

Ameredev II, LLC

AMEN CORNER WOLFCAMP POOLING

AMEREDEV OPERATIONS BEFORE THE OIL CONSERVATION DIVISION - EXAMINER HEARING

BEFORE THE OIL CONSERVATION DIVISION - EXAMINER HEARING FEBRUARY 22, 2018 - CASE NO. 15987



State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

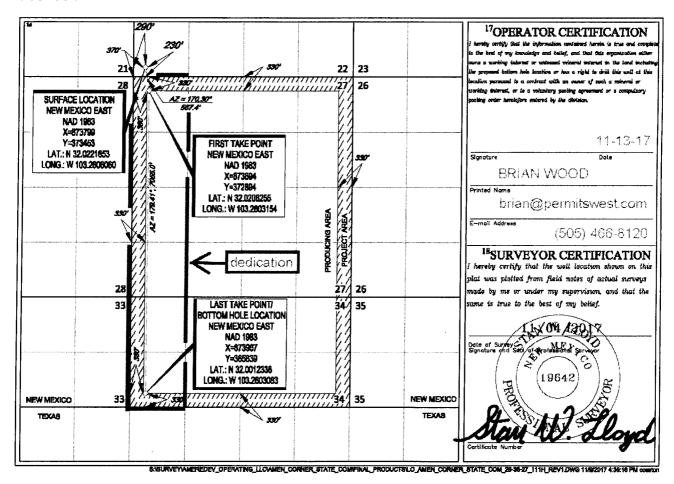
30-025- API Number	**Pool Code	
*Property Code	Property Name	Well Number
	AMEN CORNER STATE COM 26-36-27	111H
⁷ OGRID No.	Operator Name	Elevation
326626	AMEREDEV OPERATING, LLC.	2911'

¹⁰Surface Location

UL or let me.	Section	Tewaship	Range	Lot Ida	Feet from the	North/South fine	Feet from the	East/West Hine	County
M	22	26-S	36-E		230'	SOUTH	290'	WEST	LEA

UL or lot no.	Section	Township	Range	Let Idn	Fort from the	North/South Has	Feet from the	East/West line	County
Lot 4	34	26-S	36-E	-	330'	SOUTH	380'	WEST	LEA
¹⁵ Dedicated Agres	15 Joint or 1	mfti 14C	susulidation Code	¹⁵ Ord	er No.				
233.69			C						
	l.	[**						

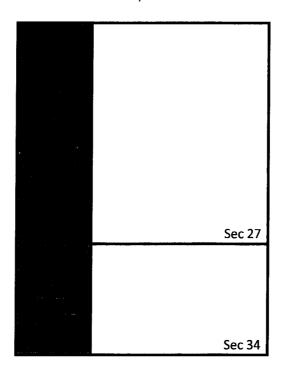
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Hearing Date: February 22, 2018

AMEN CORNER STATE COM 26-36-27 111H

T26S-R36E-SECTION 27, W2W2 T26S-R36E-SECTION 34, W2W2 LEA COUNTY, NEW MEXICO



AMEN CORNER STATE COM 26-36-27 111H

T26S-R36E-SECTION 27, W2W2 T26S-R36E-SECTION 34, W2W2 LEA COUNTY, NEW MEXICO

TRACT 1: W2W2 SECTION 27 T26S-R36E	
BURLINGTON RESOURCES OIL & GAS COMPANY	25.00%
CLARA JANE MILLER	1.52%
W.B. OSBORN OIL & GAS OPERATIONS	1.22%
BARRETT OKLAHOMA INTERESTS, LTD	1.22%
OSBORN HEIRS COMPANY, LTD	1.22%
FLOYD C AND NORMA T STUART LIVING TRUST	0.46%
TAPROCK	10.94%
LILIS ENERGY, INC	37.63%
Ameredev New Mexico, LLC	20.79%
Total	100.00%
TRACT 2: W2W2 SECTION 34 T26S-R36E	
Ameredev New Mexico, LLC	100.00%
Total	100.00%
UNIT RECAPITULATION	
T26S-R36E-SECTION 27, W2W2	
T26S-R36E-SECTION 34, W2W2	
*BURLINGTON RESOURCES OIL & GAS COMPANY	17.12%
*CLARA JANE MILLER	1.04%
*W.B. OSBORN OIL & GAS OPERATIONS	0.83%
*BARRETT OKLAHOMA INTERESTS, LTD	0.83%
*OSBORN HEIRS COMPANY, LTD	0.83%
*FLOYD C AND NORMA T STUART LIVING TRUST	0.32%
*TAPROCK	7.49%
*LILIS ENERGY, INC	25.77%
Ameredev New Mexico, LLC	45.77%
TOTAL	100.00%

