

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

**APPLICATION OF READ &  
STEVENS, INC. FOR A  
HORIZONTAL SPACING AND  
PRORATION UNIT AND  
COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 16503**

**READ & STEVENS, INC.'S PRE-HEARING STATEMENT**

Read & Stevens, Inc. ("Read & Stevens") submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Read & Stevens, Inc.

**ATTORNEY**

Earl E. DeBrine, Jr.  
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**STATEMENT OF CASE**

**APPLICANT:**

Read & Stevens seeks an order from the Division: (1) creating a 160-acre, more or less, horizontal spacing and proration unit covering the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **North**

Lea 3 Federal Com #4H well, being horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Read & Stevens as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles west of Hobbs, New Mexico.

### **PROPOSED EVIDENCE**

#### **APPLICANT:**

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Mark Compton– Landman	Approx. 15	Approx. 4
Norman Lovan – Geologist	Approx. 15	Approx. 6

#### **OPPONET:**

As of the time of the filing of this Pre-Hearing Statement, no party has entered an appearance and therefore, Read & Stevens intends to present its case by affidavit in accordance with Division rules and precedent.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: 

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