

Warnell  
July 24  
Docket 24-08

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

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

APPLICATION OF READ & STEVENS, INC. FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO. APPLICANT SEEKS AN ORDER POOLING  
ALL MINERAL INTERESTS FROM THE SURFACE TO THE BASE OF THE  
MORROW FORMATION UNDERLYING THE FOLLOWING DESCRIBED  
ACREAGE IN SECTION 5, TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM,  
AND IN THE FOLLOWING MANNER: LOTS 1-4 AND THE S/2 N/2 (THE N/2  
EQUIVALENT) TO FORM A STANDARD 320.20-ACRE GAS SPACING AND  
PRORATION UNIT FOR ANY AND ALL FORMATIONS OR POOLS  
DEVELOPED ON 320-ACRE SPACING WITHIN THAT VERTICAL EXTENT,  
INCLUDING THE UNDESIGNATED QUAIL RIDGE-MORROW GAS POOL;  
AND LOTS 3, 4, AND THE S/2 NW/4 (THE NW/4 EQUIVALENT) TO FORM A  
STANDARD 160.05-ACRE GAS SPACING AND PRORATION UNIT FOR ANY  
AND ALL FORMATIONS OR POOLS DEVELOPED ON 160-ACRE SPACING  
WITHIN THAT VERTICAL EXTENT. THE UNITS ARE TO BE DEDICATED  
TO THE HIGHWAY 5 FED. COM. WELL NO. 1, TO BE DRILLED AT AN  
ORTHODOX LOCATION IN LOT 4 (THE NW/4 NW/4) OF SECTION 5. ALSO  
TO BE CONSIDERED WILL BE THE COST OF DRILLING AND  
COMPLETING THE WELL AND THE ALLOCATION OF THE COST  
THEREOF, AS WELL AS ACTUAL OPERATING COSTS AND CHARGES FOR  
SUPERVISION, DESIGNATION OF APPLICANT AS OPERATOR OF THE  
WELL, AND A 200% CHARGE FOR THE RISK INVOLVED IN DRILLING  
AND COMPLETING THE WELL. THE UNITS ARE LOCATED  
APPROXIMATELY 18-1/2 MILES WEST-SOUTHWEST OF MONUMENT,  
NEW MEXICO. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE  
TAKEN UNDER ADVISEMENT.

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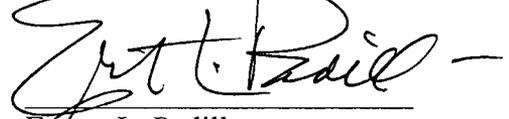
Case No: 14152

ENTRY OF APPEARANCE

Ernest L. Padilla, Padilla Law Firm, P.A., hereby enters his appearance on behalf  
of ARD Oil, LTD and Edward R. Hudson Testamentary Trust 4, Mary Hudson Ard,  
Trustee, in the above captioned matter.

Respectfully submitted,

PADILLA LAW FIRM, P.A.



Ernest L. Padilla

Post Office Box 2523

Santa Fe, New Mexico 87504

(505) 988-7577

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 18<sup>th</sup> day of July, 2008 by facsimile transmission to (505) 982-2151:

James Bruce  
Attorney at Law  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043



Ernest L. Padilla

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

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Case No: 14152

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by ARD Oil, LTD and Edward R. Hudson Testamentary Trust 4, Mary Hudson Ard, Trustee, by and through their undersigned counsel, Ernest L. Padilla, Padilla Law Firm, P.A. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

ATTORNEY

APPLICANT:

READ & STEVENS, INC.

James Bruce  
Attorney at Law  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

OPPOSITON OR OTHER PARTY:

ARD Oil, LTD, and Edward R. Hudson Testamentary  
Trust 4, Mary Hudson Ard, Trustee

Ernest L. Padilla  
Padilla Law Firm  
Post Office Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577

**STATEMENT OF CASE**

APPLICANT:

OPPOSITION OR OTHER PARTY:

The applicant seeks to force pool all mineral interests from the surface to the base of the Morrow formation. Because of diverse ownership between shallower and deeper producing horizons, the applicant should be required to provide an allocation of costs for the drilling and completion of the well for each owner.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Unknown

OPPOSITION

WITNESSES

EST. TIME

EXHIBITS

Ronald E. Grappe

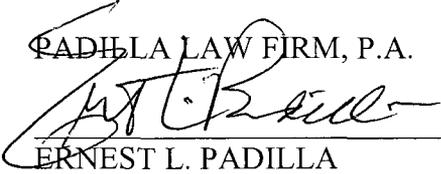
15 – 20 minutes

None anticipated

**PROCEDURAL MATTERS**

(Please identify any procedural matters which need to be resolved prior to hearing.)

None

  
PADILLA LAW FIRM, P.A.

ERNEST L. PADILLA

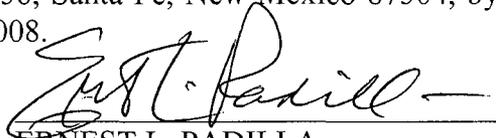
P.O. Box 2523

Santa Fe, New Mexico 87504-2523

(505) 988-7577

**CERTIFICATE OF SERVICE**

I hereby certify that I caused a copy of this Pre-Hearing Statement to be served upon James Bruce, Attorney at Law, P.O. Box 1056, Santa Fe, New Mexico 87504, by facsimile at (505) 982-2151 this 18<sup>th</sup> day of July, 2008.

  
ERNEST L. PADILLA