

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING SEPTEMBER 6, 2018**

CASE NOS. 16342

AMEN CORNER 91H WELL

LEA COUNTY, NEW MEXICO



Ameredeve II, LLC

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

**APPLICATION OF AMEREDEV OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16342

AFFIDAVIT OF BRANDON FORTEZA IN SUPPORT OF CASE NO. 16342

Brandon Forteza, of lawful age and being first duly sworn, declares as follows:

1. My name is Brandon Forteza. 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 land matters. My credentials as a petroleum landman 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 am
familiar with the status of the lands in the subject area.
4. None of the proposed pool parties has indicated opposition, and therefore I do not
expect any opposition at the hearing.
5. Ameredev is seeking an Order (a) creating a 233.69-acre, more or less, spacing
and proration unit comprised of the W/2 W/2 of Section 27 and the NW/4 NW/4 and Lot 4 [W/2
NW/4] of Section 34, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico;
(b) dedicating the horizontal spacing unit for the proposed **Amen Corner State Com 26 36 27
No. 091H Well**; (c) pooling all uncommitted mineral interests in the WC-025 G-08 S263620C;

LWR Bone Spring (Pool Code 98150) underlying this acreage; and (d) designating Ameredev the operator of the well and the proposed spacing and proration unit.

6. Ameredev has filed a Form C-102 with the Division for the proposed Amen Corner State Com 26 36 27 No. 091H Well. The C-102 is attached hereto as **Ameredev Exhibit A-1**. The C-102 show that a Pool Code of 98150 has been assigned.

7. The completed interval for the proposed well will comply with the Division's setback requirements.

8. **Ameredev Exhibit A-2** is an exhibit prepared by me that identifies the tracts of land comprising the proposed spacing and proration unit. This proposed spacing and proration unit includes state and fee land. This exhibit shows the interest owners and the percentage of their interest by tract. A unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit, is also included on the exhibit. Ameredev is seeking to pool the interest owners denoted by an asterisk.

9. There are no depth severances in the Bone Spring formation.

10. Ameredev is seeking to pool all uncommitted working interest owners. There are overriding royalty interest owners, but the instruments creating the overrides allow Ameredev to pool. There are no unleased mineral interest owners.

11. Ameredev sent a well proposal letter to the working interest owners. An AFE was included with the well proposal letter. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the AFE, is attached as **Ameredev Exhibit A-3**.

12. Ameredev has made an estimate of overhead and administrative costs for drilling and producing the proposed wells. It is \$7,000/month while drilling, and \$700/month while

producing. These costs are consistent with what other operators are charging in this area for these types of wells. Ameredev respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these consolidated cases.

13. In my opinion, Ameredev has made good faith efforts to reach an agreement with the parties it is seeking to pool. If Ameredev reaches an agreement with any of the proposed pool parties before the Division enters an order, I will let the Division know that Ameredev is no longer seeking to pool those parties.

14. I provided the law firm of Holland & Hart LLP a list of names and addresses for the proposed pool parties and the offset operators and lessees of record in the 40-acre tracts surrounding the proposed spacing and proration unit. The names and last known addresses are included in Exhibit C. In compiling these notice lists, Ameredev conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.

15. **Ameredev Exhibit A-1 through A-6** were either prepared by me or compiled under my direction and supervision.

District I
1635 N. French Dr., Hobbs, NM 88240
Phone: (505) 353-6161 Fax: (505) 353-6720
District II
811 S. First St., Aztec, NM 88210
Phone: (505) 748-1284 Fax: (505) 748-9720
District III
1305 R.A. Brown Road, Aztec, N.M. 88210
Phone: (505) 534-6178 Fax: (505) 534-6170
District IV
1322 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 30-025	² Well Code 98150	³ Well Name WC-025 G-08 S263620C; LWR BONE SPRING
⁴ Property Code	⁵ Property Name AMEN CORNER STATE COM 26 36 27	⁶ Well Number 091H
⁷ GRID No. 372224	⁸ Operator Name AMEREDEV OPERATING, LLC.	⁹ Elevation 2911'

