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

APPLICATION OF AMEREDEV OPERATING, LLC TO AMEND ORDER R-22139 TO ADD PUGHED PARTIES, LEA COUNTY, NEW MEXICO.

CASE NO. ______(formerly Case No. 22678)

APPLICATION

Ameredev Operating, LLC ("Ameredev" or "Applicant") (OGRID No. 372224), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to add Pughed parties under compulsory pooling Order No. R-22139 ("Pooling Order"). In support of its application, Ameredev states:

1. On May 19, 2022, the Division entered Order No. R-22139 in Case No. 22678, pooling the uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263620G; LWR Bone Spring Pool [98150]) underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Sections 29 and 32, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Ameredev is the designated operator under the Pooling Order and the pooled spacing unit is currently dedicated to the **Red Bud 25 36 32 State Com 96H** well (API: 30-025-49591).

2. Applicant requests that Order No. R-22139 be re-opened and amended to add Pughed parties under the Pooling Order.

3. The **Red Bud 25 36 32 State Com 96H**, which perfected the Pooling Order, was drilled and is producing from the Third Bone Spring. Applicant now seeks to propose the **Red Bud 25 36 32 State Com 63H** as an infill well under the Pooling Order and target the First and Second

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Bone Spring. However, several parties have leases that have Pughed out to the depths above the shallowest producing depths, therefore requiring Applicant to either re-lease these parties as to the depths Ameredev now seeks to develop or pool them.

4. Applicant is currently working to obtain voluntary agreement for the development of these lands from the recently unleased interest owners.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2024, and, after notice and hearing as required by law, the Division enter an order placing these mineral owners under the terms of Order No. R-22139.

Respectfully submitted,

HOLLAND & HART LLP

By:

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ATTORNEYS FOR AMEREDEV OPERATING, LLC

Application of Ameredev Operating, LLC to Amend Order R-22139 to CASE : Add Pughed Parties, Lea County, New Mexico. Applicant in the abovestyled cause seeks an order to add Pughed parties under compulsory pooling Order No. R-22139 ("Pooling Order") in order to propose an infill well under the existing order. Order No. R-22139 designated Ameredev Operating, LLC as the operator and pooled the uncommitted mineral interests in the Bone Spring formation (WC-025 G-08 S263620G; LWR Bone Spring Pool [98150]) underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Sections 29 and 32, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. This standard horizonal well spacing unit is currently dedicated to the drilled and producing Red Bud 25 36 32 State Com 96H well (API: 30-025-49591) well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32, a first take point in the SW/4 SE/4 (Unit O) of Section 32 and a bottom hole location in the NW/4 NE/4 (Unit B) of Section 29. Said area is located approximately 7 miles southwest of Jal, New Mexico.