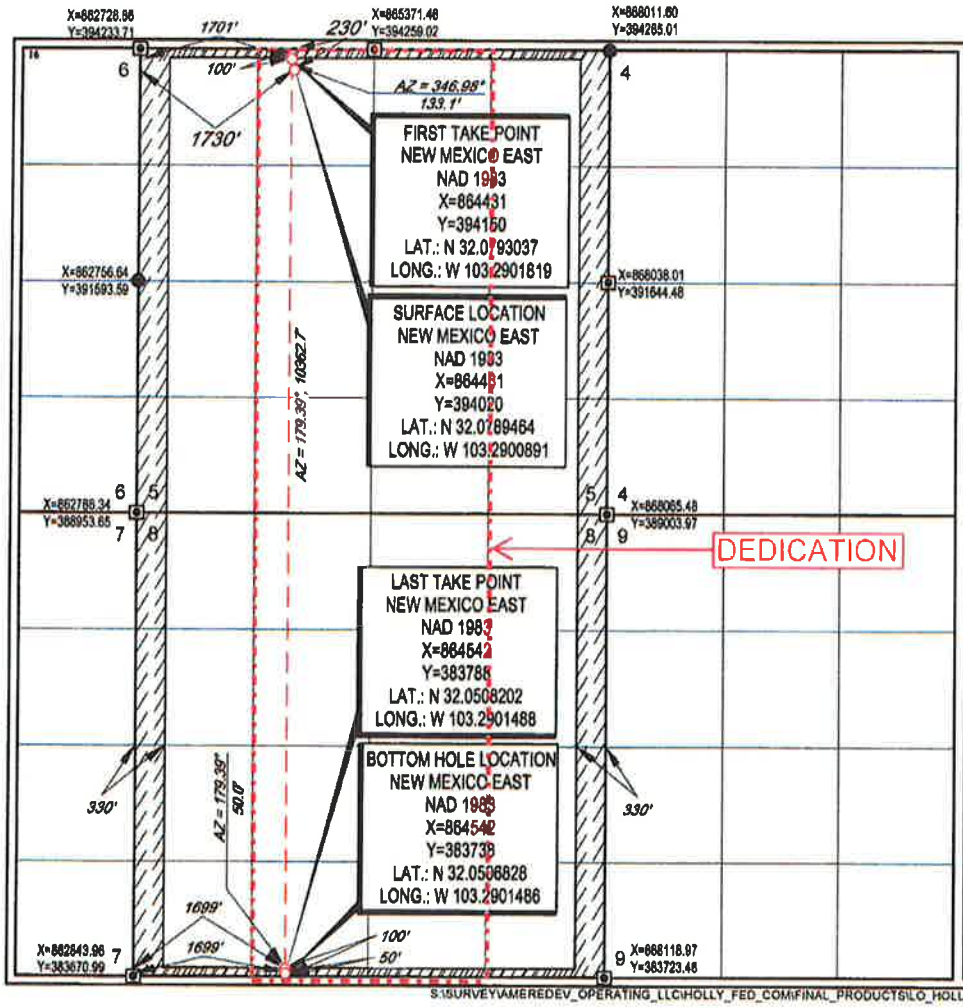
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	36-E	-	230'	NORTH	1730'	WEST	LEA

[11] 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
N	8	26-S	36-E	-	50'	SOUTH	1699'	WEST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
640		C	

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.



[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.

D. Hammond 8/15/19
Signature Date

Floyd Hammond
Printed Name

fhammond@ameredev.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.

