

**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

NOTICE OF INTERVENTION IN CASE NOS. 25145-25146

Carolyn Beall (“Beall”), by and through undersigned counsel, submits this *Notice of Intervention* with the New Mexico Oil Conservation Division (“Division” or “OCD”) in Case Nos. 25145 and 25146 that has been consolidated with the remaining above-referenced for a contested hearing that began on January 28, 2025, and will continue on February 27, 2025.

In support of her intervention, Beall states as follows:

1. 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.
2. 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.

3. 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.

4. 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).

5. 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.

6. 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.

7. Because Permian will be taking production from Beall's interests, Beall opposes Permian's application.

8. Permian sent a notice letter to Beall on January 24, 2025, which she received on January 27, 2025, one day before the hearing. Beall made an entry of appearance in the

contested cases based on the notice Permian provided.

9. However, Permian's notice was not timely, and Beall did not have sufficient time to evaluate the status of her interest in relation to Permian's proposed spacing unit and interval in the Third Bone Spring to be pooled. Upon review of Beall's interests and correlative rights, an intervention may be more appropriate as the basis for Beall's appearance in the cases rather than an entry of appearance, and therefore, Beall submits this notice of intervention as a precaution should Beall's entry of appearance based on Permian's notice letter not be sufficient.

10. Under the Division's Pre-hearing Order, Pre-hearing Statements were due on the morning of January 21, 2025. Beall did not receive notice until January 27, 2025, and therefore, she was not able to meet the deadline for an intervention. *See* 19.15.4.11 NMAC.

11. Since notice did not allow her time to meet the deadline, Beall respectfully submits that this notice of intervention is timely given the continued hearing to February 27, 2025. *See* 19.15.4.11(B) NMAC (permitting later intervention where intervenor's participation will contribute substantially to the protection of correlative rights).

12. Because Permian's proposed well in the lower part of the Third Bone Spring will produce Beall's interests without payment, and because Permian does not provide an allocation formula for the oil and gas it will be producing from the Third Bone Spring, Beall's correlative rights in the upper part of the Third Bone Spring will not be protected.

13. Thus, the Division should allow Beall's intervention to protect her correlative rights because her interests will be produced by Permian's well below the severance.

14. Beall has standing to intervene because Beall was provided notice as a vertical offset to these cases.

15. If Permian's development plan is approved, Beall's interests will be produced

without Beall receiving her just and equitable share of production, which is a violation of her correlative rights; thus, she will suffer an injury in fact.

16. For the foregoing reasons, Beall respectfully requests that the Division accept her *Notice of Intervention* for Case No. 25145 and 25146.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I certify that on this 6th 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:

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