

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

**APPLICATIONS OF CIMAREX ENERGY CO.
FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 23448-23455

**APPLICATIONS OF CIMAREX ENERGY CO.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 23594-23601

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

CASE NOS. 23508-23523

NOTICE OF SUPPLEMENTAL EXHIBIT C-12

Read & Stevens, Inc. (“Read and Stevens”), gives notice that it is filing the attached supplemental exhibit for acceptance into the record.

Supplemental Exhibit C-12 includes a signed letter of support from Stephen K. Marks, President of Marks Oil, Inc. (“Marks Oil”) and James O. Wilbanks, President of Wilbanks Reserve Corporation (“Wilbanks”), in which both have voluntarily committed their interests to Read & Stevens as a result of having observed the contested hearing. Based on their support, Read & Stevens now has the majority working interest ownership and support in the Wolfcamp across all of their proposed Bane and Joker units (44.4197%, compared to Cimarex’s 41.7955%); and has increased their working interest ownership and support in the Bone Spring across all of their proposed Bane and Joker units (36.7533%, compared to Cimarex’s 50.2277%).

This information was provided to the Division by a representative of Marks Oil and Wilbanks and is being filed on the record for the benefit and knowledge of all parties involved in these contested cases.

Respectfully submitted,

HOLLAND & HART LLP



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

**ATTORNEYS FOR READ & STEVENS, INC. &
PERMIAN RESOURCES OPERATING, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on October 4, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

Attorneys for Cimarex Energy Co.

Blake C. Jones
1780 Hughes Landing Blvd., Suite
750
The Woodlands, TX 77380
blake.jones@steptoe-johnson.com

Attorney for Northern Oil and Gas, Inc.

Sealy Cavin, Jr.
Scott S. Morgan
Brandon D. Hajny
P. O. Box 1216
Albuquerque, NM 87103
(505) 243-5400
scavin@cilawnm.com
smorgan@cilawnm.com
bhajny@cilawnm.com

Attorneys for Sandstone Properties, LLC

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jimbruce487@gmail.com
jamesbruc@aol.com

***Attorney for MRC Permian Company and
Foran Oil Company***



Adam G. Rankin

Supplemental Exhibit C-12



300 N. MARIENFELD STREET, SUITE 1000
MIDLAND, TX 79701

OFFICE 432.695.4222
FAX 432.695.4063

September 29, 2023

Marks Oil, Inc.
1775 N. Sherman Street, Suite 2015
Denver, CO 80203

RE: Joker Development
Township 20 South, Range 34 East, Lea Co., New Mexico
Sections 5 & 8

To Whom It May Concern,

The purpose of this letter is to allow Marks Oil, Inc. ("Marks") as an impacted working interest owner within the below referenced development, the opportunity to make reference to its opinion on preferred development strategy.

WHEREAS, Marks observed the contested hearing between Permian Resources Operating as operator for Read & Stevens, Inc. ("Permian") and Cimarex Energy Company ("Cimarex") that took place from August 9th, 2023 to August 11th, 2023.

WHEREAS, on February 17, 2023, Permian proposed a potash development area encompassing sections 5 & 8 of T20S-R34E (the "Joker" project). Permian subsequently sent formal Joker well proposals out in March subsequent to Cimarex's filing for compulsory pooling on the Permian project area.

To provide a very brief summary of Permian's development

- **Joker:** Twenty-Four (24) wells proposed, including four (4) falling in the 3rd Bone Spring formation and four (4) in the Wolfcamp A formation.

WHEREAS, Marks owns working interests in both the Bone Spring and Wolfcamp formations that are not equal and would be impacted if a well permitted in one formation was draining hydrocarbons from the other formation.

WHEREAS, Marks has the option of asserting its opinion of Permian's development of the Joker unit, including Permian's plan to co-develop the 3rd Bone spring and Wolfcamp A formations together.

Respectfully,

Travis Macha
Senior Landman

CC:
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

The undersigned herein acknowledges the importance of thoughtfully evaluating the co-development of the 3rd Bone Spring Formation along with the Wolfcamp XY in and around the vicinity of the referenced Joker unit and supports the scientific exploration of the two formations together, with consideration for the varying ownership interests in each formation.

Marks Oil, Inc.

By: 

Printed Name: Stephen K. Marks, President

Date: October 2, 2023



300 N. MARIENFELD STREET, SUITE 1000
MIDLAND, TX 79701

OFFICE 432.695.4222
FAX 432.695.4063

September 29, 2023

Wilbanks Reserve Corporation
450 E 17th Ave., Suite 220
Denver, CO 80203

RE: Joker Development
Township 20 South, Range 34 East, Lea Co., New Mexico
Sections 5 & 8

To Whom It May Concern,

The purpose of this letter is to allow Wilbanks Reserve Corporation ("Wilbanks"), as an impacted working interest owner within the below referenced development, the opportunity to make reference to its opinion on preferred development strategy.

WHEREAS, Wilbanks observed the contested hearing between Permian Resources Operating as operator for Read & Stevens, Inc. ("Permian") and Cimarex Energy Company ("Cimarex") that took place from August 9, 2023 to August 11, 2023.

WHEREAS, on February 17, 2023, Permian proposed a potash development area encompassing Sections 5 & 8 of T20S-R34E (the "Joker" project). Permian subsequently sent formal Joker well proposals out in March subsequent to Cimarex's filing for compulsory pooling on the Permian project area.


To provide a very brief summary of Permian's development:

- **Joker:** Twenty-Four (24) wells proposed, including four (4) falling in the 3rd Bone Spring formation and four (4) in the Wolfcamp A formation.

WHEREAS, Wilbanks owns working interests in both the Bone Spring and Wolfcamp formations that are not equal and would be impacted if a well permitted in one formation was draining hydrocarbons from the other formation.

WHEREAS, Wilbanks has the option of asserting its opinion of Permian's development of the Joker unit, including Permian's plan to co-develop the 3rd Bone Spring and Wolfcamp A formations together.

Respectfully,




Travis Macha
Senior Landman

CC:
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

The undersigned herein acknowledges the importance of thoughtfully evaluating the co-development of the 3rd Bone Spring Formation along with the Wolfcamp XY (aka Upper Wolfcamp) in and around the vicinity of the referenced Joker unit and supports the scientific exploration of the two formations together, with consideration for the varying ownership interests in each formation.

Wilbanks Reserve Corporation

By: 
Printed Name: James O. Wilbanks, President
Date: September 29, 2023