

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

**APPLICATION OF XTO PERMIAN OPERATING,
LLC FOR APPROVAL OF NON-STANDARD
HORIZONTAL SPACING UNIT, EDDY COUNTY,
NEW MEXICO**

CASE NO. 24991

NOTICE OF AMENDED EXHIBIT PACKET

XTO Permian Operating, LLC, ("XTO") provides notice that it is amending the evidentiary record in this case, pursuant to a request from Oil Conservation Division Technical Staff member, Mr. Dean McClure, with respect to the following application materials:

- Providing an amended Exhibit D notice spreadsheet that includes certified mail tracking numbers.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

Miguel A. Suazo

James P. Parrot

Jacob L. Everhart

Beatty & Wozniak, P.C.

500 Don Gaspar Ave.,

Santa Fe, NM 87505

(505) 946-2090

Fax: 800-886-6566

msuazo@bwenergylaw.com

jparrot@bwenergylaw.com

jeverhart@bwenergylaw.com

Attorneys for XTO Permian Operating, LLC

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 13, 2025**

Case No. 24991

Poker Lake 23 DTD Fed State Com #122H

Poker Lake 23 DTD Fed State Com #171H

Poker Lake 23 DTD Fed State Com #172H

Poker Lake 23 DTD Fed State Com #107H

Poker Lake 23 DTD Fed State Com #157H

Eddy County, New Mexico



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

**APPLICATION OF XTO PERMIAN OPERATING,
LLC FOR APPROVAL OF NON-STANDARD
HORIZONTAL SPACING UNIT, EDDY COUNTY,
NEW MEXICO**

CASE NO. 24991

**HEARING PACKAGE
TABLE OF CONTENTS**

XTO Exhibit A: Filed Application & Proposed Notice of Hearing

XTO Exhibit B: Prepared by Greg Davis, Senior Landman

- XTO Exhibit B-1: C-102(s)
- XTO Exhibit B-2: Depiction of Spacing Unit
- XTO Exhibit B-3: Map of Non-Standard Spacing Unit

XTO Exhibit C: Prepared by Nicholas McDaniel, Senior Geologist

- XTO Exhibit C-1: Resume of Nicholas McDaniel
- XTO Exhibit C-2: Base Map and Bone Spring Structure Map
- XTO Exhibit C-3: Stratigraphic and Cross Section Locator Maps
- XTO Exhibit C-4: Gunbarrel Diagram

XTO Exhibit D: Notice Affidavit

- Notice Letter to Interested Parties
- Certified Mail Receipts

XTO Exhibit E: Affidavit of Publication

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

**APPLICATION OF XTO PERMIAN
OPERATING, LLC FOR APPROVAL OF
NON-STANDARD HORIZONTAL
SPACING UNIT, EDDY COUNTY, NEW
MEXICO**

Case No. _____

APPLICATION

XTO Permian Operating, LLC, OGRID No. 5380 (“XTO” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and 19.15.16.15(B)(5) NMAC, for an order (1) approving a 2,080.66-acre, more or less, non-standard horizontal spacing unit (“HSU”) composed of all of Sections 2, 11, 14, and the N/2S/2 of Section 23, Township 24 South, Range 30 East, N.M.P.M. (the “Application Lands”).

In support of its Application, XTO states the following:

1. XTO is a working interest owner in the Application Lands and has a right to drill wells thereon as the designated Operator of the Application Lands.
2. XTO seeks to dedicate all of the Application Lands to form a 2,080.66-acre, more or less, HSU.
3. XTO seeks to dedicate the above-referenced HSU to the following proposed wells:
 - A. **Poker Lake Unit 23 DTD Fed State Com #122H** (API No. 30-015-54414), which is a gas well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2, Township 24 South, Range 30 East;

B. **Poker Lake Unit 23 DTD Fed State Com #171H** (API No. 30-015-54945), which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2, Township 24 South, Range 30 East;

C. **Poker Lake Unit 23 DTD Fed State Com #172H** (API No. 30-015-54421), which is a gas well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Bone Spring Formation in Lot 3 (Unit C) of Section 2, Township 24 South, Range 30 East;

D. **Poker Lake Unit 23 DTD Fed State Com #107H** (API No. 30-015-54383), which is a gas well that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Bone Spring Formation in Lot 1 (Unit A) of Section 2, Township 24 South, Range 30 East;

E. **Poker Lake Unit 23 DTD Fed State Com #157H** (API No. 30-015-49650), a gas well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 23, Township 24 South, Range 30 East, to a bottom hole location in Bone Spring Formation in Lot 2 (Unit B) of Section 2, Township 24 South, Range 30 East.

4. The wells are orthodox in their location as defined by 19.15.16.15.(C) NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15.(C) NMAC.

5. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.

6. To provide for its just and fair share of the oil and gas underlying the subject lands, XTO requests to be designated as the operator of the proposed horizontal wells and HSU.

WHEREFORE, XTO requests this Application be set for hearing on December 5th, 2024, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the creation of an approximately 2,080.66-acre non-standard HSU, composed of the Application Lands, pursuant to 19.15.16.15(B)(5) NMAC;
- B. Approving the **Poker Lake Unit 23 DTD Fed State Com #122H, Poker Lake Unit 23 DTD Fed State Com #171H, Poker Lake Unit 23 DTD Fed State Com #172H, Poker Lake Unit 23 DTD Fed State Com #107H, and Poker Lake Unit 23 DTD Fed State Com #157H** as the wells for the HSU.
- C. Designating XTO as operator of the HSU and the horizontal wells to be drilled thereon;

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

James P. Parrot
Miguel A. Suazo
500 Don Gaspar Ave.,
Santa Fe, NM 87505
(505) 946-2090
msuazo@bwenergylaw.com
jparrot@bwenergylaw.com
Attorneys for XTO Energy, Inc.

Application of XTO Permian Operating, LLC for Approving a Non-Standard Horizontal Spacing Unit and, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 2,080.66-acre, more or less, non-standard horizontal spacing and proration unit composed of all of Sections 2, 11, 14, and the N/2 S/2 of Section 23, Township 24 South, Range 30 East, N.M.P.M.. The proposed wells to be dedicated to the horizontal spacing unit are the: **Poker Lake Unit 23 DTD Fed State Com #122H**, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2; **Poker Lake Unit 23 DTD Fed State Com #171H**, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2; **Poker Lake Unit 23 DTD Fed State Com #172H**, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 3 (Unit C) of Section 2; **Poker Lake Unit 23 DTD Fed State Com #107H**, which is an oil well that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 1 (Unit A) of Section 2; and **Poker Lake Unit 23 DTD Fed State Com #157H**, which is an oil well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 23 to a bottom hole location in Bone Spring Formation in Lot 2 (Unit B) of Section 2. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The wells and lands are located approximately 26 miles southeast from Carlsbad, New Mexico.

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

**APPLICATION OF XTO PERMIAN
OPERATING, LLC FOR APPROVAL OF NON-
STANDARD HORIZONTAL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 24991

AFFIDAVIT OF GREG DAVIS

Greg Davis, being first duly sworn upon oath, deposes and states as follows:

1. My name is Greg Davis and I am employed by XTO Permian Operating, LLC (“XTO”) as a Commercial and Land Advisor.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my qualifications as an expert in petroleum land matters were accepted and made a matter of record. I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of this matter.
3. I am familiar with the application filed by XTO in the above-referenced case and the status of the lands in the subject lands.
4. I am submitting this affidavit in support of XTO’s application in the above-referenced case, as required by the Pre-Hearing Order issued by the Division. I intend to present this case by affidavit pursuant to 19.15.4.12.(A)(1) NMAC.
5. Under Case No. 24991, XTO seeks an order (1) approving a non-standard 2,080.66-acre, more or less, non-standard horizontal spacing unit (“HSU”) underlying the Application Lands.

6. **XTO Exhibit B-1** contains the Form C-102s reflecting that the Bone Spring wells drilled and completed in the subject unit. The location of each well is orthodox and meets the Division's offset requirements except for the Poker Lake 23 DTD Fed State Com #122H.

7. The Oil Conservation Division has informed XTO that the Wildcat G-06 S243026M; Bone Spring Pool (Code 97798) and the WC-015 G-06 S233036D; Bone Spring Pool (Code 97944) are the only pools within the Bone Spring formation underlying the proposed non-standard horizontal spacing unit.

8. **XTO Exhibit B-2** also outlines the acreage comprising the non-standard horizontal well spacing unit. I have identified with different colors the two federal leases and one state lease covering this acreage. XTO and Chevron USA Inc., own all the working interests in the Bone Spring formation underlying this proposed non-standard horizontal well spacing unit. XTO has been in contact with Chevron, and they do not object to the proposed non-standard horizontal spacing unit.

9. **XTO Exhibit B-3** is a map depicting the non-standard spacing unit in relation to the outline of a standard spacing unit. The map also identified the interest owners in the tracts surrounding the proposed units, who were also provided notice of the applications.

10. XTO's request for approval of non-standard spacing unit will allow it to consolidate surface facilities and will consequently prevent surface, environmental, and economic waste. As a result, approval of the proposed non-standard spacing unit is necessary to prevent waste and protect correlative rights.

11. XTO intends to commingle production from the non-standard horizontal spacing unit in a single facility to reduce surface facilities and surface disturbance.

12. XTO seeks approval of the non-standard horizontal well spacing unit to allow corresponding Federal and State forms of Communitization Agreement within this subject area. If the Division approves the proposed non-standard horizontal well spacing unit, XTO understands that the BLM and the Commissioner of Public Lands of the State of New Mexico will issue corresponding Communitization Agreements for the federal and state leases to allow commingling and thereby a reduction in the necessary surface facilities.

13. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All interest owners were locatable and noticed, and there are no unleased mineral interest owners. XTO caused notice to be published in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico. I provided the law firm Beatty & Wozniak, P.C., with the names and addresses for these mineral owners and instructed that each owner be provided notice of the hearing in these matters.

14. **Exhibit B-1** through **Exhibit B-3** were either prepared by me or compiled from XTO's company business records under my direction and supervision.

15. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]

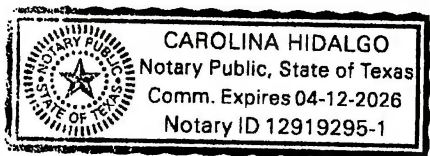
Dated this 6th day of February, 2025.

Greg Davis
XTO Permian Operating, LLC

STATE OF TEXAS)
) ss.
CITY OF HARRIS)

Witness my hand and official seal.

