

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 7, 2024**

CASE NO. 24939

SLIM JIM 14-15 FED COM #121H WELL

EDDY COUNTY, NEW MEXICO

READ & STEVENS, INC.

PERMIAN
RESOURCES

**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

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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24939	APPLICANT'S RESPONSE
Date	November 7, 2024
Applicant	Read & Stevens, Inc.
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (372165)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF READ & STEVENS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/a
Well Family	Slim Jim
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	From the top of the Bone Spring formation to the base of the Second Bone Spring formation
Pool Name and Pool Code:	Shugart; Bone Spring, North [56405]
Well Location Setback Rules:	Statewide setbacks
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acre, more or less
Building Blocks:	40 acres
Orientation:	Laydown
Description: TRS/County	N/2 N/2 of Section 14, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Read & Stevens, Inc.
Hearing Date: November 7, 2024
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Depth Severance: Y/N. If yes, description	Yes; 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
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/a
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Slim Jim 14-15 Fed Com #121H API: 30-015-PENDING SHL: 1,000' FNL, 400' FEL (Unit A), Section 14 BHL: 330' FNL, 100' FWL (Unit D), Section 14 Completion Target: Bone Spring formation Well Orientation: East-West / Laydown Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/a

Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	N/a
Ownership Depth Severance (including percentage above & below)	Exhibit C-2
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D; D-1
Target Formation	Exhibit D; D-4
HSU Cross Section	Exhibit D-2; D-3; D-4
Depth Severance Discussion	Exhibit C & D; D-5
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-4
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M Vance
Signed Name (Attorney or Party Representative):	
Date:	10/31/2024

**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

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
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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.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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**APPLICATION OF READ & STEVENS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 24939

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

1. My name is Travis Macha. I work for Permian Resources Operating, LLC (“Permian”) as a Senior Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by Read & Stevens, Inc. (“Read & Stevens”) in this case, and I am familiar with the status of the lands in the subject area.

4. In **Case No. 24393**, Read and Stevens seeks to pool the 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 and 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.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Read & Stevens, Inc.
Hearing Date: November 7, 2024
Case No. 24939

5. **Read & Steven Exhibit C-1** contains a C-102 for the proposed well. This form demonstrates that the completed interval for the well will comply with statewide setbacks for oil wells. The well is dedicated to the Bone Spring formation (Shugart; Bone Spring, North [56405]).

6. **Read & Stevens Exhibit C-2** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and a recapitulation of the ownership. The interest owners that Read & Stevens seeks to pool are highlighted in yellow. Read & Stevens Exhibit C-2 also includes the title record holder that Read & Stevens seeks to pool. The subject acreage is comprised of federal lands.

7. 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. The referenced depth severance impacts the NE/4NW/4 of Section 14 at 9,290', 550' below the target landing of the Slim Jim 121H. The only owners owning an interest below these depths are Read & Stevens and Occidental Permian, both of which remain active working interest owners in this case.

8. **Read & Stevens Exhibit C-3** contains a sample of the well proposal letter and AFE for the well that was sent to owners with a working interest. The costs reflected in the AFE are consistent with what Read & Stevens and other operators have incurred for drilling similar horizontal wells in the area in this formation.

9. Read & Stevens requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$10,000 per month while drilling and \$1000 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

10. **Read & Stevens Exhibit C-4** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Read & Stevens has made a good faith effort to locate and has had communications with multiple parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Read & Stevens has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

11. Read & Stevens has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Read & Stevens seeks to pool and instructed that they be notified of this hearing. Read & Stevens has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

12. **Read & Stevens Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Travis Macha

