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

APPLICATION OF AMEREDEV OPERATING, LLC FOR COMPULSORY POOLING AND APPROVAL OF A NON-STANDARD WELL LOCATION, LEA COUNTY, NEW MEXICO.

CASE NO. 20331

AMEREDEV OPERATING LLC'S PRE-HEARING STATEMENT

Ameredev Operating LLC ("Ameredev") (OGRID No. 372224) submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

<u>APPLICANT</u>

ATTORNEY

Ameredev Operating LLC

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APPLICANT'S STATEMENT OF CASE

In this case Ameredev seeks an order (1) pooling all uncommitted interests in the Wolfcamp formation [JAL; Wolfcamp, West (33813)] in the 640.40-acre horizontal spacing unit comprised of the W/2 of Section 30 and the W/2 of Section 31, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, and (2) approving a non-standard location for a

proposed well. Ameredev seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The Nandina Fed Com 25 36 31 No. 101H Well to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 31 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 30;
- The Nandina Fed Com 25 36 31 No. 103H Well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 31 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 30;
- The Nandina Fed Com 25 36 31 No. 112H Well to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 31 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 30;
- The Nandina Fed Com 25 36 31 No. 114H Well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 31 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 30; and
- The Nandina Fed Com 25 36 31 No. 121H Well to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 31 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 30.

The completed interval for the proposed Nandina Fed Com 25 36 31 No. 112H Well will be within 330' of the quarter-quarter line separating the W/2 W/2 from the E/2 W/2 of Sections 30 and 31 to allow inclusion of this acreage into a standard 640.40-acre horizontal spacing unit.

The completed interval for the proposed Nandina Fed Com 25 36 31 No. 114H will be at an unorthodox location 2318 feet from the west line, thereby encroaching on the acreage to the east of the horizontal spacing unit.

Since the proposed wells will be simultaneously drilled and completed, Ameredev requests an extension of the time period to drill and complete the initial well from 120 days to 365 days.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Brandon Forteza – Landman	Approx. 8	Approx. 3
Parker Foy – Geologist	Approx. 8	Approx. 3

PROCEDURAL MATTERS

If unopposed, Ameredev anticipates presenting this case by affidavits.

Respectfully submitted,

HOLLAND & HART LLP

By:

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