

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

**APPLICATION OF READ &
STEVENS, INC. FOR A
HORIZONTAL SPACING AND
PRORATION UNIT AND
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16382

READ & STEVENS, INC.'S PRE-HEARING STATEMENT

Read & Stevens, Inc. ("Read & Stevens") submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Read & Stevens

ATTORNEY

Jennifer L. Bradfute
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

STATEMENT OF CASE

APPLICANT:

Applicant seeks an order from the Division: (1) creating a 320-acre, more or less, horizontal spacing and proration unit covering the W/2E/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **North Lea 3 Federal Com #2H** well, being horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for

supervision, designation of Read & Stevens as operator of the well, and a 200% charge for risk involved in drilling said well.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Mark Compton– Landman	Approx. 15	Approx. 4
Norman Lovan – Geologist	Approx. 15	Approx. 6

Respectfully submitted,

**MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.**

By: _____

Jennifer L. Bradfute
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800