

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

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

**CASE NO. 20223**

**Ameredev Operating, LLC  
EXHIBITS**

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**Case No. 20223**

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

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

CASE NO. 20223

APPLICATION

Ameredev Operating, LLC (“Ameredev”) (OGRID No. 372224), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interest in the Wolfcamp formation in the 640-acre spacing unit comprised of the W/2W/2 of Sections 3 and 10 and the E/2E/2 of Sections 4 and 9, Township 26 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 proposed **Pimento Fed Com 26 36 03 111H Well**. This well will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 3 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10, Township 26 South, Range 36 East.
3. Pursuant to NMAC 19.15.16.15(B)(1)(b), Ameredev will incorporate the proximity tracts into its horizontal spacing unit. Incorporating the proximity tracts, the completed interval for the well will remain within the standard offset required by the statewide rules set forth in 19.15.15 NMAC.

**EXHIBIT 1**

Ameredev Operating, LLC  
Case No. 20223  
February 7, 2019 Hearing

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

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

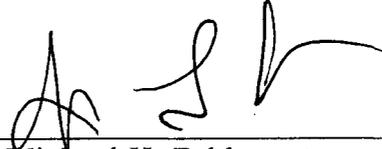
6. In order to permit Ameredev to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the horizontal spacing unit should be pooled and Ameredev Operating, LLC should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, Ameredev requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 24, 2019 and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Ameredev Operating, LLC operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Ameredev to recover its costs of drilling, completing, and equipping the well;
- 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 well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Jordan L. Kessler  
Julia Broggi  
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Santa Fe, NM 87504  
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jbroggi@hollandhart.com

**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 order pooling all uncommitted interest in the Wolfcamp formation in the 640-acre spacing unit comprised of the W/2W/2 of Sections 3 and 10 and the E/2E/2 of Sections 4 and 9, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit is to be dedicated to the proposed **Pimento Fed Com 26 36 03 111H Well**. This well will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 3 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10, Township 26 South, Range 36 East. Ameredev will incorporate the proximity tracts into its horizontal spacing unit. Incorporating the proximity tracts, the completed interval for the well will remain within the standard offset required by the statewide rules set forth in 19.15.15 NMAC. 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 6 miles southwest of Jal, New Mexico.

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

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

**CASE NO. 20223**

**AFFIDAVIT OF BRANDON FORTEZA**

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am employed as a Landman with Ameredev Operating, LLC (“Ameredev”), and I am familiar with the subject application and the lands involved.
3. This affidavit is submitted in connection with the filing by Ameredev of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division (“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
5. The purpose of this application is to force pool, pursuant to 19.15.4.12(A)(1) NMAC, all unleased mineral interest owners into the horizontal spacing unit described below, and in the well to be drilled in the unit.
6. No opposition is expected. The interest owners being pooled have been contacted or attempts to contact have been made regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well. They have, however, otherwise represented to me that they do not oppose this pooling application.

**EXHIBIT 2**  
Ameredev Operating, LLC  
Case No. 20223  
February 7, 2019 Hearing

7. Ameredev seeks an order pooling all mineral interests in the Wolfcamp horizontal spacing unit underlying the W/2W/2 of Sections 3 and 10 and the E/2E/2 of Sections 4 and 9, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico. The proposed spacing unit will be dedicated to the **Pimento Fed Com 26 36 03 111H Well**, to be horizontally drilled.

8. A plat outlining the unit being pooled is attached hereto as **Exhibit A**, which shows the location of proposed well within the unit.

9. The parties being pooled, and their last known addresses are **Exhibit B** attached hereto.

10. There are no depth severances in the Wolfcamp formation.

11. The locations and proposed depths of the well to be drilled on the pooled units are as follows:

<b>Well Name</b>	<b>SHL (3-T26S-R36E)</b>	<b>BHL (10-T26S-R36E)</b>	<b>TVD</b>
Pimento Fed Com 26 36 03 111H Well	230' FNL and 250' FWL	50' FSL and 380' FWL	11,720'

12. I have conducted a diligent search of the public records in Lea County, New Mexico, where the well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals, including an Authorization for Expenditure (“AFE”).

13. Ameredev has made a good faith effort to obtain voluntary joinder of the unlease mineral ownersin the proposed well.

14. Proposed C-102s for the well are attached as **Exhibit C**. The well will develop the Wolfcamp formation (JAL; WOLFCAMP WEST [33813]), which is an oil and gas pool.

15. **Exhibit D** is a sample proposal letter and the AFE for the proposed well. The estimated cost of the well set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

16. Ameredev requests overhead and administrative rates of \$7,000/month for drilling a well and \$700/month for a producing well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Ameredev requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

17. Ameredev requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

18. Ameredev requests that it be designated operator of the well.

19. The Exhibits to this Affidavit were prepared by me, or compiled from Ameredev's company business records.

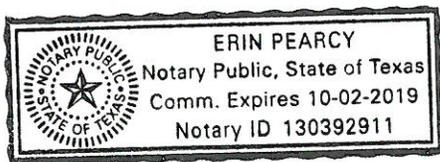
20. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

21. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

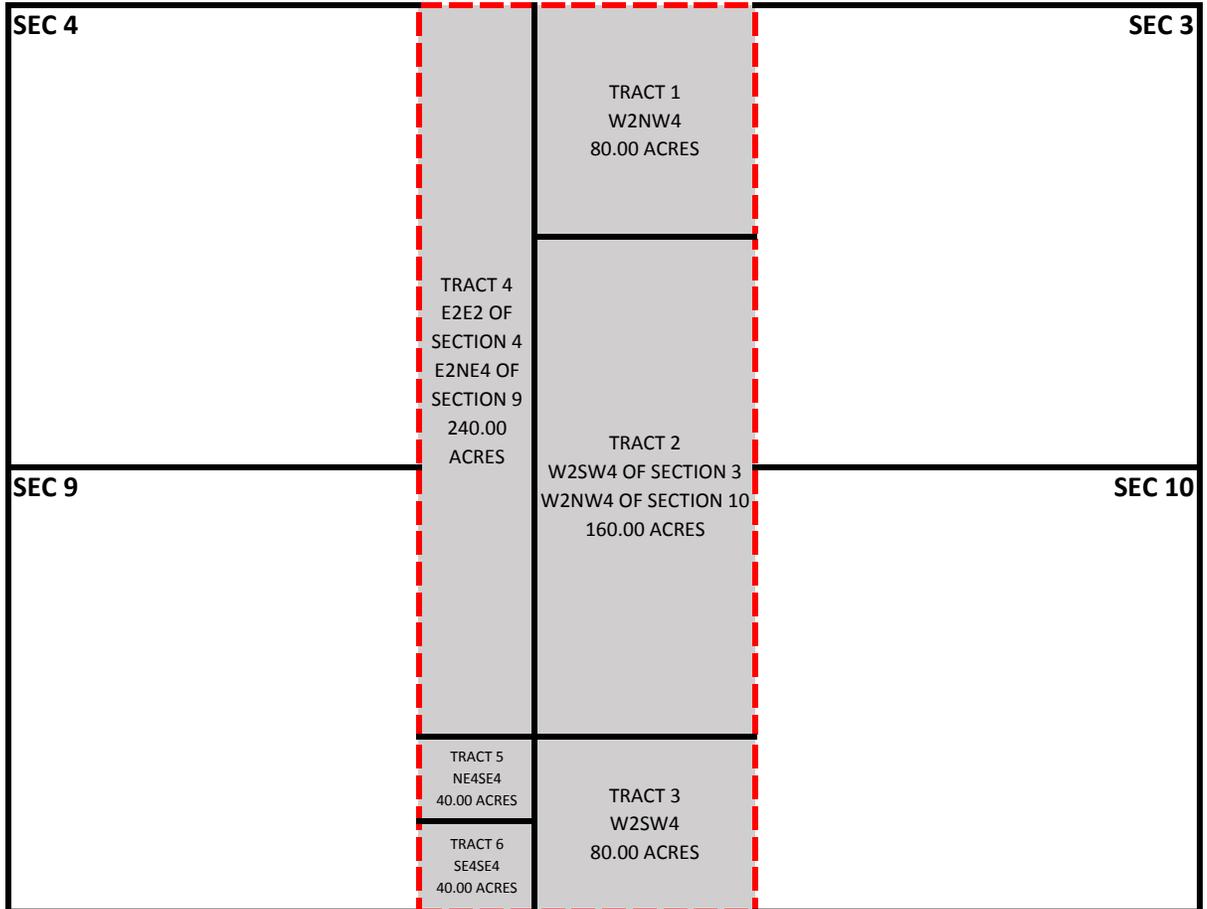
\_\_\_\_\_  
Brandon Forteza

Subscribed to and sworn before me this 5<sup>th</sup> day of February, 2019.



\_\_\_\_\_  
Notary Public

PIMENTO FED COM 26-36-3 111H  
T26S-R36E-SECTION 3 AND 10, W2W2  
T26S-R36E-SECTION 4 AND 9, E2E2  
LEA COUNTY, NEW MEXICO



**PIMENTO FED COM 26-36-3 111H  
T26S-R36E-SECTION 3 AND 10, W2W2  
T26S-R36E-SECTION 4 AND 9, E2E2  
LEA COUNTY, NEW MEXICO**

<b>TRACT 1: W2NW4 - SECTION 3 26S 36E</b>	
AMEREDEV NEW MEXICO, LLC	100.00000000%
<b>TOTAL</b>	<b>100.00000000%</b>

<b>TRACT 2: W2SW4 OF SECTION 3 AND W2NW4 OF SECTION 10 26S 36E</b>	
AMEREDEV NEW MEXICO, LLC	100.00000000%
<b>TOTAL</b>	<b>100.00000000%</b>

<b>TRACT 3: W2SW4 OF SECTION 10 26S 36E</b>	
XTO HOLDINGS, LLC	25.59523887%
ISAACS FAMILY LIMITED PARTNERSHIP	0.55555556%
QUAIL CREEK ROYALTY, LLC	0.55555556%
OXY USA WTP LIMITED PARTNERSHIP	16.66666667%
EG ENERGY, LLC	0.27777778%
AMEREDEV NEW MEXICO, LLC	56.34920560%
<b>TOTAL</b>	<b>100.00000003%</b>

<b>TRACT 4: E2E2 OF SECTION 4 AND E2NE4 OF SECTION 9 26S 36E</b>	
AMEREDEV NEW MEXICO, LLC	100.00000000%
<b>TOTAL</b>	<b>100.00000000%</b>

<b>TRACT 5: NE4SE4 OF SECTION 9 26S 36E</b>	
AMEREDEV NEW MEXICO, LLC	100.00000000%
<b>TOTAL</b>	<b>100.00000000%</b>

<b>TRACT 6: SE4SE4 OF SECTION 9 26S 36E</b>	
XTO HOLDINGS, LLC	25.59523887%
ISAACS FAMILY LIMITED LIABILITY PARTNERSHIP	0.55555556%
QUAIL CREEK ROYALTY, LLC	0.55555556%
OXY USA WTP LIMITED PARTNERSHIP	16.66666667%
EG ENERGY, LLC	0.27777778%
CONSTITUTION RESOURCES II, LP	3.75000000%
AMEREDEV NEW MEXICO, LLC	52.59920557%
<b>TOTAL</b>	<b>100.00000000%</b>

**UNIT RECAPITULATION**  
**T26S-R36E-SECTION 3 AND 10, W2W2**  
**T26S-R36E-SECTION 4 AND 9, E2E2**

*XTO HOLDINGS, LLC	4.7991073%
*ISAACS FAMILY LIMITED LIABILITY PARTNERSHIP	0.1041667%
*QUAIL CREEK ROYALTY, LLC	0.1041667%
*OXY USA WTP LIMITED PARTNERSHIP	3.1250000%
*EG ENERGY, LLC	0.0520833%
CONSTITUTION RESOURCES II, LP	0.2343750%
AMEREDEV NEW MEXICO, LLC	91.5811010%
<hr/>	
<b>TOTAL</b>	<b>100.0000000%</b>

*\*Interest Seeking to Compulsory Pool*

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

<sup>1</sup> API Number <b>30-025-</b>		<sup>2</sup> Pool Code <b>33813</b>		<sup>3</sup> Pool Name <b>JAL; WOLFCAMP WEST</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>PIMENTO FED COM 26 36 03</b>			<sup>6</sup> Well Number <b>111H</b>
<sup>7</sup> OGRID No. <b>372224</b>		<sup>8</sup> Operator Name <b>AMEREDEV OPERATING, LLC.</b>			<sup>9</sup> Elevation <b>2991'</b>

<sup>10</sup>Surface Location

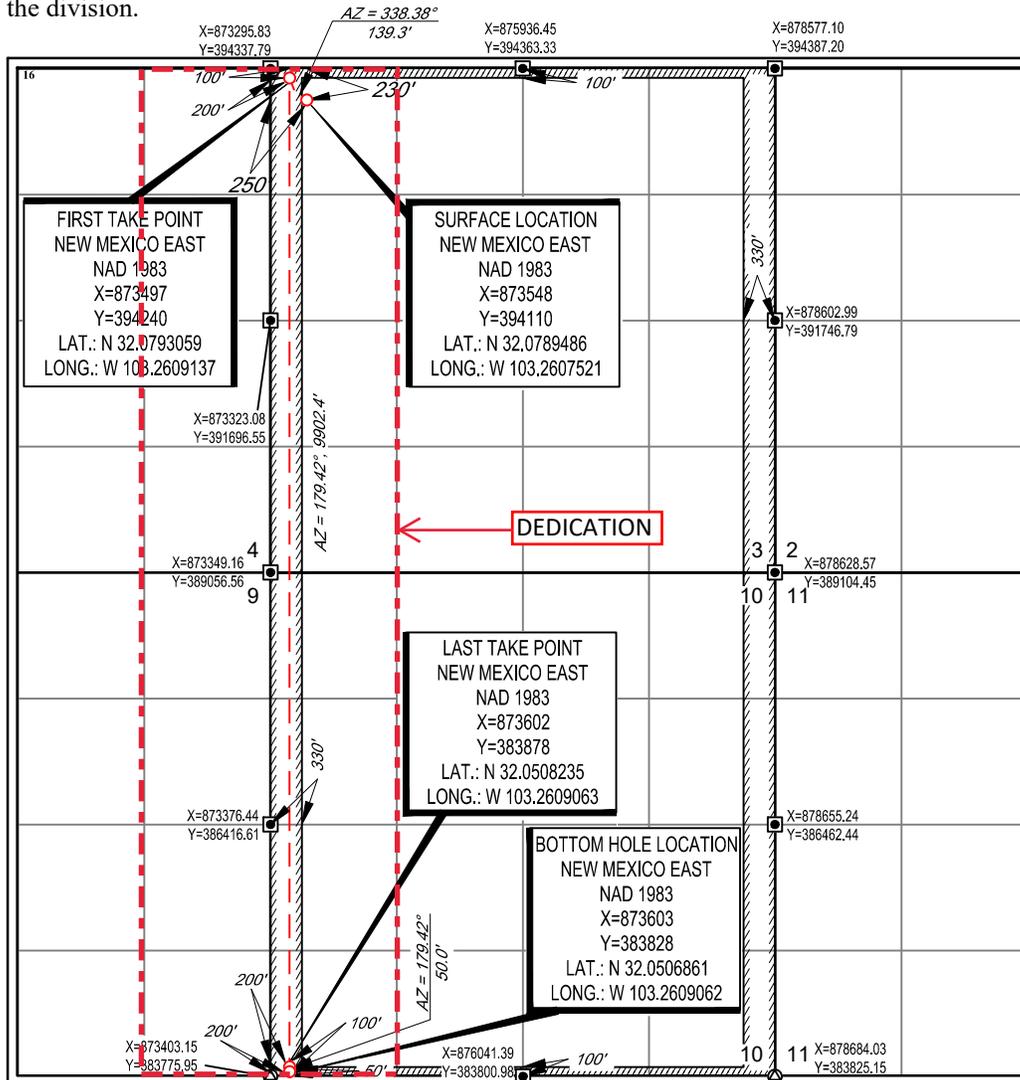
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>3</b>	<b>26-S</b>	<b>36-E</b>	<b>-</b>	<b>230'</b>	<b>NORTH</b>	<b>250'</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup>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
<b>M</b>	<b>10</b>	<b>26-S</b>	<b>36-E</b>	<b>-</b>	<b>50'</b>	<b>SOUTH</b>	<b>380'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>640</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code <b>C</b>	<sup>15</sup> Order No.
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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.