My commission expires: 04-12-2026



NOTARY PUBLIC

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

APD ID 10400078621

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-	² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp (gas)
⁴ Property Code	⁵ Property Name POKER LAKE UNIT 23 DTD	⁶ Well Number 122H
⁷ OGRID No. 373075	⁸ Operator Name XTO PERMIAN OPERATING, LLC.	⁹ Elevation 3,448'

¹⁰ Surface Location

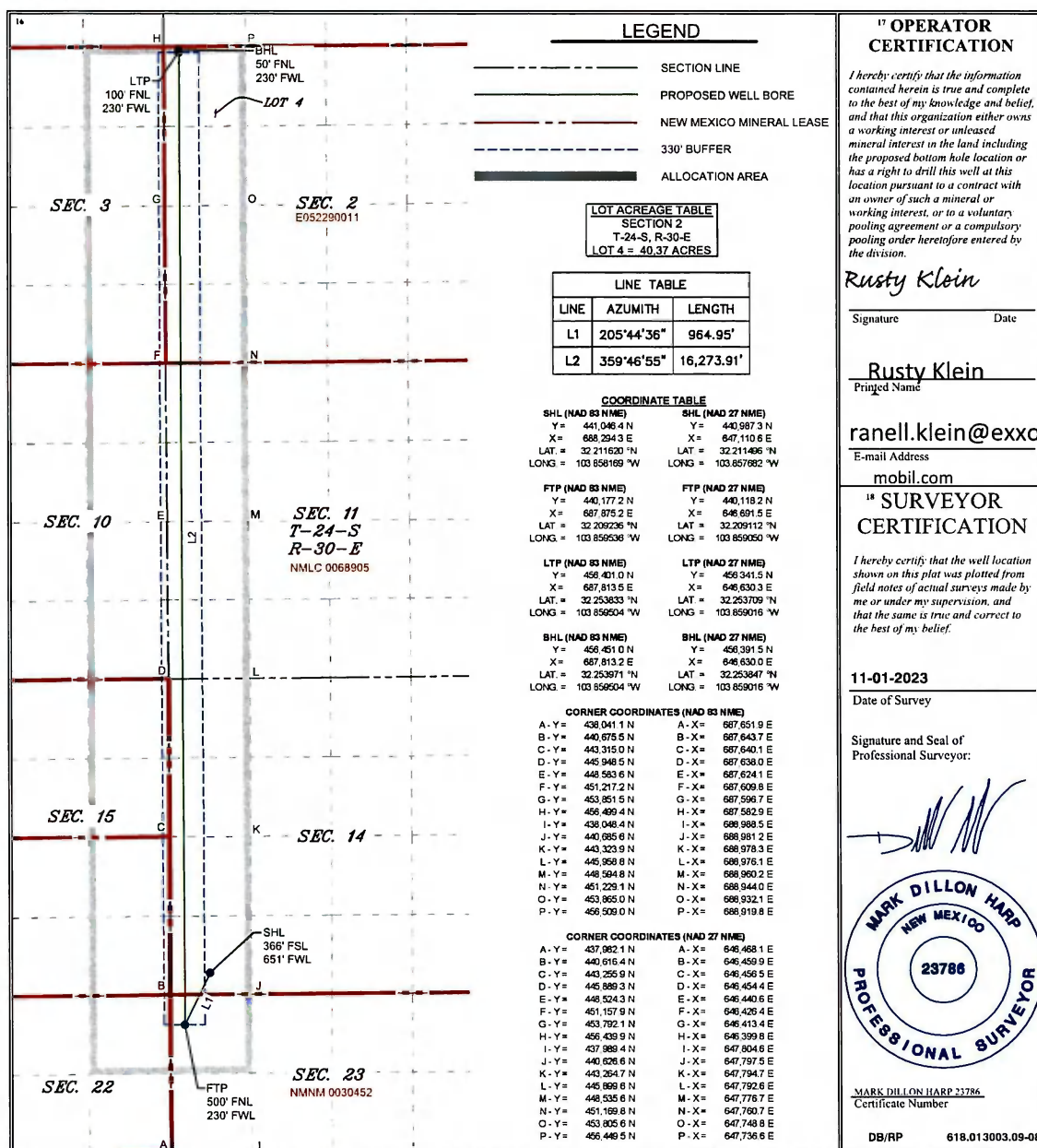
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	24S	30E		366	SOUTH	651	WEST	EDDY

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
4	2	24S	30E		50	NORTH	230	WEST	EDDY

¹² Dedicated Acres 960	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---------------------------------------------	-------------------------------	----------------------------------	-------------------------

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.



Released to Imaging: 1/9/2024 7:49:06 AM

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

¹ API Number 30-015-	² Pool Code	³ Pool Name Undesignated; Bone Spring
⁴ Property Code	⁵ Property Name POKER LAKE UNIT 23 DTD	⁶ Well Number 171H
⁷ OGRID No. 373075	⁸ Operator Name XTO PERMIAN OPERATING, LLC.	⁹ Elevation 3,448'

¹⁰ Surface Location

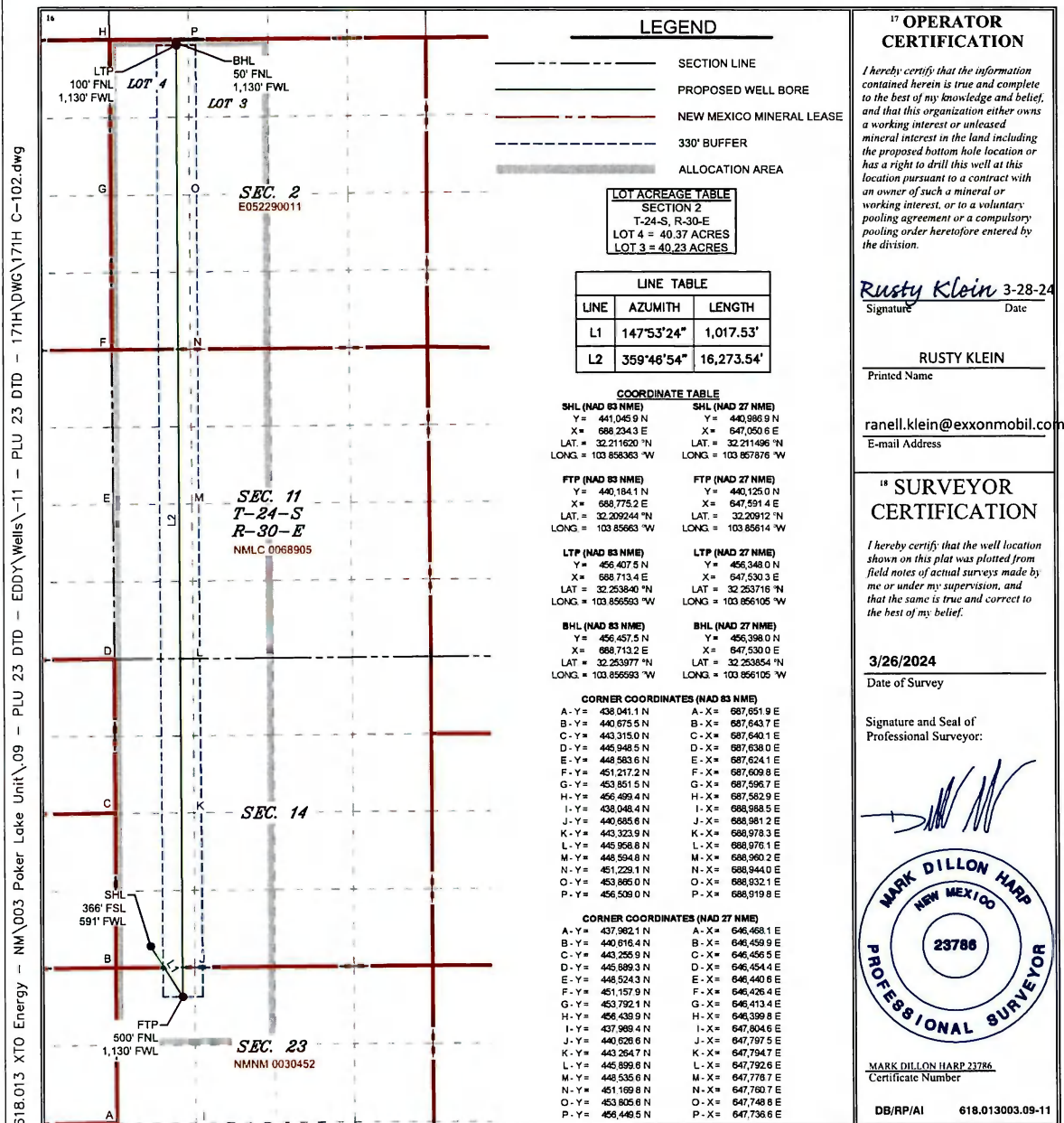
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	24S	30E		366	SOUTH	591	WEST	EDDY

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
4	2	24S	30E		50	NORTH	1,130	WEST	EDDY

¹² Dedicated Acres 960	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---------------------------------------------	-------------------------------	----------------------------------	-------------------------

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.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 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

APD ID 1000078682

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-	² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp (gas)
⁴ Property Code	⁵ Property Name POKER LAKE UNIT 23 DTD	⁶ Well Number 172H
⁷ OGRID No. 373075	⁸ Operator Name XTO PERMIAN OPERATING, LLC.	⁹ Elevation 3,448'

