

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:

CASE NOS: 22507

APPLICATION OF AMEREDEV OPERATING,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
February 3, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER DYLAN ROSE-COSS on
Thursday, February 3, 2022, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
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A P P E A R A N C E S

For the Applicant:

JULIA BROGGI
HOLLAND & HART
110 North Guadalupe, Suite 1
Santa Fe, NM 87501
505-954-7286

I N D E X

CASE CALLED

SUMMARY OF CASE 03

TAKEN UNDER ADVISEMENT 06

REPORTER CERTIFICATE 07

EXHIBITS

EXHIBITS AND ATTACHMENTS 06

1 HEARING EXAMINER BRANCARD: With that I call Item
2 45, Case 22507, Ameredev Operating.

3 MS. BROGGI: Julia Broggi with Holland & Hart on
4 behalf of the applicant, Ameredev Operating LLC.

5 HEARING EXAMINER BRANCARD: Are there any other
6 interested persons for Case 22507?

7 (No audible response.)

8 HEARING EXAMINER BRANCARD: Hearing none, you may
9 proceed, Ms. Broggi.

10 MS. BROGGI: Mr. Examiner, we are presenting this
11 case by affidavit, and so before you there should be a
12 hearing package with exhibits, Ameredev Exhibit A through
13 Ameredev Exhibit F.

14 There is a table of contents within that packet,
15 and you will see that Ameredev Exhibit A is the compulsory
16 pooling application checklist. Behind that is Exhibit B
17 which is the compulsory pooling application, and you will
18 see that in this case Ameredev is seeking to pool all of the
19 uncommitted interests in the Bone Spring Formation,
20 underlying a standard 320 acre horizontal well spacing unit,
21 which is comprised of the W/2 W/2 of both Section 29 and 32,
22 Township 25 South, Range 36 East, Lea County, New Mexico.

23 In support of this application you will see
24 Exhibit C is an affidavit of the landman Brandon Forteza
25 with accompanying exhibits. You will see there is a draft

1 C-102, the land ownership exhibit which shows the proposed
2 spacing unit and the ownership within it by tract and by
3 unit, a well proposal letter, along with an AFE and then
4 finally a chronology of contacts for the non-joined working
5 interests.

6 Behind the landman affidavit is an affidavit from
7 geologist Parker Foy, which is Exhibit D, and the
8 accompanying geology exhibits to that. You will see there
9 are various project location maps, along with a BSPF
10 structure map, a cross section map, and then finally the
11 stratigraphic cross section. Mr. Rose-Coss may be pleased
12 to see that the geology exhibits also include a map legend.

13 And then turning to notice, you will see Exhibit
14 E is the notice of affidavit for myself showing that notice
15 of this hearing was provided to the various parties that
16 Ameredev is seeking to pool.

17 There were a couple of addresses that seemed like
18 they might not have been correct, so we also provided a
19 notice to the hearing by publication in the Hobbs News Sun,
20 and that affidavit of publication is Exhibit F in the
21 packet. So with that, we would move the admission of
22 exhibit -- Ameredev Exhibit A through Ameredev Exhibit F,
23 and subject to any questions, ask that the Division take the
24 case under advisement.

25 HEARING EXAMINER BRANCARD: Thank you.

1 Mr. Ross-Coss, questions?

2 TECHNICAL EXAMINER ROSE-COSS: No questions.

3 MS. BROGGI: Thank you.

4 HEARING EXAMINER BRANCARD: So on Mr. Rose-Coss'
5 fine legends, I'm looking at Pages 15 and 16 of your
6 exhibit, particularly --

7 MS. BROGGI: The interest owner -- the ownership
8 interest and the recap tract by unit?

9 HEARING EXAMINER BRANCARD: Unit recap.

10 MS. BROGGI: Recapitulated.

11 HEARING EXAMINER BRANCARD: Yes.

12 MS. BROGGI: You will see this is mentioned in
13 the affidavit, but those are the parties in there that Devon
14 is seeking to pool.

15 HEARING EXAMINER BRANCARD: Good to have a
16 legend. We know what the --

17 MS. BROGGI: Right, mostly with the landman.

18 HEARING EXAMINER BRANCARD: And in the landman's
19 affidavit he indicated that some of these interests are
20 unleased minerals; is that correct?

21 MS. BROGGI: Yes.

22 HEARING EXAMINER BRANCARD: I didn't see here
23 where you differentiated between leased and unleased.

24 MS. BROGGI: You know, I'm not sure that that is
25 demarcated on these exhibits. We can provide them if that's

1 important, but those were the two interests we're seeking to
2 pool.

3 HEARING EXAMINER BRANCARD: Okay. We discussed
4 with Mr. Rankin those are the 1/8, 7/8 division that you
5 have to do with the unleased mineral interests.

6 MS. BROGGI: Okay.

7 HEARING EXAMINER BRANCARD: Because you are
8 pooling 7/8 of their interest.

9 MS. BROGGI: I think that is correct.

10 HEARING EXAMINER BRANCARD: 1/8 is (inaudible)
11 it's a royalty.

12 MS. BROGGI: Right.

13 HEARING EXAMINER BRANCARD: Okay. Are there any
14 other interested persons with questions on Case 22507?

15 (No audible response.)

16 HEARING EXAMINER BRANCARD: Hearing none, the
17 exhibits in 22507 will be admitted and the case taken under
18 advisement.

19 MS. BROGGI: Thank you, Mr. Examiner.

20 (Exhibits admitted.)

21 (Taken under advisement.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 3rd day of February 2022.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-22

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