**<sup>17</sup>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.

Date: **12/4/18**

Signature: \_\_\_\_\_  
Printed Name: **Floyd Hammond**  
E-mail Address: **fhammond@ameredev.com**

**<sup>18</sup>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.

Date of Survey: **01/27/2018**  
Signature and Seal of Professional Surveyor:

Certificate Number: **EXHIBIT C**

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



Ameredev II, LLC

December 10, 2018

*VIA Certified Mail*

OXY USA WTP Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, TX 77046

RE: Pimento Fed Com 26-36-03 #111H Well Proposal  
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico  
SHL: 230' FNL & 250' FWL Section 3; BHL: 50' FSL & 200' FWL Section 10

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Pimento Fed Com 26-36-03 #111H Well (the "Well") to test the Wolfcamp formation to a total vertical depth of 11,720' and a total measured depth of 22,000' ("Operation"). The estimated costs associated with the Operation are \$15,430,320.47 as outlined in the enclosed authority for expenditure ("AFE #2018-053"). Ameredev's records indicate OXY USA WTP Limited Partnership ("OXY") owns a 3.125% working interest in the Well, and OXY's estimated costs associated with the Operation are approximately \$482,197.51

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 3 and Section 10: W2W2 & Section 4 and Section 9: E2E2, 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 OXY 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](mailto:bforteza@ameredev.com) at your earliest convenience.

Sincerely,

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

Brandon Forteza  
737-300-4721

**Election Ballot for the Pimento Fed Com 26-36-03 #111H Well Proposal (AFE# 2018-053)**

\_\_\_\_\_ OXY elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2018-053.

\_\_\_\_\_ OXY elects to not participate in the proposed Operation.

**OXY USA WTP Limited Partnership**

---

By:

Its:



Ameredev II, LLC

Company Entity
Ameredev Operating, LLC

Date Prepared
November 29, 2018

AFE Type	Project	Well No.	Field Name	Cost Center	AFE No.
Capital	Pimento Fed Com 26-36-03	111H	Delaware	40421	2018-053

Location	County	State	Well Type	
SHL: Sec. 3 26S-36E 230' FNL & 250' FWL BHL: Sec. 10 26S-36E 50' FSL & 250' FWL	Lea	NM	Oil Gas	Expl Prod

Estimate Type	Start Date	Completion Date	Formation	MD
<i>Original</i>	March 24, 2019	May 21, 2019	Wolfcamp	22,000'
<i>Revised</i>				TVD
<i>Supplemental</i>				11,720'