" Surface Location

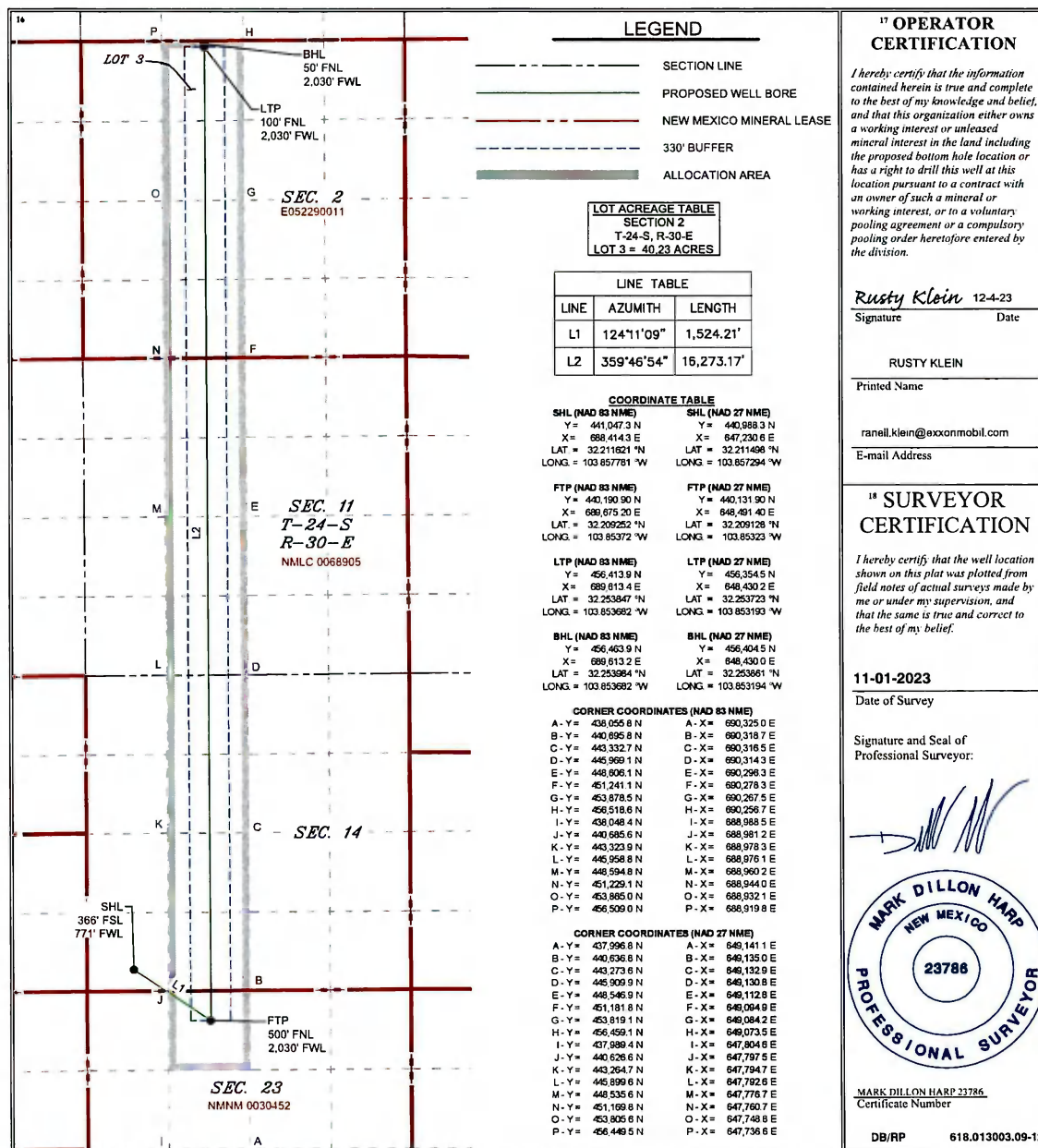
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	24S	30E		366	SOUTH	771	WEST	EDDY

" 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
3	2	24S	30E		50	NORTH	2,030	WEST	EDDY

¹² Dedicated Acres 960	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---------------------------------------------	-------------------------------	----------------------------------	-------------------------

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.



Released to Imaging: 1/9/2024 10:12:29 AM

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

¹ API Number 30-015- 54383	² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp (gas)
⁴ Property Code	⁵ Property Name POKER LAKE UNIT 23 DTD	⁶ Well Number 107H
⁷ OGRID No. 373075	⁸ Operator Name XTO PERMIAN OPERATING, LLC.	⁹ Elevation 3,444'

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	14	24S	30E		845	SOUTH	608	EAST	EDDY

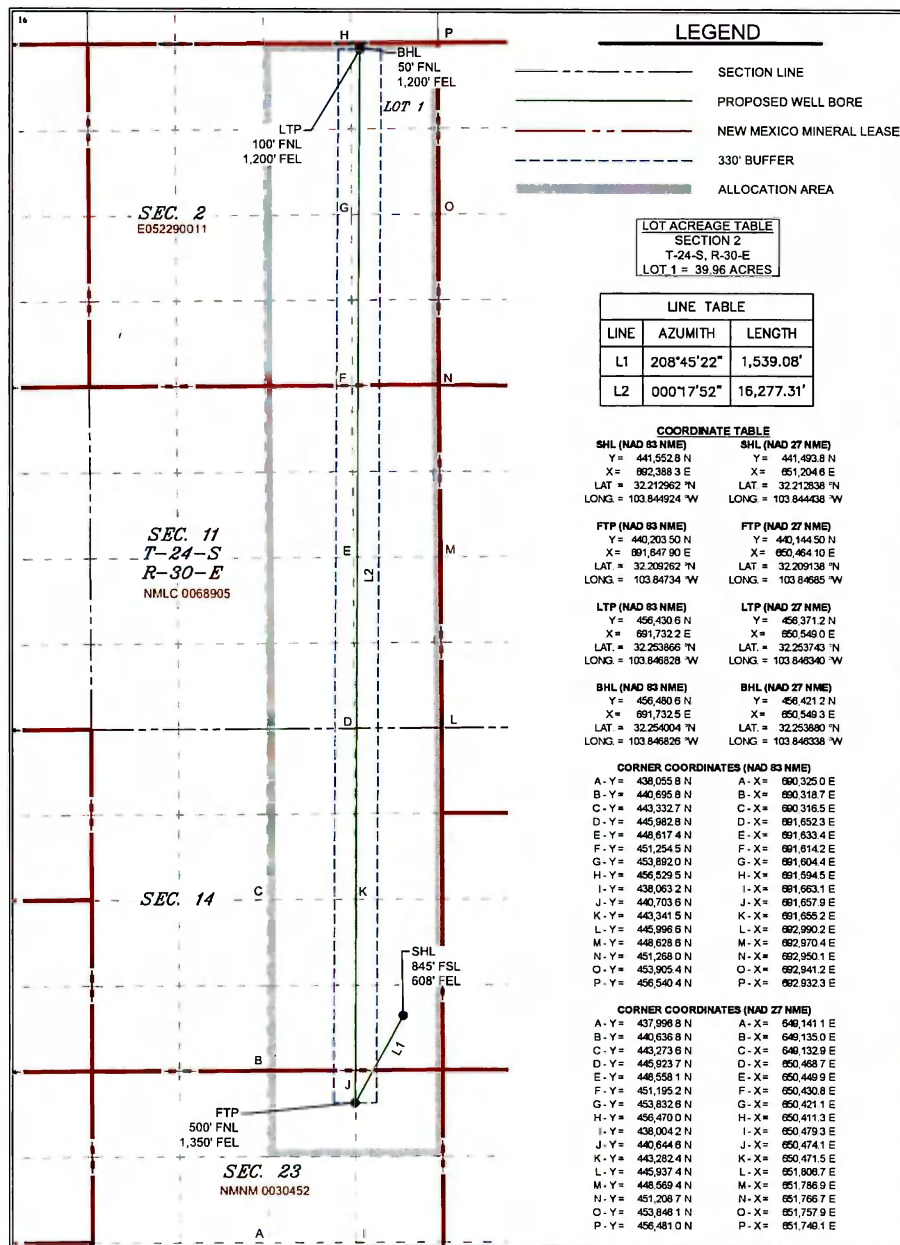
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	2	24S	30E		50	NORTH	1,200	EAST	EDDY

¹² Dedicated Acres 960	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---------------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

618.013 XTO Energy - NM\003 POKER LAKE UNIT\09 - EDDY\Wells\16 - PLU 23 DTD - 107H\DWG\107H C-102.dwg



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Rusty Klein 12-4-23
Signature Date

Rusty Klein

Printed Name

ranell.klein@exxonmobil.com

E-mail Address

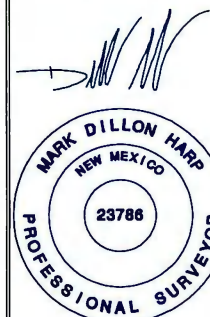
18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

11-01-2023

Date of Survey

Signature and Seal of
Professional Surveyor:



MARK DILLON HARP 23786
Certificate Number

DB/KC/RP 618.013003.09-16

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 87410 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 <input type="checkbox"/> AMENDED REPORT
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015- 49650	² Pool Code 98319	³ Pool Name WC 015 G-06 S242630A; Bone Spring
⁴ Property Code 332954	⁵ Property Name POKER LAKE 23 DTD FEDERAL COM	
⁷ OGRID No. 373075	⁸ Operator Name XTO PERMIAN OPERATING, LLC	⁶ Well Number 157H
		⁹ Elevation 3,426'

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
B	23	24 S	30 E		837	NORTH	1,743	EAST	EDDY

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
2	2	24 S	30 E		200	NORTH	2,410	EAST	EDDY

¹² Dedicated Acres 480.38	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-----------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

