

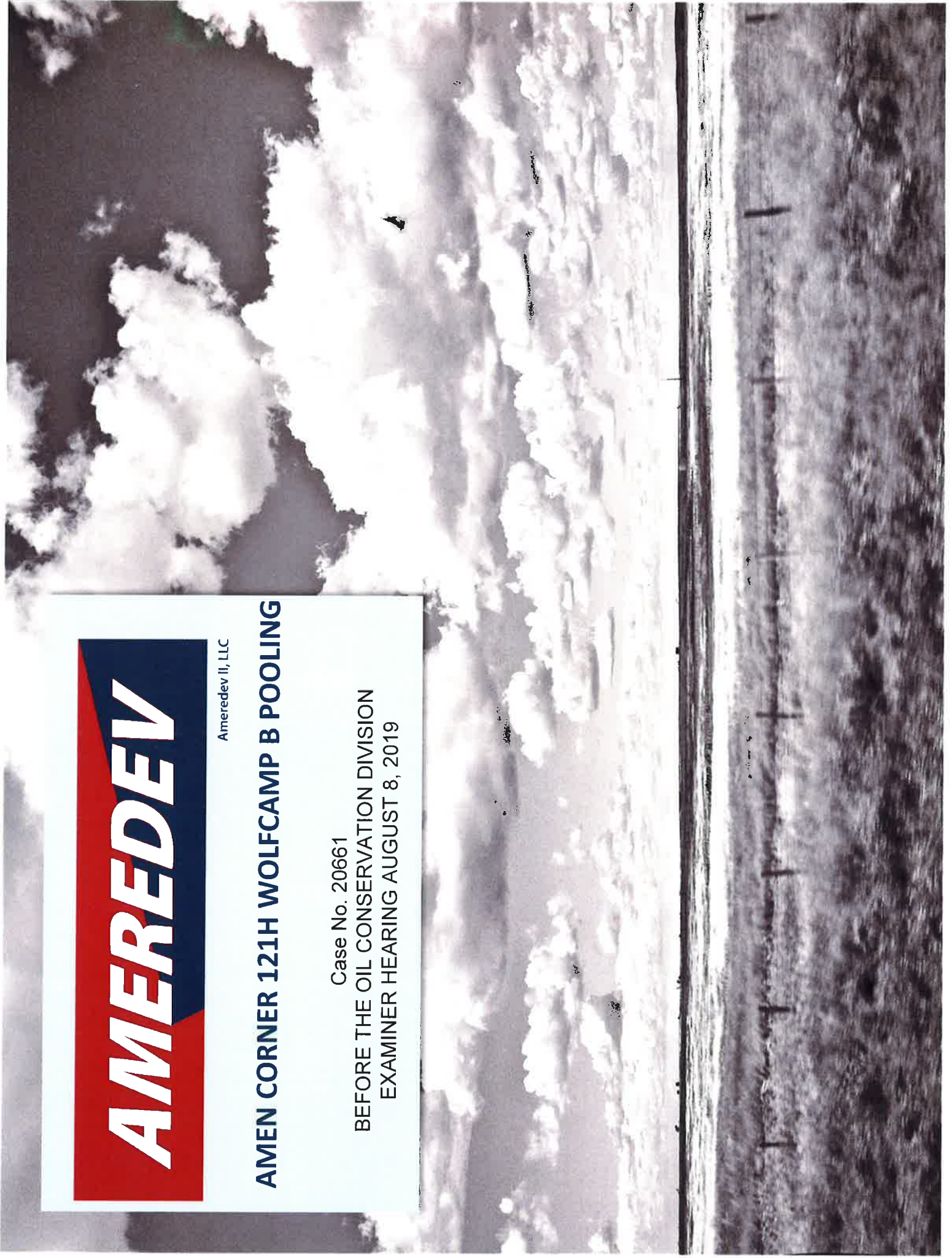
The logo for AmeredeV, featuring the word "AMEREDV" in white, bold, sans-serif capital letters. The text is set against a background that is split diagonally from the bottom-left to the top-right, with a red upper-left triangle and a dark blue lower-right triangle.

AMEREDV

AmeredeV II, LLC

AMEN CORNER 121H WOLFCAMP B POOLING

Case No. 20661
BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 8, 2019



**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. 20661

**AFFIDAVIT OF BRANDON FORTEZA
IN SUPPORT OF CASE NO. 20661**

Brandon Forteza, of lawful age and being first duly sworn, declares as follows:

1. My name is Brandon Forteza. I work for Ameredev Operating, LLC ("Ameredev") as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Ameredev in this case, and I am familiar with the status of the lands in the subject area.
4. None of the uncommitted parties has indicated opposition to this pooling application, and therefore I do not expect any opposition at the hearing.
5. Ameredev is seeking an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 467.40-acre horizontal spacing unit comprised of the W/2 W/2 of Section 27, E/2 E/2 of Section 28, W/2 NW/4 of irregular Section 34, and the E/2 NE/4 of Section 33, Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
6. Ameredev seeks to dedicate this horizontal spacing unit to the proposed **Amen Corner State Com 26-36-27 #121H Well** (API No. 30-025-44942) to be horizontally drilled from

a surface location in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the SW/4 NW/4 (Lot 4) of irregular Section 34.

7. **Ameredev Exhibit A-1** is the Form C-102 on file with the Division for the **Amen Corner State Com 26-36-27 #121H Well** that shows the well has been assigned to the WC-025 G-09 S263619C; Wolfcamp Pool (Pool Code 98234).

8. The completed interval for the proposed **Amen Corner State Com 26-36-27 #121H Well** will remain within 330 feet of the section line separating: (1) the W/2 W/2 of Section 27 from the E/2 E/2 of Section 28, and (2) the W/2 NW/4 of irregular Section 34 from the E/2 NE/4 of Section 33, to allow inclusion of this acreage into a standard 467.40-acre horizontal well spacing unit.

9. There are no depth severances in the Wolfcamp formation in this acreage.

10. **Ameredev Exhibit A-2** is an exhibit prepared by me that identifies the tracts of land comprising the proposed horizontal spacing unit that includes state land only. This exhibit shows the interest owners and the percentage of their interest by tract. A unit recapitulation, showing the percentage of ownership interests in the proposed horizontal spacing unit, is also included on the exhibit.

11. Ameredev is seeking to pool only the working interest owners denoted by an asterisk on **Exhibit A-2**.

12. A copy of the well proposal letter for the well, along with the corresponding AFE, is attached as **Ameredev Exhibit A-3**. The costs reflected in the AFE are consistent with what Ameredev and other operators have incurred for drilling similar horizontal wells in the area.

13. Ameredev has been able to locate contact information for all of the parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

14. Ameredev seeks approval of overhead and administrative costs at \$7,000/month while drilling and \$700/month while producing. These costs are consistent with what Ameredev and other operators are charging in this area for these types of wells. Ameredev respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

15. Ameredev also requests that any pooling order include a 200% charge for the risk assumed by Ameredev in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

16. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners. In compiling these addresses, Ameredev conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

17. Ameredev Exhibit A-1 through A-3 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



BRANDON FORTEZA

STATE OF TEXAS)

COUNTY OF Texas)

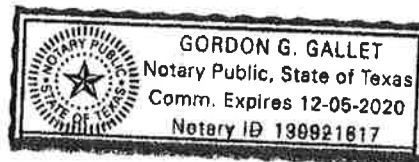
SUBSCRIBED and SWORN to before me this 1st day of August 2019 by
Brandon Forteza.



