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. 24939

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

Read & Stevens, Inc. ("Read & Stevens" or "Applicant"), the applicant in the abovereferenced matters, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Read & Stevens, Inc. ("Read & Stevens") Michael H. Feldewert

ATTORNEY

Adam G. Rankin 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 agrankin@hollandhart.com

APPLICANT'S STATEMENT OF THE CASE

Under Case No. 24939, Read & Stevens seeks an order pooling a portion of the Bone Spring formation (Shugart; Bone Spring, North [56405]), from the top of the Bone Spring formation to the base of the Second Bone Spring formation, in 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, and initially dedicate the 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.

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.

The completed interval for the well will comply with statewide setbacks for oil wells. 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.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Travis Macha, Landman	Self-Affirmed Statement	Approx. 5
Chirs Cantin, Geologist	Self-Affirmed Statement	Approx. 7

PROCEDURAL MATTERS

Read & Stevens intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: Paktur

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

QUESTIONS

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Action 398066

QUESTIONS

Operator:	OGRID:
Permian Resources Operating, LLC	372165
300 N. Marienfeld St Ste 1000	Action Number:
Midland, TX 79701	398066
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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