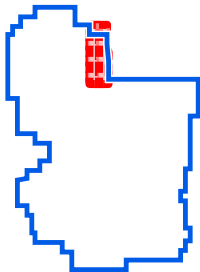
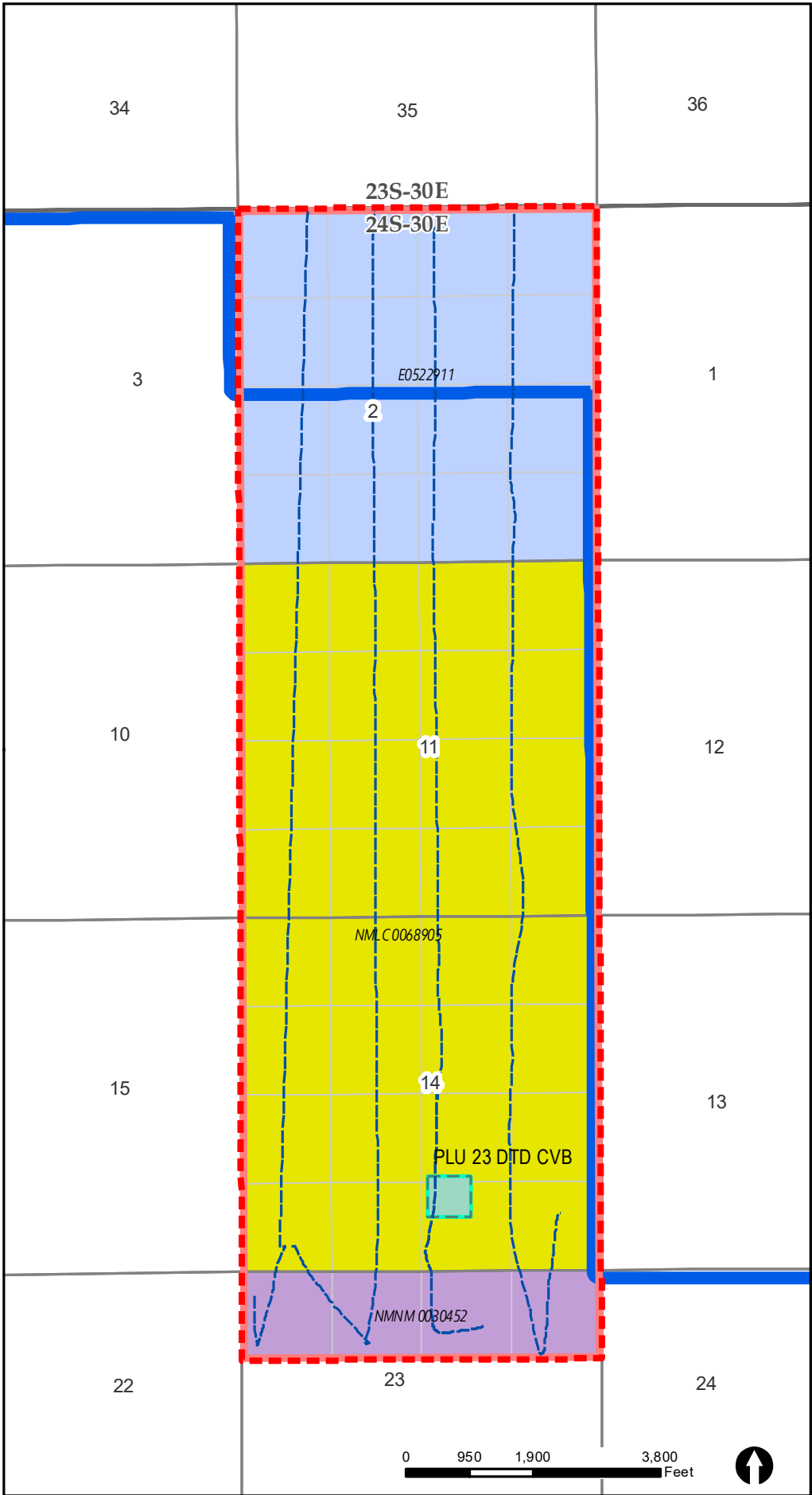
¹⁶ SHL (NAD83 NME) Y = 439,864.7 X = 691,255.9 LAT. = 32.208336 °N LONG. = 103.848610 °W FTP (NAD83 NME) Y = 440,797.4 X = 690,587.0 LAT. = 32.210908 °N LONG. = 103.850759 °W CORNER COORDINATES (NAD83 NME) A - Y = 440,695.8 N B - Y = 443,332.7 N C - Y = 445,969.1 N D - Y = 448,606.1 N E - Y = 451,241.1 N F - Y = 453,878.5 N G - Y = 456,518.6 N H - Y = 440,703.6 N I - Y = 443,341.5 N J - Y = 445,982.8 N K - Y = 448,617.4 N L - Y = 451,254.5 N M - Y = 453,892.0 N N - Y = 456,529.5 N SHL (NAD27 NME) Y = 439,805.7 X = 650,072.1 LAT. = 32.208212 °N LONG. = 103.848124 °W FTP (NAD27 NME) Y = 440,738.3 X = 649,403.2 LAT. = 32.210784 °N LONG. = 103.850273 °W CORNER COORDINATES (NAD27 NME) A - Y = 440,636.8 N B - Y = 443,273.6 N C - Y = 445,909.9 N D - Y = 448,546.9 N E - Y = 451,181.8 N F - Y = 453,819.1 N G - Y = 456,459.1 N H - Y = 440,644.6 N I - Y = 443,282.4 N J - Y = 445,923.7 N K - Y = 448,558.1 N L - Y = 451,195.2 N M - Y = 453,832.6 N N - Y = 456,470.0 N	LTP (NAD83 NME) Y = 456,190.7 X = 690,523.5 LAT. = 32.253222 °N LONG. = 103.850741 °W BHL (NAD83 NME) Y = 456,320.7 X = 690,523.0 LAT. = 32.253579 °N LONG. = 103.850741 °W LTP (NAD27 NME) Y = 456,131.3 X = 649,340.3 LAT. = 32.253098 °N LONG. = 103.850253 °W BHL (NAD27 NME) Y = 456,261.3 X = 649,339.8 LAT. = 32.253456 °N LONG. = 103.850253 °W		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Jessica Dooling</u> Date: <u>7/11/2022</u> Printed Name: <u>Jessica Dooling</u> E-mail Address: <u>jessica.dooling@exxonmobil.com</u>	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: <u>06-30-2022</u> Signature and Seal of Professional Surveyor: MARK DILLON HARP 23786 Certificate Number: <u>AW</u> 2021060772
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



**Poker Lake Unit 23 DTD
Fed State Com
Non-Standard Spacing Unit**

SEC 2: ALL, SEC 11: ALL, SEC 14: ALL
SEC 23: N/2 OF S/2 IN 24S-30E
CONTAINING 2,080 ACRES, MORE OR LESS.

- CVB SITE
- SPACING UNIT
- Unit
- FEDERAL - NMNM 0030452
- FEDERAL - NMLC 0068905
- STATE - E0522911



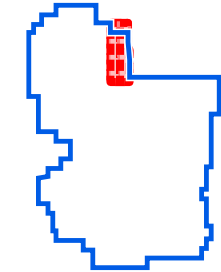
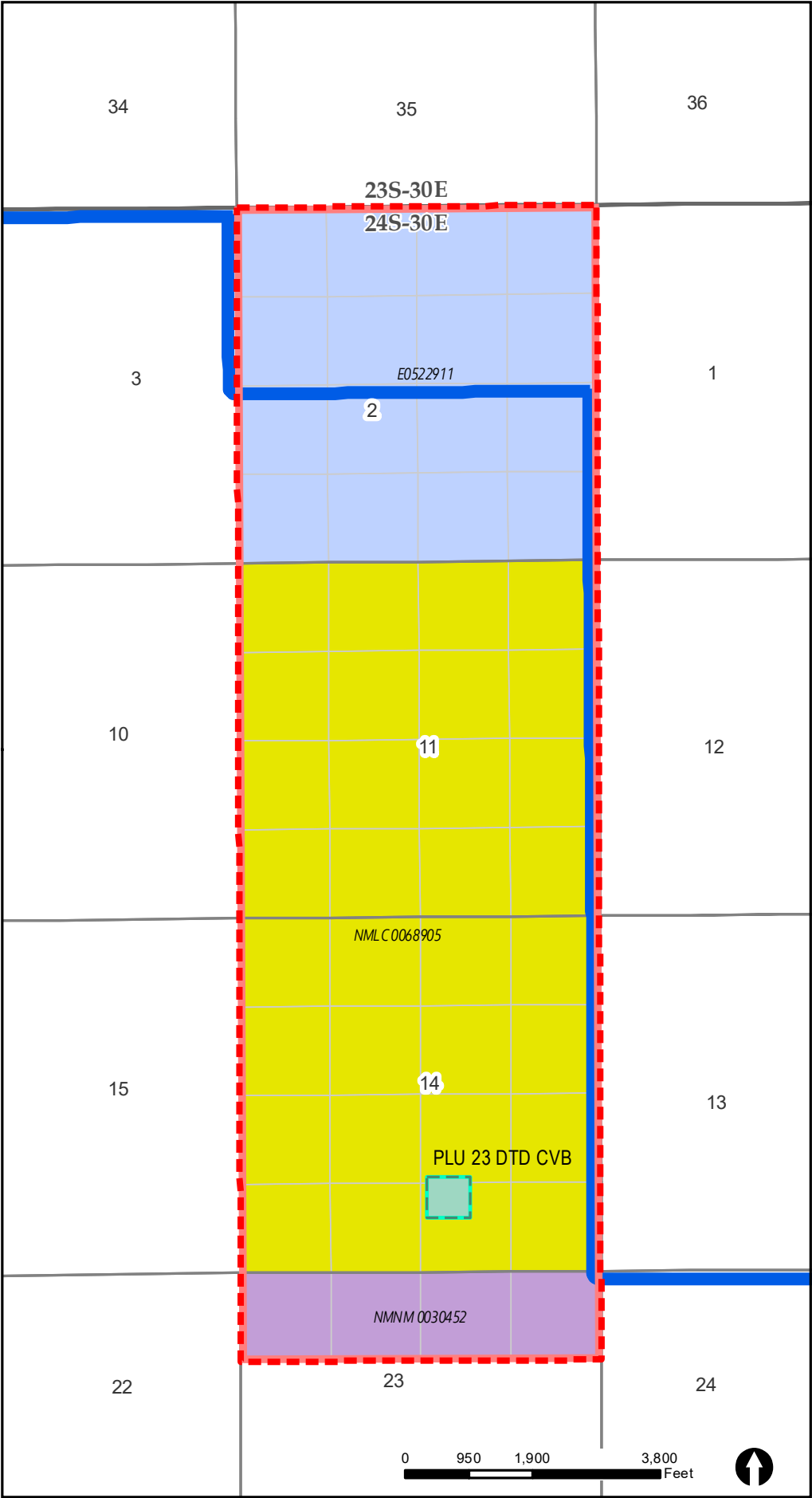


Date: 2/4/2025

**Poker Lake Unit 23 DTD
Fed State Com
Non-Standard Spacing Unit**

SEC 2: ALL, SEC 11: ALL, SEC 14: ALL
SEC 23: N/2 OF S/2 IN 24S-30E
CONTAINING 2,080 ACRES, MORE OR LESS.

