

**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.** \_\_\_\_\_

**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 N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interest in the Wolfcamp formation, underlying a standard 640-acre, more or less, spacing unit comprised of the W/2 W/2 of Section 29, E/2 E/2 of Sections 30 and 31, and the W/2 W/2 of Section 32, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico. In support of its application, Ameredev states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing unit to the proposed **Redbud Fed Com 25-36-32 121H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 5, Township 26 South, Range 36 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 29.
3. The completed interval of the **Redbud Fed Com 25-36-32 121H Well** will remain within 330 feet of the section line separating: (1) the W/2 W/2 of Section 29 from the E/2 E/2 of Section 30, and (2) the W/2 W/2 of Section 32 from the E/2 E/2 of Section 31 to allow inclusion of this offsetting acreage into a standard 640-acre horizontal well spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all 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 Applicant 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 Applicant should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 5, 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 Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant 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% charge for the risk assumed by Applicant 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

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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 interest in the Wolfcamp formation, underlying a standard 640-acre, more or less, spacing unit comprised of the W/2 W/2 of Section 29, E/2 E/2 of Sections 30 and 31, and the W/2 W/2 of Section 32, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Said unit is to be dedicated to the proposed **Redbud Fed Com 25-36-32 121H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 5, Township 26 South, Range 36 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The completed interval of the **Redbud Fed Com 25-36-32 121H Well** will remain within 330 feet of the section line separating: (1) the W/2 W/2 of Section 29 from the E/2 E/2 of Section 30, and (2) the W/2 W/2 of Section 32 from the E/2 E/2 of Section 32, to allow inclusion of this offsetting acreage into a standard 640-acre horizontal well spacing unit. 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 applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles west of Jal, New Mexico.