^{*}Interest Seeking to Compulsory Pool



Ameredev New Mexico, LLC 5707 Southwest Parkway Building 1, Suite 275 Austin, Texas 78735 (737) 300-4700

November 21, 2017

Trustees of Jal Public Library Fund

Attn: Karen Norwood

RE: 320 Gross Acres in W/2 of Section 27, T26S-R36E, Lea County, New Mexico

Dear Mrs. Norwood,

I would like to provide for you an offer to lease the minerals that you represent covering the 4.87654321 net acre undivided interest in the above referenced 40 acre tract of land. This accounts for the mineral interest owned by Clara Jane Miller at the time of her passing. Ameredev New Mexico, LLC would like to make the following offer to lease your interest in the subject lands:

- \$6,000.00 per net mineral acre (\$29,259.26)
- 3 year Primary Term
- 25% Royalty

Should this offer be of acceptance to you, please contact me to confirm, and I will submit to you a formal leasing packet to review and execute. After receipt of your lease package, we will review and tender payment to you for your respective ownership. This offer is valid for two weeks from the date of this letter.

Please feel free to contact me at your convenience to discuss this further. I look forward to working with your group on this. Thank you for your time and consideration.

Sincerely,

Rhett Reeves, CPL

Landman

(737)300-4731 Direct

(972)824-9221 Cell

rreeves@ameredev.com

Ameredev II, LLC 5707 Southwest Parkway Building 1. Suite 275 Austin, Texas 78735



Certified Mail

November 8, 2017

Tap Rock Resources, LLC 602 Park Point Drive, Suite 200 Golden, CO 80401

Attention: Clayton Sporich

RE: Amen Corner State Com 26-36-27 #111H Well Proposal

Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico

SHL: 230' FNL & 260' FWL Section 27: BHL: 350' FSL & 260' FWL Section 34

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Amen Corner State Com 26-36-27 #111H Well (the "Well") to test the Wolfcamp formation to a total vertical depth of 12.400' and a total measured depth of 19.500' ("Operation"). The estimated costs associated with the Operation are \$10.946.072 as outlined in the enclosed authority for expenditure ("AFE #2017-048"). Ameredev's records indicate Tap Rock Resources, LLC, ("Taprock") owns a 7.49% working interest in the Well, and Taprock's estimated costs associated with the Operation are approximately \$819,702.43. Ameredev also proposes to drill and log a pilot hole in the Well as outlined in the enclosed authority for expenditure ("AFE #2017-049"), estimated associated costs with the pilot hole are \$868,398. Should Taprock elect to participate in the pilot hole, it agrees to pay 50% of the associated costs, being \$434,199.

In addition. Ameredev proposes the Operation to be governed by the terms of the 2015 Horizontal AAPI. Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 26 South, Range 36 East, Section 27: W2W2 & Section 34 W2W2, with Ameredev listed as the
 Operator ("Contract Area")
- 100%/300%/300% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Should Taprock choose not to participate in Ameredev's proposed Operation, Ameredev proposes the following alternatives:

- Taprock executes a farmout agreement of its leasehold interest in the Contract Area, delivering to Ameredev all of its working interest and
 leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and
 existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest to a 1.87% working
 interest in the Well upon 100% payout.
- Taprock to sell its entire leasehold interest in the Contract Area to Ameredev for \$3,500 per acre, reserving the difference between twenty-five percent (25%) and existing leasehold burdens as an overriding royalty interest, delivering a seventy-five percent (75%) net revenue interest to Ameredev.

Ameredev looks forward to working with Taprock on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to bforteza@ameredev.com at your earliest convenience.

Sincerely.