- CVB SITE
- SPACING UNIT
- Unit
- FEDERAL - NMNM 0030452
- FEDERAL - NMLC 0068905
- STATE - E0522911



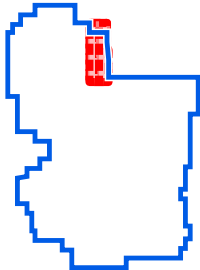
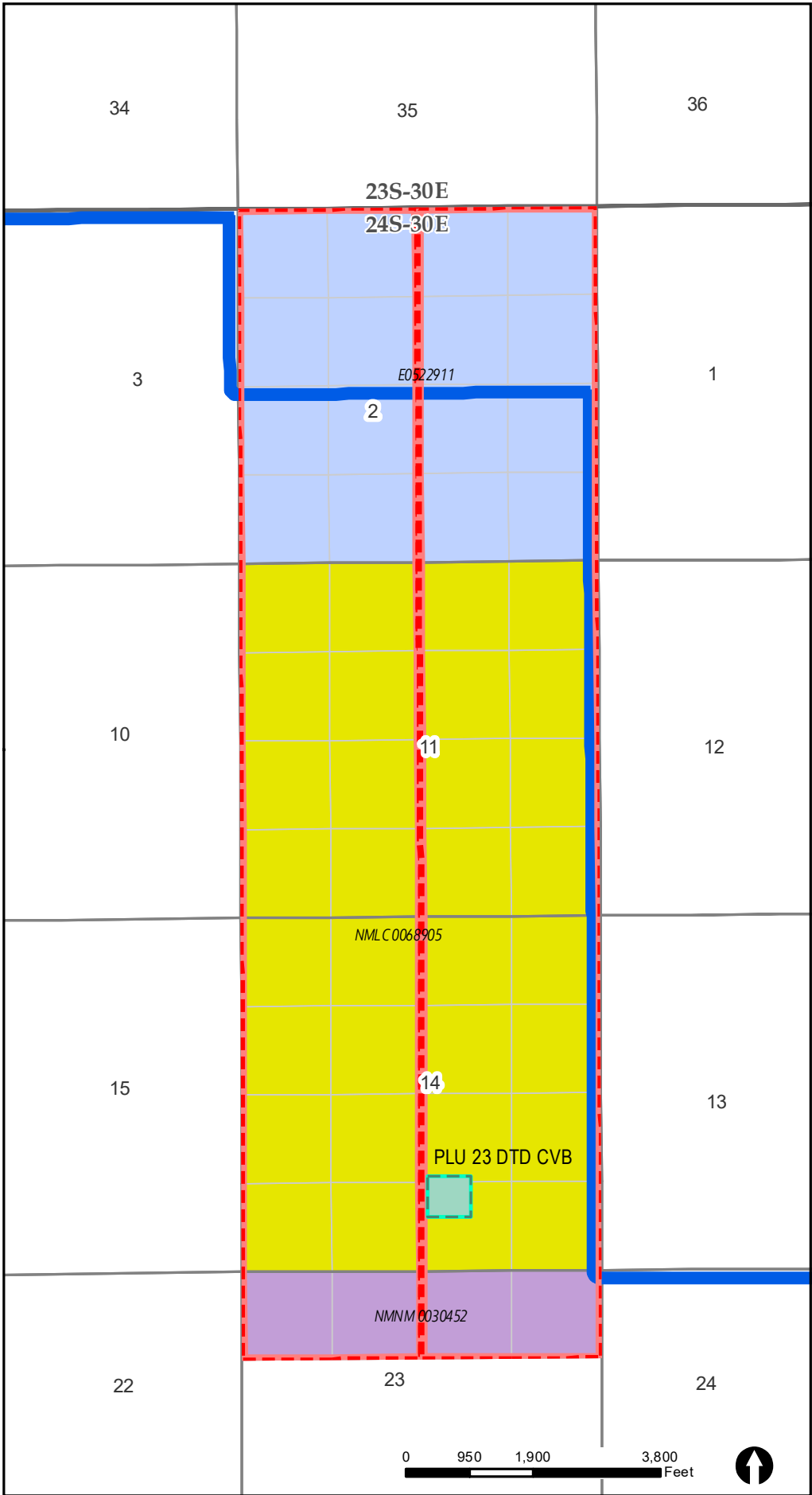


Date: 2/4/2025

**Poker Lake Unit 23 DTD
Fed State Com
Standard Spacing Unit**

SEC 2: ALL, SEC 11: ALL, SEC 14: ALL
SEC 23: N/2 OF S/2 IN 24S-30E
CONTAINING 2,080 ACRES, MORE OR LESS.

- CVB SITE
- SPACING UNIT
- Unit
- FEDERAL - NMNM 0030452
- FEDERAL - NMLC 0068905
- STATE - E0522911





Date: 10/21/2024

PLU 23 DOG TOWN DRAW NON-STANDARD SPACING UNIT

SEC 2: ALL, SEC 11: ALL, SEC 14: ALL IN 24S-30E
SEC 23: N/2 OF S/2
CONTAINING 2,080 ACRES, MORE OR LESS.



POKER LAKE UNIT



PROPOSED NON-STANDARD SPACING UNIT



NOTIFICATION AREA



Party in Interest: COP, OXY
Type: Federal Acreage



Party in Interest: OXY
Type: Federal Acreage



Party in Interest: EOG
Type: Federal Acreage



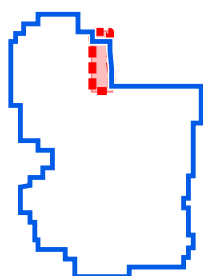
Party in Interest: Devon
Type: Federal Acreage



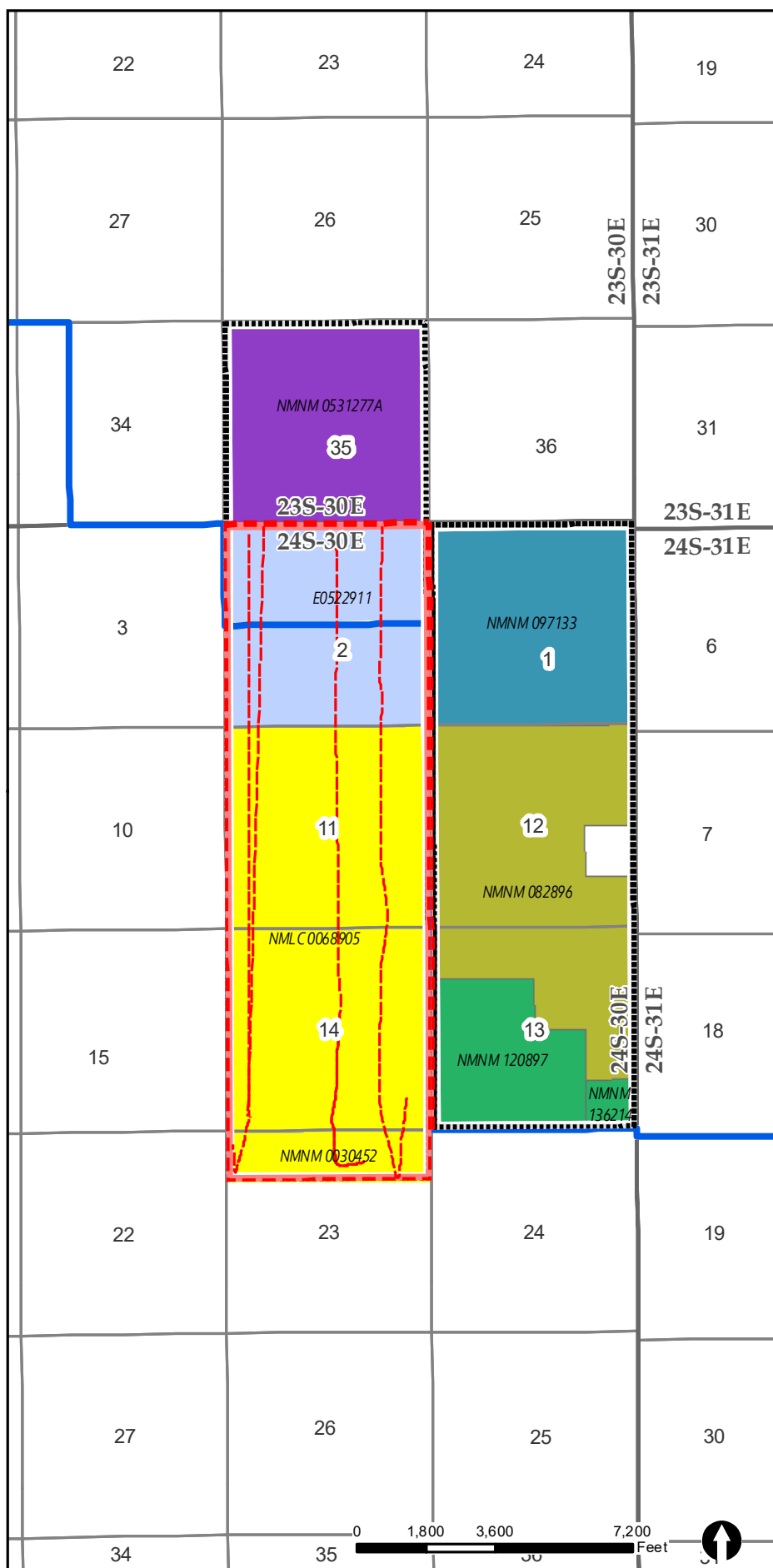
Operator: XTO Permian
WI Owner: XTO Holdings
Type: Federal Acreage



Operator: XTO Permian
WI Owner: XTO Holdings
Type: State Acreage



POKER LAKE UNIT



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

**APPLICATION OF XTO OPERATING, LLC
FOR APPROVAL OF NON-STANDARD
HORIZONTAL SPACING UNIT, EDDY
COUNTY, NEW MEXICO**

CASE NO. 24991

AFFIDAVIT OF NICHOLAS McDANIEL

Nicholas McDaniel, being first duly sworn upon oath, deposes and states as follows:

1. My name is Nicholas McDaniel, and I am employed by XTO Permian Operating, LLC ("XTO") as a Operations and Development Geoscientist.
2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"), and my qualifications as an expert in petroleum geology have not been accepted and made a matter of record. I have several years of experience in petroleum geological matters, and I have worked directly or in a supervisory role with the properties that are the subject of this matter. A copy of my resume is attached to the end of this Affidavit.
3. I am familiar with the applications filed by XTO in this case and the geology involved.
4. I am submitting this affidavit in support of XTO's application in the above-referenced case, as required by the Pre-Hearing Order issued by the Division. I intend to present this case by affidavit pursuant to 19.15.4.12.(A)(1) NMAC.
5. **XTO Exhibit C-2** includes a base map of the lands showing the proposed Bone Spring formation spacing unit.

6. **Exhibit C-2** also depicts a subsea structure map that I prepared on the top of the Bone Spring formation, over the subject area, with a contour interval of 30 feet. The structure map shows the formation gently dipping to the East. The structure appears consistent across the non-standard horizontal spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to development of this acreage with horizontal wells.

7. **Exhibit C-2** also shows the location of the wells utilized to construct a cross-section of the Bone Spring formation. I choose these wells because I consider them to be representative of the geology underlying the subject area.

8. **Exhibit C-3** is a cross-section I prepared for the Bone Spring formation using the logs from the wells depicted on Exhibit C-2. Each of these logs contain gamma ray, resistivity and porosity information. The logs demonstrate that the Bone Spring Formation is continuous across the proposed non-standard horizontal spacing unit and all quarter-quarter sections to be included in the non-standard horizontal spacing unit are expected to be productive.

9. **XTO Exhibit C-4** shows the gun barrel diagram within the Bone Spring formation in the vicinity of the proposed unit.

