

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

**APPLICATION OF XTO ENERGY INC.
FOR APPROVAL OF A NON-STANDARD
WELL LOCATION, LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

XTO Energy Inc. ("XTO" or "Applicant") (OGRID No. 005380), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-1(B)(10), for an order approving a non-standard well location.

In support of its application, XTO states:

1. Attached is a complete non-standard well location application that contains all the information necessary for approval and that was filed with the Division for administrative approval on February 17, 2023. *See* NSL- 8539 (APP No: pLEL2304852486), attached as **Exhibit A**, and incorporated herein.

2. XTO drilled the **Outrider 27 Fed #510H** (API No.: 30-025-50233), but the well is not yet producing. The spacing unit for this Wolfcamp (oil) well is comprised of a 360-acre, more or less, horizontal well spacing unit underlying the SW/4 SW/4 of Section 15 and the W/2 W/2 of Sections 22 and 27, Township 24 South, Range 32 East, Lea County, New Mexico.

3. A portion of the as-drilled interval for this well is unorthodox because a part of the interval is more than 50 feet from its projected location and closer than the standard offsets to the eastern boundary of the spacing unit.

4. The administrative application was protested by Apache Corporation. XTO therefore requests that its application be set for hearing pursuant to 19.15.4.12(E) NMAC and 19.15.15.13(E) NMAC.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 6, 2023, and, after notice and hearing as required by law, the Division enter an order approving this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
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Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
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jbroggi@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR XTO ENERGY INC.

CASE _____: **Application of XTO Energy Inc. for Approval of a Non-Standard Well Location, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order approving a non-standard location well location. XTO drilled the **Outrider 27 Fed #510H** (API No.: 30-025-50233), but the well is not yet producing. The spacing unit for this Wolfcamp (oil) well is comprised of a 360-acre, more or less, horizontal well spacing unit underlying the SW/4 SW/4 of Section 15 and the W/2 W/2 of Sections 22 and 27, Township 24 South, Range 32 East, Lea County, New Mexico. A portion of the as-drilled interval for this well is unorthodox because a part of the interval is more than 50 feet from its projected location and closer than the standard offsets to the eastern boundary of the spacing unit. Said area is located approximately 25 miles east of Malaga, New Mexico.

Revised March 23, 2017

ID NO. 187587

NSL - 8539

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2304852486
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: XTO Energy Inc. **OGRID Number:** 005380
Well Name: Outrider 27 Fed #510H **API:** 30-025-50233
Pool: WC-025 G-08 S243217P; UPR WOLFCAMP **Pool Code:** 98248

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☒ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Paula M Vance

Print or Type Name

Signature

2/17/23

Date

505-988-4421

Phone Number

pmvance@hollandhart.com

e-mail Address



Paula M. Vance
Associate Attorney
Phone (505) 954-7286
 PMVance@hollandhart.com

February 17, 2023

VIA ONLINE FILING

Dylan Fuge, Division Director (Acting)
 Oil Conservation Division
 Energy, Minerals and Natural
 Resources Department
 1220 South Saint Francis Drive
 Santa Fe, New Mexico 87505

Re: XTO Energy Inc.
Request for Administrative Approval of Unorthodox Well Location

Outrider 27 Fed #510H well
 SW/4 SW/4 of Section 15 and the W/2 W/2 of Sections 22 and 27, T24S-R32E
 Lea County, New Mexico
 WC-025 G-08 S243217P; UPR WOLFCAMP, [98248]
 API No. 30-025-50233

Dear Mr. Fuge:

XTO Energy Inc. (OGRID No. 005380), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the WC-025 G-08 S243217P; UPR WOLFCAMP [98248], seeks administrative approval of an unorthodox well location for its **Outrider 27 Fed #510H well** (API No. 30-025-50233), in a 360-acre, more or less, spacing unit underlying the SW/4 SW/4 of Section 15 and the W/2 W/2 of Sections 22 and 27, Township 24 South, Range 32 East, Lea County, New Mexico.

