

**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 9,397 feet total vertical depth, underlying a standard 960-acre, more or less, horizontal well spacing unit comprised of the S/2 of Sections 14, 15, and 16, 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 Federal Com 123H** well, to be horizontally drilled from a surface location in the SE/4 of Section 14, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 16; and **Slim Jim 14-15 Federal Com 125H** and **Slim Jim 14-15 Federal Com 144H** wells, both to be horizontally drilled from surface locations in the SE/4 of Section 14, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 16.

4. The completed interval of the **Slim Jim 14-15 Federal Com 125H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

5. 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, measured from the top of the Bone Spring formation, seen at 6,040 feet total vertical depth, to 9,397 feet total vertical depth, 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.

6. 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.

7. 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 October 9, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal well spacing unit and approving the initial wells thereon;

- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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

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 9,397 feet total vertical depth, underlying a standard 960-acre, more or less, horizontal well spacing unit comprised of the S/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Slim Jim 14-15 Federal Com 123H** well, to be horizontally drilled from a surface location in the SE/4 of Section 14, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 16; and **Slim Jim 14-15 Federal Com 125H** and **Slim Jim 14-15 Federal Com 144H** wells, both to be horizontally drilled from surface locations in the SE/4 of Section 14, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 16. The completed interval of the **Slim Jim 14-15 Federal Com 125H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. 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.