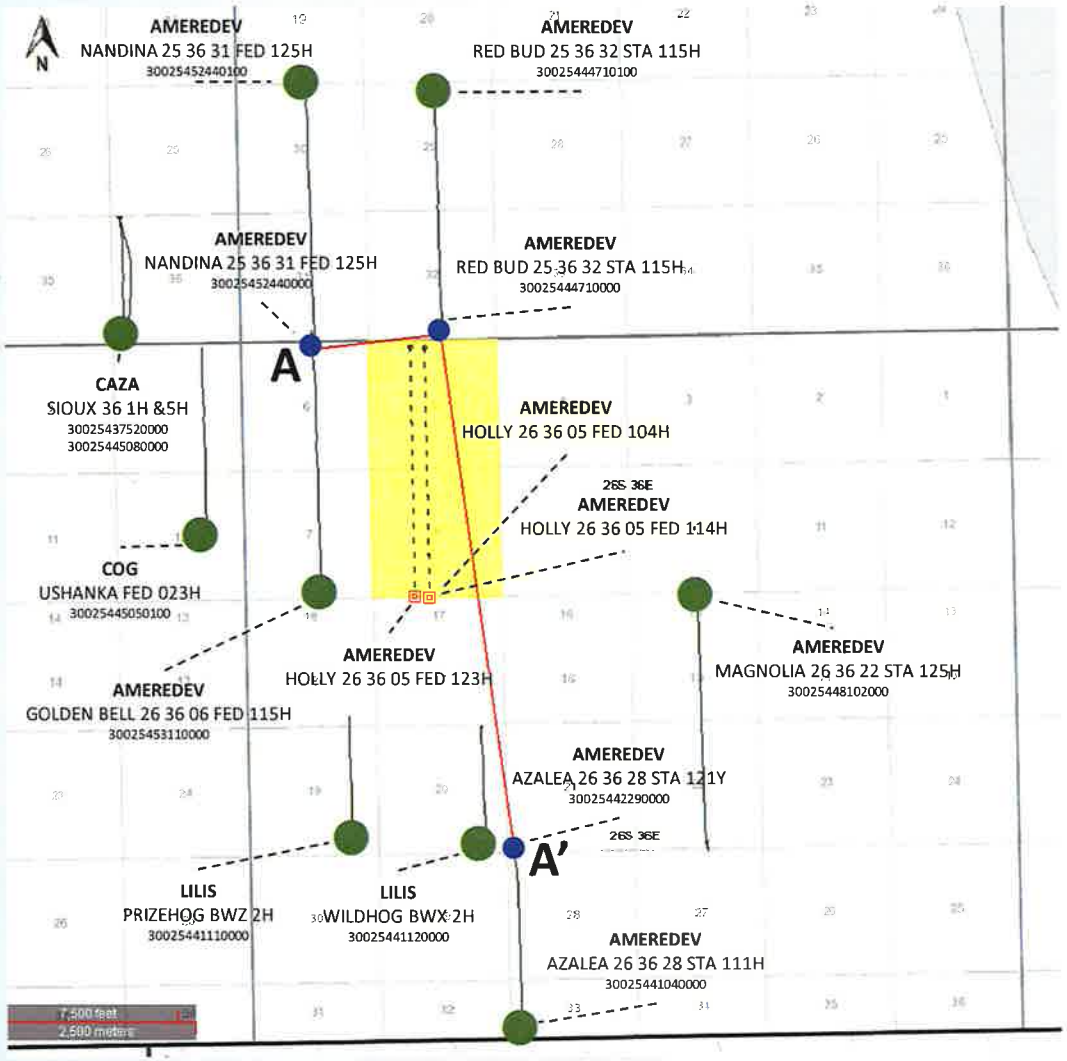
05/01/2018
Date of Survey
Signature and Seal of Professional Surveyor

JOHN TREVOR CARRIGIE
NEW MEXICO
11401
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\AMEREDEV_OPERATING_LLC\HOLLY_FED_COM\FINAL_PRODUCTS\LO_HOLLY_FED_COM_26_36_05_113H_REV2.DWG 7/18/2019 8:12:22 AM cranton