Brandon Forteza 737-300-4721

Page 1 CONFIDENTIAL

Election Ballot for the Amen Corner State Com 26-3	6-27 #111H Well Proposal (AFE# 2017-048)
Taprock elects to participate in the proposed Operation by paying it	s proportionate share of the costs outlined in the AFE 2017-048
Taprock elects to farmout its interest in the Contract Area as set for	h in alternative 1 above.
Taprock elects to sell its interest in the Contract Area as set forth in	alternative 2 above.
Taprock elects to not participate in the proposed Operation.	
Tap Rock Resources, LLC	
By:	

Election Ballot for the Amen Corner State Com 26-36-27 #111H Well Proposal (AFE# 2017-049)

Taprock elects	to participate in the pilot hole by paying 50% of the costs outlined in AFE 2017-049.
Taprock elects	to not participate in the pilot hole.
Tap Rock Resources, LLC	
By:	_
Its:	

Page 3 CONFIDENTIAL



Ameredev II, LLC

Surface Location: Lea County, New Mexico Township 26 South, Range 36 East Section 27, 230' FNL, 260' FWL

Amen Corner State Com 26-36-27 #111H AFE # 2017-048 Capital Expenditure

November 3, 2017



Authorization For Expenditure

Company Entity Ameredev Operating, LLC						Date Prep		ber 3, 2017		
AFE Type	Project i		Well No.	Prospect or Field	Name	Property Number		Operati	on AFE No.	
Capital	Capital Amen Corner State Com 26-36-27 111H			Delaware_W	C	40221		20:	17-048	
Location				County		State		Тур	e Well	
265-36	E Section 27, 230	' FNL, 260' F	W L	Lea		NM	Oil Gas	x	Expl Prod	×
Estimate Type Original Estimat	e	1	٤ ا	st. Start Date	Es	t. Comp Date	Forn	nation		MD ,5 00 ′
Revised Estimate Supplemental Es		0	Jai	nuary 25, 2018	Feb	ruary 26, 2018	Wol	fcamp		VD ,400'
Project Descript		1								
Total Cost				aild Full Unit Battery and					\$10,946,07	72
Commonts on A	issociated Costs									
Water disposal r	not included.									
Well Control Ins	urance									
control insurance in no event later being covered by elect to purch Well control insu	e, you must provi than commencer y insurance procu ase my own well contu- urance procured b	de a certifica ment of drill ired by Oper rol insurance po by Operator,	ate of such in ing operatio ator. dicy. provides, ar	ider and to pay your pronsurance acceptable to ns. You agree that failu mong other terms, for \$ g drilling (through comp	Operator, a re to provid	s to form and limits, a le the certificate of ins (100% W.I.) of Combi	t the time th urance, as p ned Single Li	nis AFE is re provided he imit covera	eturned, if av erein, will res	vailable, but sult in your
Marketing Elect	ion									
insufficient voluments on written res	mes delivered ove quest to Amerede my gas in kind.	er time. Shou ev, we will sh	ald you choo are with you	hird party purchasers. S see to market your share u the terms and condition conditions of its contracts.	e of gas witl	Ameredev, you will b	e subject to			
Comments on A	FE									
The above costs costs without aff	are estimates onlifecting the author	rization for e	xpenditure l	free operations withou herein granted. By appi nder term of the joint o	roval of this	AFE, the working inte	rest owner a	agrees to p	ay its propor	rtionate
				rican Resource Dev						
Prepared by		Operations	Supt.	VP Land	VP Geology	(00		CEO		
Julia Steger		Zachary Bo	yd	Noah Bramble	Eric Rhode	n Floyd Han	nmond	Parker Re	ese	
				Joint Interes	st Approv	al				
Company			Ву			Date				



NTANGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
DAMAGES	0.001	\$25,000.00	\$0.00	\$25,000
MISC PREPARATION COSTS	0.004	\$15,000.00	\$0.00	\$15,000
RESTORATION	0.008	\$0.00	\$4,000.00	\$4,000
DRILLING RIG COIL TUBING	0.010	\$528,000.00 \$0.00	\$19,500.00 \$52,500.00	\$547,500
UEL CONTROLL	0.012	\$155,000.00	\$5,400.00	\$52,500 \$160,400
RAILER, CAMP & CATERING	0.018	\$28,400.00	\$11,770.00	\$40,170
VATER & SEPTIC	0.020	\$7,200.00	\$4,800.00	\$12,000
URFACE RENTALS	0.024	\$23,425.00	\$44,250.00	\$67,679
DRILL BITS	0.028	\$90,500.00	\$7,000.00	\$97,500
DOWNHOLE RENTALS	0.030	\$50,500.00	\$66,000.00	\$116,500
DIRECTIONAL DRILLING	0.032	\$34,000.00	\$0.00	\$34,000
OMPOSITE PLUGS	0.034	\$0.00	\$54,150.00	\$54,150
OTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00	\$0.00	\$1,320
OTTOM HOLE ASSEMBLE REPAIR	0.040	\$420.00	\$0.00	\$420
UBULAR INSPECTIONS	0.042	\$17,250.00	\$0.00	\$17,250
UBUING REPAIR	0.044	\$8,437.50	\$0.00	\$8,437
UBING RENTALS	0.046	\$0.00	\$22,500.00	\$22,500
VELL CONTROL-EQUIP/SERVICES	0.048	\$20,300.00	\$53,900.00	\$74,200
OP TESTING	0.050	\$7,000.00	\$0.00	\$7,000
VELL TESTING	0.052	\$0.00	\$106,750.00	\$106,750
NUD & ADDITIVES	0.060	\$135,000.00	\$48,400.00	\$183,400
UMPING CHARGES (FRAC STIMULATION)	0.061	\$0.00	\$3,931,853.00	\$3,931,853
VATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00	\$7,105.00	\$10,85
TIMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00	\$632,600.00	\$635,850
OLIDS CONTROL-EQUIP/SERVICES	0.066	\$54,300.00	\$0.00	\$54,30
IUD / FLUIDS DISPOSAL CHARGES	0.068	\$135,200.00	\$16,990.00	\$152,190
ASING CREWS 7" and larger	0.070	\$37,750.00	\$0.00	\$37,750
MTNG, THRU INTERMED CASING & FLOAT EQUIP	0.072	\$118,000.00	\$0.00	\$118,000
LOAT EQUIPMENT / CASING & LINER EQUIP	0.074	\$5,500.00	\$0.00	\$5,500
OADS & LOCATION PREPARATION	0.080	\$45,000.00	\$75,000.00	\$120,000
OBILIZE & DEMOBILIZE	0.086	\$280,000.00	\$0.00	\$280,000
UPERVISION / CONTRACT	0.094	\$97,200.00	\$37,200.00	\$134,400
NGINEERING/CONSULTANT	0.102	\$0.00	\$8,500.00	\$8,500
ABOR - ROUSTABOUT CO.	0.103	\$0.00	\$171,000.00	\$171,000
AFETY AND EMERGENCY RESPONSE	0.124	\$3,600.00	\$0.00	\$3,600
ONSTRUCTION FOR FLOW LINES & GASLIFT LINES	0.144	\$0.00	\$125,000.00	\$125,00
OW TESTIN / EQUIP	0.194	\$0.00	\$3,500.00	\$3,50
PEN HOLE LOGGING	0.200	\$0.00	\$315,900.00	\$315,90
OWERLINES & SUBSTATION	0.242	\$0.00	\$16,830.00	\$16,83
ECONDARY CONTAINMENTS	0.254	\$0.00	\$85,000.00	\$85,00
ACILITY ELECTRICAL & AUTOMATION	0.258	\$0.00	\$6,500.00	\$6,500
WD CONNECTION	0.262	\$0.00	\$17,500.00	\$17,50
RANE FOR CONSTRUCTION	0.278	\$0.00	\$9,000.00	\$9,00
IAJOR INSTRUMENTATION	0.292	\$0.00	\$85,000.00	\$85,00
ECTRICAL	0.296	\$0.00	\$120,000.00	\$120,000
IL TREATING	0.356	\$0.00	\$120,000.00	\$120,000
ALTWATER DISPOSAL COST	0.380	\$0.00	\$3,500.00	\$3,50
ONTINGENCY	5%	\$144,440	\$347,518	\$491,95
ix	6.25%	\$180,550	\$434,398	\$614,94
OTAL INTANGIBLE COST		\$2,255,293	\$7,070,814	\$9,326,
INGIBLES - WELL EQUIPMENT				
ONDUCTOR PIPE	0.206	\$4,400.00	\$0.00	\$4,400
JRFACE CASING	0.210	\$172,100.00	\$0.00	\$172,100
TERMEDIATE CASING	0.212	\$300,000.00	\$0.00	\$300,000
RODUCTION CASING	0.216	\$448,500.00	\$0.00	\$448,500
JBING	0.217	\$0.00	\$32,000.00	\$32,000
ELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000
DLATION PACKER	0.222	\$0.00	\$12,500.00	\$12,500
OWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$21,500.00	\$21,500
INGIBLES - LEASE EQUIPMENT				
NE PIPE	0.238	\$0.00	\$5,000.00	\$5,000
NKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$121,465.00	\$121,46
TTERY (HEATER TREATERS)	0.246	\$0.00	\$55,000.00	\$55,000
TTERY (SEPARATOR)	0.248	\$0.00	\$55,000.00	\$55,000
TTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$52,000.00	\$52,000
TTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,00
PELINE TO SALES	0.270	\$0.00	\$8,500.00	\$8,500
ETERS AND METERING EQUIPMENT	0.274	\$0.00	\$10,000.00	\$10,000
LVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$225,000.00	\$225,000
TAL TANGIBLES		\$958,500	\$661,465	\$1,619,
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Ameredev II, LLC

