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

CASE NO. 22949

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
AUGUST 4, 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 JOHN GARCIA on
Thursday, August 4, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
505-843-9241

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A P P E A R A N C E S

For the Applicant:

PAULA VANCE

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Santa Fe, NM 87501

505-954-7286

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1 HEARING EXAMINER BRANCARD: All right. With that
2 we are object item number 41, and that's case 22949,
3 Ameredev Operating.

4 MS. VANCE: Good morning. Can you hear me okay?

5 HEARING EXAMINER BRANCARD: Yes.

6 MS. VANCE: Paula Vance with the Santa Fe office
7 of Holland & Hart on behalf of the applicant, Ameredev
8 Operating LLC.

9 HEARING EXAMINER BRANCARD: Are there any other
10 entries of appearance for case 22949?

11 (No audible response.)

12 HEARING EXAMINER BRANCARD: Hearing none, you may
13 proceed, Ms. Vance.

14 MS. VANCE: Thank you, Mr. Hearing Examiner. In
15 case 22949 Ameredev seeks to pool uncommitted interests in
16 the Wolfcamp formation, pool code 33813, underlying a
17 standard 640 acre horizontal spacing unit comprised of the
18 W/2 of the E/2 and the E/2 of the W/2 of Sections 20 and 33,
19 Township 25 South, Range 36 East, Lea County, New Mexico.

20 Ameredev seeks to dedicate the spacing unit to
21 the proposed Tea Olive Fed Com 25-36-33 104H well, Tea Olive
22 Fed Com 25-36-33 114H well, and the Tea Olive Fed Com
23 25-36-33 124H well.

24 In this case we have provided a compulsory
25 pooling checklist, as well as the affidavit and testimony of

1 landman Brandon Forteza and geologist Parker Foy, both of
2 whom have previously testified before the Division and their
3 credentials have been accepted as a matter of record.

4 Mr. Forteza's affidavit is Exhibit C, which
5 includes sub Exhibits C-1, the C-102s; C-2, the land tract
6 map and ownership; C-3, the sample well proposal letters and
7 AFEs and C-4, the chronology of contacts.

8 This is followed by Mr. Foy's affidavit, which is
9 Exhibit D, and includes Sub Exhibit D-1, a locator map; D-2,
10 a Wolfcamp subsea structure map; D-3, the Wolfcamp cross
11 section map; and, D-4 a Wolfcamp stratigraphic cross section
12 map.

13 In this case Mr. Foy did not observe any
14 faulting, pinchouts or other geologic impediments to
15 horizontal drilling these wells.

16 And lastly is Exhibit E which is a self-affirmed
17 statement of notice with sample letters that were timely
18 mailed on July 15, 2022. And similar -- similarly to my
19 colleague, Mr. Rankin, unfortunately none of our notice of
20 publication came in timely. We received that last night, so
21 our plan was to submit to the Division a supplemental
22 Exhibit F with the affidavit of notice.

23 We provided, submitted notice to the newspaper
24 on -- I will have to double check -- on 7-19-2022 we timely
25 published. You said 7-21, correct, was the time for

1 publishing.

2 HEARING EXAMINER BRANCARD: Well, just because
3 you submit it to them doesn't mean they actually published
4 on that date, so --

5 MS. VANCE: Well, I will --

6 HEARING EXAMINER BRANCARD: Do you know which
7 date?

8 MS. VANCE: -- check the publication to show that
9 we timely provided notice of publication.

10 HEARING EXAMINER BRANCARD: Thank you.
11 Mr. Garcia, any questions?

12 MS. VANCE: I apologize, unless there is any
13 questions, we would ask that the exhibits and sub exhibits
14 for case 22949 be taken under advisement by the Division at
15 this time.

16 HEARING EXAMINER BRANCARD: Thank you.

17 TECHNICAL EXAMINER GARCIA: No other questions,
18 other than the notice issue.

19 HEARING EXAMINER BRANCARD: All right. So you
20 have a fair number of pooled parties here, Ms. Vance,
21 judging from Page 33 or so. Go to Page 33.