10. Based on the attached exhibits, I hereby conclude as follows:

(a) The target formation is present and continuous throughout the lands subject to the applications.

(b) The non-standard horizontal spacing and proration unit is justified from a geologic standpoint.

(c) There are no structural impediments or faulting that will interfere with horizontal development.

(d) Each quarter-quarter section in the unit will contribute more or less equally to production, and I can confirm each quarter section along the lateral will also contribute more or less equally to production.

(e) The proposed non-standard horizontal spacing unit will afford XTO the flexibility to match the well spacing over time to the targeted reservoir rather than individual standard spacing units and allow for more efficient and effective development since the internal setbacks required by standard spacing units will be eliminated.

11. **Exhibit C-1** through **Exhibit C-4** were prepared by me or compiled from XTO's company business records under my direct supervision.

12. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

13. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

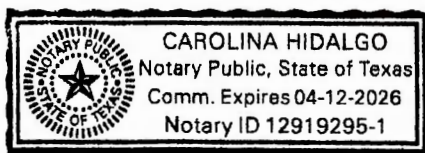
[Remainder of page left intentionally blank]

Dated this 6th day of February, 2025.

[illegible]

Witness my hand and official seal.

My commission expires: 04/12/2024




NOTARY PUBLIC

Nicholas "Nick" McDaniel

512.567.2279

NICHOLAS.C.MCDANIEL@EXXONMOBIL.COM

HOUSTON, TX

GEOSCIENTIST

Expert in data collection and analysis with 8+ years of experience delivering reservoir characterizations, seismic analysis, drilling prospects, and operations management in International Offshore, Permian (Midland and Delaware), and Gulf Coast Onshore Basins. Applies project management and communication skills, geophysical knowledge, and field geological operations experience to champion the digital transformation of operations geoscience, steward the acquisition of seismic data, devise drilling prospects in mature and undeveloped formations, optimize marine seismic acquisition, and manage ultra-deepwater drilling campaigns.

WORK EXPERIENCE

EXXONMOBIL, Houston, TX / Georgetown, Guyana

2019-Present

Operations and Development Geologist (XTO – Poker Lake)

July '23 - Present

Operations geoscientist stewarding XOM's Delaware Basin "Poker Lake Unit" (PLU) in Eddy County. Responsible for planning, staking, geo-prognoses, and coordinating horizontal development.

- Organized complex data collection program including vertical type log, pressure gauges, and time lapse geochemistry to quantify stimulated rock volume and parent – child depletion in frontier rock intervals leading to optimized greenfield cube development strategy
- Optimally planned 100+ horizontal wells in best bench and cube developments working cross-functionally with facilities, regulatory, technology, drilling, reservoir engineering, and completions engineering teams to maximize lateral length and minimize degradation from parent wells

Wellsite / Operations Geologist

July '20 – July '23

Oversaw geologic operations and delivered optimizations that reduced time, cost, and/or risk by collaborating with all stakeholders in pursuit of safe, thorough, and efficient development of the Guyana Basin.

Operations Management

- Contributed to 20+ different exploration and development drilling operations across multiple drill ships and campaigns through management of wellsite geological operations including acquisition, QC, and transmission of data, pressure surveillance, documentation of learnings, communication with the Business Unit, mentorship of personnel, supervision of 3rd party vendors, and fostering unity among departments on the drillship
- Led the effort to digitally transform operations geoscience by implementing technology and processes to capture and analyze data, resulting in more effective data-driven decision making

Operations Geophysicist

February '20 – July '20

Developed multiple guides for marine seismic acquisition pre-survey planning and real-time data QC with associated applications that reduced risk while increasing operational efficiency and saving money.

Marine Seismic Acquisition Pre-Survey and QC Guides

- Championed the ExxonMobil internal guide, "Infill Modeling (Pre-Survey) guide for marine seismic surveys", which included an application to model amplitude and time changes over various hole sizes when provided predefined geological inputs
- Contributed to the "Source and Streamer Tow Depth guide for marine seismic surveys" through the development of a Ghost Notch Calculator application to model the influence of ghost notches on frequency spectra of seismic products with varying acquisition parameters

APACHE CORPORATION, Midland, TX

2015-2016

Geophysics Intern

May '15 – Aug '15 / May '16 – Aug '16

Delivered reservoir characterization in 282 sq miles of Permian Basin and Gulf Coast Basin. Devised and conducted seismic interpretation and inversion study utilizing 3D seismic interpretation software to create synthetic seismograms, produce subsurface maps and frameworks, and to integrate seismic interpretations with geologic and engineering data to help identify key reservoirs and characterize reservoir models.

Permian Basin Drilling Prospects/Reservoir Characterization Models (2016)

- Developed a reservoir model and series of drilling prospects with 3 tiers (21-Tier 1, 6-Tier 2, 14-Tier 3) which were presented to senior management in Midland and Houston and subsequently added to the prospect portfolio

Gulf Coast Exploration and Development (2015)

- Generated multiple drilling leads based upon amplitude analysis in Edwards rock formation and matured 2 identified leads to prospect status

Nick McDaniel

Geoscientist

Page 2 of 2

EDUCATION**UNIVERSITY OF HOUSTON**

Houston, TX

*Master of Science in Geophysics, Summa Cum Laude (GPA: 3.9/4)***2020**

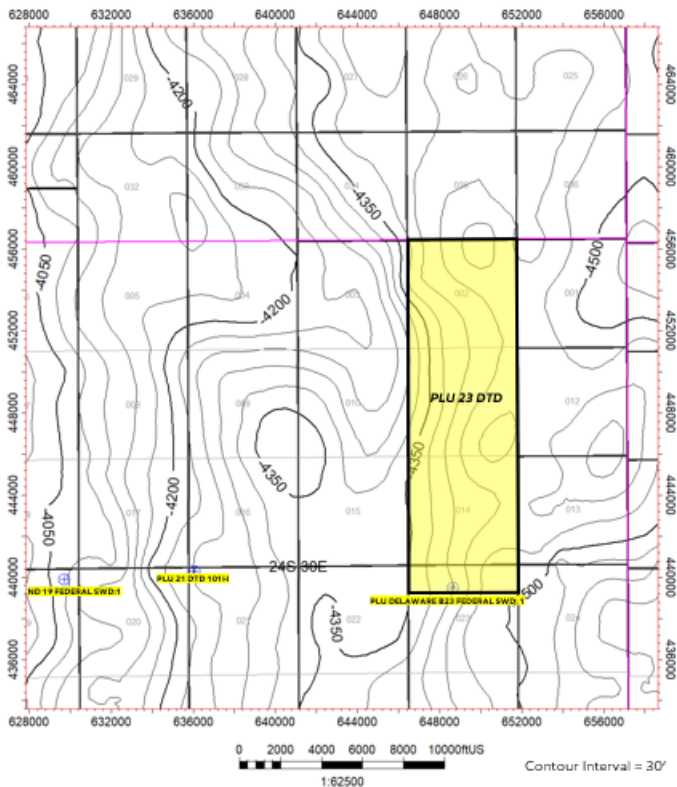
- *Geophysical Data Processing, Rock Physics, Seismic Wave and Ray Theory, Seismic Exploration, Petroleum Geology, Subsurface Geologic Mapping, Methods of Geophysical Exploration*
- *Thesis Topic: Seismic Survey Design: High Fidelity Low Frequency Data*

TEXAS A&M UNIVERSITY

College Station, TX

*Bachelor of Science in Geophysics, Summa Cum Laude (3.9/4)***2015****TECHNICAL SKILLS**

- **Geoscience / Drilling Operations:** Open Water Works, Landings, TD Hunts, Pressure Hunts, Logging While Drilling, Wireline Logging, TLC Logging, Coring, VSP, Geosteering
- **Geophysical Tools:** Seismic, Electromagnetic Induction, Gravity, Resistivity, Ground Penetrating Radar, Sonar
- **Well Logs:** Caliper, Resistivity, Density, Borehole Image, Density, Neutron, Sonic, Gamma Ray, Spontaneous Potential, Nuclear Magnetic Resonance, Fluid Sampling, Pressure Sampling, Ultra-Deep Resistivity
- **Organizations:** Society of Exploration Geophysics (SEG), American Association of Petroleum Geology (AAPG)



Structure Map Top Bone Springs Lime (TVDss)

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit C-2

Submitted by: XTO Permian Operating, LLC

Hearing Date: February 13, 2025

Case No. 24991

Case No. 24991

XTO Permian Operating, LLC - Exhibit C-2









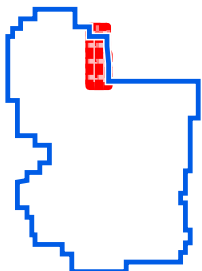
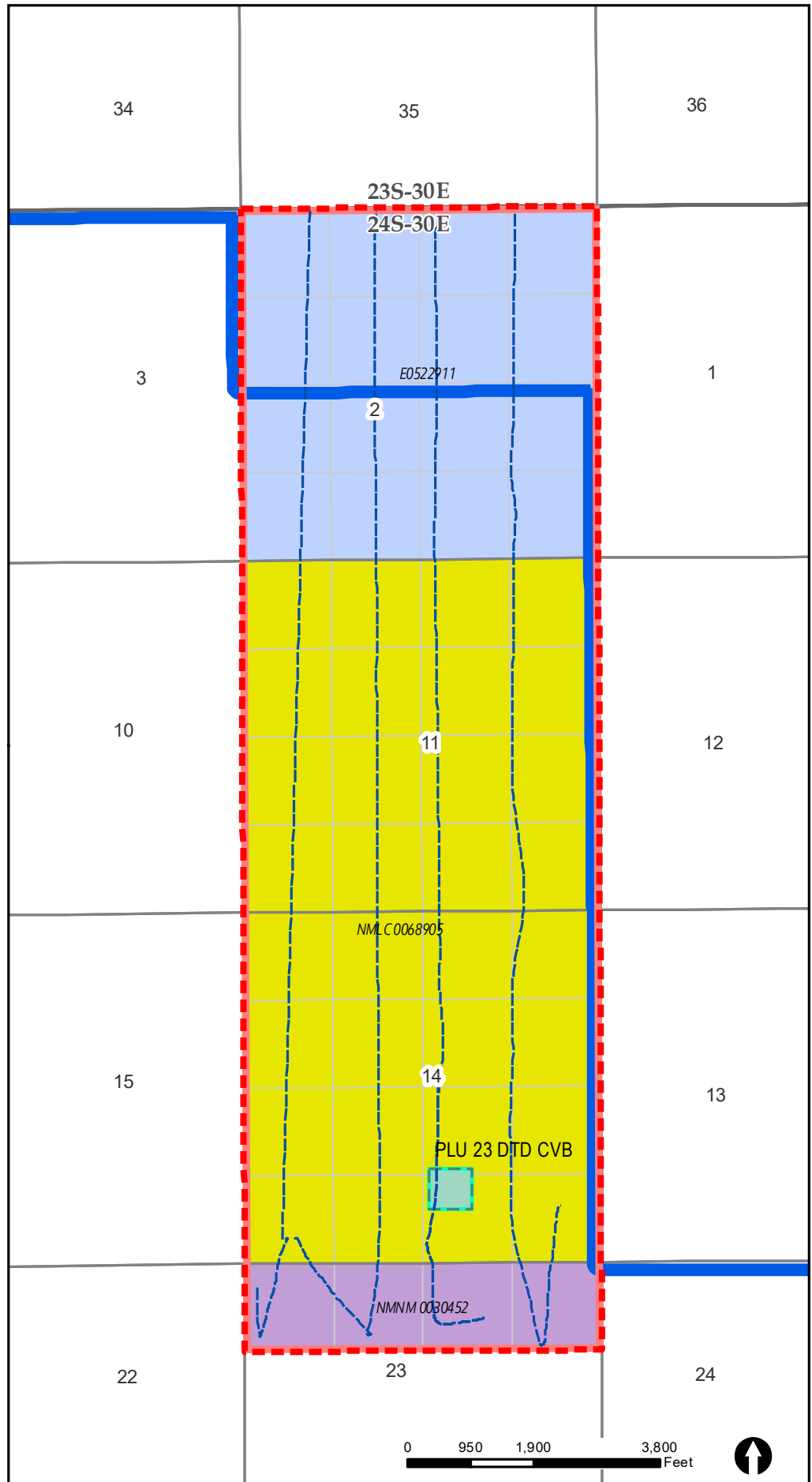


