

**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

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

CASE NOS. 25145-25148

**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

CARLOYN BEALL'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by an affected party in Case Nos. 25145-25146, as required by Division rules.

APPEARANCES

APPLICANTS

V-F Petroleum, Inc.

Permian Resources Operating, LLC/Read & Stevens, Inc. ("Permian")

ATTORNEY

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, New Mexico 87504

mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

AFFECTED PARTIES

Carolyn Beall

Kaitlyn A. Luck
P.O. Box 483
Taos, NM 87571
kaitlyn.luck@outlook.com
(361) 648-1973

STATEMENT OF THE CASE

Carolyn Beall (“Beall”) files this pre-hearing statement as a working interest owner in the Third Bone Spring formation whose interest has not been properly pooled. Beall did not receive proper nor sufficient notice for Case No. 25145 nor Case No. 25146 prior to the hearing that began on January 28, 2025. The notice of hearing letter she received from Permian’s counsel dated January 24, 2025, was sent only 4 days before the hearing date, and Beall did not receive it until January 27, 2028, the day before the hearing date. Furthermore, the OCD did not post public notice of the cases until January 24, 2025, only four days before the scheduled hearing. As a result, Beall did not have sufficient time to review or prepare for the hearing on January 28, 2025, and is currently reviewing her interests and the status of her correlative rights and interests under Permian’s proposed development plan.

Beall owns working interest in the upper part of the Third Bone Spring, from the top of the Third Bone Spring formation to a depth of 9,290 feet, as reflected in her *Notice of Ownership Interest and Objection to Case Nos. 25145 and 25146*, filed on February 6, 2025.

Permian’s Pooling Application in the Subject Case states that Permian proposes to create a 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 [Subject Lands], and “pooling all uncommitted interests in this acreage.” See, Permian’s Pooling Application for Case No. 25145; Permian’s Compulsory Pooling Checklists for Case No. 25145 (filed Jan. 27, 2025).

Contradicting the language of its pooling application, Permian’s Landman Exhibit indicates that Permian will be pooling and drilling the interval of the Third Bone Spring from a depth of 9,397 feet to the base of the Third Bone Spring, approximately the lower third of Third Bone Spring. See Permian’s Compulsory Pooling Checklist for Case No. 25145 (filed Jan. 27, 2025); Permian’s Exhibit C, Self-Affirmed Statement of Travis Macha, ¶ 7.

Permian's expert witnesses in geology and engineering acknowledge that since there is no geological barrier between the severed intervals, Permian's proposed well in the lower part of the Third Bone Spring will produce the upper part of the Third Bone Spring; therefore, Permian's proposed well in the Third Bone Spring will produce Beall's interests without payment or compensation.

Beall intends to present evidence of her ownership in the Third Bone Spring and her requested allocation from the pooled and produced Third Bone Spring units in these cases.

PROPOSED EVIDENCE

WITNESSES

Jordan Shaw

EST. TIME

30 min.

EXHIBITS

(1) Land Ownership
(2) Allocation

PROCEDURAL MATTERS

Beall respectfully requests, as follows:

- a. that the Division enter a written order requiring Permian/Read & Stevens to either:
 - i. appropriately pool Beall's interest in the Third Bone Spring; or
 - ii. provide for appropriate allocation of the minerals in the formation to be pooled, including the depths above the pooled interval to protect Beall's correlative rights;
- b. that the Division either timely deny Beall's request herein or provide a written order in a timely manner that would allow a party to exercise her right of appeal within the prescribed 30 days.

Respectfully submitted,



Kaitlyn A. Luck

P.O. Box 483

Taos, NM 87571

kaitlyn.luck@outlook.com

(361) 648-1973

Attorney for Carolyn Beall

CERTIFICATE OF SERVICE

I certify that on this 20th of February 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
Freya.Tschantz@emnrd.nm.gov
OCD.Hearings@emnrd.nm.gov
Law Clerk, EMNRD-Oil Conservation Division

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com
Attorneys for V-F Petroleum, Inc.

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, New Mexico 87504
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com
Attorneys for Read & Stevens, Inc.

/s/ Kaitlyn A. Luck