

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

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

CASE NOS. 24941-24942

**APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25145

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

CASE NOS. 25146-25148

**APPLICATIONS OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 24994-24995 & 25116

**APPLICATIONS OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 25115 & 25117

NOTICE OF REBUTTAL EXHIBITS

Read & Stevens, Inc. and Permian Resources Operating, LLC (collectively "Permian"), applicant in the above-referenced cases, gives notice that it is filing the attached rebuttal exhibits for acceptance into the record.

Respectfully submitted,

HOLLAND & HART LLP

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

CERTIFICATE OF SERVICE

I hereby certify that on January 28, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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REBUTTAL 1

VF/PR Interest Locator Map (For Easier Visual)

PR: 2-Mile Proposals (14/15)

V-F: 2-Mile Proposals (16/15)

V-F Interest: N/A PR Interest: N/A <u>Unleased</u>	V-F Interest: 0% PR Interest: 0%	V-F Interest: 100% PR Interest: 0%	V-F Interest: 0% PR Interest: 90.7%	V-F Interest: 0% PR Interest: 90.7%	V-F Interest: 0% PR Interest: 79.2%	V-F Interest: 0% PR Interest: 79.2%	V-F Interest: 0% PR Interest: 50%	V-F Interest: 0% PR Interest: 50%	V-F Interest: 0% PR Interest: 50%	V-F Interest: 0% PR Interest: 50%
V-F Interest: 0% PR Interest: 0%	V-F Interest: 100% PR Interest: 0%	V-F Interest: 100% PR Interest: 0%	V-F Interest: 100% PR Interest: 0%	V-F Interest: 9.9% PR Interest: 85.1%	V-F Interest: 9.9% PR Interest: 85.1%	V-F Interest: 14.2% PR Interest: 78.8%	V-F Interest: 14.2% PR Interest: 10.6%	V-F Interest: 0% PR Interest: 50%	V-F Interest: 0% PR Interest: 50%	V-F Interest: 0% PR Interest: 50%
V-F Interest: 100% PR Interest: 0%	V-F Interest: 100% PR Interest: 0%	V-F Interest: 0% PR Interest: 0%	V-F Interest: 0% PR Interest: 0%	V-F Interest: 9.9% PR Interest: 85.1%	V-F Interest: 9.9% PR Interest: 85.1%	V-F Interest: 14.2% PR Interest: 10.7%	V-F Interest: 14.2% PR Interest: 10.7%	V-F Interest: 0% PR Interest: 50%	V-F Interest: 0% PR Interest: 50%	V-F Interest: 0% PR Interest: 50%
V-F Interest: 0% PR Interest: 0%	V-F Interest: 100% PR Interest: 0%	V-F Interest: 0% PR Interest: 0%	V-F Interest: 100% PR Interest: 0%	V-F Interest: 9.9% PR Interest: 85.1%	V-F Interest: 9.9% PR Interest: 85.1%	V-F Interest: 14.2% PR Interest: 10.7%	V-F Interest: 14.2% PR Interest: 10.7%	V-F Interest: 0% PR Interest: 50%	2 ND Bone: V-F Interest: 0% PR Interest: 33.3% 3 RD Bone: V-F Interest: 0% PR Interest: 23.9%	V-F Interest: 0% PR Interest: 50%

Section 16 Ownership:
VF: 320 net acres (50%)
PR: 0 net acres (0%)

Section 15 Ownership:
VF: 57.8 net acres (9%)
PR: 392.99 net acres (61.4%)