Wolfcamp A Pool – Cross Section Map



Map Legend

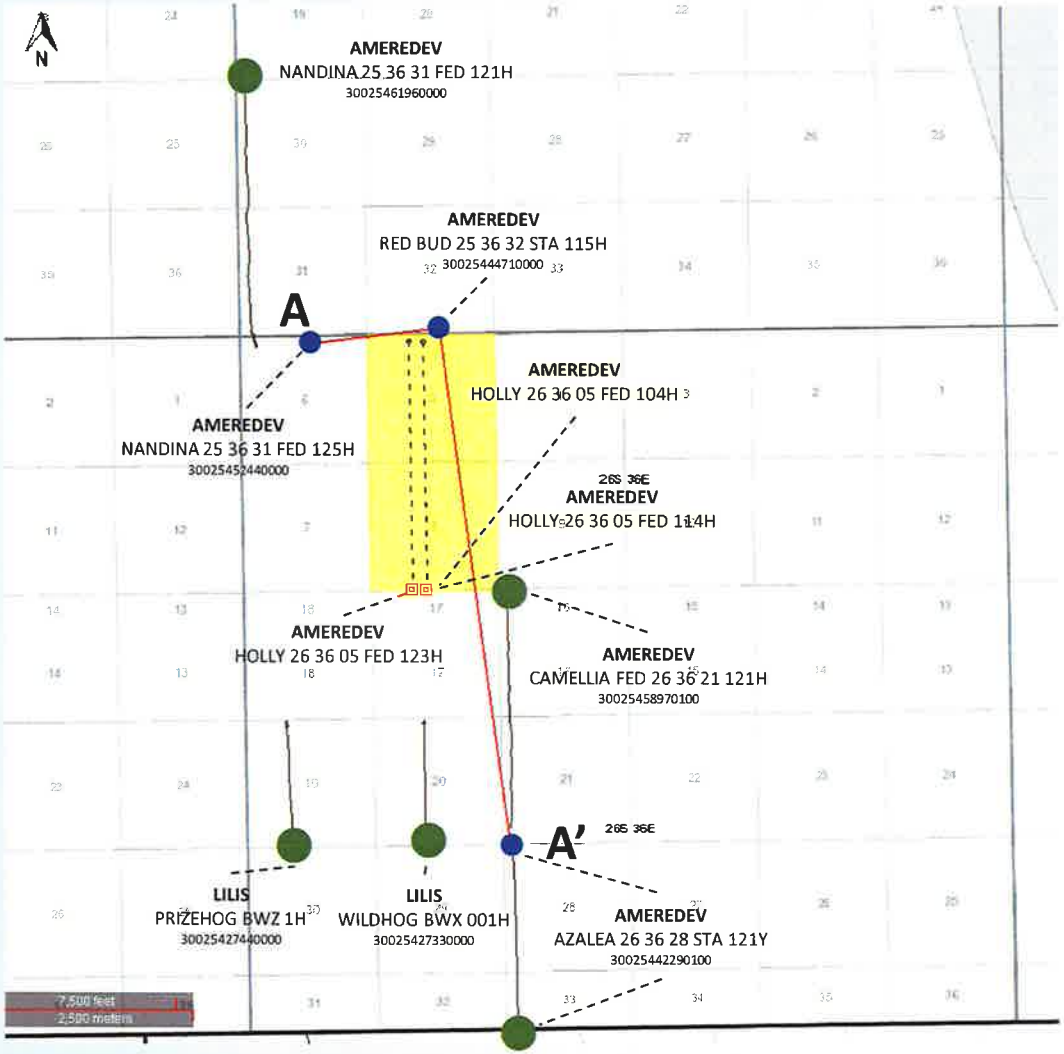
BHL SHL

- Ameredev WFMP A Horizontal Locations
- Producing WFMP A Wells
- Cross Section Wells & Transect
- Ameredev Acreage

AMEREDEV

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A4
Submitted by: **Ameredev**
Hearing Date: October 3, 2019
Case No 20416

