

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

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

CASE NOS. 23524–23527

READ & STEVENS, INC'S CONSOLIDATED PRE-HEARING STATEMENT

Read & Stevens, Inc (“Read & Stevens” or “Applicant”), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Read & Stevens, Inc.
 (“Read & Stevens”)

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APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, Read & Stevens seeks orders (a) approving a standard overlapping horizontal well spacing unit and (b) pooling all uncommitted mineral interests in the Bone Spring formation (Teas; Bone Spring [58960]) underlying the referenced acreage all in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case No. 23524**, Read & Stevens seeks to pool a standard 320.95-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the Lot 4, SW/4 NW/4 and the W/2 SW/4 of Section 3, and the W/2 W/2 of Section 10, and initially dedicate this Bone Spring spacing unit to the proposed **Riddler 3-10 Federal Com 111H, Riddler 3-10 Federal Com 121H, and Riddler 3-10 Federal Com 122H** wells, all to be horizontally drilled from a surface location in Lot 3 of Section 3 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10. This 320.95-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160.95-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Section 3, Township 20 South, Range 34 East, dedicated to the North Lea 3 Fed Com #4H (API: 30-025-42684).
- Under **Case No. 23525**, Read & Stevens seeks to pool a standard 320.85-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the Lot 3, SE/4 NW/4 and the E/2 SW/4 of Section 3, and the E/2 W/2 of Section 10, and initially dedicate this Bone Spring spacing unit to the proposed **Riddler 3-10 Federal Com 112H, Riddler 3-10 Federal Com 123H, and Riddler 3-10 Federal Com 124H** wells, all to be horizontally drilled from a surface location in Lot 3 of Section 3 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 10. This 320.85-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:
 - 160-acre, more or less, horizontal well spacing unit comprised of the E/2 W/2 of Section 3, Township 20 South, Range 34 East, dedicated to the North Lea 3 Fed Com #3H (API: 30-025-42228).
- Under **Case No. 23526**, Read & Stevens seeks to pool a standard 320.75-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the Lot 2, SW/4 NE/4 and the W/2 SE/4 of Section 3, and the W/2 E/2 of Section 10, and initially dedicate this Bone Spring spacing unit to the proposed **Riddler 3-10 Federal Com 113H, Riddler 3-10 Federal Com 125H, and Riddler 3-10 Federal Com 126H** wells, all to be horizontally drilled from a surface location in Lot 1 of Section 3 to a bottom hole location in the SW/4 SE/4

(Unit O) of Section 10. This 320.75-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 3, Township 20 South, Range 34 East, dedicated to the North Lea 3 Fed Com #2H (API: 30-025-42227); and
 - 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 10, Township 20 South, Range 34 East, dedicated to the North Lea 10 Fed Com #2H (API: 30-025-43680).
- Under **Case No. 23527**, Read & Stevens seeks to pool a standard 320.65-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the Lot 1, SE/4 NE/4 and the E/2 SE/4 of Section 3, and the E/2 E/2 of Section 10, and initially dedicate this Bone Spring spacing unit to the proposed **Riddler 3-10 Federal Com 114H, Riddler 3-10 Federal Com 127H, and Riddler 3-10 Federal Com 128H** wells, all to be horizontally drilled from a surface location in Lot 1 of Section 3 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10. This 320.65-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:
 - 160-acre, more or less, horizontal well spacing unit comprised of the E/2 E/2 of Section 3, Township 20 South, Range 34 East, dedicated to the North Lea 3 Fed Com #1H (API: 30-025-42080); and

- o 160-acre, more or less, horizontal well spacing unit comprised of the E/2 E/2 of Section 10, Township 20 South, Range 34 East, dedicated to the North Lea 10 Fed Com #1H (API: 30-025-43679).

The completed interval for each of the wells will meet the statewide setbacks for oil wells. Read & Stevens has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Travis Macha, Landman	Self-Affirmed Statement	Approx. 5
Ira Bradford, Geologist	Self-Affirmed Statement	Approx. 7

PROCEDURAL MATTERS

Read & Stevens requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR READ & STEVENS, INC.

CERTIFICATE OF SERVICE

I hereby certify that on May 25, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 220891

QUESTIONS

Operator: Permian Resources Operating, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 220891
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>