The location of the **Outrider 27 Fed #510H oil well** is as follows:

- Surface location: 396' FSL and 1,029' FEL (Unit P) of Section 28
- First take point: 100' FSL and 987' FWL (Unit M) of Section 27
- Last take point: 1,219' FSL and 1,006' FWL (Unit M) of Section 15
- Bottom hole location: 1,306' FSL and 1,005' FWL (Unit M) of Section 15

Since this acreage is governed by the Division's statewide rules, the as-drilled interval for this well is unorthodox because a part of the interval is more than 50 feet from its projected location and

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 New Mexico

Utah
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 Wyoming

closer than the standard offsets to the eastern boundary of the spacing unit—thus, encroaching on the spacing unit to the east comprising the E/2 W/2, NE/4 and SE/4 of Section 22 and the E/2 SW/4 and SE/4 of Section 15, T24S-R32E (Apache Corporation’s “Ghost Rider Communitization Unit”). As explained in the engineering statement included as **Exhibit A**, approval of the unorthodox, as-drilled interval is necessary to allow XTO to use its preferred well spacing plan for horizontal wells in this area, which will maximize recovery and prevent waste.

Exhibit B is a Form C-102 showing that part of the interval for the as-drilled Outrider 27 Fed #510H well encroaches on the spacing unit/tracts to the east in the E/2 W/2, NE/4 and SE/4 of Section 22 and the E/2 SW/4 and SE/4 of Section 15, T24S-R32E.

Exhibit C is a plat for Sections 15, 22 and 27, T24S-R32E, that shows the proposed Outrider 27 Fed #510H well in relation to the offsetting adjoining spacing unit/tracts to the east. Exhibit C also includes ownership information for the affected spacing unit to the east, showing that it is operated by Apache Corporation. In addition, the exhibit identifies that these are Bureau of Land Management (“BLM”) leases. Accordingly, the “affected persons”¹ are Apache Corporation and the BLM.

Exhibit D is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected persons:

Type	Affected Party	Location
Operator/ Working Interest	Apache Corporation	E/2W/2, NE/4 and SE/4 of Section 22 and the E/2SW/4 and SE/4 of Section 15
Federal Mineral Interest	Bureau of Land Management	E/2W/2, NE/4 and SE/4 of Section 22 and the E/2SW/4 and SE/4 of Section 15

¹ See NMAC §§ 19.15.2.7.A(8) [defining “affected persons” as, “in the absence of an operator, or with respect to an application wherein the operator of the spacing unit or identified tract is the applicant, each working interest owner”] and 19.15.4.12.A(2)(a).

Your attention to this matter is appreciated.

Sincerely,



Paula M. Vance
ATTORNEY FOR XTO ENERGY INC.



XTO Energy Inc.
22777 Springwoods Village Pkwy
Spring TX 77389-1425
817-994-1621 - Mobile Phone
Jacob.M.Borta@ExxonMobil.com

Mr. Leonard Lowe
Engineering Administrative Permitting Group
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

February 14, 2023

Re: Non-Standard Location Application
Outrider 28 Federal Well No. 510H
API#: 30-025-50233
T24S-R32E
SW/4SW/4 Section 15 &
W/2W/2's of Sections 22 & 27
Lea County, New Mexico

Dear Mr. Lowe:

XTO respectfully requests administrative approval of a non-standard location for the Outrider 27 Fed 510H well to allow part of the completed interval located in the SW/4SW/4 of Section 22 to be approximately 206 feet from the eastern boundary of the existing 360.0-acre horizontal spacing unit. This well is located in the WC-025-G-08 S2432179, UPR WOLFCAMP (Pool Code 98248).

Due to formation push and difficulty steering the bottomhole assembly, the well drifted off course while drilling this tract. However, subsequent bottomhole assemblies corrected the deflection and placed the well back on planned trajectory. Thus, XTO finds it necessary to request approval of this non-standard location to avoid causing wasted resources and reducing the production of the Outrider 27 Fed 510H.

Respectfully,

A handwritten signature in black ink, appearing to read "JBorta", written over a light blue horizontal line.

Jacob Borta
Drilling Engineer

EXHIBIT
A

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

PRE-PERF PLAT

¹ API Number 30-025-50233	² Pool Code 98248	³ Pool Name WC-025 G-08 S243217P; UPR WOLFCAMP
⁴ Property Code 332873	⁵ Property Name OUTRIDER 27 FED	⁶ Well Number 510H
⁷ OGRID No. 005380	⁸ Operator Name XTO ENERGY, INC.	⁹ Elevation 3,527'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	24 S	32 E		396	SOUTH	1,029	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	24 S	32 E		1,306	SOUTH	1,005	WEST	LEA

¹² Dedicated Acres 360	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division. NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM DATA FURNISHED BY XTO ENERGY.