10/30/2024

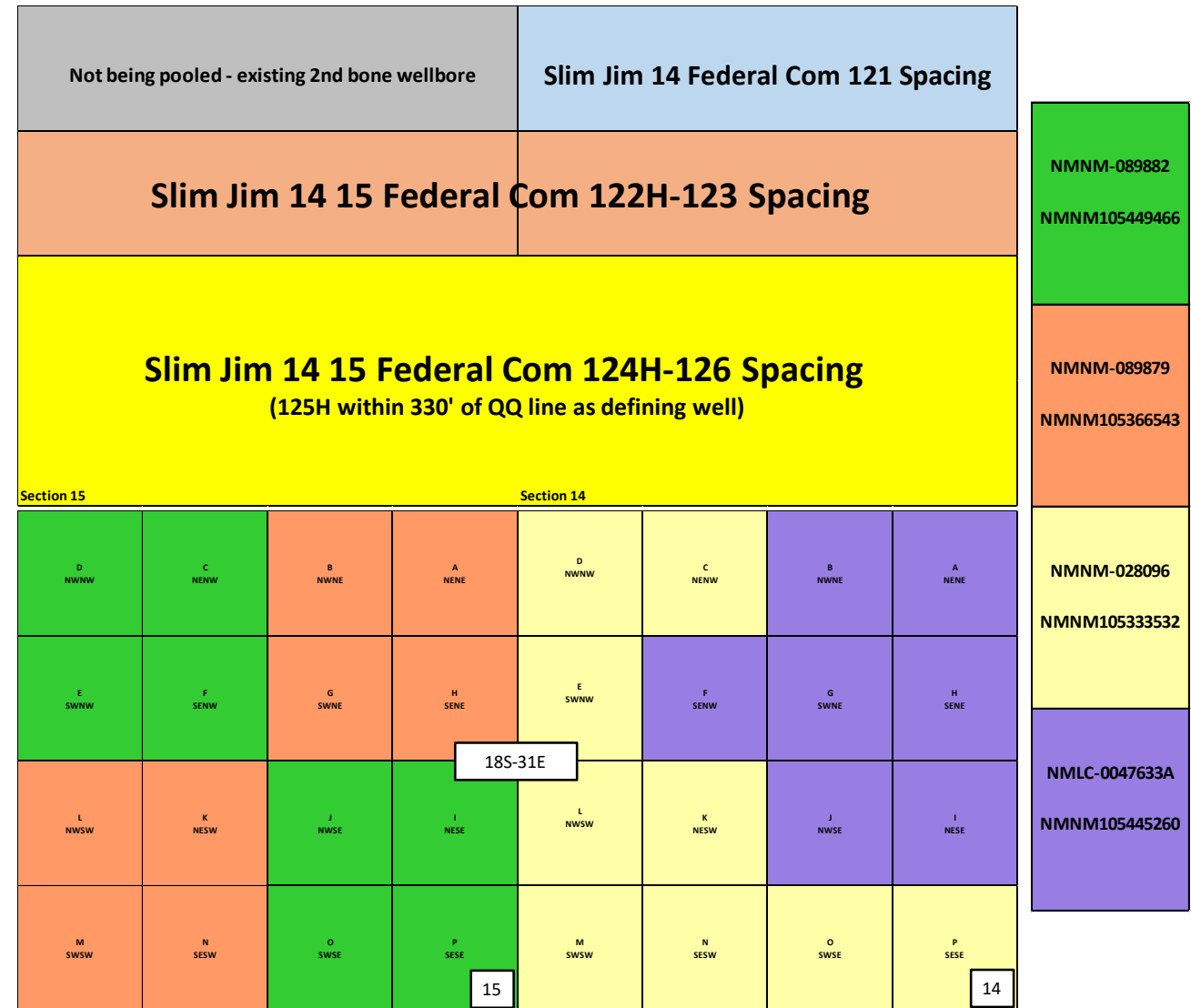
Date

Slim Jim 14 Federal Com 121H

Slim Jim 121H Pooling Info

Tract Capitation			
Owner	Sec 14: E2, S2NW, N2SW, SWSW	Sec 14: NENW	Sec 14: NWNW
Read & Stevens/Permian Res	50.000%	78.425%	50.000%
Occidental Permian LP	50.000%	0.000%	0.000%
Doralea S. Bean	0.000%	8.500%	0.000%
Effco Investments	0.000%	0.850%	0.000%
Tierra Encantada, LLC	0.000%	0.667%	0.000%
James B. Read	0.000%	0.667%	0.000%
Carolyn Beall	0.000%	1.667%	0.000%
Darin T. Boyd	0.000%	1.275%	0.000%
Karen Outland	0.000%	0.850%	0.000%
Rottman Group Six	0.000%	2.125%	0.000%
Rottman 1984 Family Trust	0.000%	2.125%	0.000%
New Mexico Salt Water Disposal Company, Inc.	0.000%	2.000%	0.000%
James G Smith	0.000%	0.850%	0.000%
Maverick Permian Agent Corp	0.000%	0.000%	50.000%

Unit Capitation		
Owner	Pooled Party?	Unit WI
Read & Stevens/Permian Res	N/A	57.606%
Occidental Permian LP	Y	25.000%
Doralea S. Bean	Y	2.125%
Effco Investments	N	0.213%
Tierra Encantada, LLC	Y	0.167%
James B. Read	Y	0.167%
Carolyn Beall	Y	0.417%
Darin T. Boyd	Y	0.319%
Karen Outland	N	0.213%
Rottman Group Six	Y	0.531%
Rottman 1984 Family Trust	N	0.531%
James G Smith	N	0.213%
Maverick Permian Agent Corp	Y	12.500%





