

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

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

CASE NO. _____

APPLICATION

Ameredev Operating, LLC (“Ameredev” or “Applicant”) (OGRID No. 372224), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral owners in a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 W/2 and W/2 E/2 of Sections 28 and 33, all in Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, Ameredev states:

1. Ameredev is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Ameredev proposes to dedicate the above-referenced spacing unit to the following proposed initial wells:

- **Tea Olive Fed Com 25 36 33 104H** well (API No. 30-025-50739) and **Tea Olive Fed Com 25 36 33 124H** well (API No. 30-025-50745), to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 4, Township 26 south, Range 36 East, to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 36 East; and
- **Tea Olive Fed Com 25 36 33 105H** well (API No. 30-025-50740) and the **Tea Olive Fed Com 25 36 33 115H** well (API No. 30-025-50742), to be horizontally

drilled from surface locations in the NW/4 NE/4 (Lot 2) of Section 4, Township 26 south, Range 36 East, to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 28, Township 25 South, Range 36 East.

3. The completed interval of the **Fed Com 25 36 33 124H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

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

5. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 3, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral owners in the horizontal spacing unit;
- B. Designating Ameredev Operating, LLC operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Ameredev to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% penalty for the risk assumed by Ameredev in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR AMEREDEV OPERATING, LLC

CASE ____:

Application of Ameredev Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 W/2 and W/2 E/2 of Sections 28 and 33, all in Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev proposes to dedicate the above-referenced spacing unit to the proposed initial following wells:

- **Tea Olive Fed Com 25 36 33 104H** well (API No. 30-025-50739) and **Tea Olive Fed Com 25 36 33 124H** well (API No. 30-025-50745), to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 4, Township 26 south, Range 36 East, to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 36 East; and
- **Tea Olive Fed Com 25 36 33 105H** well (API No. 30-025-50740) and the **Tea Olive Fed Com 25 36 33 115H** well (API No. 30-025-50742), to be horizontally drilled from surface locations in the NW/4 NE/4 (Lot 2) of Section 4, Township 26 south, Range 36 East, to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 28, Township 25 South, Range 36 East.

The completed interval of the **Fed Com 25 36 33 124H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 5 miles southwest of Jal, New Mexico.