SHL: 26S-26E-27, 230' FNL, 260' FWL BHL: 26S-36E-34, 350' FSL, 260' FWL

Lea County, New Mexico

Amen Corner State Com 26-36-27 #111H Geology AFE # 2017-049 Capital Expenditure

November 3, 2017



Authorization For Expenditure

Company Entry	Ameredev Ope	erating, LLC					Date Fiel		ber 3, 2017	
AFE Type		ct Name	Well No.	Prospect or Field	l Name	Property Number		Operati	on AFE No.	
Capital	i	state Com 26-36- ot Hole	111H	111H Delaware_WC 402		40221	2017-049			
Location				County		State		Tvo	e Well	-
	SEE Section 27, 2	30' FNL, 260' FWL		Lea		NM	Oil Gas	×	Expl Prod	×
Estimate Type Original Estimate	?	•	E	st. Start Date	E	it. Comp Date	Fore	nation		,500'
Revised Estimate		0	Jar	nuary 25, 2018	Fet	ruary 28, 2018	Wo	fcamp		VD
Supplemental Es	timate	0		***************************************	<u> </u>				1 12	,400'
Drill Wolfcamp P	ilot Hale.									
Total Cost									\$868,398	
long as Operator you must provide commencement procured by Ope lielect to purcha Well control insu	indicated below conducts operate a a certificate of a of drilling operate rator. se my own well contrance procured by	ions hereunder an such insurance acc ions. You agree th roi insurance policy. by Operator, provid	d to pay yo eptable to (aat failure to des, among	king interest owner, a ur prorated share of the Operator, as to form a oprovide the certificat other terms, for \$20,0	ne premiums and limits, at the of insurant	therefore. If you elect the time this AFE is ref te, as provided herein W. W.I.) of Combined S	et to purcha curned, if av , will result i	se your own ailable, but n your bein	n well contro in no event g covered b	ol insurance later than y insurance
related redrilling	and clean-up/po	flution expense co	vering drilli	ng (through completic	n) with a \$2	50,000 (100% W.l.) ret	tention.			
Marketing Election	on									
insufficient volun Upon written req	nes delivered ove quest to Amerede ny gas in kind.	er time. Should you	choose to ith you the	party purchasers. Such market your share of i terms and conditions i ions of its contracts.	gas with Am	eredev, you will be sul	oject to all o			
Comments on AF	-ξ									
without affecting	the authorizatio	n for expenditure	herein gran	operations without an ited. By approval of th the joint operating agri	is AFE, the w	orking interest owner	agrees to p	ay its propo	ortionate sh	are of
				an Resource Deve						
Prepared by		Operations Supt.		VP Land	VP Geolog	(000		CEO		
Julia Steger		Zachary Boyd		Noah Bramble	Eric Rhode	n Floyd Han	nmond	Parker Re	ese	
Company			Ву	Joint Interest	Approval	Date				
Company			-y			D-100				