**Project Description**  
Drill Pilot Hole and 2 Mile Wolfcamp Lateral and Complete. Build Central Tank Battery.

**Total Cost** **\$15,430,320.47**

**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

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	\$ -	\$ 5,000.00	\$ 5,000.00
ROAD / LOCATION PREP / RESTORATION	0.008	\$ 129,000.00	\$ 322,000.00	\$ 451,000.00
DRILLING RIG	0.010	\$ 936,696.96	\$ 90,200.00	\$ 1,026,896.96
COIL TUBING	0.012	\$ -	\$ 130,000.00	\$ 130,000.00
FUEL	0.016	\$ 210,000.00	\$ 2,500.00	\$ 212,500.00
TRAILER, CAMP, AND CATERING	0.018	\$ 36,670.00	\$ 17,375.00	\$ 54,045.00
WATER & SEPTIC	0.020	\$ 56,700.00	\$ -	\$ 56,700.00
SURFACE RENTALS	0.024	\$ 84,230.00	\$ 81,740.00	\$ 165,970.00
DRILL BITS	0.028	\$ 139,000.00	\$ 3,500.00	\$ 142,500.00
DOWNHOLE RENTALS	0.030	\$ 16,475.00	\$ 81,700.00	\$ 98,175.00
DIRECTIONAL DRILLING	0.032	\$ 329,000.00	\$ -	\$ 329,000.00
COMPOSITE PLUGS	0.034	\$ -	\$ 69,300.00	\$ 69,300.00
TUBING & BHA INSPECT & REPAIR	0.042	\$ 12,170.38	\$ -	\$ 12,170.38
RENTAL TUBING	0.046	\$ 280,000.00	\$ 32,500.00	\$ 312,500.00
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	\$ 135,940.00	\$ 312,400.00	\$ 448,340.00
FRAC PUMPING CHARGES	0.061	\$ -	\$ 3,904,000.00	\$ 3,904,000.00
WATER RIGHTS / TRANSFER / STORAGE	0.062	\$ 42,700.00	\$ 947,714.25	\$ 990,414.25
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	\$ 54,440.00	\$ -	\$ 54,440.00
CEMENTING	0.072	\$ 325,000.00	\$ -	\$ 325,000.00
CASING / LINER / FLOAT EQUIPMENT	0.074	\$ 39,500.00	\$ -	\$ 39,500.00
MOBILIZE & DEMOBILIZE	0.086	\$ 280,000.00	\$ 3,000.00	\$ 283,000.00
SUPERVISION / CONTRACT	0.094	\$ 198,000.00	\$ 141,750.00	\$ 339,750.00
CONTRACT ROUSTABOUT	0.103	\$ -	\$ 150,000.00	\$ 150,000.00
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	\$ 3,192.00	\$ 18,840.00	\$ 22,032.00
WELDING & MATERIALS	0.138	\$ -	\$ 5,000.00	\$ 5,000.00
GEOLOGY	0.186	\$ 10,000.00	\$ -	\$ 10,000.00
FLOW TESTING / EQUIP	0.194	\$ -	\$ 115,175.00	\$ 115,175.00
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
FISHING & SIDETRACK SERVICES	0.203	\$ 136,000.00	\$ -	\$ 136,000.00
SECONDARY CONTAINMENT	0.254	\$ -	\$ 140,400.00	\$ 140,400.00
FACILITY ELECTRIC & AUTOMATION	0.258	\$ -	\$ 170,000.00	\$ 170,000.00
SWD CONNECTION	0.262	\$ -	\$ 8,000.00	\$ 8,000.00
CRANE FOR CONSTRUCTION	0.278	\$ -	\$ 3,000.00	\$ 3,000.00
ELECTRICAL	0.296	\$ -	\$ 1,500.00	\$ 1,500.00
OIL TREATING	0.356	\$ -	\$ 88,000.00	\$ 88,000.00
Contingency	5.00%	\$ 199,717.80	\$ 382,506.11	\$ 582,223.91
Tax	6.25%	\$ 249,647.25	\$ 478,132.64	\$ 727,779.89
<b>Total Intangible Cost</b>		\$ 4,443,720.98	\$ 8,510,761.00	\$ 12,954,481.98
<b>Tangibles - Well Equipment</b>		<b>Dry Hole Cost</b>	<b>After Casing Point Cost</b>	<b>Total Cost</b>
CONDUCTOR PIPE	0.206	\$ 8,554.80	\$ -	\$ 8,554.80
SURFACE CASING	0.210	\$ 74,400.00	\$ -	\$ 74,400.00
INTERMEDIATE CASING	0.212	\$ 508,295.00	\$ -	\$ 508,295.00
PRODUCTION CASING	0.216	\$ 473,000.00	\$ -	\$ 473,000.00
TUBING	0.217	\$ -	\$ 57,500.00	\$ 57,500.00
WELLHEAD / TREE / CHOKES	0.218	\$ 65,173.00	\$ 25,000.00	\$ 90,173.00
ISOLATION PACKER	0.222	\$ -	\$ 12,500.00	\$ 12,500.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$ -	\$ 10,000.00	\$ 10,000.00
TANK BATT / PROCESS EQUIP / MAINT	0.236	\$ -	\$ 18,250.00	\$ 18,250.00
<b>Tangibles - Lease Equipment</b>		<b>Dry Hole Cost</b>	<b>After Casing Point Cost</b>	<b>Total Cost</b>
TANKS, TANKS STEPS, STAIRS	0.244	\$ -	\$ 438,000.00	\$ 438,000.00
BATTERY (HEATER TREATERS)	0.246	\$ -	\$ 30,000.00	\$ 30,000.00
BATTERY (SEPARATOR)	0.248	\$ -	\$ 24,800.00	\$ 24,800.00
FLOW LINE (PIPE WH TO FACILITY)	0.266	\$ -	\$ 80,000.00	\$ 80,000.00
METERS AND METERING EQUIPMENT	0.274	\$ -	\$ 100,000.00	\$ 100,000.00
VALVES, FITTINGS, PROD INSTRUM	0.282	\$ -	\$ 300,000.00	\$ 300,000.00
Contingency	5.00%	\$ 56,471.14	\$ 54,802.50	\$ 111,273.64
Tax	6.25%	\$ 70,588.93	\$ 68,503.13	\$ 139,092.05
<b>Total Tangible Cost</b>		\$ 1,256,482.87	\$ 1,219,355.63	\$ 2,475,838.49
<b>TOTAL</b>		\$ 5,700,203.84	\$ 9,730,116.63	\$ 15,430,320.47

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

<sup>1</sup> API Number 30-025-		<sup>2</sup> Pool Code 33813		<sup>3</sup> Pool Name JAL; WOLFCAMP WEST	
<sup>4</sup> Property Code		<sup>5</sup> Property Name PIMENTO FED COM 26 36 03			<sup>6</sup> Well Number 111H
<sup>7</sup> OGRID No. 372224		<sup>8</sup> Operator Name AMEREDEV OPERATING, LLC.			<sup>9</sup> Elevation 2991'

<sup>10</sup>Surface Location

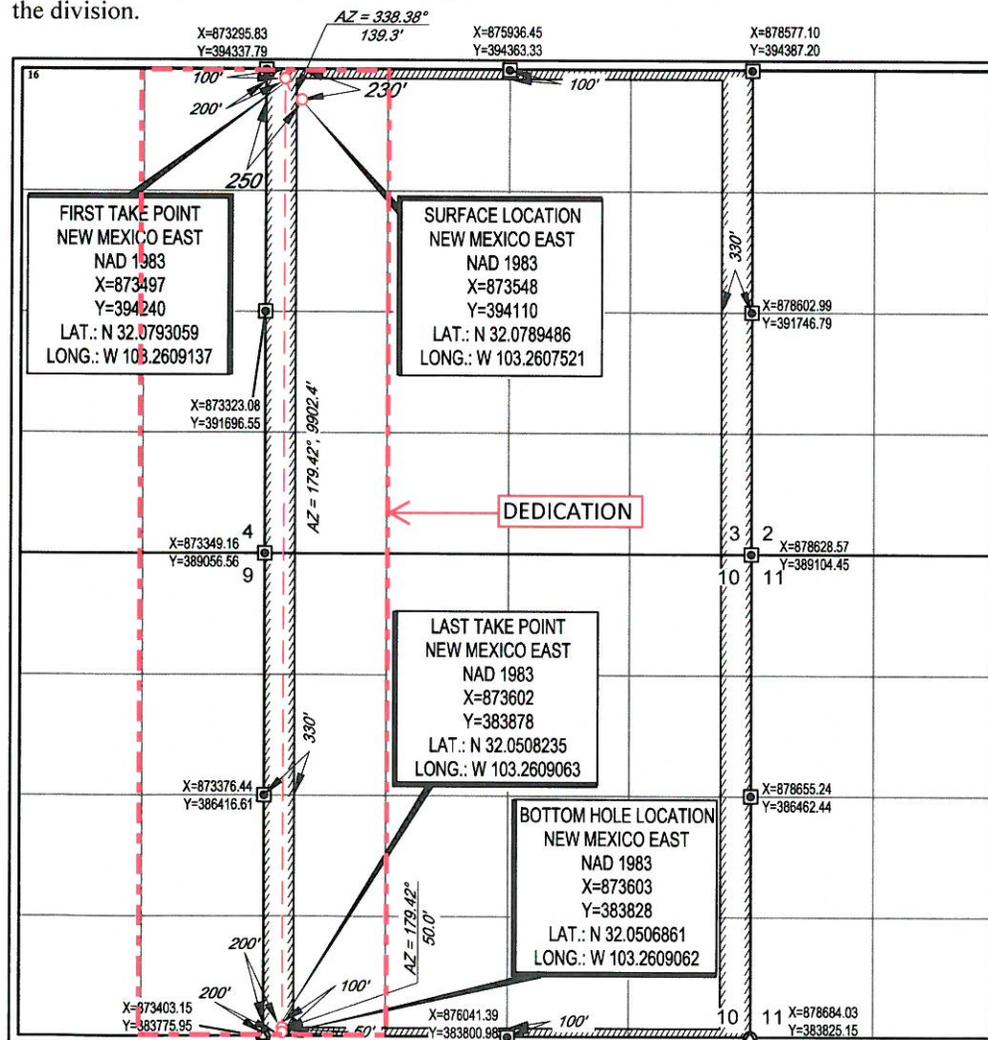
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	26-S	36-E	-	230'	NORTH	250'	WEST	LEA

<sup>11</sup>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
M	10	26-S	36-E	-	50'	SOUTH	380'	WEST	LEA

<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code C	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	---------------------------------------	-------------------------

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.



<sup>17</sup>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.