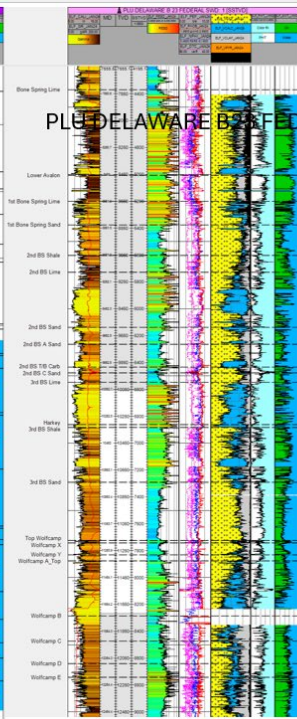
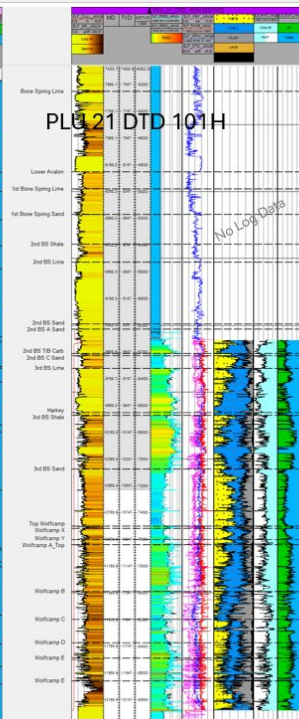
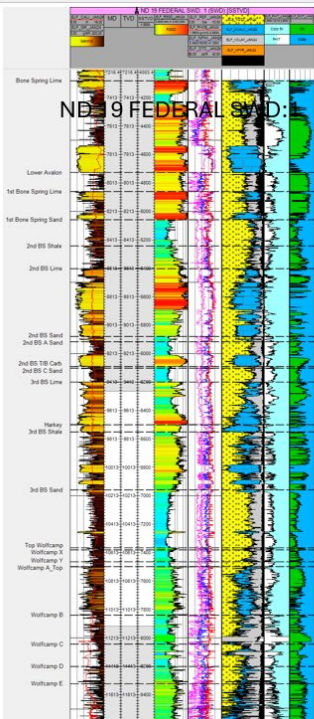
Date: 2/5/2025

**Poker Lake Unit 23 DTD
Fed State Com
Non-Standard Spacing Unit**

SEC 2: ALL, SEC 11: ALL, SEC 14: ALL
SEC 23: N/2 OF S/2 IN 24S-30E
CONTAINING 2,080 ACRES, MORE OR LESS.

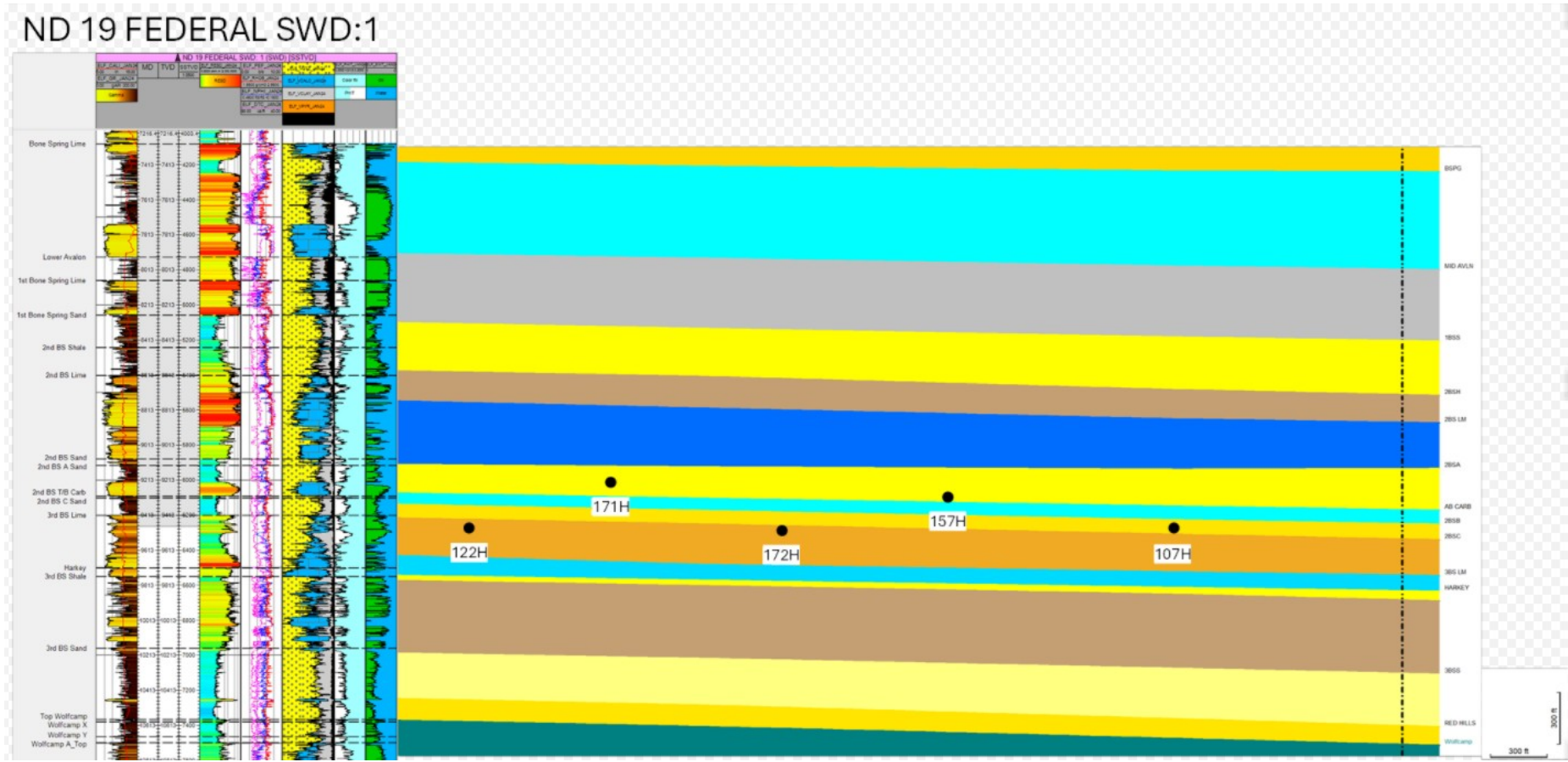
-  CVB SITE
-  SPACING UNIT
-  Unit
-  FEDERAL - NMNM 0030452
-  FEDERAL - NMLC 0068905
-  STATE - E0522911





BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit C-3
 Submitted by: XTO Permian Operating, LLC
 Hearing Date: February 13, 2025
 Case No. 24991

Gunbarrel Diagram
Exhibit C-4



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

**APPLICATION OF XTO PERMIAN
OPERATING, LLC FOR APPROVAL OF NON-
STANDARD HORIZONTAL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 24991

AFFIDAVIT

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Rachael Ketchledge, legal assistant and authorized representative of XTO Permian Operating, LLC ("XTO"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letters dated November 14, 2024, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered to the interested parties on or about November 20, 2024, as shown on certified mail receipts attached as Exhibit D.

Applicant also published notice of the Application in the Carlsbad Current-Argus on November 21, 2024. Proof of receipts is shown on Exhibit E.

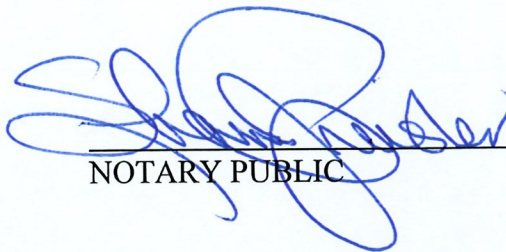


Rachael Ketchledge

SUBSCRIBED AND SWORN to before me on January 9, 2025, by Rachael Ketchledge.

My commission expires: 3/5/27

SHANA JO PREISLER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19924009418
MY COMMISSION EXPIRES MARCH 5, 2027


NOTARY PUBLIC

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW
500 DON GASPAR AVENUE
SANTA FE, NEW MEXICO 87505
TELEPHONE 505-983-8545
FACSIMILE 800-886-6566
www.bwenergylaw.com

COLORADO
NEW MEXICO
WYOMING

MIGUEL SUAZO

505-946-2090
MSUAZO@BWENERGYLAW.COM

November 14, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES SUBJECT TO SPACING PROCEEDINGS

Re: Application of XTO Permian Operating, LLC for Approval of a Non-Standard Horizontal Spacing Unit in Eddy County, New Mexico (Case No. 24991)

Dear Affected Parties:

This letter is to advise you that XTO Permian Operating, LLC ("XTO") has filed the enclosed application, Case No. 24991, with the New Mexico Oil Conservation Division for Approval of a Non-Standard Spacing Unit in Eddy County, New Mexico.