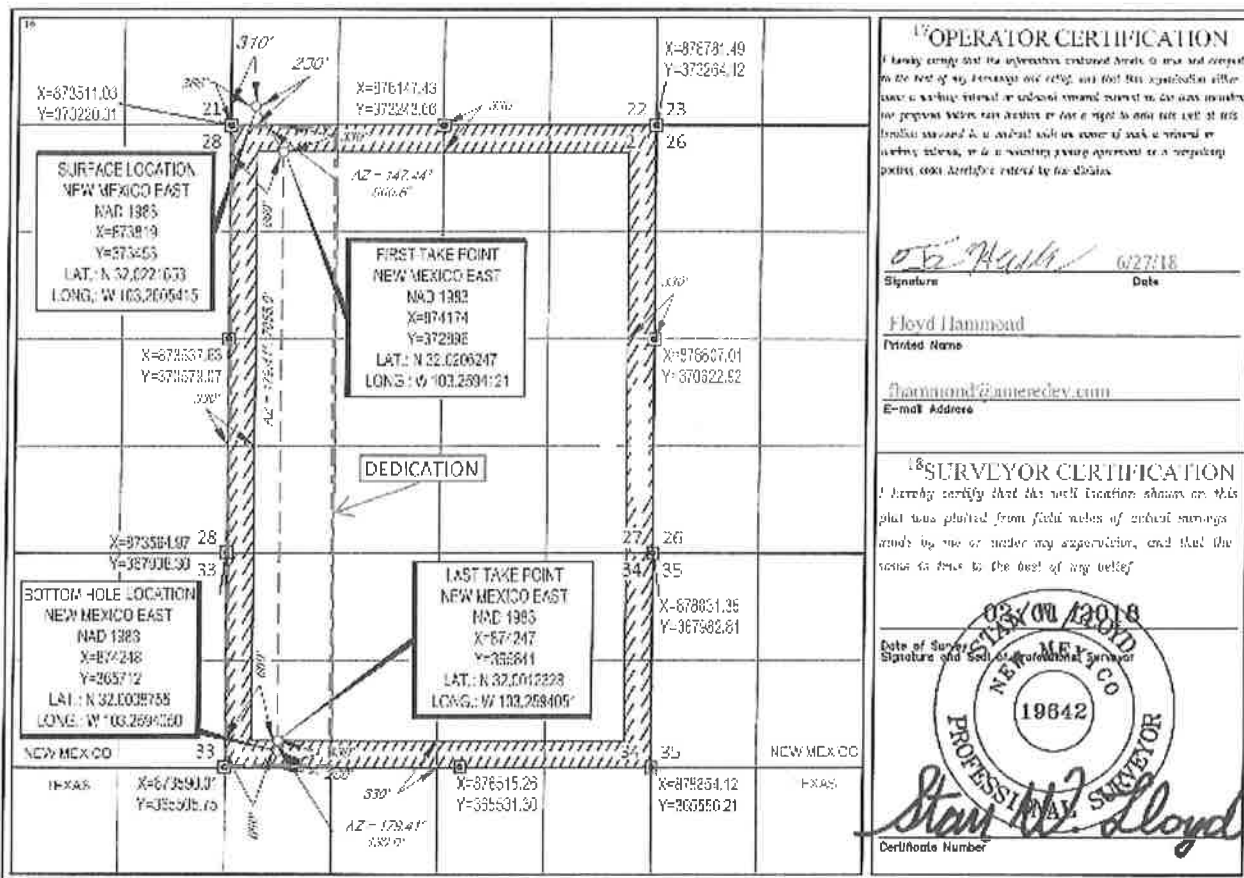
¹⁰Surface Location

UT, or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
M	22	26-S	36-E	-	230'	SOUTH	310'	WEST	LEA

UT, or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
4	34	26-S	36-E	-	200'	SOUTH	660'	WEST	LEA

¹¹ Dedicated Area	¹² Point or Indent	¹³ Consolidation Code	¹⁴ Order No.
233.64		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.

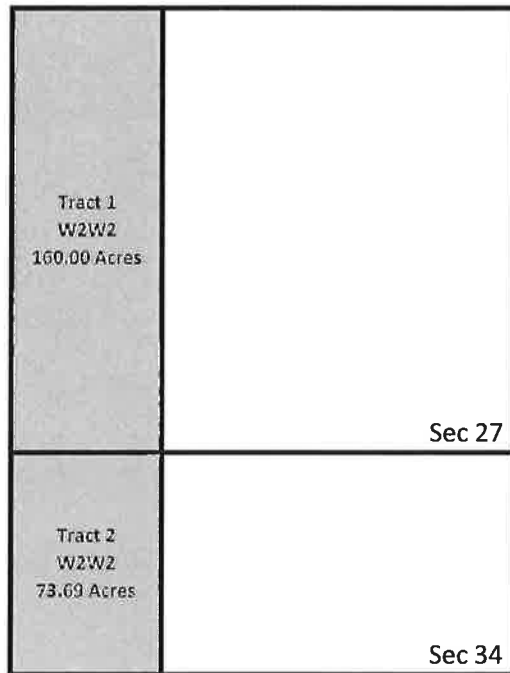


AMEN CORNER STATE COM 26-36-27 091H

T26S-R36E-SECTION 27, W2W2

T26S-R36E-SECTION 34, W2W2

LEA COUNTY, NEW MEXICO



AMEN CORNER STATE COM 26-36-27 091H

T26S-R36E-SECTION 27, W2W2

T26S-R36E-SECTION 34, W2W2

LEA COUNTY, NEW MEXICO

TRACT 1: W2W2 SECTION 27 T26S-R36E

BURLINGTON RESOURCES OIL & GAS COMPANY	25.00%
TAP ROCK RESOURCES, LLC	10.94%
AMEREDEV NEW MEXICO, LLC	64.06%
Total	100.00%

TRACT 2: W2W2 SECTION 34 T26S-R36E

AMEREDEV NEW MEXICO, LLC	100.00%
Total	100.00%

UNIT RECAPITULATION

T26S-R36E-SECTION 27, W2W2

T26S-R36E-SECTION 34, W2W2

*BURLINGTON RESOURCES OIL & GAS COMPANY	17.12%
*TAP ROCK RESOURCES, LLC	7.49%
AMEREDEV NEW MEXICO, LLC	75.39%
TOTAL	100.00%

**Interest Seeking to Compulsory Pool*

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



June 26, 2018

Tap Rock Resources, LLC
602 Park Point Drive, Suite 200
Golden, CO 80401
Attention: Clayton Sporich

Via Email and Certified Mail

RE: Amen Corner State Com 26-36-27 #091H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FSL & 310' FWL Section 22; BHL: 200' FSL & 660' FWL Section 34

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Amen Corner State Com 26-36-27 #091H Well (the "Well") to test the Bone Spring formation to a total vertical depth of 11,400' and a total measured depth of 18,700' ("Operation"). The estimated costs associated with the Operation are \$10,412,801 as outlined in the enclosed authority for expenditure ("AFE #2017-020"). Ameredev's records indicate Tap Rock Resources, LLC, ("Taprock") owns a 7.49% working interest in the Well, and Taprock's estimated costs associated with the Operation are approximately \$779,918.79.