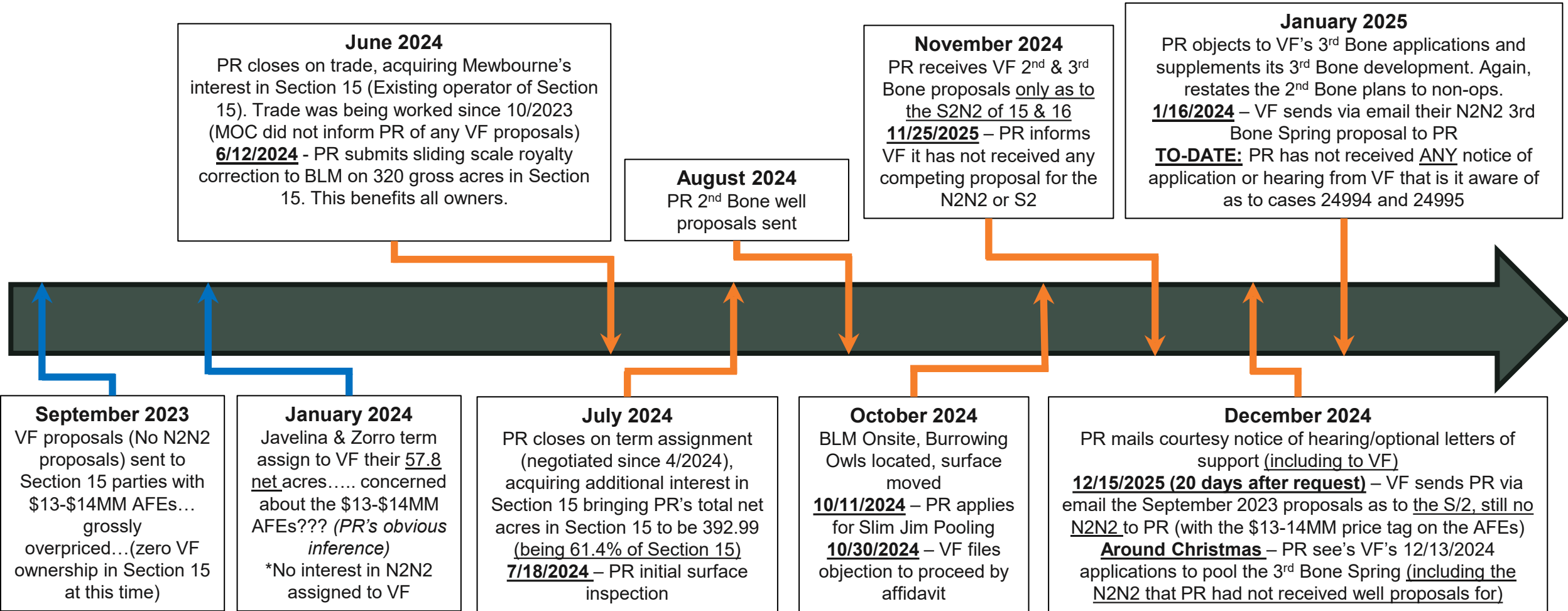
Section 14 Ownership:
VF: 0 net acres (0%)
PR: 313.3 net acres (49%) – 2ND Bone, 309.6 net acres (48.4%) – 3RD Bone

BLUE BOX = VF MAJORITY OWNER

ORANGE BOX = PR MAJORITY OWNER

WHITE BOX = NO PR or VF INTEREST

PR Timeline of Material Events - Visual





Case Filings

REBUTTAL 1

PR Cases & V-F Cases

****AUGUST 2024** Permian sends out 2nd BS well proposals**

October 11, 2024 –

- Permian files Case No. 24939 – N/2 N/2, Section 14 (1st and 2nd BS) – 121H (Order R-23609)
- Permian files Case No. 24941 – S/2 N/2, Sections 14 and 15 (1st and 2nd BS) – 122H & 123H
- Permian files Case No. 24942 – S/2, Sections 14 and 15 (1st and 2nd BS) – 124H, 125H, & 126H

October 20, 2024 –

- V-F files EOA & Objection in Permian Case Nos. 24941-24942

****NOVEMBER 2024** Permian has only received S/2 N/2 2nd & 3rd BS proposals from V-F**

****NOVEMBER 25, 2024** Permian informs V-F it has NOT received proposals for N/2 N/2 or**

S/2

December 2, 2024 –

- V-F files Case No. 24994 – S/2 S/2, Sections 15 and 16 (BS) – 221H & 231H
- V-F files Case No. 24995 – N/2 S/2, Sections 15 and 16 (BS) – 222H & 233H

