

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

**APPLICATION OF WPX ENERGY
PERMIAN, LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

WPX Energy Permian, LLC (“WPX” or “Applicant”) (OGRID No. 246289) files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation [Purple Sage Wolfcamp Gas Pool (Pool Code 98220)], underlying a standard 761.71-acre, more or less, standard horizontal spacing unit comprised of E/2 of Sections 22, 27, and irregular Section 34, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, WPX states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Horn 22-27-34 Fed Com 414H**, the **Horn 22-27-34 Fed Com 423H**, and the **Horn 22-27-34 Fed Com 424H** wells, to be horizontally drilled from a common surface hole location in NW/4 SE/4 (Unit B) of Section 22 to bottom hole locations in the SW/4 SE/4 (Lot 11) of Section 34; and
- The **Horn 22-27-34 Fed Com 415H**, and the **Horn 22-27-34 Fed Com 425H** wells, to be horizontally drilled from a common surface hole location in NW/4 SE/4 (Unit B) of Section 22 to bottom hole locations in the SE/4 SE/4 (Lot 12) of Section 34.

3. The completed interval for the proposed wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage Wolfcamp Gas Pool.

4. Applicant has sought and been unable to obtain a voluntary agreement governing the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.


6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal spacing unit and wells.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 8, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells;
- B. Designating applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing applicant to recover its costs of drilling, equipping and completing the wells;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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