NOTARY PUBLIC

My Commission Expires:

12-5-2020



Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 334-6170

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9700

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-44942	² Pool Code 98234	³ Pool Name WC-025 G-09 S263619C; WOLFCAMP
⁴ Property Code 320055	⁵ Property Name AMEN CORNER STATE COM 26 36 27	⁶ Well Number 121H
⁷ OGRID No. 372224	⁸ Operator Name AMEREDEV OPERATING, LLC.	⁹ Elevation 2911'

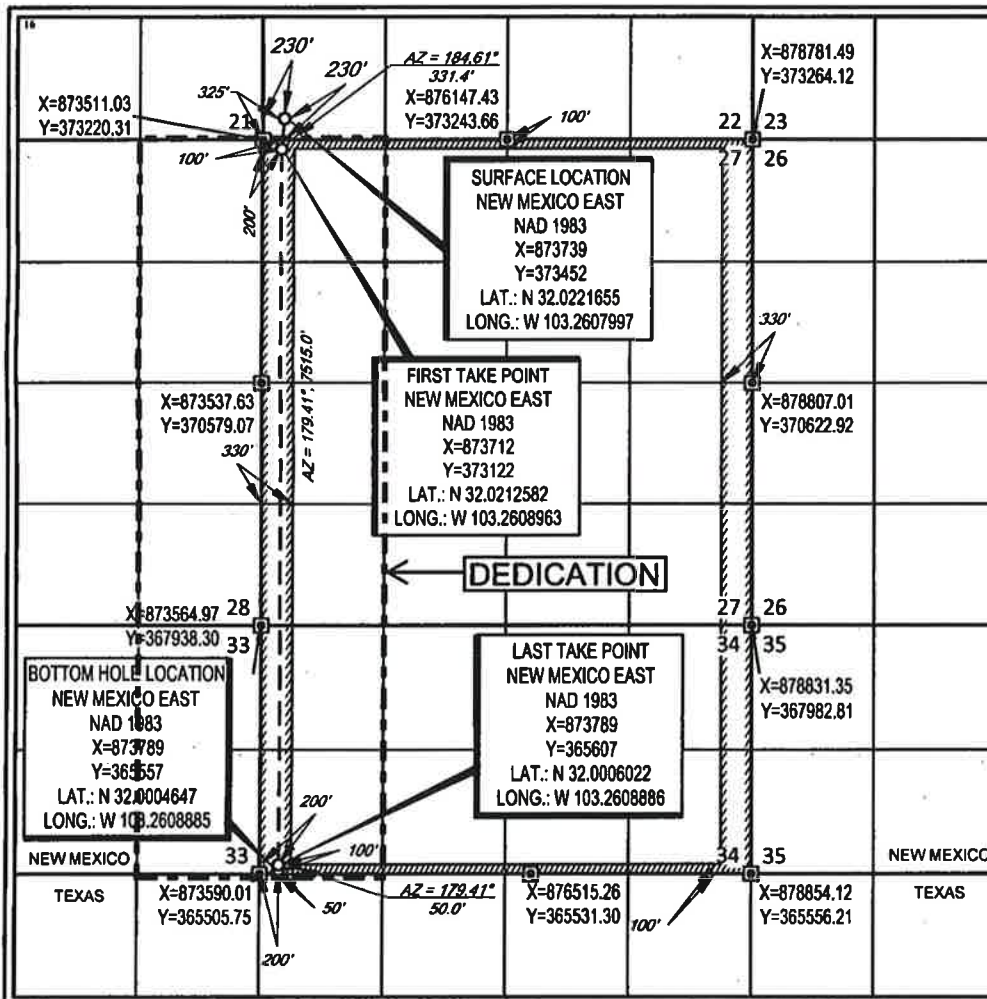
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	26-S	36-E	-	230'	SOUTH	230'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	34	26-S	36-E	-	50'	SOUTH	200'	WEST	LEA

¹¹ Dedicated Acres 467.40	¹² Joint or Infill	¹³ Consolidation Code C	¹⁵ Order No.
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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.

¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Floyd Hammond* Date: 7/23/19

Printed Name: Floyd Hammond

E-mail Address: fhammond@ameredev.com

E-mail Address: fhammond@ameredev.com

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

Date of Survey: 02/01/2018
Signature: *[Signature]*

NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
11401
Certificate Number: *[Signature]*

**AMEN CORNER STATE COM 26-36-27 121H
E2E2 OF SECTIONS 28 AND 33 26S 36E
W2W2 OF SECTIONS 27 AND 34 26S 36E
LEA COUNTY, NEW MEXICO**

SEC 28	Tract 1 E2E2 160.00 Acres	Tract 3 W2W2 160.00 Acres	SEC 27
SEC 33	Tract 2 E2E2 73.71 Acres	Tract 4 W2W2 73.69 Acres	SEC 34

AMEN CORNER STATE COM 26-36-27 121H
E2E2 OF SECTIONS 28 AND 33 26S 36E
W2W2 OF SECTIONS 27 AND 34 26S 36E
LEA COUNTY, NEW MEXICO

TRACT 1: E2E2 OF SECTION 28 26S 36E - 160.00 ACRES

AMEREDEV NEW MEXICO, LLC	100.00%
	100.00%

TRACT 2: E2E2 OF SECTION 33 26S 36E - 73.71 ACRES

AMEREDEV NEW MEXICO, LLC	100.00%
	100.00%

TRACT 3: W2W2 OF SECTION 27 26S 36E - 160.00 ACRES

ESTATE OF KATE ARDALIE REID HERWIG, DECEASED	1.03%
BURLINGTON RESOURCES OIL & GAS COMPANY	25.00%
ESTATE OF CLARA JANE MILLER, DECEASED	1.04%
DIXIE JETTON HUNT	10.94%
BARRETT OKLAHOMA INTERESTS, LTD	1.22%
W.B. OSBORN OIL & GAS OPERATIONS	1.22%
OSBORN HEIRS COMPANY, LTD	1.22%
AMEREDEV NEW MEXICO, LLC	58.35%
	100.00%

TRACT 4: W2W2 OF SECTION 34 26S 36E - 73.69 ACRES

AMEREDEV NEW MEXICO, LLC	100.00%
	100.00%

UNIT RECAPITULATION

*ESTATE OF KATE ARDALIE REID HERWIG, DECEASED	0.35%
*BURLINGTON RESOURCES OIL & GAS COMPANY	8.56%
*ESTATE OF CLARA JANE MILLER, DECEASED	0.36%
*DIXIE JETTON HUNT	3.74%
*BARRETT OKLAHOMA INTERESTS, LTD	0.42%
*W.B. OSBORN OIL & GAS OPERATIONS	0.42%
*OSBORN HEIRS COMPANY, LTD	0.42%
AMEREDEV NEW MEXICO, LLC	85.74%
	100.00%

