

**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

RESPONSE TO NOTICE OF INTERVENTION

Read & Stevens, Inc. and Permian Resources Operating, LLC (collectively “Permian”), hereby submits this response to Carolyn Beall’s (“Beall”) notice of intervention.

Permian does not dispute that Ms. Beall owns an interest in the NE/4 NW/4 of Section 14, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. However, Permian is

not aware of any instrument of record showing that Ms. Beall owns an interest in the S/2 NE/4, NE/4 NE/4, NW/4 NE/4, SE/4 NW/4 of Section 14, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Permian is prepared to discuss this at the February 27, 2025 continuation contested hearing.

As to the other assertions made in the motion, Ms. Beall received sufficient notice because she, in fact, entered an appearance prior to the January 28, 2025 contested hearing and had counsel present. *See Exhibit A* – Beall Entry of Appearance and Objection. Further, because the Division Hearing Examiner left the record open and continued the contested hearing to the February 27, 2025 docket, Permian’s notice in Case Nos. 25145-15148 (and the Division’s Public Notice concerning the same)¹ will be perfected or “proper” at said hearing; thus, meeting the Division’s notice requirements and timelines under 19.15.4.9 and 19.15.4.12 NMAC.

No order has been issued in Case Nos. 25145-15148 and the Division completed reasonable notice. *See* NMSA 1978, §70-2-23. Neither Ms. Beall, nor V-F Petroleum Inc., have provided a valid reason to dismiss Permian’s Case Nos. 25145-15148. If anything, the Division should strike Ms. Beall’s entry of appearance in Permian’s Case Nos. 25147 and 25148, since Ms. Beall has provided no evidence to support that she is an affected party entitled to notice or a party with standing.

¹ Posted on the Division’s website on January 24, 2025. *See Exhibit B* – Amended Docket No. 04-25.

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 February 13, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Paula M. Vance

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CASE NOS. 24994-24995 & 25116

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

CASE NOS. 25115 & 25117

**ENTRY OF APPEARANCE AND
NOTICE OF OBJECTION TO CASE NOS. 25145-25148**

Carolyn Beall, through undersigned counsel, hereby appears in Case Nos. 25145-25148, and objects to the matters proceeding to hearing on January 28, 2025. Carolyn Beall is an interested party, as a working interest owner, in Case Nos. 25145-25148 and did not receive proper notice as required by New Mexico Oil Conservation Division Rules or the New Mexico Oil and Gas Act, NMSA 1978, Section 70-2-1, *et seq.*

Respectfully submitted,



Kaitlyn A. Luck

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Taos, NM 87571

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(361) 648-1973

Attorney for Carolyn Beall

EXHIBIT

A

CERTIFICATE OF SERVICE

I certify that on this 27th of January 2025, the foregoing pleading was electronically filed by email with the New Mexico Oil Conservation Division Clerk and served on all parties of record through counsel, as follows:

Freya Tschantz, Law Clerk
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Attorneys for Read & Stevens, Inc.

/s/ Kaitlyn A. Luck

Docket No. 04-25

AMENDED DOCKET: OIL CONSERVATION DIVISION HEARINGS - Tuesday, January 28, 2025

9:00 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505
and via MS Teams (login information below)

EXHIBIT

B**Virtual Attendance:**Click [HERE](#) to be connected to the meeting.**Dial-in by phone:**

(505) 312-4308

Phone conference ID: 698 431 988#

Pre-hearing statements shall be filed no later than **9:00 a.m.**, 4 business days before the hearing and in addition to the requirements of 19.15.4.13.B(1) NMAC, shall include the following: all evidentiary exhibits, documents, affidavits, and full-written testimony of any witness a party offers at the hearing. Exhibits must be sequentially marked on every page. Failure to file a complete pre-hearing statement on time may cause the Hearing Examiner to continue the hearing and/or impose sanctions up to and including the exclusion of late-filed evidence. Evidentiary objections must be filed no later than 48 hours before the hearing. Rulings on the objections will be addressed as a preliminary matter when the case is called. All witnesses filing direct testimony shall attend the hearing and may be subject to cross-examination by Counsel and the Division's Examiners.

