

**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 READ & STEVENS, INC.  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

Case No. 14,152

RECEIVED  
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**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Read & Stevens, Inc.  
Suite 1000  
400 North Pennsylvania  
Roswell, New Mexico 88201

Attention: Robert Watson  
(505) 622-3770

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 5, Township 20 South, Range 34 East, NMPM, and in the following manner: Lots 1-4 and the S/2N/2 (the N/2 equivalent) to form a standard 320.20-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Quail Ridge-Morrow Gas Pool; and Lots 3, 4, and the S/2NW/4 (the NW/4 equivalent) to form a standard 160.05-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the Highway 5 Fed. Com. Well No. 1, to be drilled at an orthodox location in Lot 4 (the

NW/4NW/4) of Section 5. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Robert Watson

10 MIN.

Approx. 5

**IF THE CASE IS UNCONTESTED, IT WILL BE SUBMITTED BY AFFIDAVIT.**

OPPONENT

WITNESSES

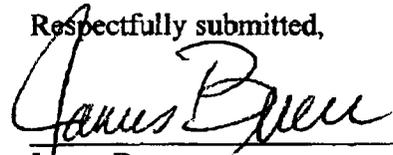
EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Read & Stevens, Inc.