In Case No. 24991, XTO seeks an Order from the Division to: approve a 2,080.66-acre, more or less, non-standard horizontal spacing and proration unit composed of all of Sections 2, 11, 14, and the N/2 S/2 of Section 23, Township 24 South, Range 30 East, N.M.P.M.

A hearing has been requested before a Division Examiner on December 5, 2024, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 9:00 a.m. and will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To view the hearing docket and to determine how to participate in the electronic hearing, visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

Parties appearing in cases who intend to present evidence are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be submitted through the OCD E-Permitting system (<https://www.wapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to ocd.hearings@emnrd.nm.gov should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing;

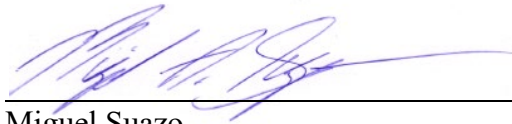
BEATTY & WOZNIAK, P.C.

November 14, 2024
Case No. 24991
Page 2

the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. The statement must also be provided to the attorney for the applicant, Miguel Suazo at msuazo@bwenergylaw.com.

If you have any questions about this matter, please contact Greg Davis at william.davis@exxonmobil.com.

Sincerely,



Miguel Suazo

Attorney for XTO Permian Operating, LLC

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

**APPLICATION OF XTO PERMIAN
OPERATING, LLC FOR APPROVAL OF
NON-STANDARD HORIZONTAL
SPACING UNIT, EDDY COUNTY, NEW
MEXICO**

Case No. _____

APPLICATION

XTO Permian Operating, LLC, OGRID No. 5380 (“XTO” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and 19.15.16.15(B)(5) NMAC, for an order (1) approving a 2,080.66-acre, more or less, non-standard horizontal spacing unit (“HSU”) composed of all of Sections 2, 11, 14, and the N/2S/2 of Section 23, Township 24 South, Range 30 East, N.M.P.M. (the “Application Lands”).

In support of its Application, XTO states the following:

1. XTO is a working interest owner in the Application Lands and has a right to drill wells thereon as the designated Operator of the Application Lands.
2. XTO seeks to dedicate all of the Application Lands to form a 2,080.66-acre, more or less, HSU.
3. XTO seeks to dedicate the above-referenced HSU to the following proposed wells:
 - A. **Poker Lake Unit 23 DTD Fed State Com #122H** (API No. 30-015-54414), which is a gas well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2, Township 24 South, Range 30 East;

B. **Poker Lake Unit 23 DTD Fed State Com #171H** (API No. 30-015-54945), which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2, Township 24 South, Range 30 East;

C. **Poker Lake Unit 23 DTD Fed State Com #172H** (API No. 30-015-54421), which is a gas well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Bone Spring Formation in Lot 3 (Unit C) of Section 2, Township 24 South, Range 30 East;

D. **Poker Lake Unit 23 DTD Fed State Com #107H** (API No. 30-015-54383), which is a gas well that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Bone Spring Formation in Lot 1 (Unit A) of Section 2, Township 24 South, Range 30 East;

E. **Poker Lake Unit 23 DTD Fed State Com #157H** (API No. 30-015-49650), a gas well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 23, Township 24 South, Range 30 East, to a bottom hole location in Bone Spring Formation in Lot 2 (Unit B) of Section 2, Township 24 South, Range 30 East.

4. The wells are orthodox in their location as defined by 19.15.16.15.(C) NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15.(C) NMAC.

5. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.

6. To provide for its just and fair share of the oil and gas underlying the subject lands, XTO requests to be designated as the operator of the proposed horizontal wells and HSU.

WHEREFORE, XTO requests this Application be set for hearing on December 5th, 2024, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the creation of an approximately 2,080.66-acre non-standard HSU, composed of the Application Lands, pursuant to 19.15.16.15(B)(5) NMAC;
- B. Approving the **Poker Lake Unit 23 DTD Fed State Com #122H, Poker Lake Unit 23 DTD Fed State Com #171H, Poker Lake Unit 23 DTD Fed State Com #172H, Poker Lake Unit 23 DTD Fed State Com #107H, and Poker Lake Unit 23 DTD Fed State Com #157H** as the wells for the HSU.
- C. Designating XTO as operator of the HSU and the horizontal wells to be drilled thereon;

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

James P. Parrot
Miguel A. Suazo
500 Don Gaspar Ave.,
Santa Fe, NM 87505
(505) 946-2090
msuazo@bwenergylaw.com
jparrot@bwenergylaw.com
Attorneys for XTO Energy, Inc.

Application of XTO Permian Operating, LLC for Approving a Non-Standard Horizontal Spacing Unit and, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 2,080.66-acre, more or less, non-standard horizontal spacing and proration unit composed of all of Sections 2, 11, 14, and the N/2 S/2 of Section 23, Township 24 South, Range 30 East, N.M.P.M.. The proposed wells to be dedicated to the horizontal spacing unit are the: **Poker Lake Unit 23 DTD Fed State Com #122H**, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2; **Poker Lake Unit 23 DTD Fed State Com #171H**, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2; **Poker Lake Unit 23 DTD Fed State Com #172H**, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 3 (Unit C) of Section 2; **Poker Lake Unit 23 DTD Fed State Com #107H**, which is an oil well that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 1 (Unit A) of Section 2; and **Poker Lake Unit 23 DTD Fed State Com #157H**, which is an oil well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 23 to a bottom hole location in Bone Spring Formation in Lot 2 (Unit B) of Section 2. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The wells and lands are located approximately 26 miles southeast from Carlsbad, New Mexico.

Case No. 24991 Certified Mailing Status

MAIL DATE	OWNER	ADDRESS	TYPE INT	MAIL CLASS	TRACKING NUMBER
November 14, 2024	ConocoPhillips Company	600 W Illinois Ave Midland TX, 79701	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 91
November 14, 2024	OXY USA Inc. Occidental Permian LP	5 Greenway Plaza Suite 110 Houston TX 77046	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 84
November 14, 2024	Chevron USA Inc.	1400 Smith Street Houston, TX 77002	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 77
November 14, 2024	Devon Energy Production Company LP	333 West Sheridan Ave Oklahoma City, OK 73102	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 60
November 14, 2024	EOG Resources Inc.	5509 Champions Dr. Midland, TX 79706	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 53
November 14, 2024	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 46

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

2510.32

Devon Energy Production Company LP
3 West Sheridan Ave
Oklahoma City, OK 73102

Barcode: 9590 9402 8974 4064 3758 07

2. Article Number (Transfer from service label)
9589 0710 5270 1506 7127 60

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery
11-27-24

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☒ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

2510.32

ConocoPhillips Company
600 W Illinois Ave
Midland, TX 79701

Barcode: 9590 9402 8974 4064 3758 38

2. Article Number (Transfer from service label)
9589 0710 5270 1506 7127 91

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery
11-21

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☒ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

2510.32

EOG Resources Inc.
5509 Champions Dr
Midland, TX 79706

Barcode: 9590 9402 8974 4064 3757 91

2. Article Number (Transfer from service label)
9589 0710 5270 1506 7127 53

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery
11-18-24

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☒ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

2510.32

Chevron USA Inc.
1400 Smith Street
Houston, TX 77002

Barcode: 9590 9402 8974 4064 3758 14

2. Article Number (Transfer from service label)
9589 0710 5270 1506 7127 77

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery
11-27-24

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☒ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

2510.32

OXY USA Inc.
Occidental Permian LP
5 Greenway Plaza, Suite 110
Houston, TX 77046

Barcode: 9590 9402 8974 4064 3758 21

2. Article Number (Transfer from service label)
9589 0710 5270 1506 7127 84

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery
11-26-24

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☒ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

2510.32

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

Barcode: 9590 9402 8974 4064 3757 84

2. Article Number (Transfer from service label)
9589 0710 5270 1506 7127 46

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery
11-18-24

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☒ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

Received by PSN: 2/12/2025 4:13:22 PM

Page 46 of 41

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 96
Ad Number: 23160
Description: XTO Poker Lake
Ad Cost: \$209.81

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

November 21, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

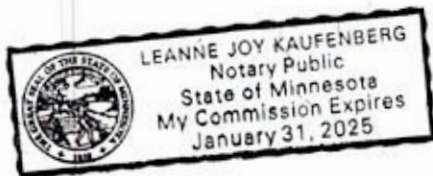
Sherry Groves

Agent

Subscribed to and sworn to me this 21th day of November 2024.

Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County
Minnesota



Beatty & Wozniak, P.C.
1675 Broadway # 600
Denver, CO 80202-4692

LEGAL NOTICE
NOVEMBER 21, 2024

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case.

The hearing will be conducted on **Thursday, December 5, 2024, beginning at 9:00 A.M.** in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the Microsoft Teams virtual meeting platform. To view the hearing docket and to determine how to participate in the electronic hearing, visit the Division's website at: <http://www.emnrd.state.nm.us/OCD/hearing-info/> or contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov. Documents filed in the case may also be viewed at <https://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Sheila Apodaca or the New Mexico Relay Network at 1-800-659-1779, no later than **November 25, 2024**.

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: All interested parties, including: ConocoPhillips Company; OXY USA Inc.; Occidental Permian LP; Chevron USA Inc.; Devon Energy Production Company LP; EOG Resources Inc.; Bureau of Land Management.

CASE NO. 24991: Application of XTO Permian Operating, LLC for Approving a Non-Standard Horizontal Spacing Unit, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 2,080.66-acre, more or less, non-standard horizontal spacing and proration unit composed of all of Sections 2, 11, 14, and the N/2 S/2 of Section 23, Township 24 South, Range 30 East, N.M.P.M. The proposed wells to be dedicated to the horizontal spacing unit are the: Poker Lake Unit 23 DTD Fed State Com #122H, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2; Poker Lake Unit 23 DTD Fed State Com #171H, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 4 (Unit D) of Section 2; Poker Lake Unit 23 DTD Fed State Com #172H, which is an oil well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 3 (Unit C) of Section 2; Poker Lake Unit 23 DTD Fed State Com #107H, which is an oil well that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 14 to a bottom hole location in the Bone Spring Formation in Lot 1 (Unit A) of Section 2; and Poker Lake Unit 23 DTD Fed State Com #157H, which is an oil well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 23 to a bottom hole location in Bone Spring Formation in Lot 2 (Unit B) of Section 2. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The wells and lands are located approximately 26 miles southeast from Carlsbad, New Mexico.

Published in the Carlsbad Current-Argus November 21, 2024.
#23160