22 MS. VANCE: You are looking at Page 17, maybe?

23 HEARING EXAMINER BRANCARD: Well, 18, the key.

24 MS. VANCE: Yes.

25 HEARING EXAMINER BRANCARD: So when we get down

1 to 33, your information from your land person is saying that
2 some of these people you are not able to locate.

3 MS. VANCE: That's correct, Mr. Examiner.

4 HEARING EXAMINER BRANCARD: Okay. So I'm
5 struggling trying to figure out when we get all the way down
6 to Page 45 and 46 whether you have given notice to everyone
7 on that prior list.

8 MS. VANCE: Yes. So as stated in Mr. Forteza's
9 affidavit, these two parties were unlocatable. In light of
10 the questions that were asked of the parties in case 22924,
11 I did reach out to Mr. Forteza just to verify. If you go to
12 paragraph, I believe it's 13, it's his affidavit, he
13 testifies that Ameredev conducted a diligent search of all
14 public records in the county where the proposed wells are
15 located and phone directories including computer searches.

16 Again I reached out to Mr. Forteza and he said
17 from his statement, his feedback to me was that Ameredev has
18 spent the last five years cleaning up the fee title in this
19 area and has gone through a very lengthy title process in
20 order to locate these parties and to confidently say they
21 have done a diligent search to locate these unlocatable
22 parties.

23 HEARING EXAMINER BRANCARD: Okay. Well, I --
24 thank you. It does appear Paragraph 11 of his affidavit
25 does address the situation that I mentioned, which is, it

1 appears that when you get to your notice of the hearing, you
2 are sort of throwing your hands up and saying, we have no
3 good addresses, period, for these people, so we are not even
4 going to bother sending a letter out.

5 MS. VANCE: According to what was provided to us,
6 and from Mr. Forteza's statement, Ameredev has undertaken a
7 diligent search of the records to try to locate these
8 parties, including a quiet title action on the due process
9 of the quiet title action, and so they have not been able to
10 locate these parties, and that's why we are relying on
11 notice by publication per the Division Rule 19.15.4.12 B.

12 HEARING EXAMINER BRANCARD: Okay. So maybe, as I
13 asked Ms. Hardy, if you could provide a little bit of that
14 detail to these particular two parties, what efforts were
15 made.

16 MS. VANCE: We can provide a supplemental
17 exhibits attesting to that.

18 HEARING EXAMINER BRANCARD: Exactly. And just,
19 it just does appear there is two unlocatable parties because
20 the focus should be on those two.

21 MS. VANCE: That's correct, Mr. Examiner, those
22 are the only two.

23 HEARING EXAMINER BRANCARD: Okay. And so you
24 will provide us that affidavit of publication, also.

25 MS. VANCE: We will provide a supplemental notice

1 of publication, and then I will also provide a supplemental
2 affidavit attesting to efforts made by Mr. Forteza and
3 Ameredev to locate these parties.

4 HEARING EXAMINER BRANCARD: Once again, are there
5 any other interested persons for case 22949?

6 (No audible response.)

7 HEARING EXAMINER BRANCARD: Hearing none, the
8 exhibits will be admitted into the record. The case will be
9 taken under advisement, and we will leave the record open
10 for publication of affidavit and for a revised affidavit
11 dealing with efforts to locate unlocatable parties. And,
12 again, if there is any issue about when a newspaper
13 publication was made, please notify us right away.

14 MS. VANCE: Absolutely, Mr. Examiner. Thank you
15 and thank you, Mr. Garcia.

16 HEARING EXAMINER BRANCARD: Thank you.

17 (Exhibits admitted.)

18 (Taken under advisement.)

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STATE OF NEW MEXICO

COUNTY OF BERNALILLO

REPORTER'S CERTIFICATE

I do hereby certify that I reported the foregoing virtual proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings to the best of my ability.

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

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

Dated this 4th day of August 2022.

Irene Delgado
Court Reporter
License Expires: 12-31-22

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