12/4/18

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name  
Floyd Hammond

E-mail Address  
fhammond@amereDEV.com

<sup>18</sup>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.

01/27/2018

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_

MICHAEL BROWN  
NEW MEXICO  
18329  
PROFESSIONAL SURVEYOR

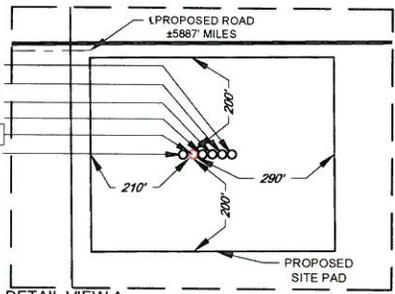
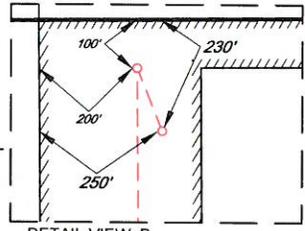
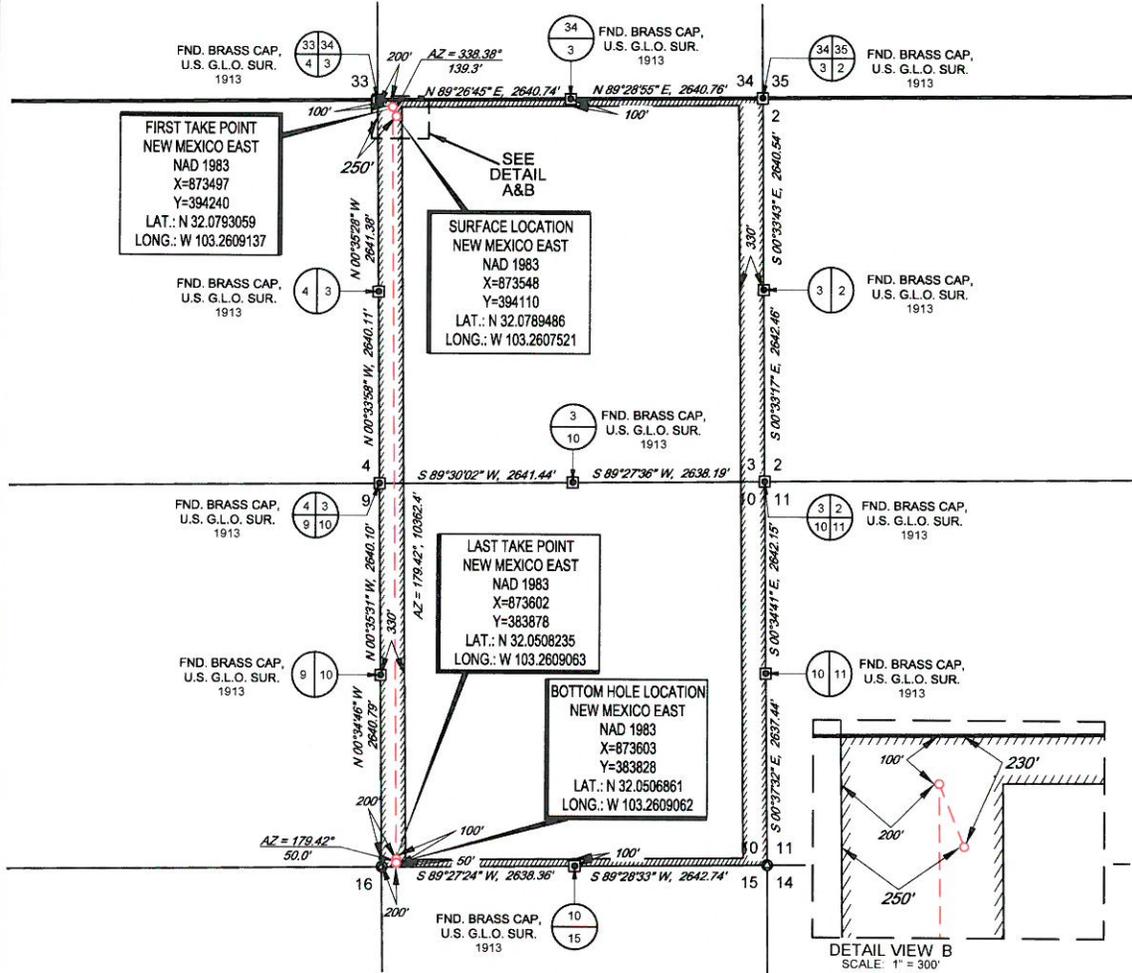
Certificate Number \_\_\_\_\_



AMEREDEV OPERATING, LLC

EXHIBIT 2A

SECTION 3, TOWNSHIP 26-S, RANGE 36-E, N.M.P.M.  
LEA COUNTY, NEW MEXICO



- JUNIPER FED COM 25 36 34 091H
- JUNIPER FED COM 25 36 34 081H
- JUNIPER FED COM 25 36 34 111H
- JUNIPER FED COM 25 36 34 121H
- PIMENTO FED COM 26 36 03 111H
- PIMENTO FED COM 26 36 03 121H

LEASE NAME & WELL NO.: PIMENTO FED COM 26 36 03 111H

SECTION 3 TWP 26-S RGE 36-E SURVEY N.M.P.M.  
 COUNTY LEA STATE NM  
 DESCRIPTION 230' FNL & 250' FWL

**DISTANCE & DIRECTION**  
 FROM INT. OF 3RD ST./NM-205/FRYING PAN RD. & NM-128, HEAD SOUTH ON 3RD ST./NM-205/FRYING PAN RD. ±5.6 MILES, THENCE WEST (RIGHT) ON ANTHONY RD ±3.4 MILES, THENCE NORTH (RIGHT) TO CONTINUE ON ANTHONY RD. ±0.3 MILES, THENCE EAST (RIGHT) ON PIPELINE RD. ±0.3 MILES, THENCE NORTH (LEFT) ON A LEASE RD. ±1.0 MILES, THENCE EAST (RIGHT) ON A PROPOSED RD. ±1.1 MILES TO A POINT ±300 FEET NORTHWEST OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY AMEREDEV OPERATING LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



Michael Blake Brown, P.S. No. 18329  
 NOVEMBER 28, 2018

**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
 TELEPHONE: (817) 744-7512 • FAX: (817) 744-7554  
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX: (432) 682-1743  
 WWW.TOPOGRAPHIC.COM

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

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

CASE NO. 20223

AFFIDAVIT OF PARKER FOY

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for Ameredev Operating, LLC (“Ameredev”), and I am familiar with the subject application and the geology involved.
3. This affidavit is submitted in connection with the filing by Ameredev of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
5. **Exhibit A** is a Wolfcamp structure map. Strata dip approximately 250’ southward across the Pimento sections. Apparent structural dip along the proposed Pimento wellbore will be around 1.3°. No major structural hazards exist at this location. The unit being pooled is outlined by a yellow rectangle.
6. **Exhibit A** identifies wells in the vicinity of the proposed well, with a cross-section line running from A to A’.
7. **Exhibit A** shows that the structure dips down to the southwest.

**EXHIBIT 3**  
Ameredev Operating, LLC  
Case No. 20223  
February 7, 2019 Hearing

8. **Exhibit B** is a Wolfcamp stratigraphic cross-section hung on the top of the Wolfcamp. The cross-section shows consistent target thickness in wells near the Pimento sections. The well logs on the cross-section give a representative sample of the Wolfcamp formation in the area and demonstrate reasonable well control. The target zone for the well is the Wolfcamp, as indicated by the dashed line in Exhibit B. The target zone is continuous across the well unit.