Wolfcamp B Pool – Cross Section Map



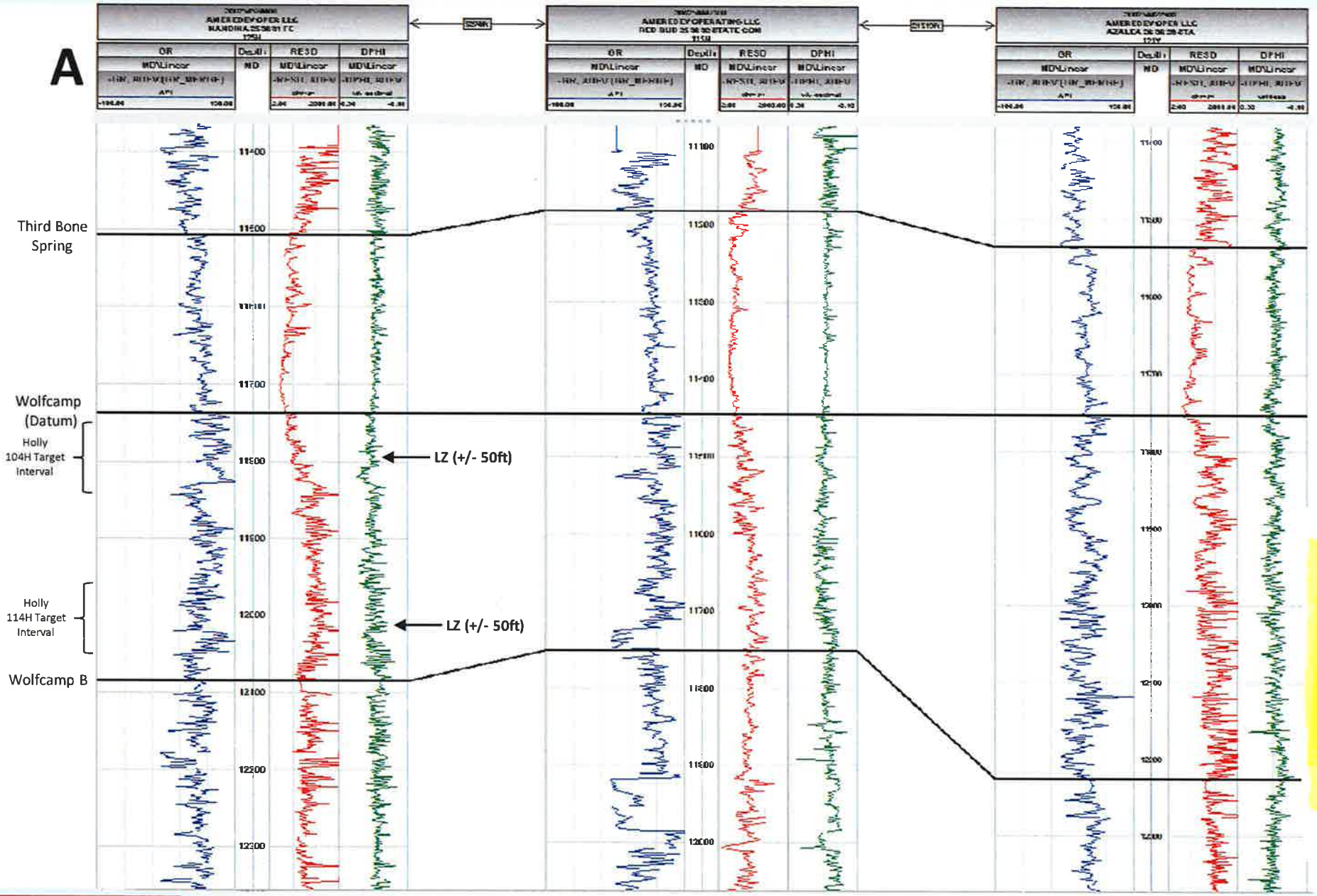
Map Legend

BHL SHL

- Ameredev WFMP B Horizontal Locations
- Producing WFMP B Wells
- Cross Section Wells & Transect
- Ameredev Acreage