Slim Jim 121H – N2N2 Depth Severance Detail

Depths seeking to be pooled:	Top of Bone Spring to base of the 2 nd Bone Spring Formation (8,913')
Slim Jim 121H Landing TVD:	8,740'
Depth Severance Location:	Section 14: NE/4NW/4 – 9,290' (550' separation)
Owners below this severance:	Read & Stevens & Occidental Permian
Owners <u>only</u> owning BELOW the depth severance:	<u>NONE</u>



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

OFFICE 432.695.4222
FAX 432.695.4063

August 16, 2024

Via Certified Mail & Email

Mary T. Ard
P O Box 101027
Fort Worth, Texas 76185

RE: Slim Jim 14-15 Fed Com – Well Proposals
S/2 of Sections 14 & 15, T18S-R31E
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. (“Permian”), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 124H (Infill)

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15
BHL: 100' FWL & 2200' FSL of Section 14
FTP: 100' FWL & 2200' FSL of Section 15
LTP: 100' FWL & 2200' FSL of Section 14
TVD: Approximately 8,510'
TMD: Approximately 18,795'
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 125H (Defining Well)

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15
BHL: 100' FWL & 1430' FSL of Section 14
FTP: 100' FWL & 1430' FSL of Section 15
LTP: 100' FWL & 1430' FSL of Section 14
TVD: Approximately 8,670'
TMD: Approximately 18,955'
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

[Continued on Next Page]

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Read & Stevens, Inc.
Hearing Date: November 7, 2024
Case No. 24939

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



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

OFFICE 432.695.4222
FAX 432.695.4063

3. Slim Jim 14-15 Fed Com 126H (Infill)

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 660' FSL of Section 14

FTP: 100' FWL & 660' FSL of Section 15

LTP: 100' FWL & 660' FSL of Section 14

TVD: Approximately 8,510'

TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring

Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at Travis.Macha@permianres.com

Respectfully,

A handwritten signature in blue ink, appearing to read "Travis Macha", enclosed in a thin black rectangular box.

Travis Macha
Permian Resources
NM Land Lead

Enclosures



Slim Jim 121H - Contact Chronology

April 2024:	Lindy's Living Trust term assignment to PR (Section 15, Slim Jim 122-126 wells)
June 2024:	BLM Royalty rate correction submitted (Section 15, Slim Jim 122-126 wells) Mewbourne assigns interest to PR (Section 15, Slim Jim 122-126 wells)
July 2024:	Surface inspection (Sand Dune Lizard Territory)
August 2024:	Proposals sent to all WI parties
September 2024:	Correspondence with VF (Section 15, Slim Jim 122-126 wells) Correspondence with Darin Boyd Correspondence with Occidental Correspondence with B&N Energy
October 2024:	Surface Onsite with BLM B&N Energy – Interest Purchased by PR Correspondence with Tierra Encantada PR ORRI partners purchased interest
September 2024-Present:	Ongoing purchase negotiations via PR brokers. Will remain open through completion of wells.

**Partial notes from Slim Jim 122-126 wells (as indicated above) included here as Slim Jim 121H will be co-developed with those wells for prevention of waste via parent/child effects*

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

SELF-AFFIRMED STATEMENT OF CHRISTOPHER CANTIN

1. My name is Christopher Cantin. I work for Permian Resources Operating, LLC (“Permian”) as a Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Read & Stevens, Inc. (“Read & Stevens”) in this case, and I have conducted a geologic study of the lands in the subject area.

4. Read & Stevens has targeted a portion of the Bone Spring formation, from the top of the Bone Spring formation to the base of the Second Bone Spring formation, in this case.

5. **Read & Stevens Exhibit D-1** is a regional locator map that identifies the Slim Jim project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing unit that is the subject of this application.

6. **Read & Stevens Exhibit D-2** is a cross-section location map for the proposed horizontal spacing unit within the Bone Spring formation. The approximate location of the proposed unit is outlined in blue. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A’ with the cross-section well

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Read & Stevens, Inc.
Hearing Date: November 7, 2024
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names and a black line in proximity to the proposed wells. This map also identifies vertical control points as red triangles and the Tamano 15 Fed Com #2 (API # 30-015-33398) type well.

7. **Read & Stevens Exhibit D-3** is a subsea structure map that I prepared for the interval within the Bone Spring formation, with a contour interval of 50 feet. The structure map shows the Bone Spring gently dipping to the Southeast. The Bone Spring structure appears consistent across the wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments in the spacing unit. This map also shows the relative location of the proposed wells as dashed orange arrows, as well as the offset producers as solid orange lines, and control points used to construct structure map as red triangles.

8. **Read & Stevens Exhibit D-4** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Bone Spring from the representative wells denoted from A to A'. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The interval is labeled and marked. The logs in the cross-section demonstrate that the interval is continuous across the entire spacing unit.