Amounter & Will				
INTANGIBLES	Code	Geology Pilot Hole	Geology Coring	Total Cost
DRILLING RIG	0.010	\$120,000.00	\$0.00	\$120,000.00
FUEL	0.016	\$22,500.00	\$0.00	\$22,500.00
TRAILER, CAMP & CATERING	0.018	\$4,200.00	\$0.00	\$4,200.00
WATER & SEPTIC	0.020	\$21,600.00	\$0.00	\$21,600.00
SURFACE RENTALS	0.024	\$9,210.00	\$0.00	\$9,210.00
DRILL BITS	0.028	\$34,000.00	\$0.00	\$34,000.00
DOWNHOLE RENTALS	0.030	\$2,500.00	\$0.00	\$2,500.00
WELL CONTROL-EQUIP/SERVICES	0.048	\$7,500.00	\$0.00	\$7,500.00
BOP TESTING	0.050	\$1,200.00	\$0.00	\$1,200.00
MUD & ADDITIVES	0.060	\$65,100.00	\$0.00	\$65,100.00
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$2,550.00	\$0.00	\$2,550.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$6,222.22	\$0.00	\$6,222.22
REMEDIAL CEMENTING	0.076	\$15,000.00	\$0.00	\$15,000.00
MUD LOGGING	0.198	\$24,000.00	\$0.00	\$24,000.00
OPEN HOLE LOGGING	0.200	\$347,000.00	\$0.00	\$347,000.00
FISHING & SIDETRACK SERVICES	0.203	\$98,000.00	\$0.00	\$98,000.00
CONTINGENCY	5%	\$ 39,029	\$0	\$39,029.11
Tax	6.25%	\$ 48,786	\$0	\$48,786.39
TOTAL INTANGIBLE COST		\$ 868,398	\$0	\$868,398
TANGIBLES - WELL EQUIPMENT				
CONDUCTOR PIPE	0.206	\$0.00	\$0.00	\$0.00
SURFACE CASING	0.210	\$0.00	\$0.00	\$0.00
INTERMEDIATE CASING	0.212	\$0.00	\$0.00	\$0.00
PRODUCTION CASING	0.216	\$0.00	\$0.00	\$0.00
TUBING	0.217	\$0.00	\$0.00	\$0.00
WELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$0.00	\$0.00	\$0.00
ISOLATION PACKER	0.222	\$0.00	\$0.00	\$0.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$0.00	\$0.00
TANGIBLES - LEASE EQUIPMENT			1	
LINE PIPE	0.238	\$0.00	\$0.00	\$0.00
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$0.00	\$0.00
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$0.00	\$0.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$0.00	\$0.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$0.00	\$0.00
BATTERY (MISC EQUIP)	0.252	\$0.00	\$0.00	\$0.00
PIPELINE TO SALES	0.270	\$0.00	\$0.00	\$0.00
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$0.00	\$0.00
VALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$0.00	\$0.00
TOTAL TANGIBLES		\$0	\$0	\$0
TO THE PROPERTY OF THE PROPERT			Y-1	
TOTAL		\$868,398	\$0	\$868,398
			The first of the latest death and the latest death death death and the latest death dea	

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

APPLICATION OF AMEREDEV OPERATING, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15987

<u>AFFIDAVIT</u>

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

Adam G. Rankin, attorney in fact and authorized representative of Ameredev Operating, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 20th day of February, 2018 by Adam G. Rankin.