AMEREDEV

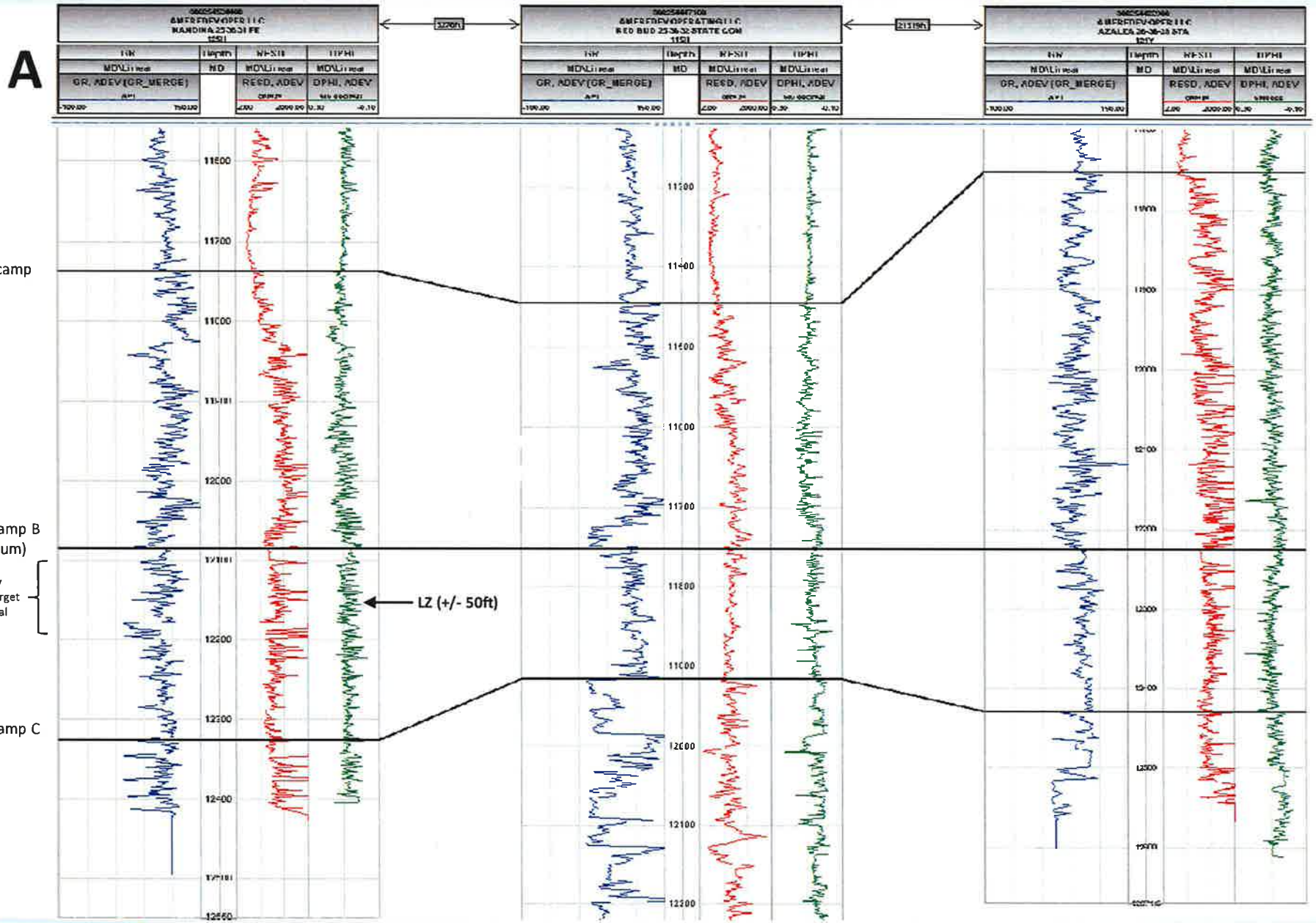
Wolfcamp A Pool - Stratigraphic Cross Section



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A5
Submitted by: Ameredev
Hearing Date: October 3, 2019
Case No 20416

AMEREDEV

Wolfcamp B Pool - Stratigraphic Cross Section



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

APPLICATION OF AMEREDEV OPERATING, LLC TO RE-OPEN CASE NO. 20416 TO ADD ADDITIONAL INTIAL WELLS UNDER THE TERMS OF COMPULSORY POOLING ORDER NO. R-20608, LEA COUNTY, NEW MEXICO.

CASE NO. 20416 (Re-Opened)

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Kaitlyn A. Luck, attorney in fact and authorized representative of Ameredev Operating, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 2nd day of October, 2019 by Kaitlyn A. Luck.

Notary Public

My Commission Expires:

January 28, 2023

OFFICIAL SEAL
ANNA K STORM
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: January 28, 2023

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Ameredev
Hearing Date: October 3, 2019
Case No 20416

HOLLAND&HART LLP

Adam G. Rankin
Associate
Phone (505) 988-4421
Fax (505) 983-6043
agrankin@hollandhart.com

September 11, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Ameredev Operating, LLC to Re-Open Case No. 20146 to Add Additional Initial Wells Under the Terms of Compulsory Pooling Order No. R-20608, Lea County, New Mexico.
Holly Fed Com 26-36-05 103H Well
Holly Fed Com 26-36-05 104H Well
Holly Fed Com 26-36-05 113H Well
Holly Fed Com 26-36-05 114H Well
Holly Fed Com 26-36-05 123H 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 October 3, 2019 and the status of the hearing can be monitored through the Division's website at http://www.emnrd.state.nm.us/ocd/. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Brandon Forteza at (737) 300-4721 or bforteza@ameredev.com.