**INTEREST SEEKING TO FORCE POOL*

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



June 24, 2019

ConocoPhillips
600 North Dairy Ashford
Houston, TX 77252
Attention: Cody Travers

VIA Email and Certified Mail

RE: Amen Corner State Com 26-36-27 #121H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 230' FSL & 230' FWL Section 22; BHL: 50' FSL & 200' 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 #121H Well (the "Well") to test the Wolfcamp formation to a total vertical depth of 12,150' and a total measured depth of 19,700' ("Operation"). The estimated costs associated with the Operation are \$10,412,801 as outlined in the enclosed authority for expenditure ("AFE #2018-019"). Ameredev's records indicate Burlington Resources Oil & Gas Company ("Burlington") owns a 8.55798032% working interest in the Well, and Burlington's estimated costs associated with the Operation are approximately \$891,125.46

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

- Contract Area consisting of Township 26 South, Range 36 East, Sections 27 and 34; W2 & Sections 28 and 33 E2, with Ameredev listed as the Operator ("Contract Area")
- 100%/300%/300% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Ameredev looks forward to working with Burlington 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,

A handwritten signature in blue ink, appearing to read "Brandon Forteza", is written over a light blue horizontal line.

Brandon Forteza
737-300-4721

Election Ballot for the Amen Corner State Com 26-36-27 #121H Well Proposal (AFE# 2018-019)

_____ Burlington elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2018-019.

_____ Burlington elects to lease its interest as set forth in alternative I above.

Burlington Resources Oil & Gas Company

By:

Its:



Ameredev II, LLC

Lea County, New Mexico
Township 26 South, Range 36 East
SHL: Section 22, 230' FSL, 230' FWL
BHL: Section 34, 50' FSL, 200' FWL

Amen Corner State Com 26-36-27 121H
AFE # 2018-019
Capital Expenditure

June 24, 2019



Authorization For Expenditure

Company Entity	Date Prepared
Ameredev Operating, LLC	June 12, 2018

A/E Type	Project Name	Well No.	Prospect or Field Name	Property Number	Operation A/E No.
Capital	Amen Corner State Com 26-36-27	121H	Delaware_WC	40220	2018-019

Location	County	State	Type Well
SHL: Sec. 22 26S-36E 230' FSL & 230' FWL BHL: Sec. 34 26S-36E 50' FSL & 200' FWL	Lea	NM	Oil x Expl x Gas Prod

Estimate Type	Est. Start Date	Est. Comp Date	Formation	MD
Original Estimate	1	April 25, 2019	Wolfcamp	19,700'
Revised Estimate	0	May 27, 2019		TVD
Supplemental Estimate	0			12,150'

Project Description
Drill and Complete Wolfcamp 1.5 Mile Lateral Well with Allocated Battery

Total Cost	\$10,412,801
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Comments on Associated Costs
Water disposal not included.

Well Control Insurance
Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

☐ I elect to purchase my own well control insurance policy.

Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$250,000 (100% W.I.) retention.

Marketing Election
Ameredev sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Ameredev, you will be subject to all of the terms of such contracts. Upon written request to Ameredev, we will share with you the terms and conditions pursuant to which gas will be sold.

☐ I elect to take my gas in kind.

☐ I elect to market my gas with Ameredev pursuant to the terms and conditions of its contracts.

Comments on AFE
The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory, and well costs under term of the joint operating agreement, regulatory order, or other applicable agreement covering this well.

American Resource Development LLC Approval

Prepared by	Operations Supt.	VP Land	VP Geology	COO	CEO
Julia Steger	Zachary Boyd	Noah Bramble	Eric Rhoden	Floyd Hammond	Parker Reese

Joint Interest Approval

Company	By	Date



Single Well Project

Amen Corner State Com 26-36-27 121H

INTANGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
DAMAGES	0.001	\$25,000.00	\$0.00	\$25,000.00
MISC PREPARATION COSTS	0.004	\$15,000.00	\$0.00	\$15,000.00
RESTORATION	0.008	\$0.00	\$4,000.00	\$4,000.00
DRILLING RIG	0.010	\$528,000.00	\$19,500.00	\$547,500.00
COIL TUBING	0.012	\$0.00	\$52,500.00	\$52,500.00
FUEL	0.016	\$155,000.00	\$2,700.00	\$157,700.00
TRAILER, CAMP & CATERING	0.018	\$28,400.00	\$11,770.00	\$40,170.00
WATER & SEPTIC	0.020	\$7,200.00	\$4,800.00	\$12,000.00
SURFACE RENTALS	0.024	\$23,425.00	\$30,750.00	\$54,175.00
DRILL BITS	0.028	\$90,500.00	\$7,000.00	\$97,500.00
DOWNHOLE RENTALS	0.030	\$50,500.00	\$66,000.00	\$116,500.00
DIRECTIONAL DRILLING	0.032	\$34,000.00	\$0.00	\$34,000.00
COMPOSITE PLUGS	0.034	\$0.00	\$54,150.00	\$54,150.00
BOTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00	\$0.00	\$1,320.00
BOTTOM HOLE ASSEMBLE REPAIR	0.040	\$420.00	\$0.00	\$420.00
TUBULAR INSPECTIONS	0.042	\$17,250.00	\$0.00	\$17,250.00
TUBUING REPAIR	0.044	\$8,437.50	\$0.00	\$8,437.50
TUBING RENTALS	0.046	\$0.00	\$22,500.00	\$22,500.00
WELL CONTROL-EQUIP/SERVICES	0.048	\$20,300.00	\$53,900.00	\$74,200.00
BOP TESTING	0.050	\$7,000.00	\$0.00	\$7,000.00
WELL TESTING	0.052	\$0.00	\$106,750.00	\$106,750.00
MUD & ADDITIVES	0.060	\$135,000.00	\$48,400.00	\$183,400.00
PUMPING CHARGES (FRAC STIMULATION)	0.061	\$0.00	\$3,931,853.00	\$3,931,853.00
WATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00	\$7,105.00	\$10,855.00
STIMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00	\$632,600.00	\$635,850.00
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$54,300.00	\$0.00	\$54,300.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$135,200.00	\$16,990.00	\$152,190.00
CASING CREWS 7" and larger	0.070	\$37,750.00	\$0.00	\$37,750.00
CMTNG, THRU INTERMED CASING & FLOAT EQUIP	0.072	\$118,000.00	\$0.00	\$118,000.00
FLOAT EQUIPMENT / CASING & LINER EQUIP	0.074	\$5,500.00	\$0.00	\$5,500.00
ROADS & LOCATION PREPARATION	0.080	\$45,000.00	\$0.00	\$45,000.00
MOBILIZE & DEMOBILIZE	0.086	\$280,000.00	\$0.00	\$280,000.00
SUPERVISION / CONTRACT	0.094	\$97,200.00	\$37,200.00	\$134,400.00
LABOR - ROUSTABOUT CO.	0.103	\$0.00	\$34,200.00	\$34,200.00
SAFETY AND EMERGENCY RESPONSE	0.124	\$3,600.00	\$0.00	\$3,600.00
FLOW TESTIN / EQUIP	0.194	\$0.00	\$3,500.00	\$3,500.00
OPEN HOLE LOGGING	0.200	\$0.00	\$315,900.00	\$315,900.00
FACILITY ELECTRICAL & AUTOMATION	0.258	\$0.00	\$6,500.00	\$6,500.00
CRANE FOR CONSTRUCTION	0.278	\$0.00	\$4,500.00	\$4,500.00
MAJOR INSTRUMENTATION	0.292	\$0.00	\$42,500.00	\$42,500.00
OIL TREATING	0.356	\$0.00	\$120,000.00	\$120,000.00
CONTINGENCY	5%	\$156,003	\$311,988	\$467,991.06
Tax	6.25%	\$195,003	\$389,986	\$584,988.82
TOTAL INTANGIBLE COST		\$2,281,308	\$6,339,542	\$8,620,850
TANGIBLES - WELL EQUIPMENT				
CONDUCTOR PIPE	0.206	\$5,500.00	\$0.00	\$5,500.00
SURFACE CASING	0.210	\$215,125.00	\$0.00	\$215,125.00
INTERMEDIATE CASING	0.212	\$375,000.00	\$0.00	\$375,000.00
PRODUCTION CASING	0.216	\$560,625.00	\$0.00	\$560,625.00
TUBING	0.217	\$0.00	\$40,000.00	\$40,000.00
WELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000.00
ISOLATION PACKER	0.222	\$0.00	\$15,625.00	\$15,625.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$24,187.50	\$24,187.50
TANGIBLES - LEASE EQUIPMENT				
LINE PIPE	0.238	\$0.00	\$6,250.00	\$6,250.00
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$37,513.13	\$37,513.13
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$61,875.00	\$61,875.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$61,875.00	\$61,875.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$102,000.00	\$102,000.00
BATTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,000.00
PIPELINE TO SALES	0.270	\$0.00	\$10,625.00	\$10,625.00
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$10,000.00	\$10,000.00
VALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$168,750.00	\$168,750.00
TOTAL TANGIBLES		\$1,189,750	\$602,201	\$1,791,951
TOTAL		\$3,471,058	\$6,941,743	\$10,412,801



