

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

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

Application of AMEREDEV OPERATING, llc,
for Compulsory Pooling
Lea County, New Mexico

Case No. 22248

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, NOVEMBER 4, 2021

EXAMINER HEARING

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard, Esq. Hearing Examiner, Dean McClure
Technical Examiner, on Thursday, November 4, 2021,
via Webex Virtual Conferencing Platform hosted
by the New Mexico Department of Energy, Minerals and
Natural Resources

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

FOR AMEREDEV OPERATING, LLC:

Kaitlyn A. Luck, Esq
Holland & Hart
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501
(505) 988-4421
kaluck@hollandhart.com

C O N T E N T S

CASE NO. 22248	PAGE
CASE CALLED:	4
TAKEN UNDER ADVISEMENT: (Information to be provided post hearing)	5

1	I N D E X O F E X H I B I T S		
2	AMEREDEV OPERATING, LLC, EXHIBITS:		ADMITTED
3	A	Compulsory Pooling Checklist	5
4	B	Application	5
5	C	Affidavit of Brandon Forteza, Landman	5
6	C-1	C-102	5
7	C-2	Land Plat/Unit Recap	5
8	C-3	Well Proposal/AFE	5
9	C-4	Chronology of Contacts	5
10	D	Affidavit of Parker Foy, Geologist	5
11	D-1	Project Locator Map	5
12	D-2	Expanded Capitan Reef Map	5
13	D-3	Structure Map	5
14	D-4	Cross Section Map	5
15	D-5	Cross Section	5
16	E	Notice Affidavit	5
17	F	Notice of Publication	5
18			
19			
20			
21			
22			
23			
24			
25			

1 (Time noted 9:40 a.m.)

2 EXAMINER BRANCARD: With that, calling Case
3 22248, Ameredev Operating.

4 MS. LUCK: Good morning. Kaitlyn Luck with the
5 Santa Fe office of Holland & Hart for the applicant
6 Ameredev Operating, LLC.

7 EXAMINER BRANCARD: Thank you. Are there any
8 other interested persons for Case 22248? (Pause.)
9 Hearing none, you may proceed, Ms. Luck.

10 MS. LUCK: Thank you.

11 Ameredev understood there would be no
12 objection to this case, just like the last one, and
13 Ameredev filed the standard set of exhibits on Tuesday
14 with the Division.

15 Included in the package are the Compulsory
16 Pooling Application Checklist as Exhibit A, followed by a
17 copy of the Application as Exhibit B.

18 Next in the packet is Exhibit C which is
19 the Affidavit of Brandon Forteza. He testifies that
20 Ameredev is seeking an Order pooling all uncommitted
21 interests in the Bone Spring Formation underlying a
22 standard 320-acre spacing unit in the east half/east half
23 of Sections 30 and 31, all in Township 25 South, Range 36
24 East, in Lea County, New Mexico.

25 Ameredev seeks to initially dedicate the

1 spacing unit to the Nandina Fed Com 25 36 31 097H well
2 which will be at a standard location. And Ameredev has
3 included a copy of the C-102 for the well as Exhibit C-1.

4 Ameredev has also included the standard
5 land, tract and unit recap exhibit as Exhibit C-2, which
6 reflects the interest owners in the spacing units that
7 Ameredev is seeking to pool.

8 Next in the packet is Ameredev's Well
9 Proposal Letter as Exhibit C-3.

10 And then finally Ameredev's Exhibit C-4 is
11 the Chronology of Contacts with the uncommitted working
12 interest owners.

13 As mentioned in the prior case, Ameredev's
14 landman testifies that they are seeking \$10,000 a month in
15 overhead while drilling and 1,000 a month while producing
16 but there is a discrepancy between this figure and
17 Exhibit A, and so Ameredev will follow up after the
18 hearing to clarify the correct administrative and overhead
19 rates for this well.

20 Ameredev has included also the standard
21 geology exhibits in the packet as Exhibit D, and with
22 Exhibit D are also the geology exhibits, which include the
23 Structure Map, Cross Section Map, and Project Locator Map.

24 Again in this case Ameredev's geologist
25 testifies that it his opinion that horizontal well

1 development is appropriate for the Bone Springs Formation
2 in this area.

3 Then finally in our exhibit packet we have
4 included Ameredev Exhibits E and F, which are Notice
5 information reflecting that Ameredev has provided Notice
6 of this hearing in a timely manner to the interest owners
7 Ameredev seeks to pool.

8 So with that I move the admission of
9 Ameredev's Exhibits A through F with the understanding
10 that we will supplement after hearing the accurate rates
11 for the Order.

12 EXAMINER BRANCARD: Thank you.

13 Mr. McClure, any questions?

14 EXAMINER McCLURE: No questions. Thank you.

15 EXAMINER BRANCARD: Thank you. Are there any
16 other interested persons for Case 22248? (Note: Pause.)

17 Hearing none, Case 22248, the exhibits will
18 be admitted, the case will be taken under advisement, with
19 the proviso that Ameredev will submit corrected
20 Application pages regarding monthly charges.

21 MS. LUCK: Thank you.

22 (Time noted 9:55 a.m.)

23

24

25

1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

4

5

REPORTER'S CERTIFICATE

6

I, MARY THERESE MACFARLANE, New Mexico Reporter

7

CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

November 4, 2021, the proceedings in the above-captioned

9

matter were taken before me; that I did report in

10

stenographic shorthand the proceedings set forth herein,

11

and the foregoing pages are a true and correct

12

transcription to the best of my ability and control.

13

I FURTHER CERTIFY that I am neither employed by

14

nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

16

that I have no interest whatsoever in the final

17

disposition of this case in any court.

18

19

/s/Mary Macfarlane_____

20

MARY THERESE MACFARLANE, CCR

21

NM Certified Court Reporter No. 122

22

License Expires: 12/31/2021

23

24

25