NOTICE: The hearing examiner may call the following cases in any order at their discretion.

	Case Number	Description
1.	24941	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 320-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Sections 14 and 15, 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 122H and Slim Jim 14-15 Fed Com 123H wells, both to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 14, with a first take point in the SE/4 NE/4 (Unit H) of Section 14, and a last take point in the SW/4 NW/4 (Unit E) of Section 15. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Permian Resources Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8.5 miles southwest of Maljamar, New Mexico. Setting: Contested Hearing Joined with Cases: 24942, 24994, 24995, 25115, 25116, 25117, 25145, 25146, 25147, 25148
2.	24942	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 640-acre, more or less, horizontal well spacing unit comprised of the S/2 of Sections 14 and 15, 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 124H and Slim Jim 14-15 Fed Com 125H wells, both to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 14, with a first take point in the NE/4 SE/4 (Unit I) of Section 14, and a last take point in the NW/4 SW/4 (Unit L) of Section 15; and Slim Jim 14-15 Fed Com 126H well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 14, with a first take point in the SE/4 SE/4 (Unit P) of Section 14, and a last take point in the SW/4 SW/4 (Unit M) of Section 15. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Permian Resources Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8.5 miles southwest of Maljamar, New Mexico.

		Setting: Contested Hearing Joined with Cases: 24941, 24994, 24995, 25115, 25116, 25117, 25145, 25146, 25147, 25148
3.	24994	Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Rainier 16-15 Fed Com #221H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; and the Rainier 16-15 Fed Com #231H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico. Setting: Contested Hearing Joined with Cases: 24941, 24942, 24995, 25115, 25116, 25117, 25145, 25146, 25147, 25148
4.	24995	Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Rainier 16-15 Fed Com #222H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; and the Rainier 16-15 Fed Com #232H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico. Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 25115, 25116, 25117, 25145, 25146, 25147, 25148
5.	25115	Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #234H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the approval of an overlapping unit involving the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

		Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 24995, 25116, 25117, 25145, 25146, 25147, 25148
6.	25116	Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #223H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico. Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 24995, 25115, 25117, 25145, 25146, 25147, 25148
7.	25117	Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #233H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico. Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 24995, 25115, 25116, 25145, 25146, 25147, 25148
8.	25145	Application of Read & Stevens, Inc. for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a 320-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Bone Spring formation, underlying the N/2 N/2 of Sections 14 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Said unit will be initially dedicated to the proposed Slim Jim 14-15 Fed Com 131H 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 15. This proposed horizontal well spacing unit will overlap the following existing spacing unit in the Bone Spring formation: • 160-acre spacing unit comprised of the N/2 N/2 of Section 15, T18S-R31E, dedicated to the Tamano 15 AD Federal 1H (API: 30-015-40868) well currently operated by Mewbourne Oil

		Company. 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. Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 24995, 25115, 25116, 25117, 25146, 25147, 25148
9.	25146	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 Third Bone Spring formation to the base of the Bone Spring formation, underlying the S/2 N/2 of Sections 14 and 15, 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 132H well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 13, with a first take point in the SE/4 NE/4 (Unit H) of Section 14, and a last take point in the SW/4 NW/4 (Unit E) of Section 15. 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. Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 24995, 25115, 25116, 25117, 25145, 25147, 25148
10.	25147	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 Third Bone Spring formation to the base of the Bone Spring formation, underlying the N/2 S/2 of Sections 14 and 15, 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 133H well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 15, with a first take point in the NW/4 SW/4 (Unit L) of Section 15, and a last take point in the NE/4 SE/4 (Unit I) 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. Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 24995, 25115, 25116, 25117, 25145, 25146, 25148
11.	25148	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 Third Bone Spring formation to the base of the Bone Spring formation, underlying the S/2 S/2 of Sections 14 and 15, 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 134H well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 15 with a first take point in the SW/4 SW/4 (Unit M) of Section 15, and a last take point in the SE/4 SE/4 (Unit P) 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. Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 24995, 25115, 25116, 25117, 25145, 25146, 25147