

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

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

Applications of AMEREDEV
OPERATING, LLC, for Case No. 22249
Compulsory Pooling, Case No. 22250
Lea County, New Mexico

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

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A P P E A R A N C E S

FOR AMEREDEV OPERATING, LLC:

Kaitlyn A. Luck, Esq
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C O N T E N T S

CASE NO. 22248	PAGE
CASE CALLED:	4
TAKEN UNDER ADVISEMENT: (Information on rates to be supplemented post hearing)	7

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	7
4	B	Application	7
5	C	Affidavit of Brandon Forteza, Landman	7
6	C-1	Case No. 22249 C-102	7
7	C-2	Case No. 22249 Land Plat/Unit Recap	7
8	C-3	Case No. 22250 C-102	7
9	C-4	Case No. 22250 Land Plat/Unit Recap	7
10	C-5	Case Nos. 22249/22250 Well Proposal/AFE 7	
11	C-4	Case Nos. 22249/22250 Chronology of Contacts	7
12	D	Affidavit of Parker Foy, Geologist	7
13	D-1	Case No. 22249 Project Locator Map	7
14	D-2	Case No. 22249 Expanded Capitan Reef Map	7
15	D-3	Case No. 22249 Structure Map	7
16	D-4	Case No. 22249 Cross Section Map	7
17	D-5	Case No. 22249 Cross Section	7
18	D-6	Case No. 22250 Project Locator Map	7
19	D-7	Case No. 22250 Expanded Capitan Reef Map	7
20	D-8	Case No. 22250 Structure Map	7
21	D-9	Case No. 22250 Cross Section Map	7
22	D-10	Case No. 22250 Cross Section	7
23	E	Notice Affidavit	7
24	F	Notice of Publication	7
25			

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

2 EXAMINER BRANCARD: With that, I will call Cases
3 22249 and 22250, Ameredev Operating.

4 MS. LUCK: Good morning again. Kaitlyn Luck from
5 the Santa Fe office of Holland & Hart for Ameredev in Case
6 Nos. 22249 and 22250.

7 EXAMINER BRANCARD: Are there any other
8 interested persons for Cases 22249 or 22250? (Note:
9 Pause.) Hearing none, Ms. Luck you may proceed.

10 MS. LUCK: Thank you. In these two cases
11 Ameredev understood there would be no objection to the
12 cases proceeding by affidavit, and Ameredev filed its
13 standard exhibits on Tuesday, which include the checklists
14 as Exhibit A, followed by copies of the Applications for
15 both cases as Exhibit B.

16 Next in the packet is Exhibit C, the
17 affidavit of Brandon Forteza who is the landman for these
18 two cases. He explains the spacing units for both cases,
19 and his affidavit starts off by explaining that in Case
20 22249 Ameredev is seeking a standard Wolfcamp spacing unit
21 which will be comprised of 320 acres underlying the west
22 half/west half of Sections 6 and 7. This is all in
23 Township 25 South, Range 36 East, and this is in Lea
24 County, New Mexico.

25 The spacing unit will be initially

1 dedicated to the Par Three 101H well, and the C-102 for
2 that well is provided as Exhibit C-1.

3 Mr. Forteza also provides a land exhibit as
4 Exhibit C-2, which shows the tracts included in this
5 spacing unit as well as the interest owners that Ameredev
6 is seeking to pool in this unit.

7 In Case 22250 Ameredev is seeking to pool a
8 standard Wolfcamp unit comprised of 640 acres, and this is
9 underlying the east half/west half, and the west half/east
10 half of Sections 6 and 7. This is all underlying Township
11 25 South, Range 36 East in Lea County, New Mexico. And
12 Ameredev seeks to dedicate this spacing unit to the Par
13 Three 103H and the 105H wells.

14 The well spacing unit will be enlarged by
15 the use of the proximity tract well, which is the 105H
16 well, to pull in the extra acreage, and the C-102 for that
17 well is included as Exhibit C-3.

18 For Case 22250 Ameredev has also created a
19 Unit Rehab, as well as a reflection of the tracts that are
20 included in this spacing unit, and that's all included as
21 Exhibit C-4.

22 Next in the exhibit packet is the Well
23 Proposal Letter, which is included as Exhibit C-5.

24 And then finally is Ameredev's Chronology
25 of Contacts with the uncommitted interest owners, which is

1 included as Exhibit C-6.

2 The geologist for Ameredev in this case is
3 again Mr. Parker Foy, and his affidavit is included as
4 Exhibit D. He includes his standard set of exhibits for
5 both cases and they just go in order from Exhibit D-1
6 through D-10. It starts off with a set of geology
7 exhibits for the first spacing unit and then a set of
8 geology exhibits for the second spacing unit.

9 And then finally in the exhibit packet is
10 Ameredev's Exhibits E and F which reflect that our office
11 provided Notice of the hearings to the interest owners to
12 be pooled in these two cases.

13 And so with that I would ask that this case
14 be taken under advisement and move the admission of
15 Exhibits A through F.

16 And the finally one thing I want to mention
17 is there is a discrepancy between the checklist and the
18 landman's affidavit in this case with regard to the
19 administrative royalties, and I will submit that corrected
20 information by email after the hearing.

21 EXAMINER BRANCARD: Thank you.

22 Mr. McClure, questions?

23 EXAMINER McCLURE: I have no questions.

24 EXAMINER BRANCARD: Thank you.

25 Are there any other interested persons for

1 Cases 22249, 22250? (Note: Pause.)

2 Hearing none, the exhibits in Cases 22249
3 22250 will be admitted and the cases will be taken under
4 advisement subject to submitting clarifying information on
5 administrative rates.

6 MS. LUCK: Thank you.

7 EXAMINER BRANCARD: Thank you.

8 (Time noted 9:58 a.m.)

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