

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY AMEREDEV OPERATING, LLC**

ORDER NO. PLC-664

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application, issues the following Order.

FINDINGS OF FACT

1. Ameredev Operating, LLC (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
7. Applicant submitted one or more proposed communitization or unitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the leases to be consolidated into a single lease (“Proposed Consolidated Lease”)

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.

9. To the extent that ownership is diverse, Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
11. Commingling involving state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
12. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added. Applicant satisfied the notice requirements for subsequent additions of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Effective March 30, 2020, Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. No later than five (5) business days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 with a copy of the decision and agreement. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, then this Order shall terminate on the date of such action, and Applicant shall cease commingling the production on the Proposed Consolidated Lease. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), then Applicant shall comply with the approved agreement(s), and no later than ten (10) business days after such decision, Applicant shall submit a new surface commingle application to conform this Order with the approved agreement(s). If OCD denies the application, this Order shall terminate automatically.
3. Applicant shall allocate the oil and gas production to each lease within a Proposed Consolidated Lease in proportion to the acreage that each lease bears to the entire acreage of the Proposed Consolidated Lease described in Exhibit B.
4. The oil and gas production from each well shall be separated and metered prior to commingling.
5. Applicant shall measure the commingled oil at the central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
6. Applicant shall measure the commingled gas at the central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared,

regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.

7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B via the OCD Fee Portal and providing notice of the application to all owners of interest in the production to be added.
9. Applicant shall not commence commingling involving state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
10. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it determines that the Application did not accurately describe the pools, leases, and wells in the Proposed Consolidated Lease(s) or any action affecting or related to the commingling of oil and gas production, or as deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR

DATE: 3/31/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-664

Operator: Ameredev Operating, LLC (372224)

Central Tank Battery: Nandina Fed Com Central Tank Battery

Central Tank Battery Location (NMPM): Unit O, Section 31, Township 25 South, Range 36 East

Gas Custody Transfer Meter Location (NMPM): Unit O, Section 31, Township 25 South, Range 36 East

Pools

Pool Name	Pool Code
WC-025 G-09 S263619C; WOLFCAMP	98234
JAL; WOLFCAMP, WEST	33813

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
Fee	NW/4	Sec 30-T25S-R36E
NMNM 127450	SW/4	Sec 30-T25S-R36E
NMNM 137469	W/2	Sec 31-T25S-R36E
CA WC NMNM 139206	W/2 E/2 Sec 6, W/2 E/3 Sec 7	T26S-R36E
CA WC NMNM 139207	W/2 E/2 Sec 30, W/2 E/2 Sec 31	T25S-R36E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-45311	Golden Bell 26 36 06 Federal Com 115H	O-31-25S-36E	98234	
30-025-46145	Nandina 25 36 31 Federal Com 101H	M-31-25S-36E	33813	
30-025-46196	Nandina 25 36 31 Federal Com 121H	M-31-25S-36E	33813	
30-025-46195	Nandina 25 36 31 Federal Com 112H	M-31-25S-36E	33813	
30-025-46220	Nandina 25 36 31 Federal Com 103H	N-31-25S-36E	33813	
30-025-46334	Nandina 25 36 31 Federal Com 114H	N-31-25S-36E	33813	
30-025-45244	Nandina 25 36 31 Federal Com 125H	O-31-25S-36E	33813	

State of New Mexico
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Exhibit B

Order: [PLC-664](#)

Operator: [Ameredev Operating, LLC \(372224\)](#)

Proposed Consolidated Leases

Consolidated Lease	Location (NMPM)	Acres	Consolidated Lease ID
CA WC 112H	W/2 Sec 30, W/2 Sec 31	T25S-R36E	640.4

Leases Comprising Proposed Consolidated Leases

Lease	Location (NMPM)	Acres	Consolidated Lease ID
Fee	NW/4	Sec 30-T25S-R36E	159.95
NMNM 127450	SW/4	Sec 30-T25S-R36E	160.17
NMNM 137469	W/2	Sec 31-T25S-R36E	320.28