

**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,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 23524–23527**

**READ & STEVENS, INC'S CONSOLIDATED PRE-HEARING STATEMENT**

Read & Stevens, Inc (“Read & Stevens” 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**

Read & Stevens, Inc.  
 (“Read & Stevens”)

**ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Paula M. Vance  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
pmvance@hollandhart.com

**OTHER PARTIES**

Sandstone Properties, LLC

**ATTORNEY**

Sealy Cavin, Jr.  
Scott S. Morgan  
Brandon D. Hajny  
Cavin & Ingram, P.A.  
P.O. Box 1216  
Albuquerque, NM 87103  
(504) 243-5400  
[scavin@cilawnm.com](mailto:scavin@cilawnm.com)  
[smorgan@cilawnm.com](mailto:smorgan@cilawnm.com)  
[bhajny@cilawnm.com](mailto:bhajny@cilawnm.com)

**APPLICANT'S STATEMENT OF THE CASE**

Under these consolidated cases, Read & Stevens seeks orders (a) approving a standard overlapping horizontal well spacing unit and (b) pooling all uncommitted mineral interests in the Bone Spring formation (Teas; Bone Spring [58960]) underlying the referenced acreage all in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case No. 23524**, Read & Stevens seeks to pool a standard 320.95-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the Lot 4, SW/4 NW/4 and the W/2 SW/4 of Section 3, and the W/2 W/2 of Section 10, and initially dedicate this Bone Spring spacing unit to the proposed **Riddler 3-10 Federal Com 111H, Riddler 3-10 Federal Com 121H, and Riddler 3-10 Federal Com 122H** wells, all to be horizontally drilled from a surface location in Lot 3 of Section 3 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10. This 320.95-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160.95-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Section 3, Township 20 South, Range 34 East, dedicated to the North Lea 3 Fed Com #4H (API: 30-025-42684).
- Under **Case No. 23525**, Read & Stevens seeks to pool a standard 320.85-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the Lot 3, SE/4 NW/4 and the E/2 SW/4 of Section 3, and the E/2 W/2 of Section 10, and initially dedicate this Bone Spring spacing unit to the proposed **Riddler 3-10 Federal Com 112H, Riddler 3-10 Federal Com 123H, and Riddler 3-10 Federal Com 124H** wells, all to be horizontally drilled from a surface location in Lot 3 of Section 3 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 10. This 320.85-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:
  - 160-acre, more or less, horizontal well spacing unit comprised of the E/2 W/2 of Section 3, Township 20 South, Range 34 East, dedicated to the North Lea 3 Fed Com #3H (API: 30-025-42228).
- Under **Case No. 23526**, Read & Stevens seeks to pool a standard 320.75-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the Lot 2, SW/4 NE/4 and the W/2 SE/4 of Section 3, and the W/2 E/2 of Section 10, and initially dedicate this Bone Spring spacing unit to the proposed **Riddler 3-10 Federal Com 113H, Riddler 3-10 Federal Com 125H, and Riddler 3-10 Federal Com 126H** wells, all to be horizontally drilled from a surface location in Lot 1 of Section 3 to a bottom hole location in the SW/4 SE/4

(Unit O) of Section 10. This 320.75-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 3, Township 20 South, Range 34 East, dedicated to the North Lea 3 Fed Com #2H (API: 30-025-42227); and
  - 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 10, Township 20 South, Range 34 East, dedicated to the North Lea 10 Fed Com #2H (API: 30-025-43680).
- Under **Case No. 23527**, Read & Stevens seeks to pool a standard 320.65-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the Lot 1, SE/4 NE/4 and the E/2 SE/4 of Section 3, and the E/2 E/2 of Section 10, and initially dedicate this Bone Spring spacing unit to the proposed **Riddler 3-10 Federal Com 114H, Riddler 3-10 Federal Com 127H, and Riddler 3-10 Federal Com 128H** wells, all to be horizontally drilled from a surface location in Lot 1 of Section 3 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10. This 320.65-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:
    - 160-acre, more or less, horizontal well spacing unit comprised of the E/2 E/2 of Section 3, Township 20 South, Range 34 East, dedicated to the North Lea 3 Fed Com #1H (API: 30-025-42080); and

- o 160-acre, more or less, horizontal well spacing unit comprised of the E/2 E/2 of Section 10, Township 20 South, Range 34 East, dedicated to the North Lea 10 Fed Com #1H (API: 30-025-43679).

The completed interval for each of the wells will meet the statewide setbacks for oil wells. Read & Stevens 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**


<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Travis Macha, Landman	Self-Affirmed Statement	Approx. 5
Ira Bradford, Geologist	Self-Affirmed Statement	Approx. 7

**PROCEDURAL MATTERS**

Read & Stevens 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:   
 Michael H. Feldewert  
 Adam G. Rankin  
 Julia Broggi  
 Paula M. Vance  
 Post Office Box 2208  
 Santa Fe, NM 87504  
 505-988-4421  
 505-983-6043 Facsimile  
 mfeldewert@hollandhart.com  
 agrankin@hollandhart.com  
 jbroggi@hollandhart.com  
 pmvance@hollandhart.com

**ATTORNEYS FOR READ & STEVENS, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on May 25, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Sealy Cavin, Jr.  
Scott S. Morgan  
Brandon D. Hajny  
Cavin & Ingram, P.A.  
P.O. Box 1216  
Albuquerque, NM 87103  
(504) 243-5400  
[scavin@cilawnm.com](mailto:scavin@cilawnm.com)  
[smorgan@cilawnm.com](mailto:smorgan@cilawnm.com)  
[bhajny@cilawnm.com](mailto:bhajny@cilawnm.com)

*Attorneys for Sandstone Properties, LLC.*



---

Paula M. Vance

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 220894

**QUESTIONS**

Operator: Permian Resources Operating, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 220894
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

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