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 27: W2W2 & Section 34 W2W2, 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 Taprock on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to bforteza@ameredev.com at your earliest convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brandon Forteza".

Brandon Forteza
737-300-4721

Election Ballot for the Amen Corner State Com 26-36-27 #091H Well Proposal (AFE# 2018-020)

_____ Taprock elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2017-020.

_____ Taprock elects to not participate in the proposed Operation.

Tap Rock Resources, LLC

By:

Its:



Ameredev II, LLC

Lea County, New Mexico
Township 26 South, Range 36 East
SHL: Section 22, 230' FSL, 310' FWL
BHL: Section 34, 200' FSL, 660' FWL

**Amen Corner State Com 26-36-27 091H
AFE # 2018-020
Capital Expenditure**

June 12, 2018

5707 Southwest Parkway

Ameredev Operating, LLC
Building I, Suite 275

Austin, Texas 78735



Authorization For Expenditure

Company Entity Ameredev Operating, LLC	Date Prepared June 12, 2018
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All Type	Project Name	Well No.	Prospect or Field Name	Property Number	Operation AFE No.
Capital	Amen Corner State Com 26-36-27	091H	Delaware_BS	40224	2018-020

Location	County	State	Type Well
26S-36E Section 27	Lea	NM	Oil <input checked="" type="checkbox"/> Expl <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Prod <input type="checkbox"/>

Estimate Type	Est. Start Date	Est. Comp Date	Formation	MD	
Original Estimate	<input checked="" type="radio"/>	April 25, 2019	May 27, 2019	Bone Spring	18,700'
Revised Estimate	<input type="radio"/>				RVO
Supplemental Estimate	<input type="radio"/>				11,400'

Project Description
Drill and Complete Bone Spring 1.5 Mile Lateral Well with Allocated Battery

Total Cost	\$10,412,801
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Comments on Associated Costs
Water disposal not included.

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.

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.

American Resource Development LLC Approval

Prepared by	Operations Supt.	VP Land	VP Geology	COO	CFO
Julia Steger	Zachary Boyd	Noah Bramble	Eric Rhoden	Floyd Hammond	Parker Reese

