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**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

August 21, 2007


Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Case 13993

Dear Florene:

Enclosed for filing, on behalf of Read & Stevens, Inc., are an original and one copy of an application to limit spacing rules, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the September 20, 2007 Examiner hearing. Thanks.

Very truly yours,

  
James Bruce

Attorney for Read & Stevens, Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF READ & STEVENS, INC.  
TO LIMIT THE WELL SPACING RULES OF  
THE LEA-PENNSYLVANIAN GAS POOL TO  
ITS CURRENT HORIZONTAL EXTENT,  
LEA COUNTY, NEW MEXICO.

Case No. 13993

APPLICATION

Read & Stevens, Inc. applies for an order limiting the well spacing rules of the Lea-Pennsylvanian Gas Pool (the "Pool") to its current horizontal extent, and in support thereof, states:

1. Applicant is a working interest owner in the Pool.
2. The Pool was created by Commission Order No. R-2101, dated November 1, 1961, and currently covers the following lands in Lea County, New Mexico:

Township 20 South, Range 34 East, N.M.P.M.

Section 2:	E½
Section 3:	S½
Section 4:	E½
Section 9:	E½
Sections 10-14:	All
Section 24:	All
Section 25:	N½

3. The Commission's statewide rules in effect upon the creation of the Pool provided for 160 acre spacing for Pennsylvanian gas pools. Those rules still apply to the Pool.
4. Applicant requests that the well spacing rules for the Pool be limited to acreage currently within the designated horizontal extent of the Pool, so that future development in the area outside of the above-described area is governed by the Division's statewide rules.
5. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the relief requested above be granted

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Read & Stevens, Inc.

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

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

**APPLICATION OF READ & STEVENS, INC.  
TO LIMIT THE WELL SPACING RULES OF  
THE LEA-PENNSYLVANIAN GAS POOL TO  
ITS CURRENT HORIZONTAL EXTENT,  
CHAVES COUNTY, NEW MEXICO.**

**Case No. 13,993**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Read & Stevens, Inc.  
Suite 1000  
400 North Pennsylvania  
Roswell, New Mexico 88201

Attention: John Maxey  
(505) 622-3770

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order limiting the well spacing rules of the Lea-Pennsylvanian Gas Pool to acreage currently within the designated horizontal extent of the pool. The pool is developed on 160 acre spacing. The pool covers all or parts of Sections 2-4, 9-14, 24, and 25, Township 20 South, Range 34 East, NMPM.

**OPPONENT**

WJS 9/10/07

**PROPOSED EVIDENCE****APPLICANT****WITNESSES**

John Maxcy  
(engineer)

**EST. TIME**

20 min.

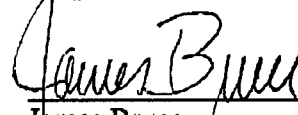
**EXHIBITS**

Approx. 5

**OPPONENT****WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

Applicant requests entry of an expedited order in this matter, due to certain lease expiration deadlines with which it must comply in order to form a 320 acre well unit.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Read & Stevens, Inc.