Ameredev II, LLC

Lea County, New Mexico
Township 26 South, Range 36 East
SHL: Section 22, 230' FSL, 230' FWL
BHL: Section 34, 50' FSL, 200' FWL

Amen Corner State Com 26-36-27 121H
AFE # 2018-019
Capital Expenditure

June 24, 2019

5707 Southwest Parkway

Ameredev Operating, LLC
Building I, Suite 275

Austin, Texas 78735



Authorization For Expenditure

Company Entity	Date Prepared
Ameredev Operating, LLC	June 12, 2018

AFE Type	Project Name	Well No.	Prospect or Field Name	Property Number	Operation AFE No.
Capital	Amen Corner State Com 26-36-27	121H	Delaware_WC	40220	2018-019

Location	County	State	Type Well								
SHL: Sec. 22 26S-36E 230' FSL & 230' FWL BHL: Sec. 34 26S-36E 50' FSL & 200' FWL	Lea	NM	<table><tr><td>Oil</td><td>x</td><td>Expl</td><td>x</td></tr><tr><td>Gas</td><td></td><td>Prod</td><td></td></tr></table>	Oil	x	Expl	x	Gas		Prod	
Oil	x	Expl	x								
Gas		Prod									

Estimate Type	Est. Start Date	Est. Comp Date	Formation	MD
Original Estimate	1 <input checked="" type="radio"/>	April 25, 2019	Wolfcamp	19,700'
Revised Estimate	<input type="radio"/>			TVD
Supplemental Estimate	<input type="radio"/>			12,150'

Project Description
Drill and Complete Wolfcamp 1.5 Mile Lateral Well with Allocated Battery

Total Cost	\$10,412,801
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Comments on Associated Costs
Water disposal not included.

Well Control Insurance
Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.
<input type="checkbox"/> I elect to purchase my own well control insurance policy.
Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$250,000 (100% W.I.) retention.

Marketing Election
Ameredev sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Ameredev, you will be subject to all of the terms of such contracts. Upon written request to Ameredev, we will share with you the terms and conditions pursuant to which gas will be sold.
<input type="checkbox"/> I elect to take my gas in kind.
<input type="checkbox"/> I elect to market my gas with Ameredev pursuant to the terms and conditions of its contracts.

Comments on AFE
The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory, and well costs under term of the joint operating agreement, regulatory order, or other applicable agreement covering this well.

American Resource Development LLC Approval

Prepared by	Operations Supt.	VP Land	VP Geology	COO	CEO
Julia Steger	Zachary Boyd	Noah Bramble	Eric Rhoden	Floyd Hammond	Parker Reese

