

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

**APPLICATION OF AMEREDEV OPERATING, LLC
TO AMEND ORDER NO. R-22058,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 22750
ORDER NO. R-22058-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on May 5, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. On March 9, 2022, OCD issued Order R-22058 to Ameredev Operating LLC (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit (“Unit”).
2. Subsequent to the issuance of Order R-22058, Operator applied to amend the Order (“Application”) to instead dedicate the Unit to the Red Bud Federal Com 25 36 32 103H and the Red Bud Federal Com 25 36 32 113H (“New Wells”) due to “Federal permitting issues”.
3. Operator provided evidence that it gave notice of the Application and the hearing to the previously pooled interest owners.
4. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
6. Operator is the owner of an oil and gas working interest within the Unit.
7. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
8. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
9. Operator has the right to drill the New Wells to a common source of supply at the depth and location in the Unit described in Exhibit A.

10. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

11. The New Wells listed on attached Exhibit A will now be dedicated to the Unit established by Order R-22058.

12. The New Wells hereby replace those Wells listed in Order R-22058.

13. If the location of any well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.

14. The Operator shall commence drilling the New Wells within one year after the date of this Order, and complete each New Well no later than one (1) year after the commencement of drilling the Well.

15. This Order shall terminate automatically if Operator fails to comply with Paragraph 14 unless Operator obtains an extension by an amendment of this Order for good cause shown.

16. Order R-22058 shall remain in full force and effect.

17. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 7/25/2022

Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST (pdf)	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 22750	APPLICANT'S RESPONSE
Date: May 5, 2022	
Applicant	Ameredev Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	372224
Applicant's Counsel:	Holland & Hart LLP
	Application of Ameredev Operating, LLC to Amend Order No. R-22058, Lea County, New Mexico.
Entries of Appearance/Intervenors:	
Well Family	Red Bud Fed Com 25 36 32 wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	Jal; Wolfcamp West Pool (Pool Code 33813)
Well Location Setback Rules:	Statewide horizontal well rules
Spacing Unit Size:	320-acre, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	quarter-quarter sections
Orientation:	South-North
Description: TRS/County	E/2 W/2 of Sections 29 and 32, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Ameredev Hearing Date: May 05, 2022 Case No 22750

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p>Red Bud Fed Com 25 36 32 #103H well (API No. 30-025-49740): SHL: 230' FNL and 1650' FWL (Unit C) of Section 5, Township 26 South, Range 36 East. BHL: 50' FNL and 1672' FWL (Unit C) of Section 29, Township 25 South, Range 36 East.</p> <p>Completion Target: Wolfcamp Well Orientation: South to North Completion Location expected to be: Standard</p>
Well #2	<p>Red Bud Fed Com 25 36 32 #113H well (API No. 30-025-48789): SHL: 230' FNL and 1670' FWL (Unit C) of Section 5, Township 2 South, Range 36 East, BHL: 50' FNL and 1672' FWL (Unit C) of Section 29, Township 25 South, Range 36 East,</p> <p>Completion Target: Wolfcamp Well Orientation: South to North Completion Location expected to be: Standard</p>
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-1
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2

Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	
Summary (including special considerations)	See Original Pooling Order
Spacing Unit Schematic	See Original Pooling Order
Gunbarrel/Lateral Trajectory Schematic	See Original Pooling Order
Well Orientation (with rationale)	See Original Pooling Order
Target Formation	See Original Pooling Order
HSU Cross Section	See Original Pooling Order
Depth Severance Discussion	See Original Pooling Order
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	See Original Pooling Order
Well Bore Location Map	See Original Pooling Order
Structure Contour Map - Subsea Depth	See Original Pooling Order
Cross Section Location Map (including wells)	See Original Pooling Order
Cross Section (including Landing Zone)	See Original Pooling Order
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	5-May-22