9. **Exhibit C** is a Gross Isochore of the Wolfcamp formation. The map shows thickness for the “target interval” indicated in Exhibit B. The Wolfcamp is uniform across the proposed well unit.

10. The preferred well orientation in this area is north-south. This is because the inferred orientation of the maximum horizontal stress is roughly east-west.

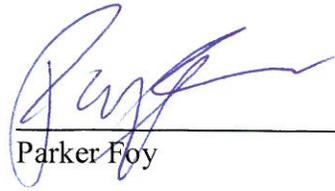
11. I conclude from the maps that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

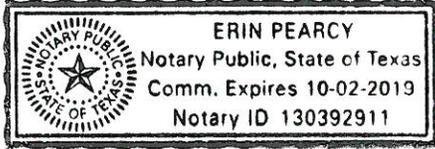
12. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

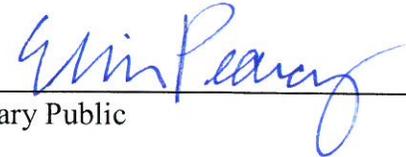
13. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

  
Parker Foy

Subscribed to and sworn before me this 5<sup>th</sup> day of February, 2019.



  
Notary Public

The logo for AmeredeDev is positioned in the top left corner of a white rectangular box. It features the word "AMEREDEV" in a bold, italicized, sans-serif font. The letters are white and set against a background that is split diagonally from the top-left to the bottom-right. The upper-left portion of this background is red, and the lower-right portion is dark blue.

**AMEREDEV**

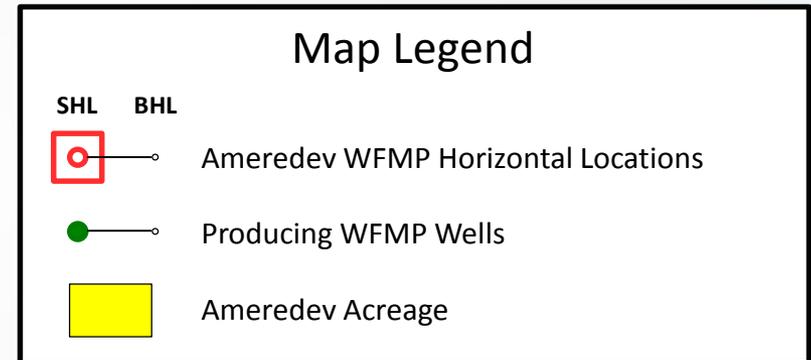
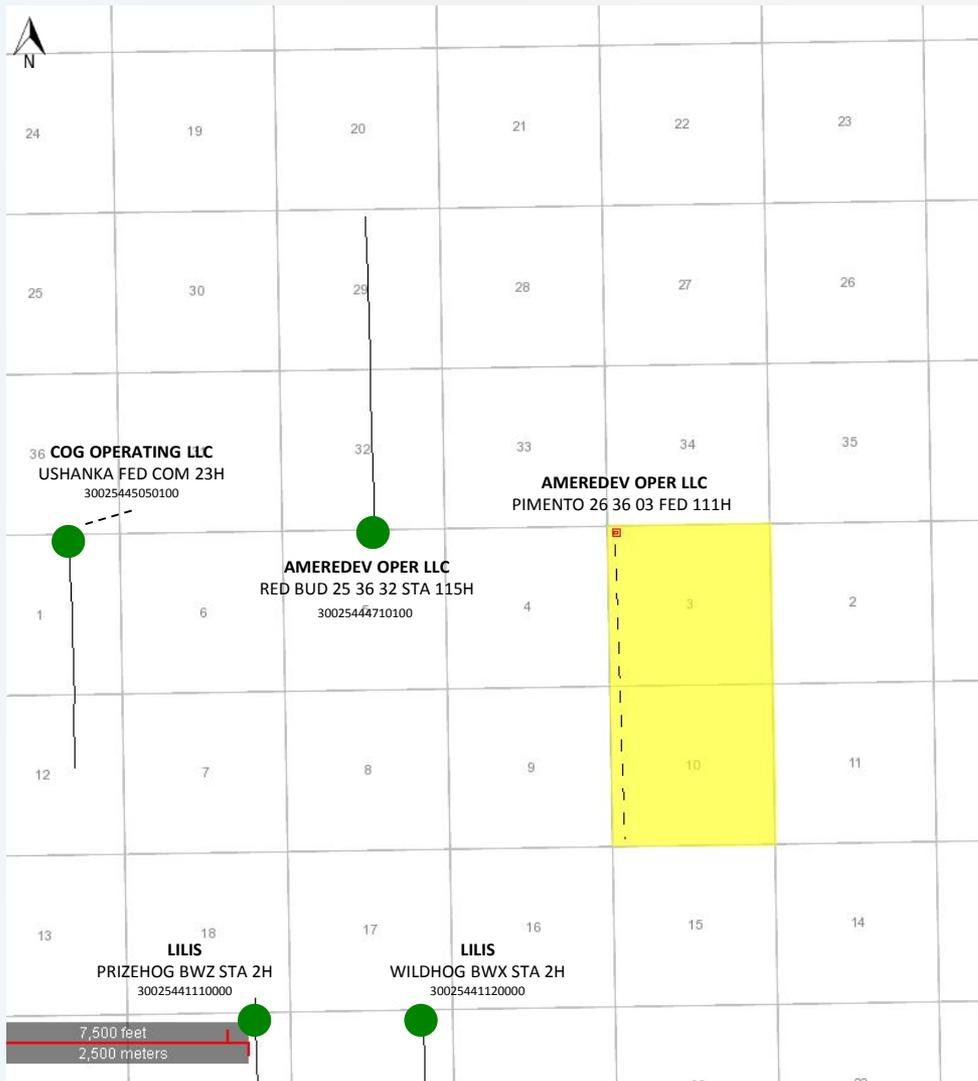
AmeredeV II, LLC