Joint Interest Approval

Company	By	Date



Single Well Project

Amen Corner State Com 26-36-27 091H

INTANGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
DAMAGES	0.001	\$25,000.00	\$0.00	\$25,000.00
MISC PREPARATION COSTS	0.004	\$15,000.00	\$0.00	\$15,000.00
RESTORATION	0.008	\$0.00	\$4,000.00	\$4,000.00
DRILLING RIG	0.010	\$528,000.00	\$19,500.00	\$547,500.00
COIL TUBING	0.012	\$0.00	\$52,500.00	\$52,500.00
FUEL	0.016	\$155,000.00	\$2,700.00	\$157,700.00
TRAILER, CAMP & CATERING	0.018	\$28,400.00	\$11,770.00	\$40,170.00
WATER & SEPTIC	0.020	\$7,200.00	\$4,800.00	\$12,000.00
SURFACE RENTALS	0.024	\$23,425.00	\$30,750.00	\$54,175.00
DRILL BITS	0.028	\$90,500.00	\$7,000.00	\$97,500.00
DOWNHOLE RENTALS	0.030	\$50,500.00	\$66,000.00	\$116,500.00
DIRECTIONAL DRILLING	0.032	\$34,000.00	\$0.00	\$34,000.00
COMPOSITE PLUGS	0.034	\$0.00	\$54,150.00	\$54,150.00
BOTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00	\$0.00	\$1,320.00
BOTTOM HOLE ASSEMBLY REPAIR	0.040	\$420.00	\$0.00	\$420.00
TUBULAR INSPECTIONS	0.042	\$17,250.00	\$0.00	\$17,250.00
TUBING REPAIR	0.044	\$8,437.50	\$0.00	\$8,437.50
TUBING RENTALS	0.046	\$0.00	\$22,500.00	\$22,500.00
WELL CONTROL-EQUIP/SERVICES	0.048	\$20,300.00	\$53,900.00	\$74,200.00
BOP TESTING	0.050	\$7,000.00	\$0.00	\$7,000.00
WELL TESTING	0.052	\$0.00	\$106,750.00	\$106,750.00
MUD & ADDITIVES	0.060	\$135,000.00	\$48,400.00	\$183,400.00
PUMPING CHARGES (FRAC STIMULATION)	0.061	\$0.00	\$3,931,853.00	\$3,931,853.00
WATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00	\$7,105.00	\$10,855.00
STIMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00	\$632,600.00	\$635,850.00
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$54,300.00	\$0.00	\$54,300.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$135,200.00	\$16,990.00	\$152,190.00
CASING CREWS 7" and larger	0.070	\$37,750.00	\$0.00	\$37,750.00
CMTNG, THRU INTERMED CASING & FLOAT EQUIP	0.072	\$118,000.00	\$0.00	\$118,000.00
FLOAT EQUIPMENT / CASING & LINER EQUIP	0.074	\$5,500.00	\$0.00	\$5,500.00
ROADS & LOCATION PREPARATION	0.080	\$45,000.00	\$0.00	\$45,000.00
MOBILIZE & DEMOBILIZE	0.086	\$280,000.00	\$0.00	\$280,000.00
SUPERVISION / CONTRACT	0.094	\$97,200.00	\$37,200.00	\$134,400.00
LABOR - ROUSTABOUT CO.	0.103	\$0.00	\$34,200.00	\$34,200.00
SAFETY AND EMERGENCY RESPONSE	0.124	\$3,600.00	\$0.00	\$3,600.00
FLOW TESTIN / EQUIP	0.194	\$0.00	\$3,500.00	\$3,500.00
OPEN HOLE LOGGING	0.200	\$0.00	\$315,900.00	\$315,900.00
FACILITY ELECTRICAL & AUTOMATION	0.258	\$0.00	\$6,500.00	\$6,500.00
CRANE FOR CONSTRUCTION	0.278	\$0.00	\$4,500.00	\$4,500.00
MAJOR INSTRUMENTATION	0.292	\$0.00	\$42,500.00	\$42,500.00
OIL TREATING	0.356	\$0.00	\$120,000.00	\$120,000.00
CONTINGENCY	5%	\$156,003	\$311,988	\$467,991.06
Tax	6.25%	\$195,003	\$389,986	\$584,988.82
TOTAL INTANGIBLE COST		\$2,281,308	\$6,339,542	\$8,620,850
TANGIBLES - WELL EQUIPMENT				
CONDUCTOR PIPE	0.206	\$5,500.00	\$0.00	\$5,500.00
SURFACE CASING	0.210	\$215,125.00	\$0.00	\$215,125.00
INTERMEDIATE CASING	0.212	\$375,000.00	\$0.00	\$375,000.00
PRODUCTION CASING	0.216	\$560,625.00	\$0.00	\$560,625.00
TUBING	0.217	\$0.00	\$40,000.00	\$40,000.00
WELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000.00
ISOLATION PACKER	0.222	\$0.00	\$15,625.00	\$15,625.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$24,187.50	\$24,187.50
TANGIBLES - LEASE EQUIPMENT				
LINE PIPE	0.238	\$0.00	\$6,250.00	\$6,250.00
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$37,513.13	\$37,513.13
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$61,875.00	\$61,875.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$61,875.00	\$61,875.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$102,000.00	\$102,000.00
BATTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,000.00
PIPELINE TO SALES	0.270	\$0.00	\$10,625.00	\$10,625.00
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$10,000.00	\$10,000.00
VALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$168,750.00	\$168,750.00
TOTAL TANGIBLES		\$1,189,750	\$602,201	\$1,791,951
TOTAL		\$3,471,058	\$6,941,743	\$10,412,801

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

**APPLICATION OF AMEREDEV OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16342

AFFIDAVIT OF PARKER FOY IN SUPPORT OF CASE NOS. 16342

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

1. My name is Parker Foy. I work for Ameredev Operating, LLC as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. 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 lands in the subject areas.
4. In this case, Ameredev is targeting the Bone Spring formation.
5. **Ameredev Exhibit B-1** is a locator map. It shows Ameredev's acreage in yellow and the path of the proposed wellbore for the proposed **Amen Corner State Com 26 36 27 No. 091H Well** with the surface hole and bottom hole locations.
6. **Ameredev Exhibit B-2** is a subsea structure map that I prepared for the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring gently dipping to the southwest. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

7. **Ameredev Exhibit B-3** is a map showing the location of the wells used to create the stratigraphic cross-section in the next exhibit. These three wells from A to A' are representative of the geology in the area.


8. **Ameredev Exhibit B-4** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Bone Spring from three representative wells denoted from A to A'. For each well in the cross-section, Ameredev Exhibit B-4 shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval is labeled and marked. The logs in the cross-section demonstrate that the target interval, within the Bone Spring, is consistent in thickness, across the entire proposed spacing unit.

9. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in the area.

10. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to each 40-acre unit comprising the spacing and proration unit.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

12. In my opinion, the granting of Ameredev's applications in this case will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.


PARKER FOY

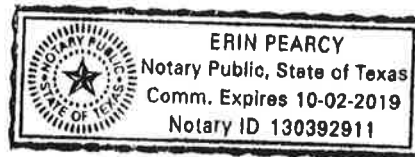
STATE OF TEXAS)
COUNTY OF Travis)

SUBSCRIBED and SWORN to before me this 5th day of September 2018 by
Parker Foy.