Notary Public



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

February 2, 2018

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Amen Corner State Com 26-36-27 No. 111H Well

Ladies & Gentlemen:

This letter is to advise you that Ameredev Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on February 22, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Brandon Forteza, at (737) 300-4721 or bforteza@ameredev.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR

AMEREDEV OPERATING, LLC



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

February 2, 2018

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

Re: Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

<u>Amen Corner State Com 26-36-27 No. 111H Well</u>

This letter is to advise you that Ameredev Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on February 22, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Brandon Forteza, at (737) 300-4721 or bforteza@ameredev.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR

AMEREDEV OPERATING, LLC

Amen Corner State Com 26-36-27 No. 111H Well Pooled Parties (6) Case No. 15987

Barrett Oklahoma Interests,Ltd Attention: Brad Dibrell PO Box 171190 San Antonio, TX 78217

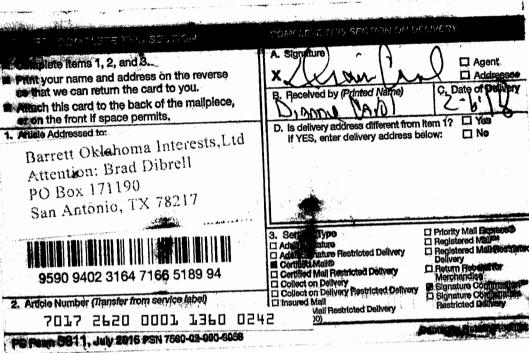
Burlington Resources Oil & Gas Company Attention: Cody Travers 600 North Dairy Ashford Houston, TX 77252

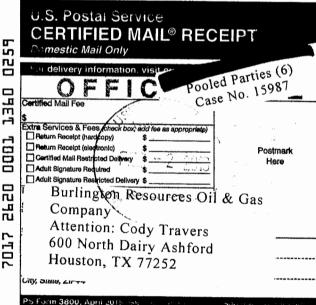
Tap Rock Resources, LLC 602 Park Point Drive, Suite 200 Golden, CO 80401 Attention: Clayton Sporich

Osborn Heirs Company, Ltd Attention: Jackie Ward PO Box 171190 San Antonio, TX 78217

WB Osborn Oil & Gas Operations Attention: Rex Bourland 1250 NE Interstate 410 Loop #600 San Antonio, TX 78209

Clara Jane Miller C/O Trustees of Jal Public Library Fund PO Box 178 Jal, NM 88252





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Amen Corner State Com 26-36-27 No. 111H Well Offsets (3) Case No. 15987

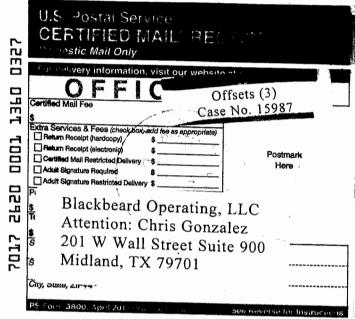
Oxy USA Inc. Attn: Nicole Singer 5 Greenway Plaza, Suite 110 Houston, TX 77046

COG Operating, LLC 600 W. Illinois Avenue Midland, TX 79701

Blackbeard Operating, LLC Attention: Chris Gonzalez 201 W Wall Street Suite 900 Midland, TX 79701

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	Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: COG Operating, LLC 600 W. Illinois Avenue Midland, TX 79701



TO THE CONTRACTOR A. Signature Complete items 1, 2, and 3, ☐ Agent Print your name and address on the reverse ☐ Addressee so that we can return the card to you. B. Received by (Printed Name) C. Date of Delivery Attach this card to the back of the malipiece, or on the front if space permits. 1. Article Addressed to: D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No Blackbeard Operating, LLC Attention: Chris Gonzalez 201 W Wali Street Suite 900 Midland, TX 79701 Priority Mail Press Company of the C 3. Service Type Service 1998
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Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) 7017 2620 0001 1360 0327 Asil Restricted Delivery FS Form 3611, July 2016 PSN 7630-02-000-9853 estic Return Male III

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated February 06, 2018 and ending with the issue dated February 06, 2018.