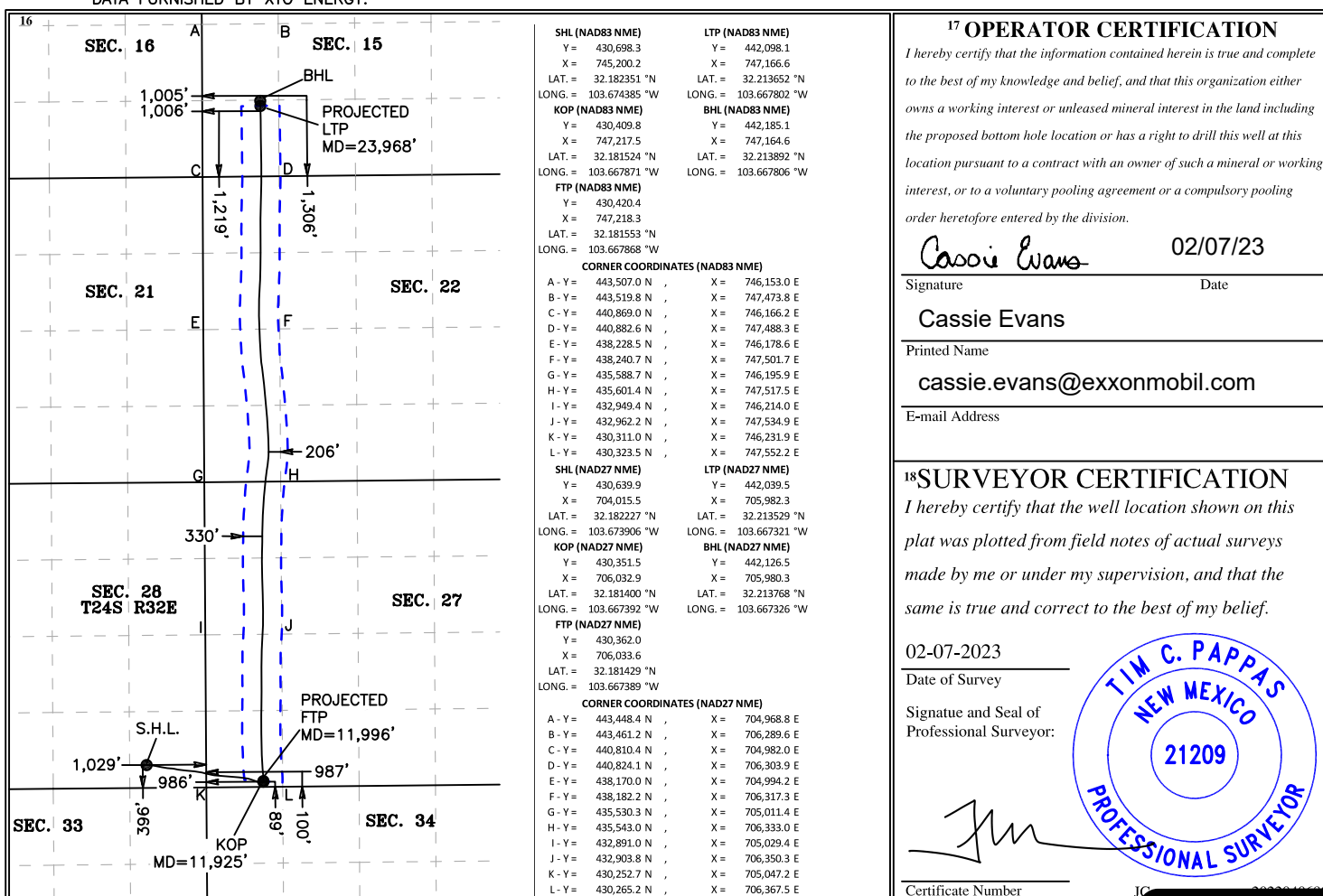


EXHIBIT
B

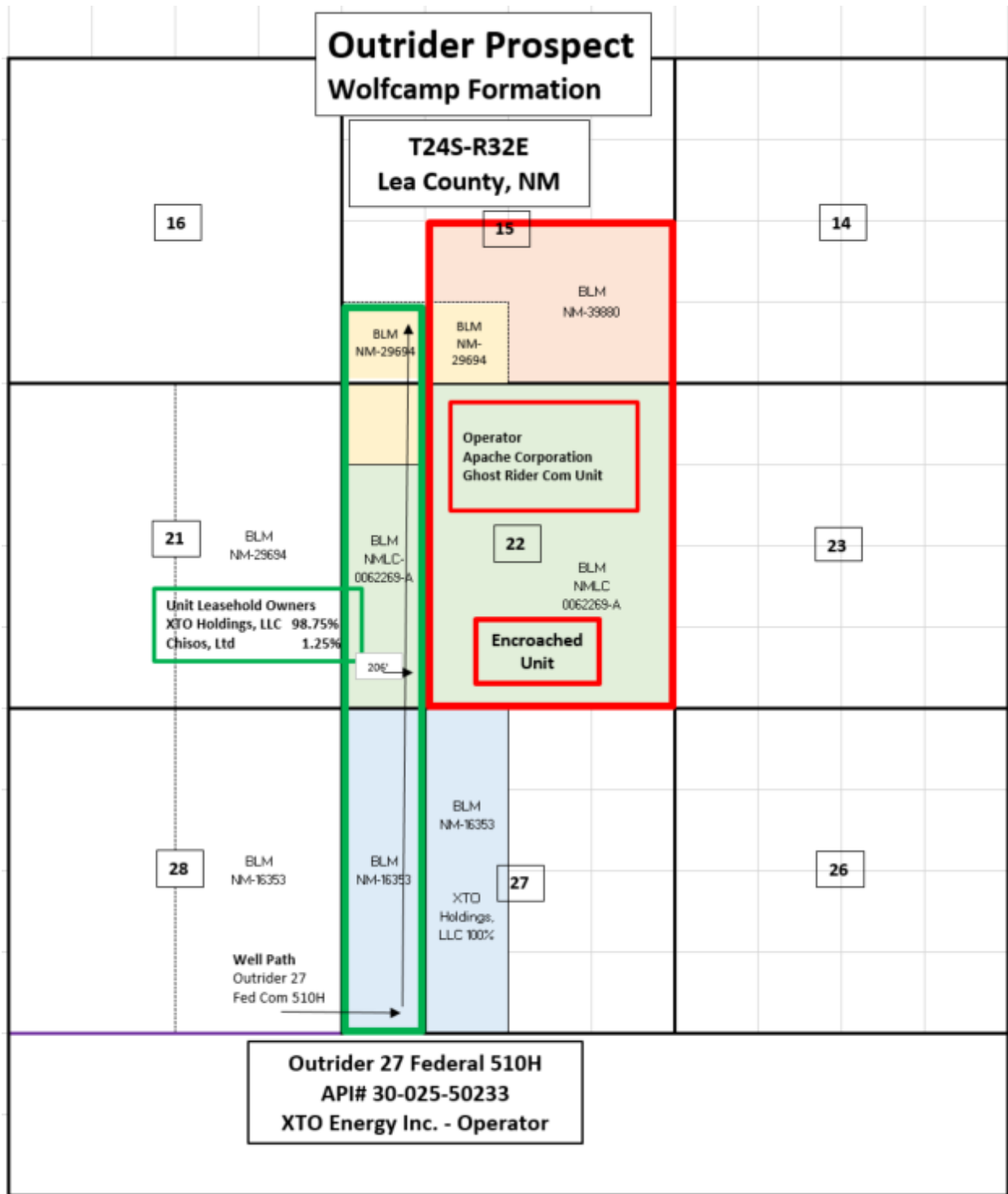


EXHIBIT
C

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5	ADDR6
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	
Apache Corporation Attn: Leslie Mullin	2000 Post Oak Blvd., #100	Houston	TX	77056	

EXHIBIT

D



Paula M. Vance
Associate Attorney
Phone (505) 954-7286
PMVance@hollandhart.com

February 17, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: XTO Energy Inc.
Request for Administrative Approval of Unorthodox Well Location

Outrider 27 Fed #510H well
SW/4SW/4 of Section 15 and the W/2W/2 of Sections 22 and 27, T24S-R32E
Lea County, New Mexico
WC-025 G-08 S243217P; UPR WOLFCAMP, [98248]
API No. 30-025-50233

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from the date this application is received by the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Brett Woody
XTO Energy Inc.
(346) 566-9338
brett.woody@exxonmobil.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

ATTORNEY FOR XTO ENERGY INC.

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Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

MANIFEST - 73905 - XTO - Outrider 510H - NSL

Parent ID	Mail Date	Name	Address	City	ST	Zip	MailClass	TrackingNo	Well
31309	02/17/2023	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	9414811898765 838946364	73905 - XTO - Outrider 510H - NSL - notice list - 1
31309	02/17/2023	Apache Corporation Attn Leslie Mullin	2000 Post Oak Blvd Ste 100	Houston	TX	77056-4497	Certified with Return Receipt (Signature)	9414811898765 838946302	73905 - XTO - Outrider 510H - NSL - notice list - 2