**PIMENTO WFMP POOLING**  
**AMEREDEV OPERATIONS**

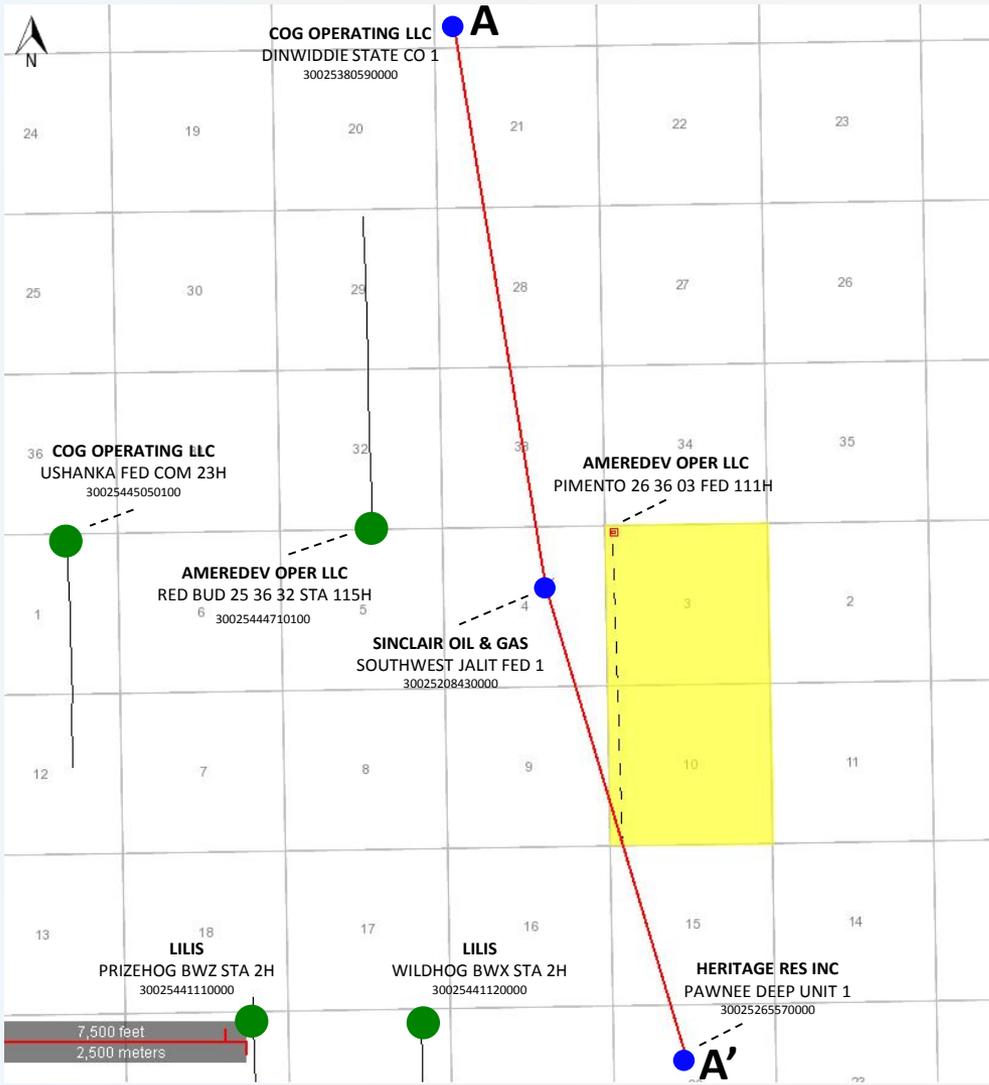
**EXHIBIT A**



# Wolfcamp Pool — Pimento 26-36-03 Fed 111H



# Wolfcamp Pool – Cross Section Map



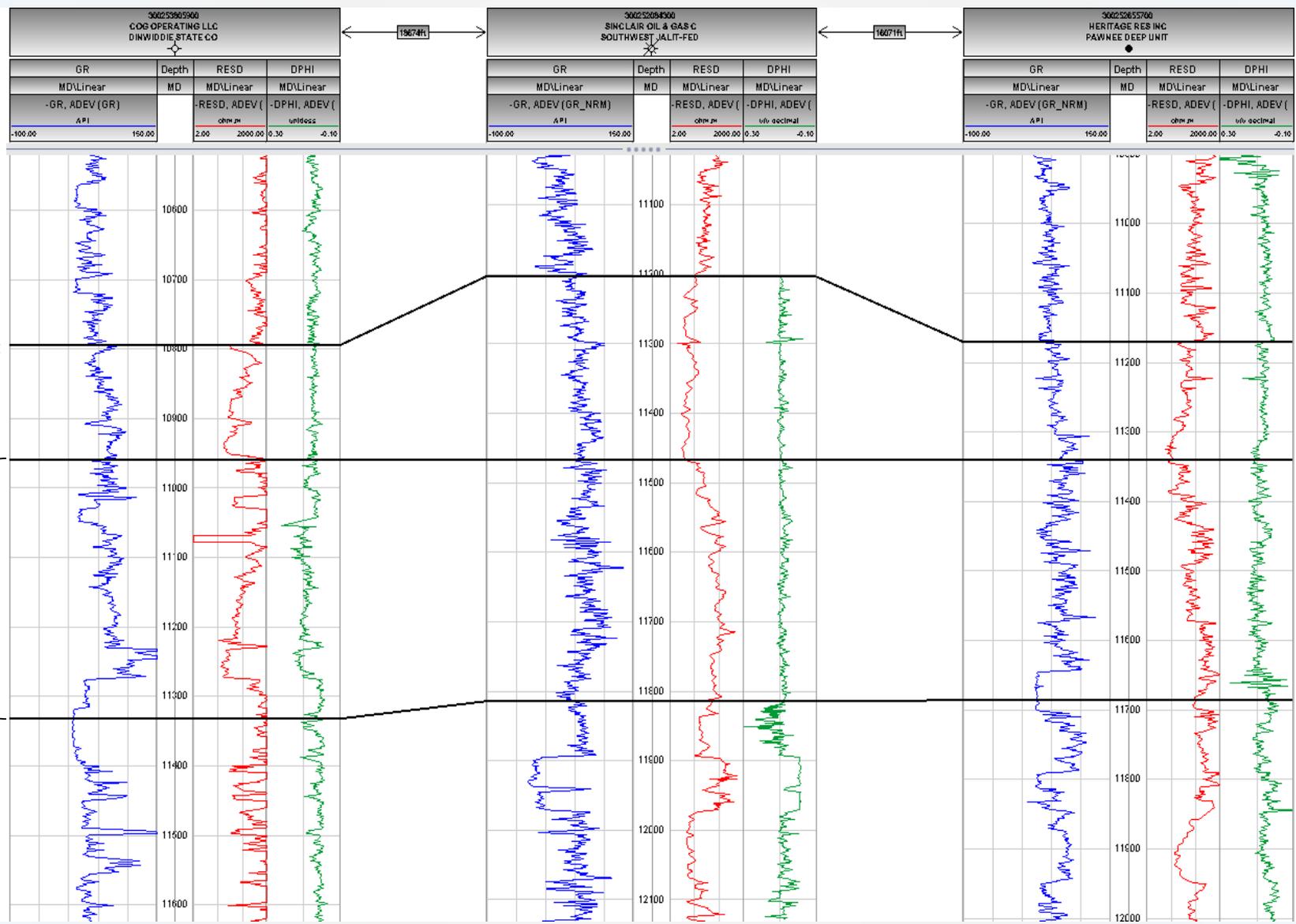
### Map Legend

SHL	BHL	Description
		Ameredeve WFMP Horizontal Locations
		Producing WFMP Wells
		Cross Section Wells & Transect
		Ameredeve Acreage