9. **Read & Stevens Exhibit D-5** is a type log for the Tamano 15 Fed Com #2 (API # 30-015-33398).

10. In my opinion, laydown orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is near perpendicular to the maximum horizontal stress of the area.

11. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Read & Stevens's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Read & Stevens Exhibits D-1 through D-5** were either prepared by me or compiled under my direction and supervision.

14. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Christopher Cantin

10-31-2024

Date

06.03.2024



Compulsory Pooling Hearing – Case No. 24939

Geology Exhibits



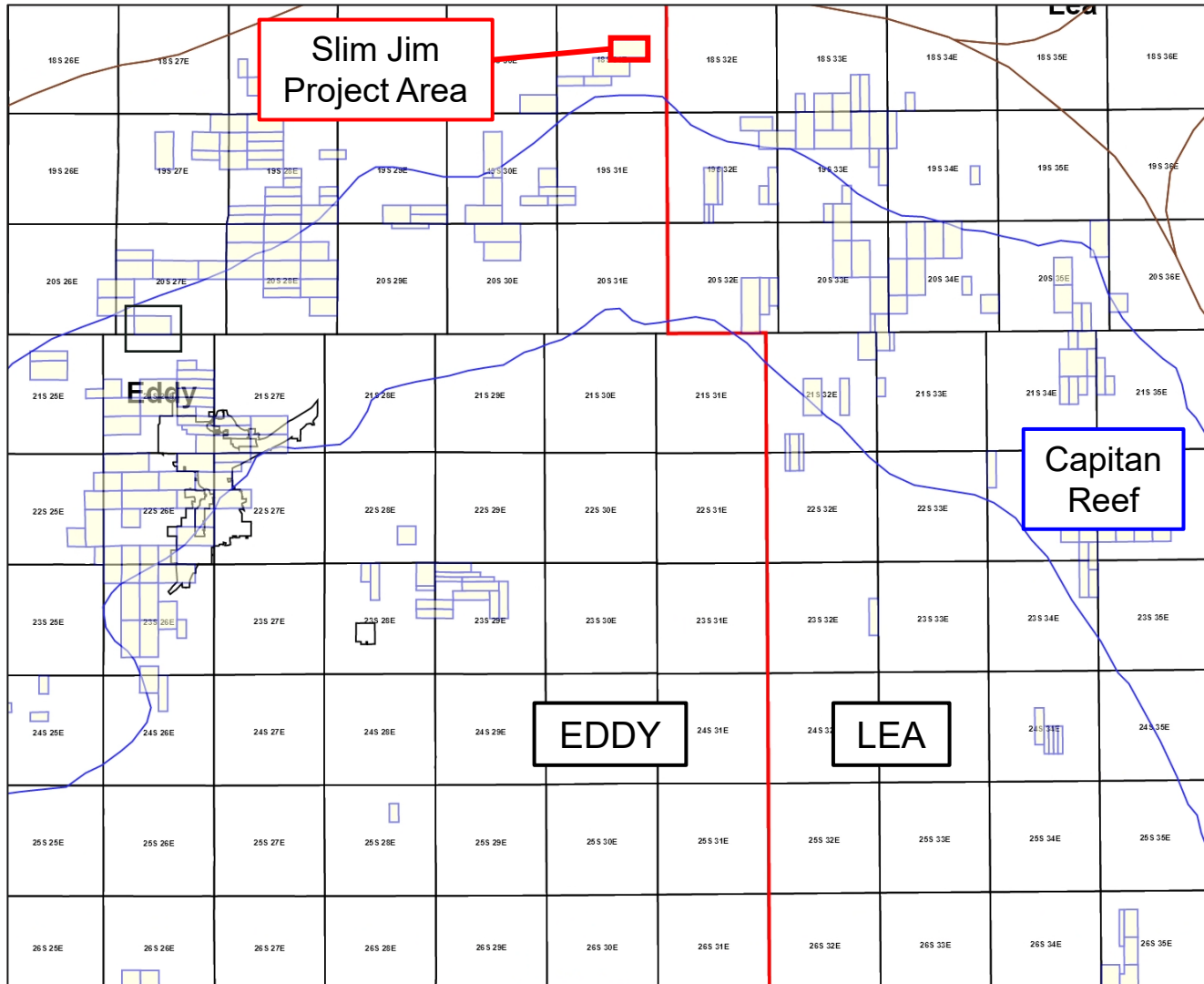
Permian Resources is a result of the merger of Centennial Resource Development and Colgate Energy effective September 1, 2022.



Exhibit D-1

Regional Locator Map

Slim Jim 14-15 Fed Com



Permian Resources

Santa Fe, New Mexico

Exhibit No. D-2

Submitted by: Read & Stevens, Inc.