NOTARY PUBLIC

My Commission Expires:

10/2/2019



3rd Bone Spring Pool – Amen Corner 26-36-27 091H

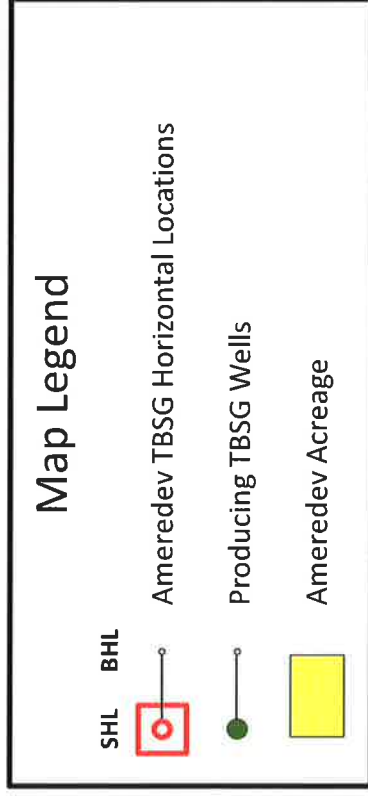
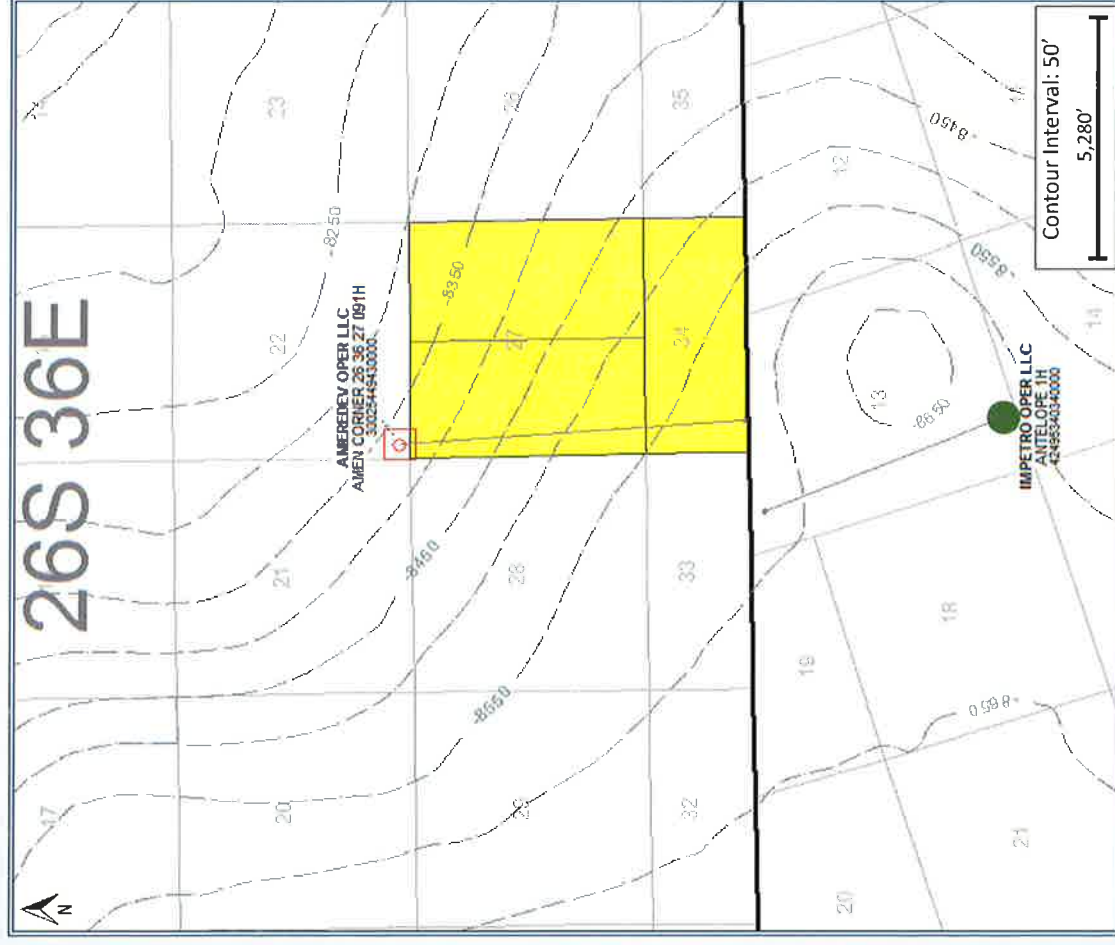