Sworn and subscribed to before me this 6th day of February 2018.

ssie Black

Business Manager

My commission expires

January 29, 2019

Seal

OFFICIAL SEAL **GUSSIE BLACK** Notary Public State of New Mexico My Commission Expires 1-29-13

This newspaper is duly qualified to publish. legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said



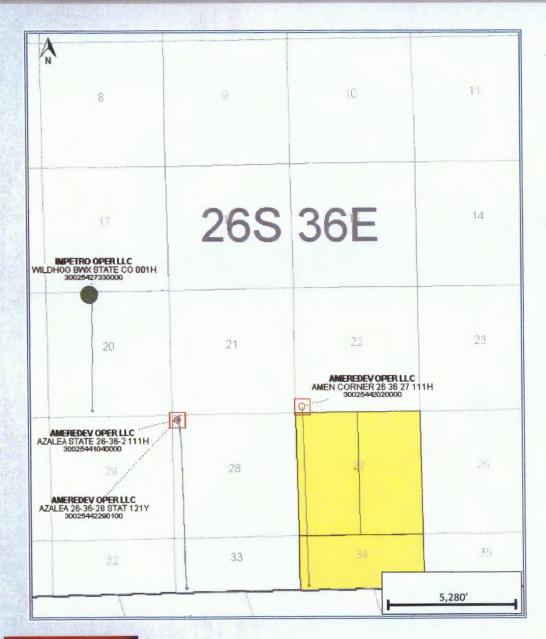
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HOLLAND & HART LLC PO BOX 2208 SANTA FE,, NM 87504-2208 00206707

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 6 Submitted by: AMEREDEV OPERATING, LLC

Hearing Date: February 22, 2018

Wolfcamp Pool - Amen Corner 26-36-27 111H



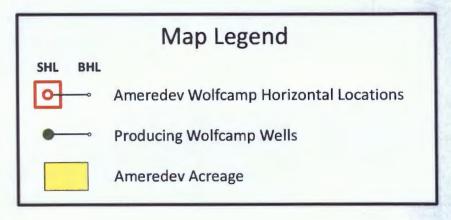




BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by:AMEREDEV OPERATING, LLC
Hearing Date: February 22, 2018

Wolfcamp Pool - Wolfcamp Structure Map (Subsea Depth)



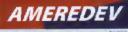




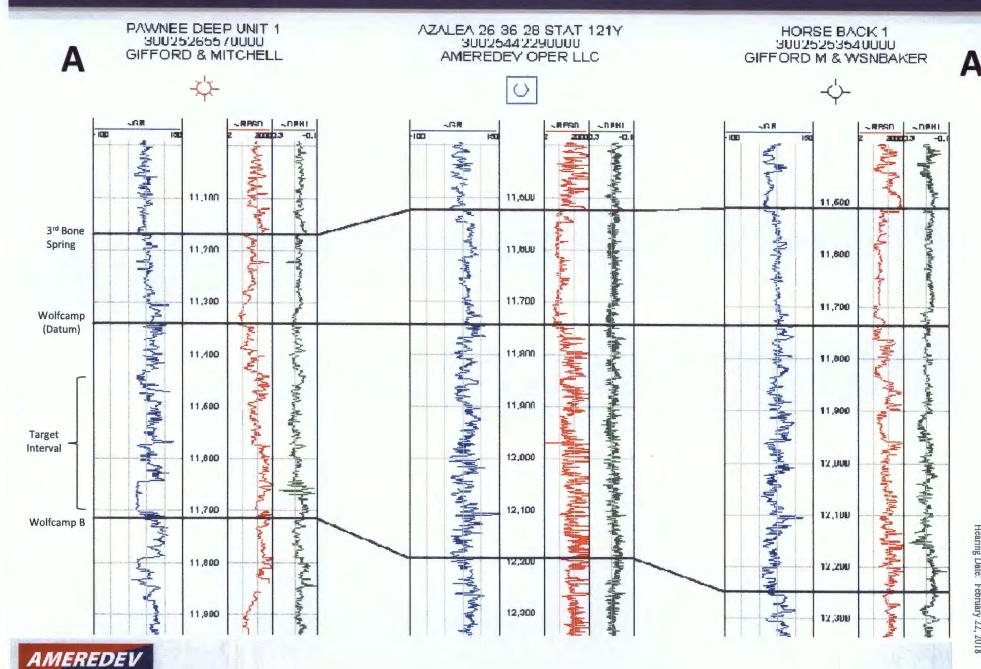
Wolfcamp Pool - Cross Section Map







Wolfcamp Pool - Stratigraphic Cross Section



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 10
Submitted by: AMEREDEV OPERATING, LLC
Hearing Date: February 22, 2018