December 13, 2024 –

- V-F files Case No. 25115 – N/2 N/2, Sections 15 and 16 (3rd BS) – 234H
- V-F files Case No. 25116 – S/2 N/2, Sections 15 and 16 (2nd BS) – 223H
- V-F files Case No. 25117 – S/2 N/2, Sections 15 and 16 (3rd BS) – 233H

****DECEMBER 15, 2024** V-F sends 2023 well proposal to Permian for S/2 (still no proposal received for N/2 N/2)**

****Around Christmas** Permian sees V-F applications for the 3rd BS (Case Nos. 25115 & 25117) (STILL no proposal received for N/2 N/2) – Permian prepares supplemental proposals to include 3rd BS and restates 2nd BS proposals to non-ops**

December 31, 2024 –

- Permian files EOA & Objection to V-F Case Nos. 25115 & 25117

January 8, 2025 –

- Permian files EOA & Objection to V-F Case Nos. 24994, 24995 & 25116

January 14, 2025 –

- Permian files Case No. 24145 – N/2 N/2, Sections 14 and 15 (3rd BS) – 131H
- Permian files Case No. 24146 – S/2 N/2, Sections 14 and 15 (3rd BS) – 132H
- Permian files Case No. 24147 – N/2 S/2, Sections 14 and 15 (3rd BS) – 133H
- Permian files Case No. 24148 – S/2 S/2, Sections 14 and 15 (3rd BS) – 134H

****JANUARY 16, 2025** V-F sends via email N/2 N/2 proposal**

January 21, 2025 –

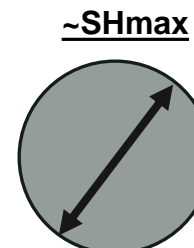
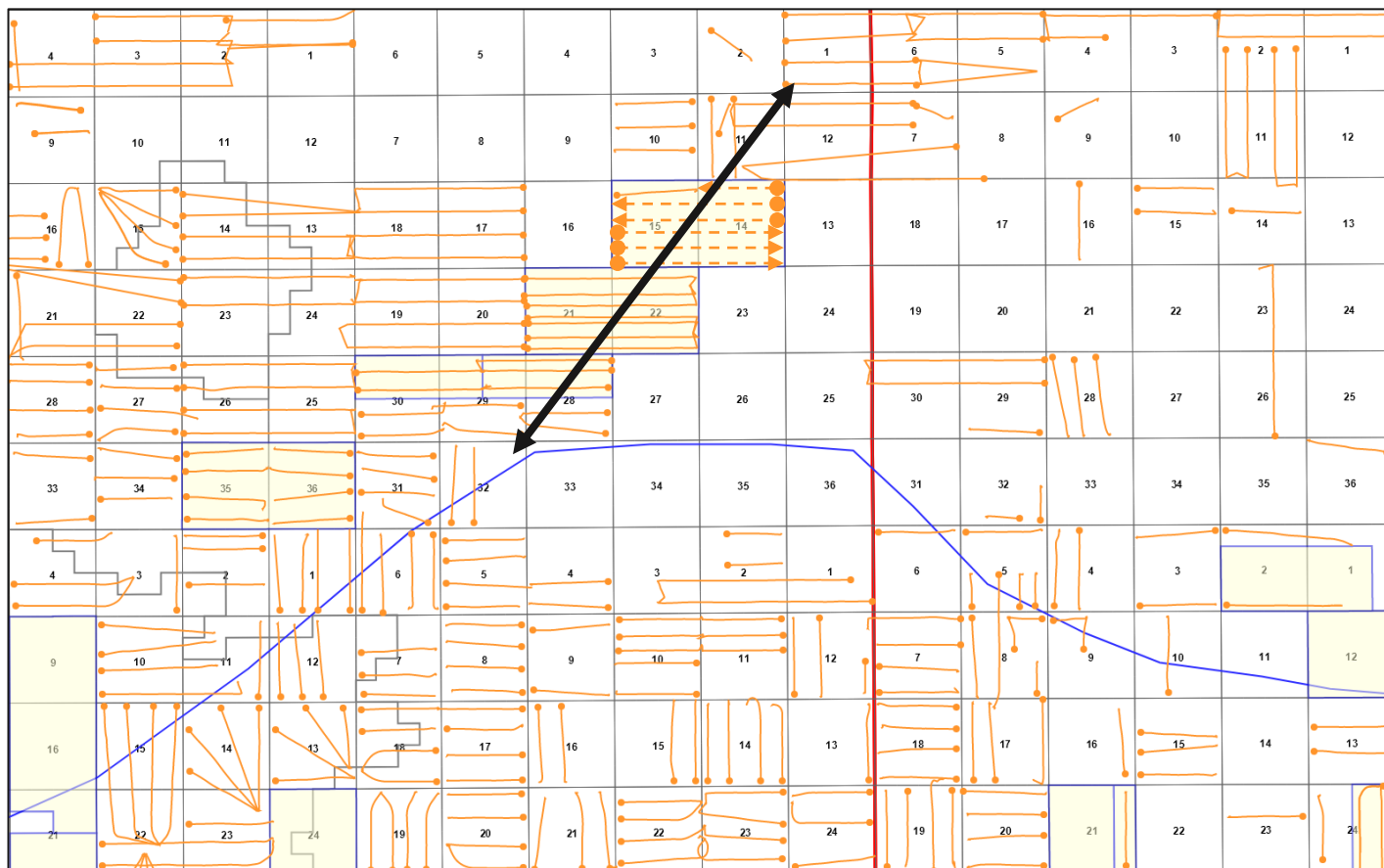
- V-F files EOA & Objection in Permian Case Nos. 24145-24148