Joint Interest Approval

Company	By	Date



INTANGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
DAMAGES	0.001	\$25,000.00	\$0.00	\$25,000.00
MISC PREPARATION COSTS	0.004	\$15,000.00	\$0.00	\$15,000.00
RESTORATION	0.008	\$0.00	\$4,000.00	\$4,000.00
DRILLING RIG	0.010	\$528,000.00	\$19,500.00	\$547,500.00
COIL TUBING	0.012	\$0.00	\$52,500.00	\$52,500.00
FUEL	0.016	\$155,000.00	\$2,700.00	\$157,700.00
TRAILER, CAMP & CATERING	0.018	\$28,400.00	\$11,770.00	\$40,170.00
WATER & SEPTIC	0.020	\$7,200.00	\$4,800.00	\$12,000.00
SURFACE RENTALS	0.024	\$23,425.00	\$30,750.00	\$54,175.00
DRILL BITS	0.028	\$90,500.00	\$7,000.00	\$97,500.00
DOWNHOLE RENTALS	0.030	\$50,500.00	\$66,000.00	\$116,500.00
DIRECTIONAL DRILLING	0.032	\$34,000.00	\$0.00	\$34,000.00
COMPOSITE PLUGS	0.034	\$0.00	\$54,150.00	\$54,150.00
BOTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00	\$0.00	\$1,320.00
BOTTOM HOLE ASSEMBLY REPAIR	0.040	\$420.00	\$0.00	\$420.00
TUBULAR INSPECTIONS	0.042	\$17,250.00	\$0.00	\$17,250.00
TUBING REPAIR	0.044	\$8,437.50	\$0.00	\$8,437.50
TUBING RENTALS	0.046	\$0.00	\$22,500.00	\$22,500.00
WELL CONTROL-EQUIP/SERVICES	0.048	\$20,300.00	\$53,900.00	\$74,200.00
BOP TESTING	0.050	\$7,000.00	\$0.00	\$7,000.00
WELL TESTING	0.052	\$0.00	\$106,750.00	\$106,750.00
MUD & ADDITIVES	0.060	\$135,000.00	\$48,400.00	\$183,400.00
PUMPING CHARGES (FRAC STIMULATION)	0.061	\$0.00	\$3,931,853.00	\$3,931,853.00
WATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00	\$7,105.00	\$10,855.00
STIMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00	\$632,600.00	\$635,850.00
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$54,300.00	\$0.00	\$54,300.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$135,200.00	\$16,990.00	\$152,190.00
CASING CREWS 7" and larger	0.070	\$37,750.00	\$0.00	\$37,750.00
CMTNG, THRU INTERMED CASING & FLOAT EQUIP	0.072	\$118,000.00	\$0.00	\$118,000.00
FLOAT EQUIPMENT / CASING & LINER EQUIP	0.074	\$5,500.00	\$0.00	\$5,500.00
ROADS & LOCATION PREPARATION	0.080	\$45,000.00	\$0.00	\$45,000.00
MOBILIZE & DEMOBILIZE	0.086	\$280,000.00	\$0.00	\$280,000.00
SUPERVISION / CONTRACT	0.094	\$97,200.00	\$37,200.00	\$134,400.00
LABOR - ROUSTABOUT CO.	0.103	\$0.00	\$34,200.00	\$34,200.00
SAFETY AND EMERGENCY RESPONSE	0.124	\$3,600.00	\$0.00	\$3,600.00
FLOW TESTIN / EQUIP	0.194	\$0.00	\$3,500.00	\$3,500.00
OPEN HOLE LOGGING	0.200	\$0.00	\$315,900.00	\$315,900.00
FACILITY ELECTRICAL & AUTOMATION	0.258	\$0.00	\$6,500.00	\$6,500.00
CRANE FOR CONSTRUCTION	0.278	\$0.00	\$4,500.00	\$4,500.00
MAJOR INSTRUMENTATION	0.292	\$0.00	\$42,500.00	\$42,500.00
OIL TREATING	0.356	\$0.00	\$120,000.00	\$120,000.00
CONTINGENCY	5%	\$156,003	\$311,988	\$467,991.06
Tax	6.25%	\$195,003	\$389,986	\$584,988.82
TOTAL INTANGIBLE COST		\$2,281,308	\$6,339,542	\$8,620,850
TANGIBLES - WELL EQUIPMENT				
CONDUCTOR PIPE	0.206	\$5,500.00	\$0.00	\$5,500.00
SURFACE CASING	0.210	\$215,125.00	\$0.00	\$215,125.00
INTERMEDIATE CASING	0.212	\$375,000.00	\$0.00	\$375,000.00
PRODUCTION CASING	0.216	\$560,625.00	\$0.00	\$560,625.00
TUBING	0.217	\$0.00	\$40,000.00	\$40,000.00
WELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000.00
ISOLATION PACKER	0.222	\$0.00	\$15,625.00	\$15,625.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$24,187.50	\$24,187.50
TANGIBLES - LEASE EQUIPMENT				
LINE PIPE	0.238	\$0.00	\$6,250.00	\$6,250.00
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$37,513.13	\$37,513.13
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$61,875.00	\$61,875.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$61,875.00	\$61,875.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$102,000.00	\$102,000.00
BATTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,000.00
PIPELINE TO SALES	0.270	\$0.00	\$10,625.00	\$10,625.00
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$10,000.00	\$10,000.00
VALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$168,750.00	\$168,750.00
TOTAL TANGIBLES		\$1,189,750	\$602,201	\$1,791,951
TOTAL		\$3,471,058	\$6,941,743	\$10,412,801

**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. 20661

**AFFIDAVIT OF PARKER FOY
IN SUPPORT OF CASE NO. 20661**

Parker Foy, of lawful age and being first duly sworn, declares as follows:

1. My name is Parker Foy. I work for Ameredev Operating, LLC ("Ameredev") as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Ameredev in this case, and I have conducted a geologic study of the lands in the subject areas.
4. In this case, Ameredev is targeting the Wolfcamp formation.
5. **Ameredev Exhibit B-1** is a locator map that shows Ameredev's acreage in yellow and the path of the proposed wellbores for the proposed **Amen Corner State Com 26-36-27 #121H Well**. Nearby producing wells are marked with a green dot.
6. **Ameredev Exhibit B-2** is a subsea structure map that I prepared for the target Wolfcamp B formation, with a contour interval of 50 feet. The structure map shows the Wolfcamp gently dipping to the southeast. The Wolfcamp structure appears consistent across the proposed

wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

7. **Ameredev Exhibit B-3** is a map showing the location of the wells used to create the stratigraphic cross-section on Ameredev Exhibit B-4. These three wells from A to A' are representative of the geology in the area.

8. **Ameredev Exhibit B-4** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Wolfcamp from three representative wells denoted from A to A'. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval for the **Amen Corner State Com 26-36-27 #121H Well** is labeled and marked. The logs in the cross-section demonstrate that the target interval, within the Wolfcamp B, is consistent in thickness, across the entire proposed spacing unit.

9. In my opinion, each tract comprising the proposed horizontal spacing unit will be productive and contribute more-or-less equally to production from the wellbore.

10. In my opinion, the granting of Ameredev's application in this is in the best interest of conservation, the prevention of waste, and protection of correlative rights.


11. Ameredev Exhibits B-1 through B-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.


PARKER FOY

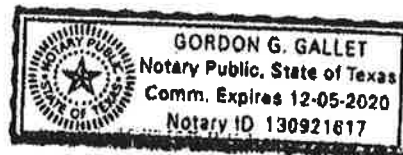
STATE OF TEXAS)
COUNTY OF Texas)

SUBSCRIBED and SWORN to before me this 1st day of August 2019 by
Parker Foy.