Map Legend

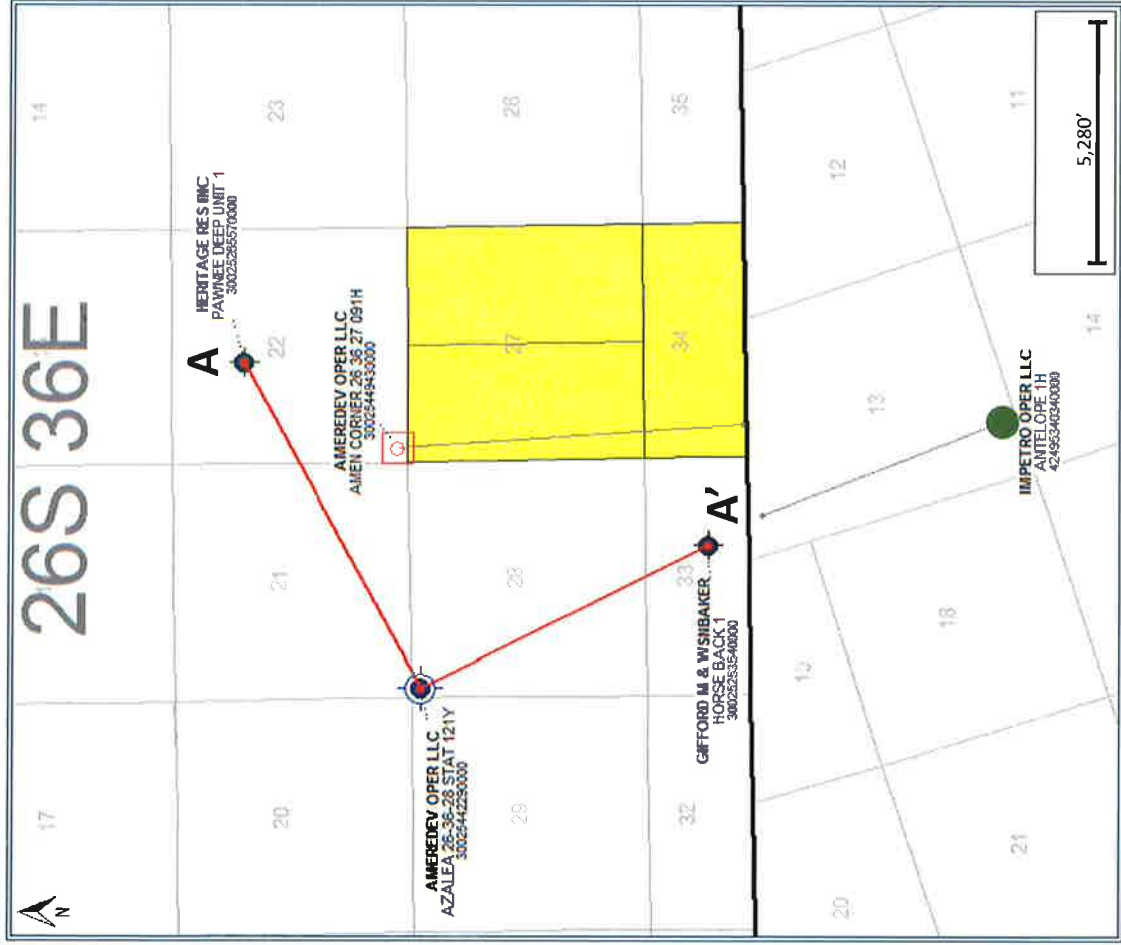
- SHL BHL
- Ameredev TBSG Horizontal Locations
- Producing TBSG Wells
- Ameredev Acreage



3rd Bone Spring Pool - TBSG Structure Map (Subsea Depth)



3rd Bone Spring Pool – Cross Section Map



Map Legend

- | | | |
|------------------------------------|-----|--|
| SHL | BHL | |
| | | |
| Ameredev TBSG Horizontal Locations | | |
| Producing TBSG Wells | | |
| Cross Section Wells & Transect | | |
| Ameredev Acreage | | |

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-3

Submitted by: AMEREDDEV

Hearing Date: September 6, 2018

Case No 16342

AMEREDDEV
A Permian LLC

3rd Bone Spring Pool - Stratigraphic Cross Section

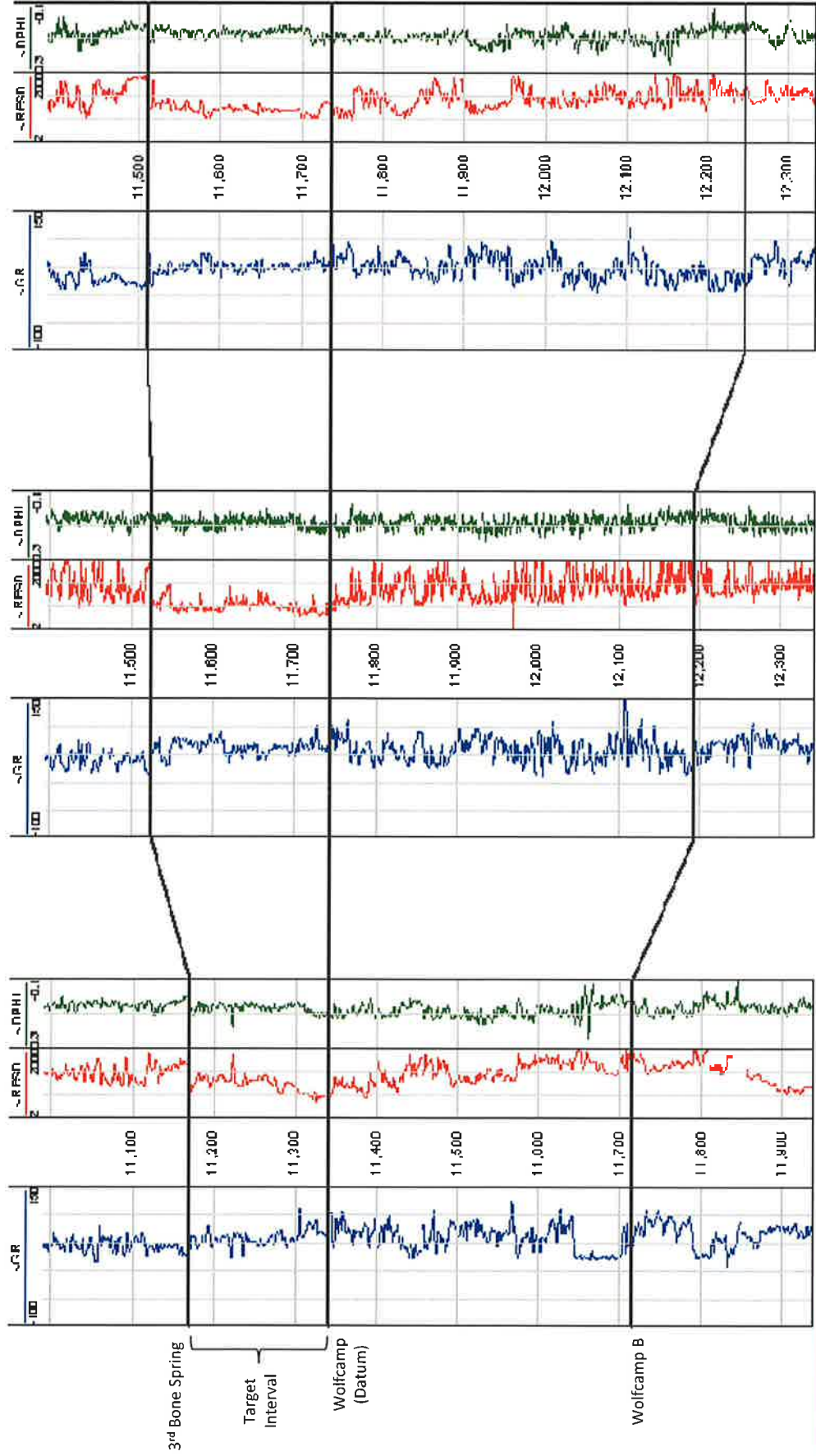
PAWNEE DEEP UNIT 1
300252655 / UUUU
GIFFORD & MITCHELL