****TO DATE** Permian has not received letter notice of pooling for Case Nos. 24994 or 24995**



Second Bone Spring Activity Map

REBUTTAL 2



Lund Shree, J.-E., and M. D. Zoback, 2022, State of stress in areas of active unconventional oil and gas development in North America, AAPG Bulletin, v. 106, no. 2 (February 2022), pp. 355-385
<https://pubs.geoscienceworld.org/aapg/aapgbull/article-abstract/106/2/355/610964/State-of-stress-in-areas-of-active-unconventional?redirectedFrom=fulltext>

Proposed Wells



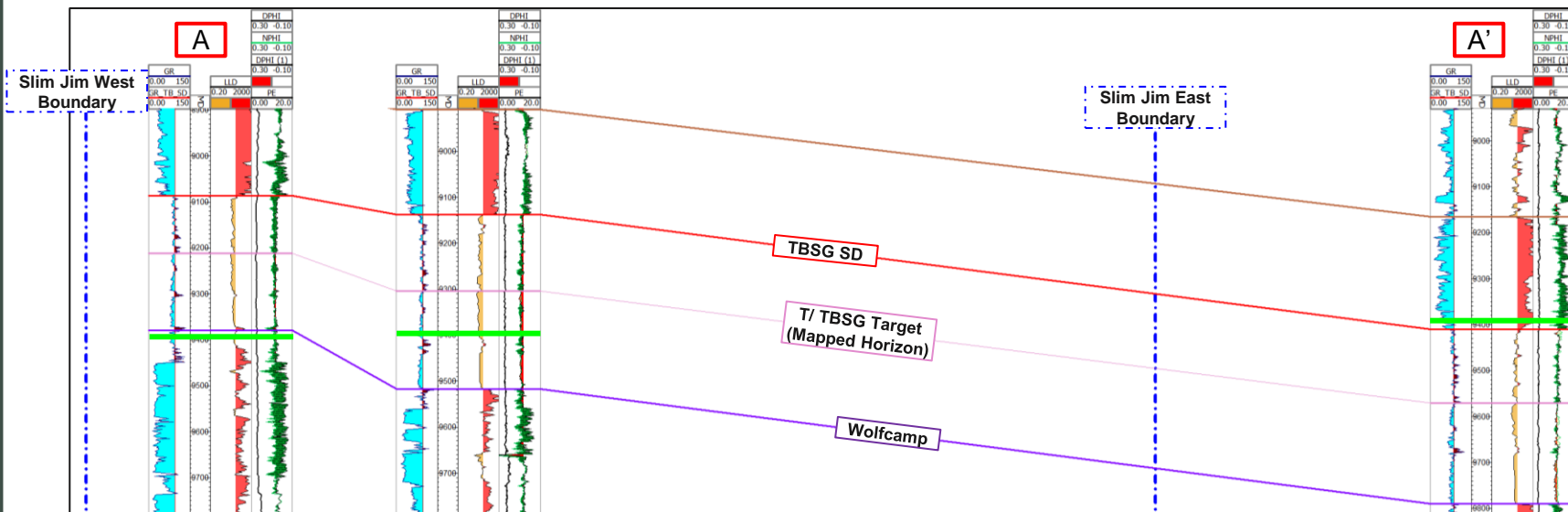
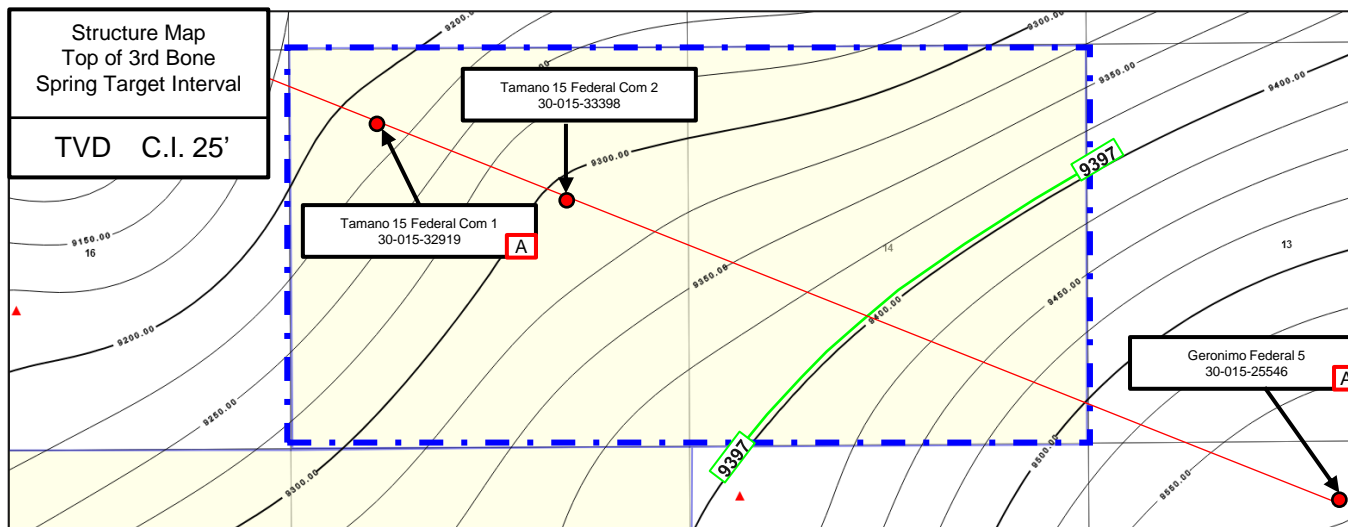
Producing Wells





REBUTTAL 2

TBSG Depth Severance Static Depth (9,397' TVD)