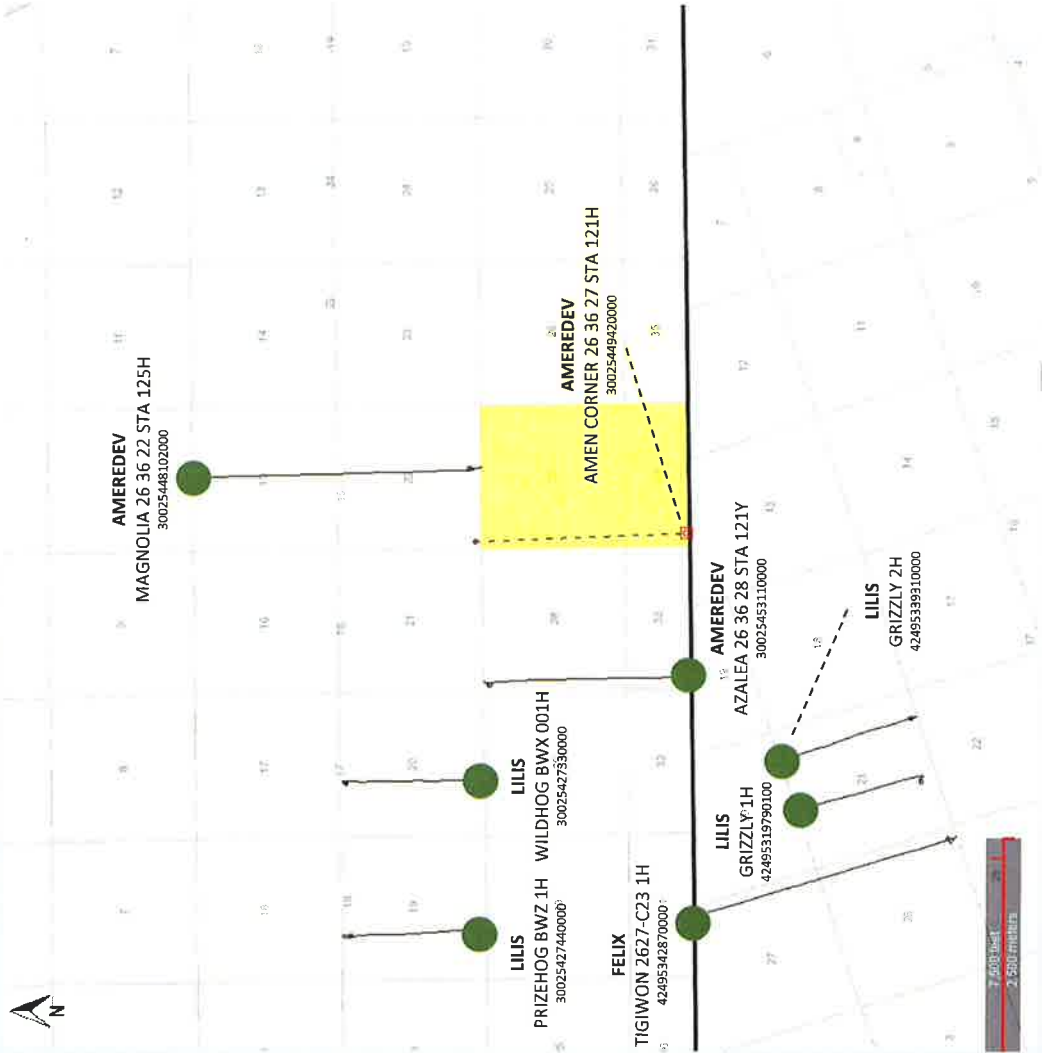

NOTARY PUBLIC

My Commission Expires:

12-5-2020



Wolfcamp B Pool – Amen Corner 26-36-27 121H



Map Legend

BHL SHL



Ameredeve WFMP B Horizontal Locations



Producing WFMP B Wells



Ameredeve Acreage

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-1

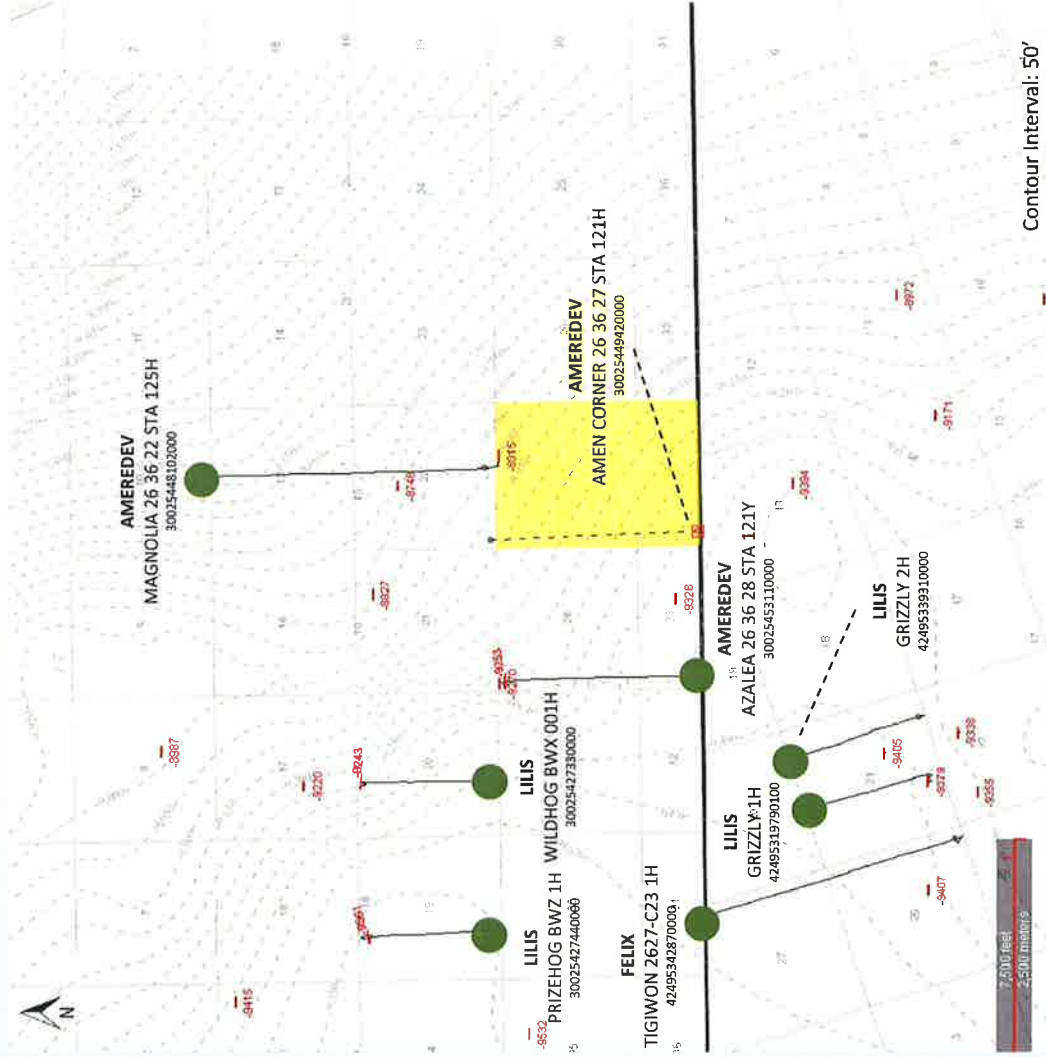
Submitted by: Ameredeve

Hearing Date: August 8, 2019

Case # 20661

AMEREDEV

Wolfcamp B Pool – WFMP B Structure Map (Subsea Depth)