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AMERFDEV OPFR LLC

HORSE BACK 1
30025253540000
GIFFORD M & WSNRAKFR

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

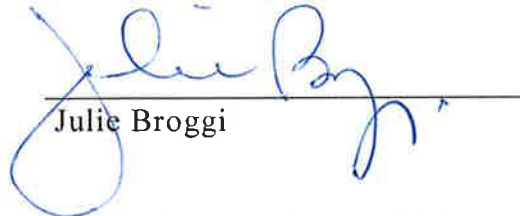
**APPLICATION OF AMEREDEV OPERATING, LLC
FOR A NON-STANDARD SPACING AND PRORATION
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16342

AFFIDAVIT

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

Julie Broggi, 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.



Julie Broggi

SUBSCRIBED AND SWORN to before me this 5th day of September 2018 by Julie Broggi.




Notary Public

My Commission Expires: August 26, 2021

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-7286

Fax (505) 983-6043

jlkessler@hollandhart.com

July 19, 2018

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: AFFECTED PARTIES

**Re: Application of Ameredev Operating, LLC for a non-standard spacing and
proration unit and compulsory pooling, Lea County, New Mexico.
Amen Corner State Com 26 36 27 No. 091H 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. This application will be set for hearing before a Division Examiner at 8:15 a.m. on August 9, 2018. The hearing will be held in Porter Hall in 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,

Jordan L. Kessler

**ATTORNEY FOR
AMEREDEV OPERATING, LLC**

Holland & Hart^{LLP}

Phone (505) 988-4421 **Fax** (505) 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☎



Jordan L. Kessler
Associate

Phone (505) 988-7286

Fax (505) 983-6043

jlkessler@hollandhart.com

July 19, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

**Re: Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.
Amen Corner State Com 26 36 27 No. 091H Well**

This letter is to advise you that Ameredev Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on August 9, 2018. The hearing will be held in Porter Hall in 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 with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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,

Jordan L. Kessler

**ATTORNEY FOR
AMEREDEV OPERATING, LLC**

Clory L. Wetzsteon

From: Jordan L. Kessler
Sent: Thursday, July 12, 2018 3:32 PM
To: Clory L. Wetzsteon
Subject: FW: Ameredev AMEN CORNER 26 36 27 STATE COM 091H - BONE SPRING

From: Brandon Forteza [mailto:bforteza@ameredev.com]
Sent: Thursday, July 12, 2018 3:22 PM
To: Jordan L. Kessler <JLKessler@hollandhart.com>
Subject: RE: Ameredev AMEN CORNER 26 36 27 STATE COM 091H - BONE SPRING

Hey! Welcome back! Hope you are enjoying motherhood. Parties seeking to pool in Amen Corner are:

Burlington Resources
600 N. Dairy Ashford
Houston, TX 77079

Tap Rock Resources
602 Park Point Dr,
Golden, CO 80401

Let me know if you need anything else.



Ameredev II, LLC
Brandon Forteza | Landman
Direct: (737) 300-4721
Cell: (214) 850-4148
bforteza@ameredev.com
5707 Southwest Parkway
Building 1, Suite 275
Austin, Texas 78735

From: Jordan L. Kessler [mailto:JLKessler@hollandhart.com]
Sent: Thursday, July 12, 2018 4:02 PM
To: Brandon Forteza <bforteza@ameredev.com>
Subject: [EXTERNAL] FW: Ameredev AMEN CORNER 26 36 27 STATE COM 091H - BONE SPRING

Brandon,

I'm back! Could you please send me a list of notice parties? Looks like we only need to notice pooled parties. Thanks!