Hearing Date: November 7, 2024

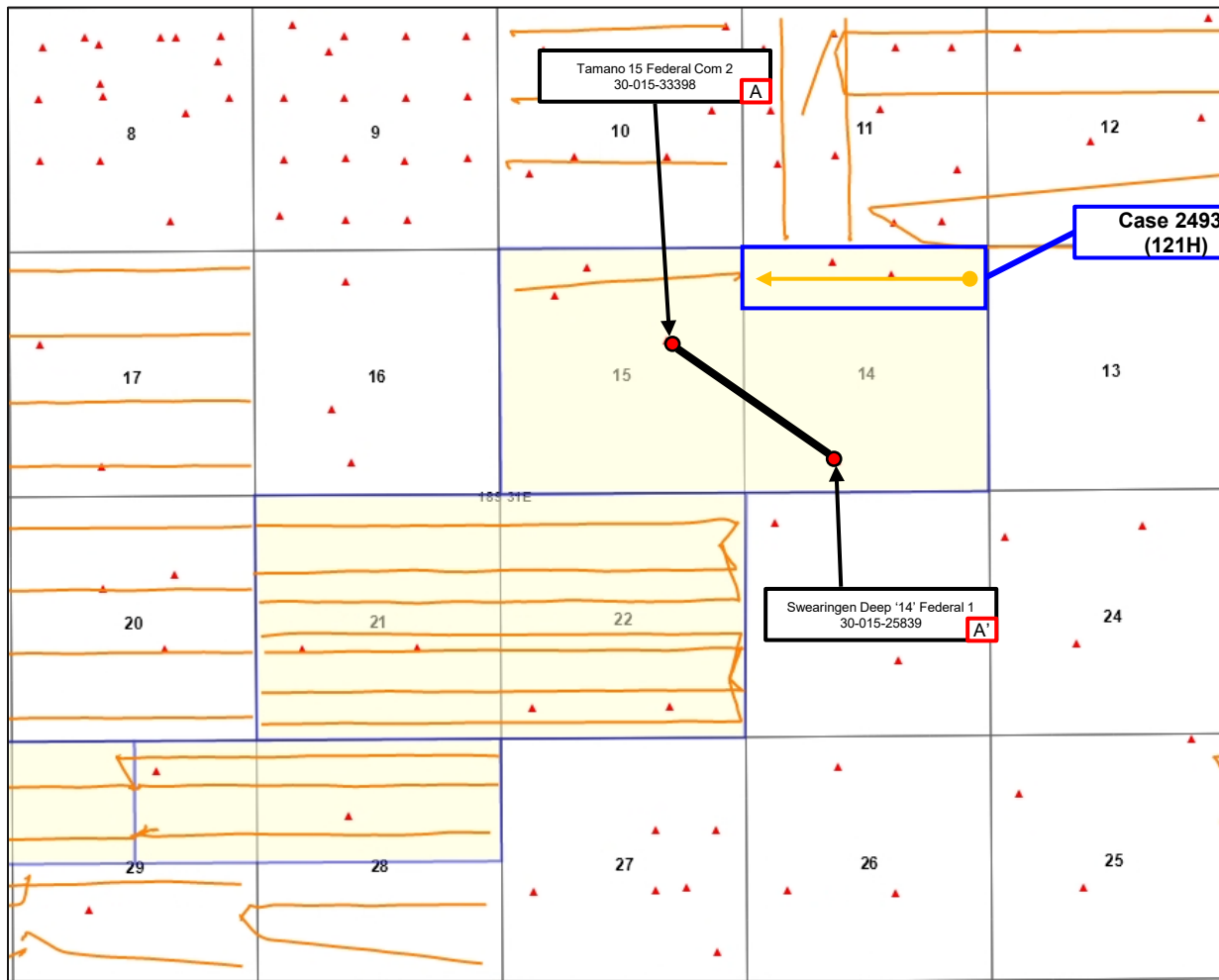
Case No. 24939

Exhibit D-2



Cross-Section Locator Map

Slim Jim 14-15 Fed Com Fed Com Bone Spring



Control Point



Proposed Wells



Producing Wells

SBSG

Santa Fe, New Mexico

Exhibit No. D-3

Submitted by: Read & Stevens, Inc.