BHL

SHL

Map Legend

Amerdev WFMP B Horizontal Locations

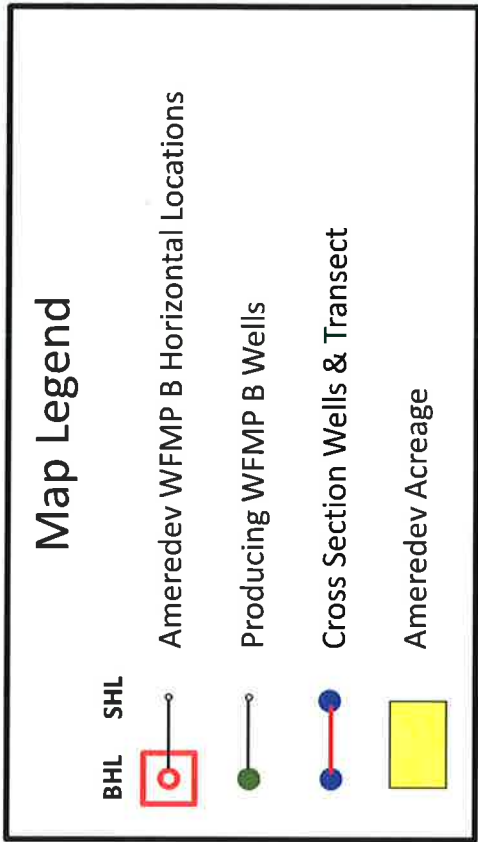
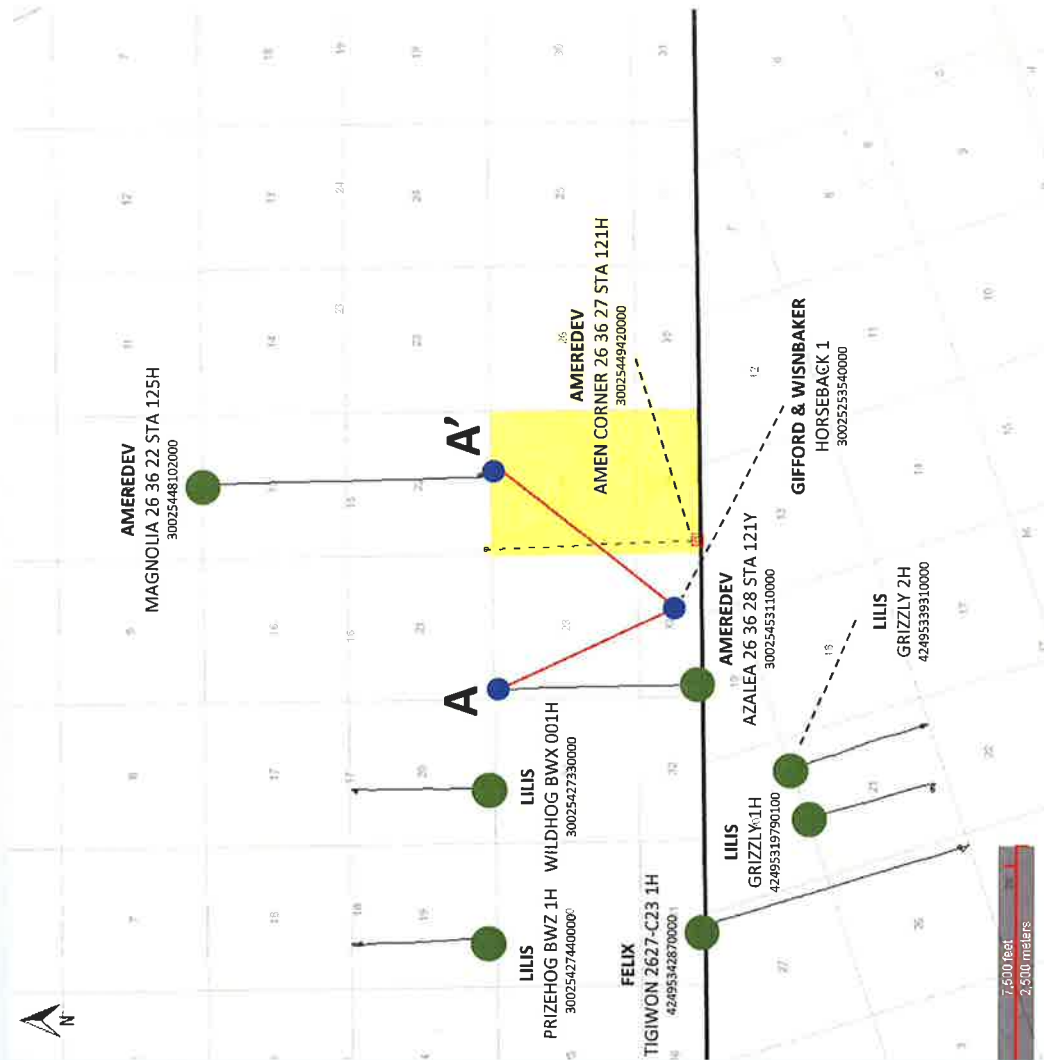
Producing WFMP B Wells

Amerdev Acreage

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-2
 Submitted by: Amerdev
 Hearing Date: August 8, 2019
 Case # 20661