Permian

9,397' Depth

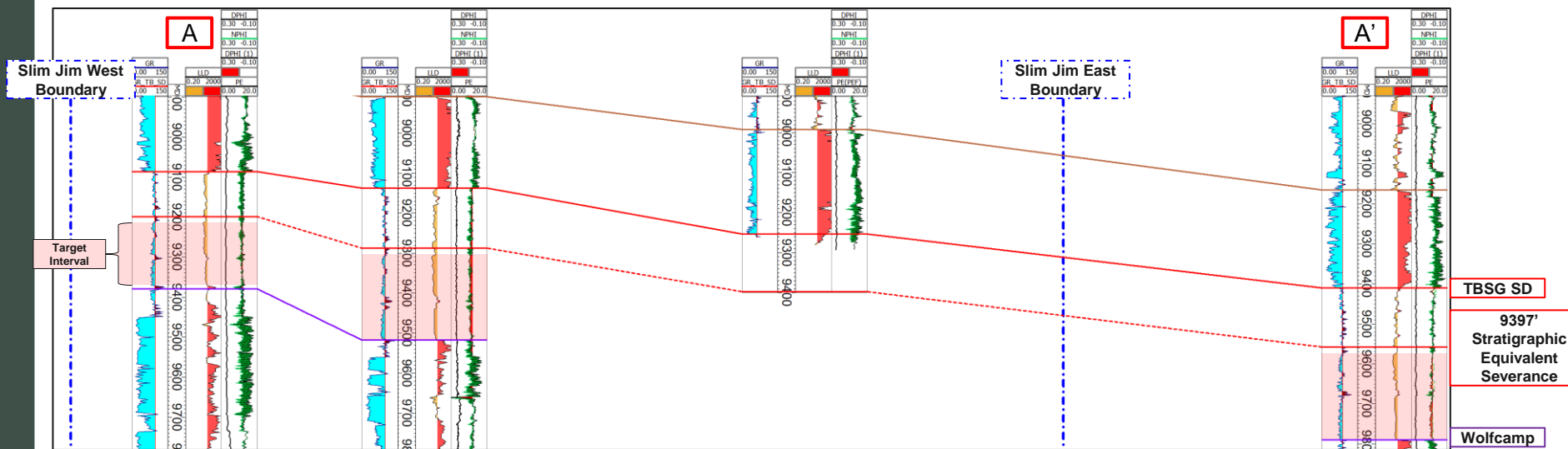
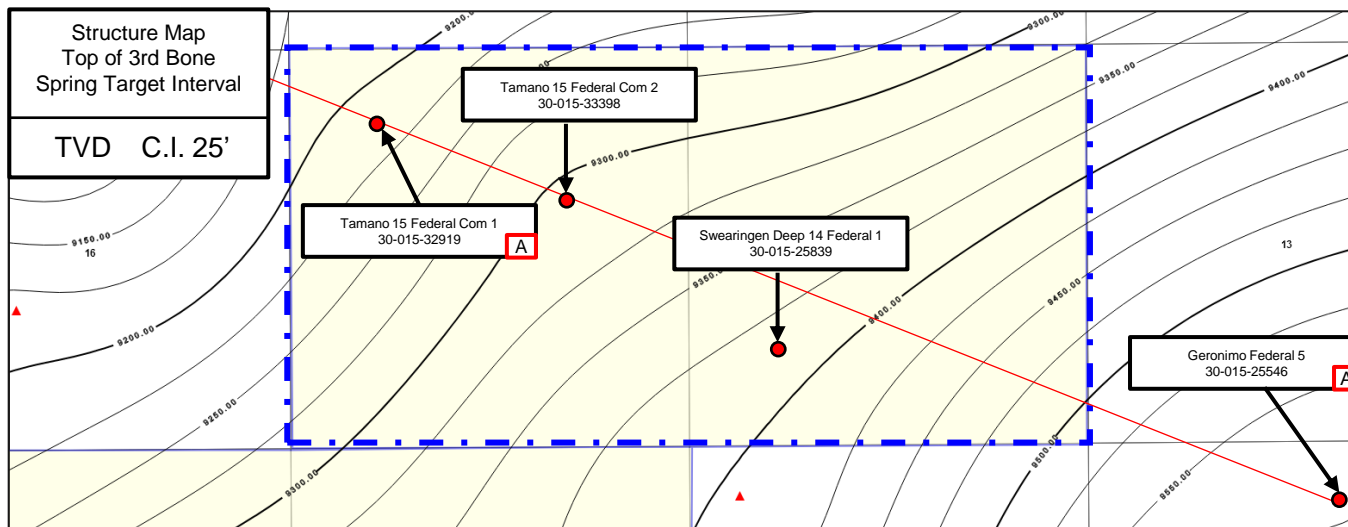
Severance



TBSG Depth Severance

Stratigraphic depth (9,397' TVD)

REBUTTAL 2



Permian 9,397' Depth