

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

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

CASE NO. \_\_\_\_\_

**APPLICATION**

Read & Stevens, Inc. (“Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in a portion of the Bone Spring formation, from the top of the Bone Spring formation to the base of the Second Bone Spring formation, underlying a standard 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Section 14, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Permian Resources Operating, LLC (OGRID No. 372165) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Slim Jim 14-15 Fed Com 121H** well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, with a first take point in the NE/4 NE/4 (Unit A) of Section 14, and a last take point in the NW/4 NW/4 (Unit D) of Section 14.
4. 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, from the top of the Bone Spring formation to the base of the Second Bone Spring formation, measured from the top of the Bone Spring formation, to the stratigraphic equivalent of the base of the Second Bone Spring formation, as seen at 8,913 feet measured 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 # 30-015-33398), located in Section 15, Township 18 South, Range 31 East, Eddy County, New Mexico. Permian will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests within the defined portion of the Bone Spring formation;
- B. Designating Permian Resources Operating, LLC as operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;

- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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

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

CASE \_\_\_\_\_: **Application of Read & Stevens, Inc. for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a portion of the Bone Spring formation, from the top of the Bone Spring formation to the base of the Second Bone Spring formation, underlying a standard 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Section 14, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Slim Jim 14-15 Fed Com 121H** well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, with a first take point in the NE/4 NE/4 (Unit A) of Section 14, and a last take point in the NW/4 NW/4 (Unit D) of Section 14. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Permian Resources Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8.5 miles southwest of Maljamar, New Mexico.