From: Brandon Forteza <bforteza@ameredev.com>
Sent: Monday, July 9, 2018 7:58 AM
To: Michael Feldewert <MFeldewert@hollandhart.com>; Adam Rankin <AGRankin@hollandhart.com>
Subject: AMEN CORNER 26 36 27 STATE COM 091H - BONE SPRING

Mike and Adam,

See attached supporting documents for our Amen Corner 26 36 37 State Com 091H well. I would like to get this on the August 9th docket. There are no offset owners to notify and no ORRI we are seeking to pool.

Let me know if you need anything else.



Ameredev II, LLC

Brandon Forteza | Landman

Direct: (737) 300-4721

Cell: (214) 850-4148

bforteza@ameredev.com

5707 Southwest Parkway

Building 1, Suite 275

Austin, Texas 78735



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.

Ameredev - Amen Corner
CM# 100091.0001 20180718
Pooles Parties List

Shipment Date: 07/16/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

*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.

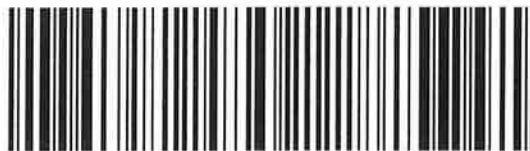
B. USPS Action

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.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0009 3379 77



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 <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Addressee (Name, Street, City, State, & ZIP Code™) Burlington Resources 600N Dairy Ashford Houston TX 77079		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	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 8307 8196 28	1.21	3.45	Handling Charge - if Registered and over \$50,000 in value							1.50					
2. 9214 8901 9403 8307 8196 35	1.21	3.45								1.50					
Total Number of Pieces Listed by Sender 2	Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												



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Barcode	Recipient	Status	DL	Custom
9214 8901 9403 83078196 35	Tap Rock Resources	Delivered		
	602 Park Point Dr	Signature	No	
	Golden CO 80401	Received		
9214 8901 9403 83078196 28	Burlington Resources			
	600N Dairy Ashford	In-Transit	No	
	Houston TX 77079			

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My Tools

[Mail Jobs](#)[Mail Pieces](#)[Manual Mailings](#)[Reports](#)[Setup](#)[Account](#)[Tools](#)Mail Piece Tracking Number: **9214 8901 9403 8307 8196 28****Recipient**

Burlington Resources
600N Dairy Ashford
Houston TX 77079

Date & Time	Event	Event Location
07/23/2018 22:49	DELIVERY STATUS NOT UPDATED	HOUSTON,TX, 77079
07/23/2018 08:49	OUT FOR DELIVERY	HOUSTON,TX, 77079
07/23/2018 08:39	SORTING/PROCESSING COMPLETE	HOUSTON,TX, 77079
07/23/2018 04:47	ARRIVAL AT UNIT	HOUSTON,TX, 77079
07/22/2018 04:09	PROCESSED THROUGH USPS FACILITY	NORTH HOUSTON,TX, 77315
07/21/2018 13:45	PROCESSED THROUGH USPS FACILITY	NORTH HOUSTON,TX, 77315
07/20/2018 03:21	DEPART USPS FACILITY	ALBUQUERQUE,NM, 87101
07/19/2018 20:33	PROCESSED THROUGH USPS FACILITY	ALBUQUERQUE,NM, 87101
07/19/2018 19:18	ORIGIN ACCEPTANCE	SANTA FE,NM, 87501
07/19/2018 11:45	SHIPMENT RECEIVED ACCEPTANCE PENDING	SANTA FE,NM, 87501
07/16/2018 11:47	PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	SANTA FE,NM, 87501

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

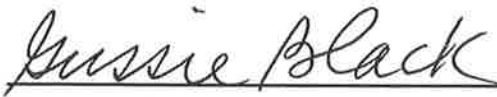
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 17, 2018
and ending with the issue dated
July 17, 2018.



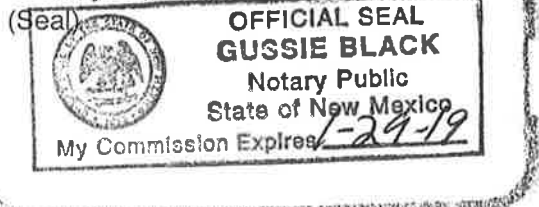
Publisher

Sworn and subscribed to before me this
17th day of July 2018.



Business Manager

My commission expires
January 29, 2019



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

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LEGAL NOTICE July 17, 2018

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 **August 9, 2018**, 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 **July 30, 2018**. 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 offset owners and pooled parties, including: Burlington Resources; Tap Rock Resources.

Case No. 16342: Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 233.69-acre, more or less, non-standard spacing and proration unit comprised of W/2 W/2 of Section 27 and the NW/4 NW/4 and Lot 4 [W/2 NW/4] of Section 34, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the WC-025 G-08 S263620C; LWR Bone Spring (Pool Code 98150) underlying this acreage. Said non-standard unit is to be dedicated to the proposed **Amen Corner State Com 26 36 27 No. 091H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the SW/4 NW/4 (Lot 4) of Section 34. The completed interval for this well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Jai, NM.
#33023

67100754

00215038

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: **AMEREDEV**
Hearing Date: September 6, 2018
Case No 16342