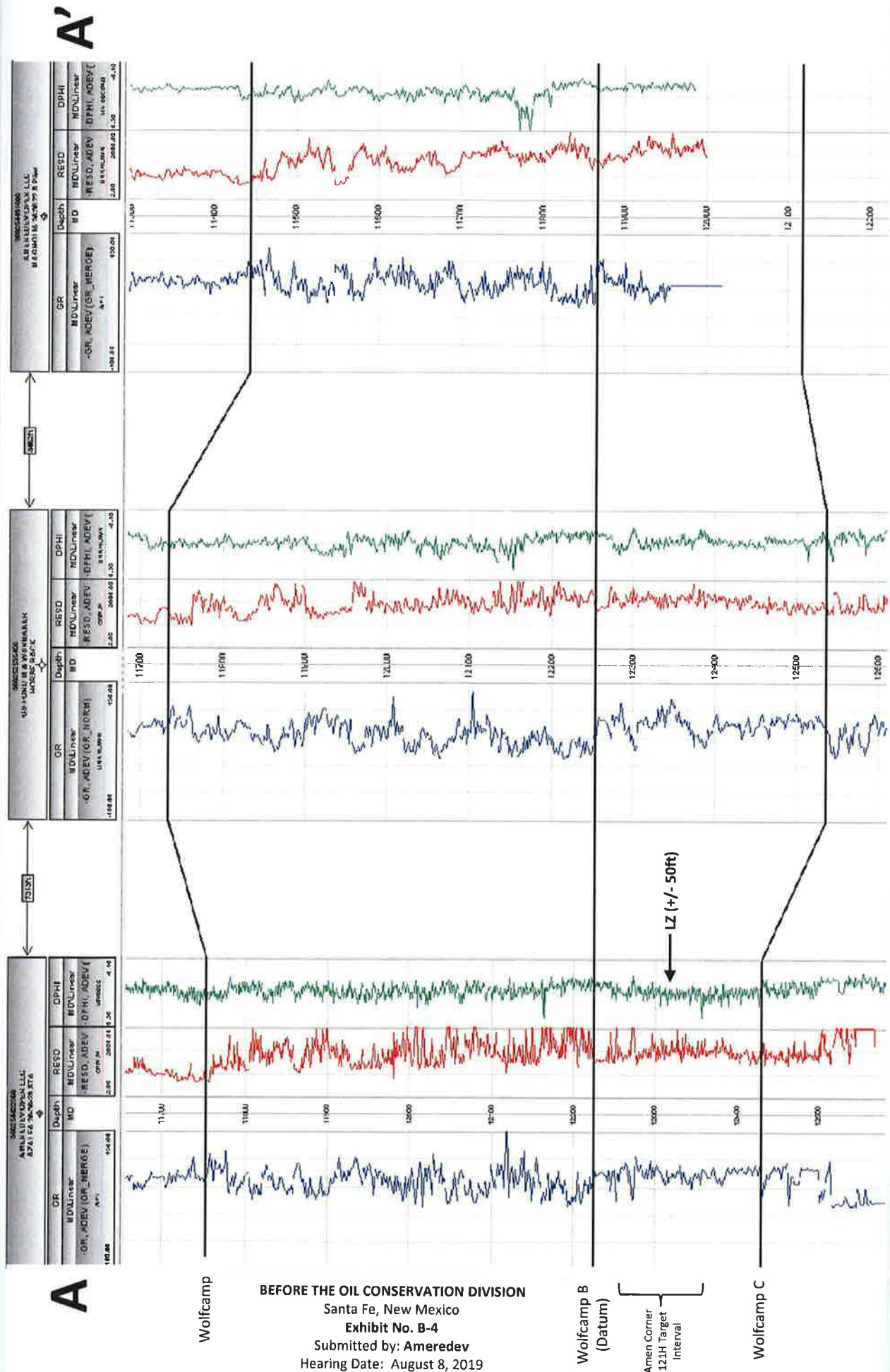
Wolfcamp B Pool – Cross Section Map



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-3
 Submitted by: Amerredev
 Hearing Date: August 8, 2019
 Case # 20661



Wolfcamp B Pool - Stratigraphic Cross Section



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-4
 Submitted by: Ameredeve
 Hearing Date: August 8, 2019
 Case # 20661

**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. 20661

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Kaitlyn A. Luck, attorney in fact and authorized representative of Ameredev Operating, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.



Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 7th day of August 2019 by Kaitlyn A. Luck.



Notary Public

My Commission

Expires:

August 26, 2021

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C

Submitted by: **Ameredev**

Hearing Date: August 8, 2019

Case # 20661



July 19, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS****Re: Application of Ameredev Operating, LLC for compulsory pooling, Lea
County, New Mexico.
Amen Corner State Com 26-36-27 121H 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. A hearing has been requested before a Division Examiner on August 8, 2019, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at 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,

Adam G. Rankin

ATTORNEY FOR AMEREDEV OPERATING, LLC

Postal Delivery Report
Ameredev - Amen Corner
Case No. 20661

Tracking Number	Recipient	Status
9214890194038386597882	Class Barrett Oklahoma Interests Ltd Attn: Brad Dibrell PO BOX 171190 San Antonio TX 78217	Delivered Signature Received
9214890194038386597899	Class Burlington Resources Oil & Gas Company Attn: Joey Moppert 600 North Diary Ashford Houston TX 77252	In-Transit
9214890194038386597905	Class Osborn Heirs Company Ltd Attn Jack Ward PO BOX 171190 San Antonio TX 78217	Delivered Signature Received
9214890194038386597912	Class Estate of Clara Jane Miller Deceased C/O Trustees of Jal Public Library Fund - Attn Caren Norwood PO BOX 178 Jal NM 88252	Delivered Signature Received
9214890194038386597929	Class WB Osborn Oil & Gas Operations Attn Rex Bourland 1250 NE Interstate 410 Loop #600 San Antonio TX 78209	Delivered Signature Received
9214890194038386597868	Class Dixie Jetton Hunt PO BOX 8173 Greenville TX 75404	Delivered Signature Received
9214890194038386597875	Class Estate of Kate Ardalie Reid Herwig Deceased 28681 Walnut Grove Mission Viejo CA 92692	Delivered Signature Received

$\$5 \text{ Lb} \times 7 = \39.20

Sent to AP
7/22/19



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Amen Corner State Com 26-36-27 121H
Case No. 20661
Ameredev/100091.0001

Shipment Date: 07/19/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	7
Total	7

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0015 8125 50



Handwritten signature



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here <i>(If issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.</i>									
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)											
1.	9214 8901 9403 8386 5978 68	Dixie Jetton Hunt PO BOX 8173 Greenville TX 75004											
2.	9214 8901 9403 8386 5978 75	Estate of Kate Ardelle Reid Henwig Deceased 26681 Walnut Grove Mission Viejo CA 92692											
3.	9214 8901 9403 8386 5978 82	Barrett Oklahoma Interests Ltd Attn: Brad Dibrell PO BOX 171190 San Antonio TX 78217											
4.	9214 8901 9403 8386 5978 99	Burlington Resources Oil & Gas Company Attn: Joey Moppert 600 North Dairy Ashford Houston TX 77252											
5.	9214 8901 9403 8386 5979 05	Osborn Heirs Company Ltd Attn: Jack Ward PO BOX 171190 San Antonio TX 78217											
6.	9214 8901 9403 8386 5979 12	Estate of Clara Jane Miller Deceased C/O Trustees of Jai Public Library Fund - Attn: Caren Norwood PO BOX 178 Jai NM 86252											
7.	9214 8901 9403 8386 5979 29	WB Osborn Oil & Gas Operations Attn: Rex Boutland 1250 NE Interstate 410 Loop #600 San Antonio TX 78209											
Total Number of Pieces Listed by Sender 7		Postmaster, Per (Name of receiving employee)											

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
July 24, 2019
and ending with the issue dated
July 24, 2019.

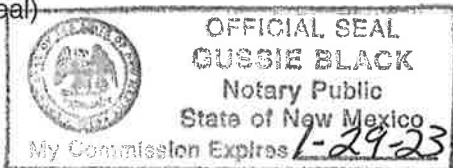

Publisher

Sworn and subscribed to before me this
24th day of July 2019.


Business Manager

My commission expires
January 29, 2023

(Seal)



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

LEGAL

LEGAL

LEGAL NOTICE
JULY 24, 2019

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **August 8, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **July 29, 2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including:
Dixie Jetton Hunt, her heirs and devisees; Estate of Kate Ardale Reid Herwig, her heirs and devisees; Barrett Oklahoma Interests, Ltd; Burlington Resources Oil & Gas Company; Osborn Heirs Company, Ltd; WB Osborn Oil & Gas Operations; Estate of Clara Jane Miller, Deceased C/O
Trustees of Jal Public Library Fund.

CASE 20661: 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 467.40-acre, more or less, spacing unit comprised of the W/2 W/2 of Section 27, E/2 E/2 of Section 28, W/2 NW/4 of Irregular Section 34, and the E/2 NE/4 of Section 33, Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Said unit is to be dedicated to the proposed **Amen Corner State Com 26-36-27 121H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the SW/4 NW/4 (Lot 4) of Irregular Section 34. The completed interval of the **Amen Corner State Com 26-36-27 121H Well** will remain within 330 feet of the section line separating: (1) the W/2 W/2 of Section 27 from the E/2 E/2 of Section 28, and (2) the W/2 NW/4 of Irregular Section 34 from the E/2 NE/4 of Section 33, to allow inclusion of this acreage into a standard 467.40-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 8 miles southwest of Jal, New Mexico.
#34487

67100754

00231211

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