Hearing Date: November 7, 2024

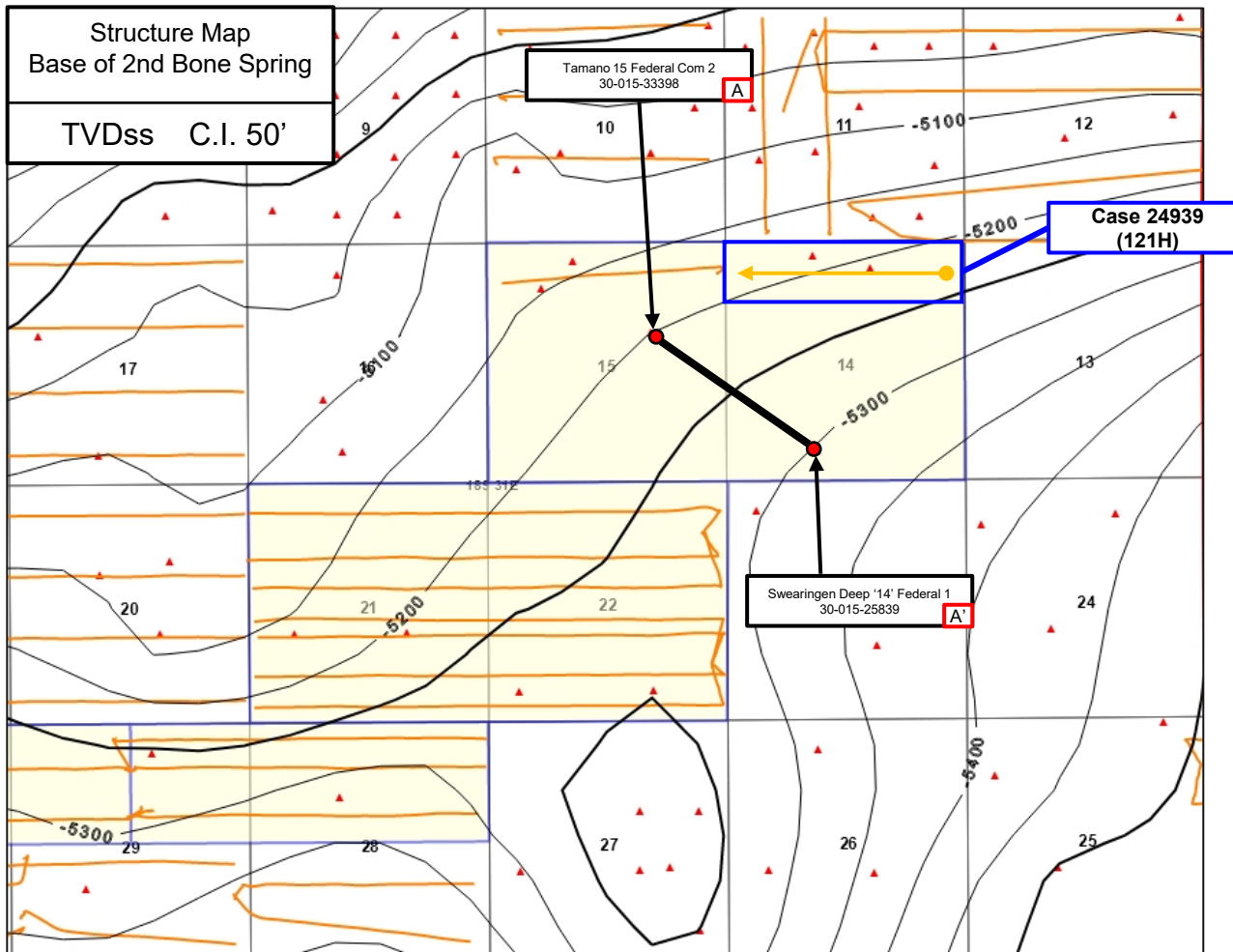
Case No. 24939

Exhibit D-3



Base of Bone Spring – Structure Map

Slim Jim 14-15 Fed Com Fed Com 121H, 122H, 131H, & 132H



Control Point



Proposed Wells



Producing Wells



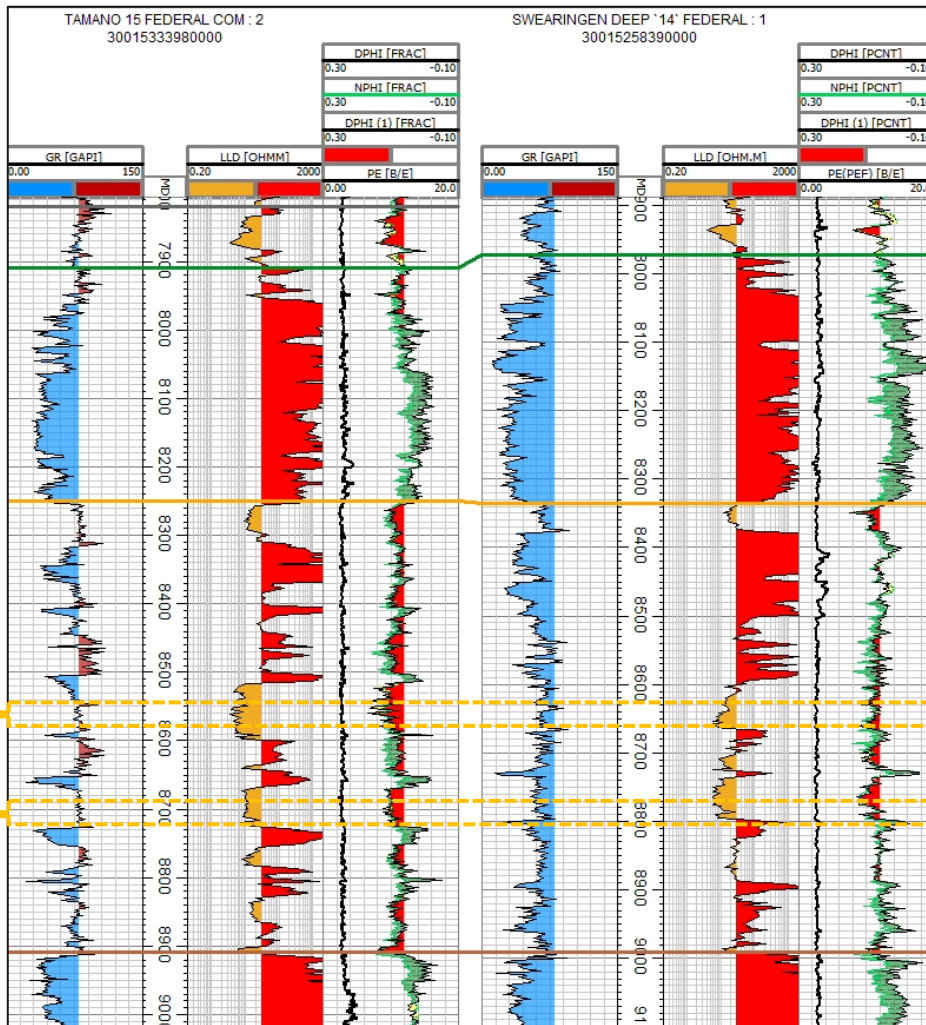
Stratigraphic Cross-Section A-A' Slim Jim 14-15 Fed Com Fed Com Targets

Exhibit D-4



WEST A

A' EAST



SBSG Target

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-4
 Submitted by: Read & Stevens, Inc.
 Hearing Date: November 7, 2024
 Case No. 24939

Horizontal Target

Top of 2nd Bone Spring

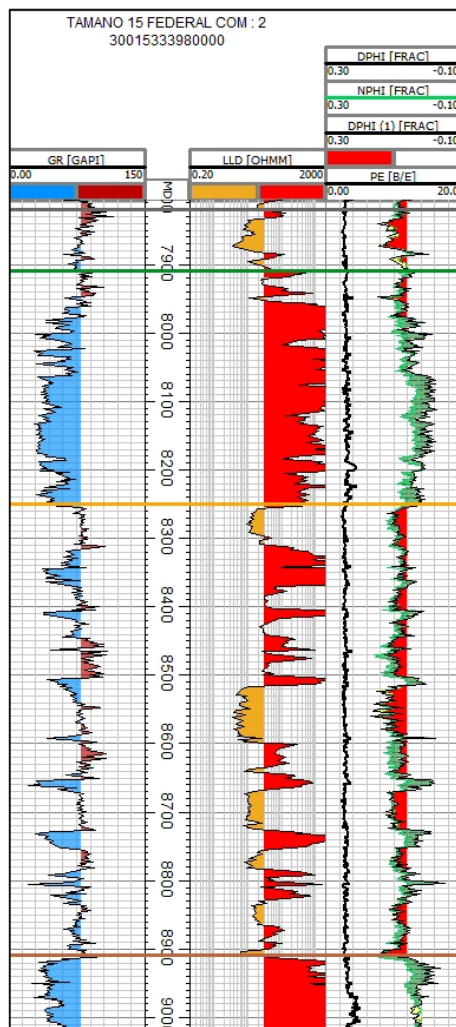
Top of 2nd Bone Spring Sand

Base of 2nd Bone Spring

Type Log

Tamano 15 Federal Com #2 (30-015-33398)

Exhibit D-5



Top of 2nd Bone Spring

Top of 2nd Bone Spring Sand

Base of 2nd Bone Spring

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-5
 Submitted by: Read & Stevens, Inc.
 Hearing Date: November 7, 2024
 Case No. 24939

**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

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Read & Stevens, Inc. (“Read & Stevens”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of October 28, 2024.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding and to the vertical offset owners. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Read & Stevens, Inc.
Hearing Date: November 7, 2024
Case No. 24939**



Paula M. Vance

10/31/2024

Date



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

October 18, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Read & Stevens, Inc. for Compulsory Pooling, Eddy County,
New Mexico: Slim Jim 14-15 Fed Com #121H well**

Ladies & Gentlemen:

This letter is to advise you that Read & Stevens, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on November 7, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Travis Macha at (432) 400-1037 or travis.macha@permianres.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR READ & STEVENS, INC.