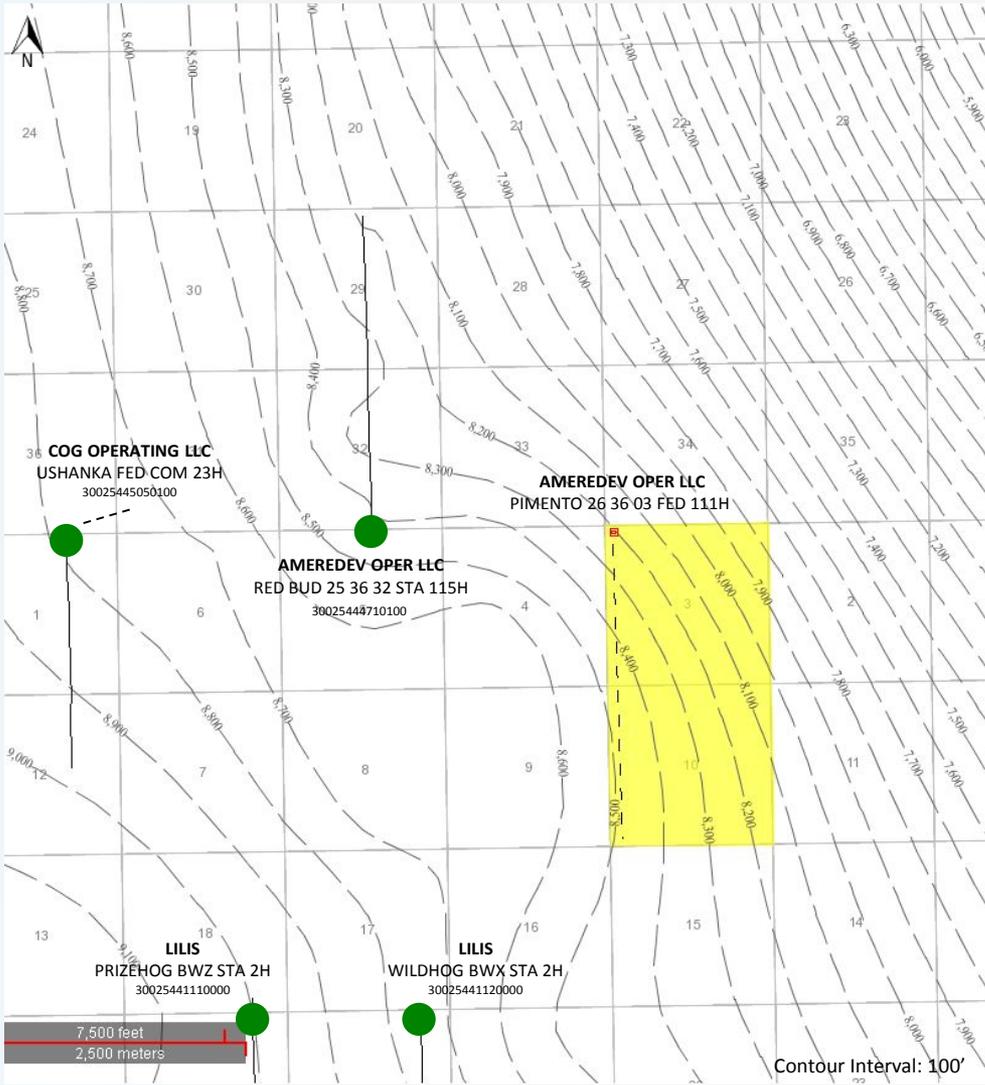
# Wolfcamp Pool - Stratigraphic Cross Section

**A**

**A'**



# Wolfcamp Pool - WFMP Structure Map (Subsea Depth)



### Map Legend

SHL	BHL	Description
		Ameredev WFMP Horizontal Locations
		Producing WFMP Wells
		Ameredev Acreage



*Kaitlyn A. Luck*

KAITLYN A. LUCK

SUBSCRIBED AND SWORN to before me this 6<sup>th</sup> day of February, 2019.

*David H. [Signature]*  
Notary Public

My Commission Expires:

6/13/2022



# 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 - Pimento  
CM# 100091.0001  
Notices for 20190207 Docket

Shipment Date: 01/14/2019

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	5
Total	5

\*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.

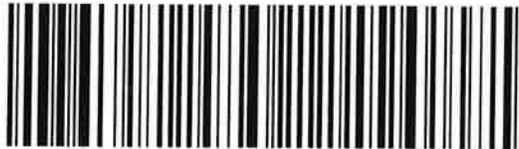
## B. USPS Action

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 0012 1696 40





**Return address:**

HOLLAND & HART LLP  
P.O. BOX 2208  
SANTA FE, NM 87504-2208

**Recipient address:**

E G ENERGY LLC  
9204 CHEROKEE LANE  
LEAWOOD KS 66206

**USPS CERTIFIED MAIL**



9214 8901 9403 8377 3435 04

**USPS Tracking Label Number: 9214 8901 9403 8377 3435 04**

<b>USPS Tracking History</b>	<b>Postal Facility</b>	<b>ZIP</b>	<b>Date</b>	<b>Time</b>
PRE-SHIPMENT INFO SENT USPS AWAITS ITEM		SANTA FE,NM 87501		01/14/2019 11:51
SHIPMENT RECEIVED ACCEPTANCE PENDING		SANTA FE,NM 87501		01/18/2019 13:38
ORIGIN ACCEPTANCE		SANTA FE,NM 87501		01/18/2019 19:52
PROCESSED THROUGH USPS FACILITY		ALBUQUERQUE,NM 87101		01/18/2019 21:07
DEPART USPS FACILITY		ALBUQUERQUE,NM 87101		01/18/2019 21:20
PROCESSED THROUGH USPS FACILITY		KANSAS CITY,MO 64121		01/22/2019 06:55
ARRIVAL AT UNIT		OVERLAND PARK,KS 66207		01/23/2019 07:21
SORTING/PROCESSING COMPLETE		LEAWOOD,KS 66206		01/23/2019 09:19
OUT FOR DELIVERY		LEAWOOD,KS 66206		01/23/2019 09:29
NO AUTHORIZED RECIPIENT AVAILABLE		LEAWOOD,KS 66206		01/23/2019 15:33
REMINDER TO SCHEDULE REDELIVERY		LEAWOOD,KS 66206		01/28/2019 03:57

CASE #:

## Pieces

Search for:

 Advanced

Between  And

Clear Job Filter:

Barcode	Recipient	Status	Custom	User / Profile	Location / Department	Job ID
9214890194038377343498	OXY USA WTP Limited Partnership 5 Greenway Plaza Suite 110 Houston TX 77046	Delivered Signature Received	Ref#: C1167153.6706498 RetRef#:	clwetzsteon@hollandhart.com Label 4 x 2.5 (flat)		1167153
9214890194038377343504	E G Energy LLC 9204 Cherokee Lane Leawood KS 66206	In-Transit	Ref#: C1167153.6706499 RetRef#:	clwetzsteon@hollandhart.com Label 4 x 2.5 (flat)		1167153
9214890194038377343467	XTO Holding LLC 810 Houston Street Ft Worth TX 76102	Delivered Signature Received	Ref#: C1167153.6706495 RetRef#:	clwetzsteon@hollandhart.com Label 4 x 2.5 (flat)		1167153



# 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  
January 24, 2019  
and ending with the issue dated  
January 24, 2019.



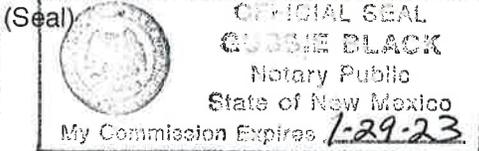
Publisher

Sworn and subscribed to before me this  
24th day of January 2019.



Business Manager

My commission expires  
January 29, 2023



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  
JANUARY 24, 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 February 7, 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 January 28, 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; Isaacs Family Limited Liability Partnership; Quail Creek Royalty, LLC; OXY USA WTP Limited Partnership; E G Energy, L.L.C.

Case No. 20223: Application of Ameredev Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks order pooling all uncommitted interest in the Wolfcamp formation in the 640-acre spacing unit comprised of the W/2W/2 of Sections 3 and 10 and the E/2E/2 of Sections 4 and 9, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit is to be dedicated to the proposed Pimento Fed Com 26 36 03 111H Well. This well will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 3 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10, Township 26 South, Range 36 East. Ameredev will incorporate the proximity tracts into its horizontal spacing unit. Incorporating the proximity tracts, the completed interval for the well will remain within the standard offset required by the statewide rules set forth in 19.15.15 NMAC. 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 6 miles southwest of Jal, New Mexico.  
#33664

67100754

00223654

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

EXHIBIT B