State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary

Dylan M. Fuge Deputy Secretary **Dylan M. Fuge, Director**Oil Conservation Division (Acting)



Ms. Paula M. Vance pmvance@hollandhart.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8676

XTO Permian Operating, LLC [OGRID 373075] Poker Lake Unit 21 DTD Well No. 176H API No. 30-015-50199

Reference is made to your application received on October 25th, 2023.

Proposed Location

| | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|---------------------|----------|------|------|-------|--------|
| Surface | 1127 FNL & 1396 FEL | В | 21 | 24S | 30E | Eddy |
| First Take Point | 100 FSL & 550 FEL | P | 21 | 24S | 30E | Eddy |
| Last Take Point | 100 FNL & 550 FEL | Α | 33 | 23S | 30E | Eddy |
| Terminus | 50 FNL & 550 FEL | A | 33 | 23S | 30E | Eddy |

Proposed Horizontal Spacing Units (HSU)

| Description | Acres | Pool | Pool Code |
|----------------------------|--------|---------------------------|-----------|
| E/2 Section 16, T24S, R30E | 960.75 | Purple Sage; Wolfcamp | 98220 |
| E/2 Section 09, T24S, R30E | | | |
| E/2 Section 04, T24S, R30E | | | |
| E/2 Section 33, T23S, R30E | 320 | WC-015 1220S16 J Wolfcamp | 98268 |

The proposed Horizontal Spacing Unit consists of a total acreage area of 1280.75-acres. The unorthodox location pertains to the lateral portion of the perforated zone (HSU) within the WC-015 1220S16 J Wolfcamp Pool (No. 98268) pool/formation. You have requested to drill this horizontal well at an unorthodox well location described above in the referenced proposed horizontal spacing units. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal **gas** well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 660 feet for a **gas** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal well shall be no

Administrative Order NSL - 8676 XTO Permian Operating, LLC Page 2 of 2

closer than 330 feet for a gas in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

This well's completed interval is as close as 100 feet to the northern edge of the horizontal spacing unit, exterior to the Poker Lake Unit. Encroachment will impact the following tracts.

Section 28, encroachment to the SE/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location in order to maximize recovery. Therefore, preventing waste within the WC-015 2330S16 J; Wolfcamp formation underlying the E/2 Section 33, T23S, R30E.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, Division approves this unorthodox location.

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

Date: 12/21/23

DYLAN M. FUGE

Division Director (Acting)

DMF/lrl

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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**

CONDITIONS

Action 297935

CONDITIONS

| Operator: | OGRID: |
|----------------------------|--|
| XTO PERMIAN OPERATING LLC. | 373075 |
| 6401 HOLIDAY HILL ROAD | Action Number: |
| MIDLAND, TX 79707 | 297935 |
| | Action Type: |
| | [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| Created By | Condition | Condition Date |
|---------------|-----------|----------------|
| llowe | None | 12/27/2023 |