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

Contact
p: 505.988.4421 | f: 505.983.6043
www.hollandhart.com

Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

Permian - Slim Jim 121H well - Case no. 24939
Postal Delivery Report

9414811898765480448650	Doralea S. Bean	2112 Peony Ct NE C/O Sandra Carrica Daughter	Rio Rancho	NM	87144-5802	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765480448667	James B. Read	8841 Lipan Hwy	Lipan	TX	76462-6825	We attempted to deliver your item at 12:20 pm on October 26, 2024 in LIPAN, TX 76462 and a notice was left because an authorized recipient was not available.
9414811898765480448629	Maverick Permian Agent Corporation	1111 Bagby St Ste 1600	Houston	TX	77002-2547	Your item was returned to the sender at 3:24 pm on October 23, 2024 in HOUSTON, TX 77002 because the forwarding order for this address is no longer valid.
9414811898765480448605	Oxy Permian Limited Partnership	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent at the front desk, reception, or mail room at 11:34 am on October 23, 2024 in HOUSTON, TX 77046.
9414811898765480448643	Read & Stevens, Inc.	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	Your item was delivered to an individual at the address at 1:50 pm on October 22, 2024 in MIDLAND, TX 79701.
9414811898765480448681	Rottman 1984 Family Trust	10261 Century Woods Dr	Los Angeles	CA	90067-6312	Your item was delivered to an individual at the address at 11:57 am on October 22, 2024 in LOS ANGELES, CA 90067.
9414811898765480448636	Rottman Group Six	10261 Century Woods Dr	Los Angeles	CA	90067-6312	Your item was delivered to an individual at the address at 11:57 am on October 22, 2024 in LOS ANGELES, CA 90067.

Permian - Slim Jim 121H well - Case no. 24939
Postal Delivery Report

9414811898765480448674	Tierra Encantada, LLC	PO Box 811	Roswell	NM	88202-0811	Your item was picked up at the post office at 12:58 pm on October 23, 2024 in ROSWELL, NM 88201.
9414811898765480448155	Tierra Encantada, LLC	400 N Pennsylvania Ave Ste 1000	Roswell	NM	88201-4780	Your item arrived at our USPS facility in COPPELL TX DISTRIBUTION CENTER on October 26, 2024 at 12:25 pm. The item is currently in transit to the destination.
9414811898765480448100	Carolyn Read Beall	1414 Country Club Dr	Midland	TX	79701-5713	Your item was delivered to an individual at the address at 10:58 am on October 22, 2024 in MIDLAND, TX 79701.
9414811898765480448193	Darin T. Boyd	1910 Holly St	Austin	TX	78702-5521	Your item was delivered to an individual at the address at 3:09 pm on October 23, 2024 in AUSTIN, TX 78702.

Affidavit of Publication

Copy of Publication:

No. 18920

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn, says that he is the **Publisher**

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/day on the same day as follows:

First Publication	<u>October 24, 2024</u>
Second Publication	<u></u>
Third Publication	<u></u>
Fourth Publication	<u></u>
Fifth Publication	<u></u>
Sixth Publication	<u></u>
Seventh Publication	<u></u>
Eighth Publication	<u></u>

Subscribed and sworn before me this 24th day of October 2024

LATISHA ROMINE
 Notary Public, State of New Mexico
 Commission No. 1076338
 My Commission Expires
 05-12-2027

Latisha Romine
Notary Public, Eddy County, New Mexico

Case No. 24939: Application of Read & Stevens, Inc. for Compulsory Pooling, Eddy County, New Mexico. Notice to all interested interest owners, including all heirs, devisees and successors of: Doralea S. Bean; James B. Read; Maverick Permian Agent Corporation; Oxy Permian Limited Partnership; Read & Stevens, Inc.; Rottman 1984 Family Trust; Rottman Group Six; Tierra Encantada, LLC; Carolyn Read Beall; Darin T. Boyd. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (Division) hereby gives notice that the Division will hold public hearing 8:30 a.m. on November 7, 2024, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. 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.
 18920-Published in Artesia Daily Press Oct. 24, 2024

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. F
 Submitted by: Read & Stevens, Inc.
 Hearing Date: November 7, 2024
 Case No. 24939