

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

**APPLICATIONS OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 25670, 25671, 25673 & 25716

**APPLICATIONS OF READ & STEVENS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 25672 & 25674

READ & STEVENS CONSOLIDATED PRE-HEARING STATEMENT

Read & Stevens, Inc. and Permian Resources Operating, LLC (collectively “Permian” or “Applicant”), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Permian Resources Operating, LLC
 (“Permian”)

Marathon Oil Company
 (“Marathon”)
 (Case Nos. 25671, 25672 & 25674)

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, Permian seeks orders pooling in the Bone Spring formation (Shugart; Bone Spring; North [56405]) for the referenced acreage, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, as follows:

- Under **Case No. 25670**, Permian seeks an order (1) approving a standard 480-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Bone Spring formation to the base of the First Bone Spring, underlying the N/2 N/2 of Sections 14, 15, and 16, and (2) pooling all uncommitted interests in this acreage, and initially dedicate this spacing unit to the proposed **Slim Jim 14-15 Federal Com 111H** well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 16. This proposed horizontal well spacing unit will overlap the following spacing unit in the Bone Spring formation: An existing 160-acre horizontal spacing unit in the Bone Spring formation underlying the N/2 N/2 of Section 15, T18S-R31E, currently dedicated to the Tamano 15 AD Federal Com 1H (API No. 30-015-40868), operated by Mewbourne Oil Company. An ownership depth severance exists in the Bone Spring formation within the proposed horizontal well spacing unit. Accordingly, Permian seeks to pool only a portion of the Bone Spring formation, measured from the top of the Bone Spring formation, seen at 6,040 feet total vertical depth, to the stratigraphic equivalent of the base of the First Bone Spring, as seen at 7,955 feet total vertical beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com 2 (API No. 30-015-33398),

located in Section 15, Township 18 South, Range 31 East, Eddy County, New Mexico;

- Under **Case No. 25671**, Permian seeks an order (1) approving a standard 480-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the S/2 N/2 of Sections 14, 15, and 16, and (2) pooling all uncommitted interests in this acreage, and initially dedicate this spacing unit to the proposed **Slim Jim 14-15 Federal Com 122H** and **Slim Jim 14-15 Federal Com 142H** wells, both to be horizontally drilled from surface locations in the NE/4 NE/4 (Unit A) of Section 14, to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 16. This proposed horizontal well spacing unit will overlap the following spacing unit in the Bone Spring formation: An existing 40-acre vertical spacing unit in the Bone Spring formation underlying the SW/4 NE/4 (Unit G) of Section 15, T18S-R31E, currently dedicated to the Tamano 15 Federal Com 2 (API No. 30-015-33398), operated by Mewbourne Oil Company;
- Under **Case No. 25672**, Permian seeks an order pooling all uncommitted interests in a portion of the Bone Spring formation, from the top of the Bone Spring formation to 9,397 feet total vertical depth, underlying a standard 960-acre, more or less, horizontal well spacing unit comprised of the S/2 of Sections 14, 15, and 16, and initially dedicate this spacing unit to the proposed **Slim Jim 14-15 Federal Com 123H** well, to be horizontally drilled from a surface location in the SE/4 of Section 14, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 16; and **Slim Jim 14-15 Federal Com 125H** and **Slim Jim 14-15 Federal Com 144H** wells, both to be horizontally drilled from surface locations in the SE/4 of Section

14, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 16. The completed interval of the **Slim Jim 14-15 Federal Com 125H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. An ownership depth severance exists in the Bone Spring formation within the proposed horizontal well spacing unit. Accordingly, Permian seeks to pool only a portion of the Bone Spring formation, measured from the top of the Bone Spring formation, seen at 6,040 feet total vertical depth, to 9,397 feet total vertical depth, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com 2 (API No. 30-015-33398), located in Section 15, Township 18 South, Range 31 East, Eddy County, New Mexico;

- Under **Case No. 25673**, Permian seeks an order (1) approving a standard 480-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from approximately 9,293 feet total vertical depth to the base of the Bone Spring formation, underlying the N/2 N/2 of Sections 14, 15, and 16, and (2) pooling all uncommitted interests in this acreage, and initially dedicate this spacing unit to the proposed **Slim Jim 14-15 Federal Com 131H** well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 16. This proposed horizontal well spacing unit will overlap the following spacing unit in the Bone Spring formation: An existing 160-acre horizontal spacing unit in the Bone Spring formation underlying the N/2 N/2 of Section 15, T18S-R31E, currently

dedicated to the Tamano 15 AD Federal Com 1H (API No. 30-015-40868), operated by Mewbourne Oil Company. An ownership depth severance exists in the Bone Spring formation within the proposed horizontal well spacing unit. Accordingly, Permian seeks to pool only a portion of the Bone Spring formation, measured from 9,293 feet total vertical depth, to the stratigraphic equivalent of the base of the Bone Spring formation, as seen at 9,517 feet total vertical depth beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com 2 (API No. 30-015-33398), located in Section 15, Township 18 South, Range 31 East, Eddy County, New Mexico;

- Under **Case No. 25674**, Permian seeks an order pooling all uncommitted interests in a portion of the Bone Spring formation, from 9,397 feet total vertical depth to the base of the Bone Spring formation, underlying a standard 960-acre, more or less, horizontal well spacing unit comprised of the S/2 of Sections 14, 15, and 16, and initially dedicate this spacing unit to the proposed **Slim Jim 14-15 Federal Com 133H** well, to be horizontally drilled from a surface location in the SE/4 of Section 14, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 16; and **Slim Jim 14-15 Federal Com 134H** well, to be horizontally drilled from a surface location in the SE/4 of Section 14, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 16. The completed interval of the **Slim Jim 14-15 Federal Com 134H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. An ownership depth severance exists in the Bone Spring formation within the proposed horizontal

well spacing unit. Accordingly, Permian seeks to pool only a portion of the Bone Spring formation, measured from 9,397 feet total vertical depth, to the stratigraphic equivalent of the base of the Bone Spring formation, as seen at 9,517 feet total vertical depth beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com 2 (API No. 30-015-33398), located in Section 15, Township 18 South, Range 31 East, Eddy County, New Mexico; and

- Under **Case No. 25716**, Permian seeks an order (1) approving a standard 480-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Second Bone Spring to approximately 9,293 feet total vertical depth, underlying the N/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage, and initially dedicate this spacing unit to the proposed **Slim Jim 14-15 Federal Com 141H** well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 16. This proposed horizontal well spacing unit will overlap the following spacing unit in the Bone Spring formation: An existing 160-acre horizontal spacing unit in the Bone Spring formation underlying the N/2 N/2 of Section 15, T18S-R31E, currently dedicated to the Tamano 15 AD Federal Com 1H (API No. 30-015-40868), operated by Mewbourne Oil Company. An ownership depth severance exists in the Bone Spring formation within the proposed horizontal well spacing unit. Accordingly, Permian seeks to pool only a portion of the Bone Spring formation, measured from the top

of the Second Bone Spring, as seen at 7,955 feet total vertical depth, to approximately 9,293 feet total vertical depth beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com 2 (API No. 30-015-33398), located in Section 15, Township 18 South, Range 31 East, Eddy County, New Mexico.

The completed interval for each well will comply with statewide setbacks for oil wells. Permian has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Sean Johnson, Landman	Self-Affirmed Statement	Approx. 5
Chris Cantin, Geologist	Self-Affirmed Statement	Approx. 6

PROCEDURAL MATTERS

Permian requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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CERTIFICATE OF SERVICE

I hereby certify that on November 06, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 524038

QUESTIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 524038
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.