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

APPLICATION OF XTO ENERGY INC. TO POOL AN ADDITIONAL INTEREST OWNER UNDER THE TERMS OF ORDER R-21088, EDDY COUNTY, NEW MEXICO.

CASE NO. ____ORDER NO. R-21088 (Re-opened)

APPLICATION

XTO Energy Inc. ("XTO" or "Applicant") (OGRID No. 5380), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to pool additional mineral interest owners under the terms of Order No. R-21088. In support of its application, XTO states:

- 1. Division Order No. R-21088, entered on February 12, 2020, in Case No. 20826, created a 1280-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 32, Township 24 South, Range 29 East, all of Section 5, and the N/2 of Section 8, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Applicant as the operator of the Unit. Order No. R-21088 further pooled the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (Pool Code 98220)) in the Unit, and dedicated the Unit to the following initial wells:
 - The Corral Canyon 8-32 Fed #161H well, the Corral Canyon 8-32 Fed #121H well, the Corral Canyon 8-32 Fed #102H well, the Corral Canyon 8-32 Fed #162H well, the Corral Canyon 8-32 Fed #122H well to be drilled from common surface hole locations in NW/4 SW/4 (Unit L) of Section 8, to bottom hole locations in the NW/4 SW/4 (Unit L) Section 32.
 - The Corral Canyon 8-32 Fed #163H well, the Corral Canyon 8-32 Fed #103H well, the Corral Canyon 8-32 Fed #124H well, the Corral

Canyon 8-32 Fed #104H well, the Corral Canyon 8-32 Fed #164H well to be drilled from common surface hole locations in NE/4 SW/4 (Unit K) of Section 8, to bottom hole locations in the NE/4 SW/4 (Unit K) Section 32.

- The Corral Canyon 8-32 Fed #125H well, the Corral Canyon 8-32 Fed #165H well, the Corral Canyon 8-32 Fed #105H well, the Corral Canyon 8-32 Fed #166H well to be drilled from common surface hole locations in NW/4 SE/4 (Unit J) of Section 8, to bottom hole locations in the NW/4 SE/4 (Unit J) Section 32.
- The Corral Canyon 8-32 Fed #167H well, the Corral Canyon 8-32 Fed #127H well, the Corral Canyon 8-32 Fed #108H well, the Corral Canyon 8-32 Fed #108H well, the Corral Canyon 8-32 Fed #107H well to be drilled from common surface hole locations in NE/4 NE/4 (Unit A) of Section 8, to bottom hole locations in the NE/4 SE/4 (Unit I) Section 32.
- 2. Since the entry of Order No. R-21088, Applicant has determined that there are additional mineral interest owners in the Unit who were not provided notice of the November 14, 2019, compulsory pooling hearing in Case No. 20826, and as a result, whose interests were not pooled by the terms of Order No. R-21088.
- 3. The pooling of the additional mineral interest owners under the terms of Order No. R-21088 will prevent waste, will protect correlative rights, and will promote administrative efficiency.
- 4. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional mineral interest owners should be pooled in the Unit pursuant to the terms of Order No. R-21088.
- 5. In order to provide proper notice to these additional mineral owners and to bring their interests under the terms of Order No. R-21088, Applicant requests that this case called for hearing at the next available examiner docket.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 14, 2020, and after notice and hearing as required by law, the Division pool the additional mineral interest owners pursuant to the terms of Order No. R-21088.

Respectfully submitted,

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