Sincerely,

Adam G. Rankin
ATTORNEY FOR AMEREDEV OPERATING, LLC

Postal Delivery Report
Ameredev - Holly 103H, 104H, 113H, 114H, 123H
Case No. 20416

Tracking Number	Recipient	Status
9214890194038389672142	XTO Holdings LLC 22777 Springwoods Village Pkwy Spring TX 77389	Delivered Signature Received

$5.60

UNITED STATES POSTAL SERVICE®

Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 09/11/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Ameredev - Holly 103H-104H, 113H-114H, 123H
Case No. 20416
CM# 100091.0001

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:
1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

SANTA FE, NM 87501-9211 DE VARGAS SEP 11 2018

USPS SCAN AT ACCEPTANCE

9275 0901 1935 6200 0016 9555 46

UNITED STATES POSTAL SERVICE®

Firm Mailing Book For Accountable Mail

Name and Address of Sender

Holland & Hart LLP
110 N Guadalupe St # 1
Santa Fe NM 87501

Check type of mail or service

- ☐ Adult Signature Required
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery (COD)
- ☐ Insured Mail
- ☐ Priority Mail
- ☐ Priority Mail Express
- ☐ Registered Mail
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation
- ☐ Signature Confirmation Restricted Delivery

Affix Stamp Here
(if issued as an international certificate of mailing or for additional copies of this receipt).
Postmark with Date of Receipt.

	USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1.	9214 8901 9403 8389 6721 42	XTO Holdings LLC 22777 Springwoods Village Pkwy Spring TX 77389	0.50	3.50								1.60			

Handling Charge - if Registered and over $50,000 in value
Adult Signature Required
Adult Signature Restricted Delivery
Restricted Delivery
Return Receipt
Signature Confirmation
Signature Confirmation Restricted Delivery
Special Handling

Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster, Per *(Name of receiving employee)*
1		

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
September 17, 2019
and ending with the issue dated
September 17, 2019.

Publisher

Sworn and subscribed to before me this
17th day of September 2019.

Business Manager

My commission expires
January 29, 2023
(Seal)

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico
My Commission Expires 1-29-23

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

LEGAL LEGAL

LEGAL NOTICE
SEPTEMBER 17, 2019

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **October 3, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **September 23, 2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:
All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: XTO Holdings, LLC.

CASE 20416 (re-opened): Application of Ameredev Operating, LLC to Re-Open Case No. 20416 to Add Additional Initial Wells Under the Terms of Compulsory Pooling Order No. R-20608, Lea County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order No. R-20608 to additional initial wells dedicated to the 640-acre, more or less, horizontal well spacing unit within the Wolfcamp formation (Jal; Wolfcamp West, Pool Code 33813) and comprised of the E/2 W/2 and W/2 E/2 of Sections 5 and 8 in Township 26 South, Range 36 East, NMPM, Lea County, New Mexico. The spacing unit now will be dedicated to the following five wells:

- **Holly Fed Com 26-36-05 103H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 5 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8;
- **Holly Fed Com 26-36-05 104H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 5 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8;
- **Holly Fed Com 26-36-05 113H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 5 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8;
- **Holly Fed Com 26-36-05 114H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 5 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8; and
- **Holly Fed Com 26-36-05 123H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 5 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8.

The completed interval for the **Holly Fed Com 26-36-05 114H Well** will remain within 330 feet of the W/2 E/2 of Sections 5 and 8 to allow these tracts to be incorporated as proximity tracts. All wells are at standard locations. Said area is located approximately 7 miles southwest of Jal, New Mexico.
#34705

67100754 00233505

HOLLAND & HART LLC
PO BOX 2208
SANTA FE,, NM 87504-2208