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. 25377

NOTICE OF AMENDED EXHIBIT PACKET

XTO Permian Operating, LLC ("XTO"), provides notice that it is amending the evidentiary record in this case with respect to the following application materials:

• Removing an outdated map that was inadvertently included.

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 JUNE 5, 2025

Case No. 25377

Poker Lake Unit 13-24 PC #108H Poker Lake Unit 13-24 PC #118H Poker Lake Unit 13-24 PC #127H Poker Lake Unit 13-24 PC #166H Poker Lake Unit 13-24 PC #168H

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. 25377

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XTO Exhibit A: Filed Application & Proposed Notice of Hearing

XTO Exhibit B: Prepared by Corie A. Matthews, 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 Jennifer McHarge, Senior Geologist

- XTO Exhibit C-1: Location Map
- XTO Exhibit C-2: Subsea Structure Map, Cross Section Map
- XTO Exhibit C-3: Stratigraphical Cross-Section
- XTO Exhibit C-4: Gunbarrel Diagram
- XTO Exhibit C-5: Gross Isopach Map

XTO Exhibit D: Notice Affidavit

- XTO Exhibit D-1: Notice Letter to Interested Parties
- XTO Exhibit D-2: Chart of Notice
- XTO Exhibit D-3: 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. 373075 ("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 799.77-acre, more or less, non-standard horizontal spacing unit ("HSU") composed of the E/2NE/4 and SE/4 of Section 1, E/2 of Section 12, and the NE/4 of Section 13, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico (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 within the Poker Lake Federal Unit.

2. XTO seeks to dedicate all of the Application Lands to form a 799.77-acre, more or less, HSU.

- 3. XTO seeks to dedicate the above-referenced HSU to the following proposed wells:
 - A. Poker Lake Unit 13-24 PC 108H (API No. 30-015-53558), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the

Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Unit A) of Section 1, Township 24 South, Range 29 East;

- B. Poker Lake Unit 13-24 PC 118H (API No. 30-015-53556), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Unit A) of Section 1, Township 24 South, Range 29 East;
- C. Poker Lake Unit 13-24 PC 127H (API No. 30-015-53553), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Unit A) of Section 1, Township 24 South, Range 29 East;
- D. Poker Lake Unit 13-24 PC 166H (API No. 30-015-54015), which is a gas well that will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 East;
- E. Poker Lake Unit 13-24 PC 168H (API No. 30-015-53552), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 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 Order No. R-14262 Special Pool Rules for the

Purple-Sage Wolfcamp Gas Pool [98220] for setbacks.

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

WHEREFORE, XTO requests this Application be set for hearing on June 5th, 2025, 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 799.77-acre non-standard HSU, composed of the Application Lands, pursuant to 19.15.16.15(B)(5) NMAC;
- B. Approving the Poker Lake Unit 13-24 PC 108H, Poker Lake Unit 13-24 PC 118H, Poker Lake Unit 13-24 PC 127H, Poker Lake Unit 13-24 PC 166H, and Poker Lake Unit 13-24 PC 168H as the wells for the HSU.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:

Miguel A. Suazo James P. Parrot Jacob L. Everhart Ryan McKee 500 Don Gaspar Ave., Santa Fe, NM 87505 (505) 946-2090 msuazo@bwenergylaw.com jparrot@bwenergylaw.com jeverhart@bwenergylaw.com rmckee@bwenergylaw.com Attorneys for XTO Permian Operating, LLC 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 799.77-acre, more or less, non-standard horizontal spacing and proration unit composed of the E/2NE/4 and SE/4 of Section 1, E/2 of Section 12, and the NE/4 of Section 13, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the: Poker Lake Unit 13-24 PC 108H (API No. 30-015-53558), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 East; Poker Lake Unit 13-24 PC 118H (API No. 30-015-53556), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 East; Poker Lake Unit 13-24 PC 127H (API No. 30-015-53553), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 East; Poker Lake Unit 13-24 PC 166H (API No. 30-015-54015), which is a gas well that will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 East; Poker Lake Unit 13-24 PC 168H (API No. 30-015-53552), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East, to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 East. The wells are orthodox in location, and the take points and laterals comply with Order No. R-14262 Special Pool Rules for the Purple-Sage Wolfcamp Gas Pool [98220] for setbacks. The wells and lands are located approximately 11 miles southeast from Loving, 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. 25377

AFFIDAVIT OF CORIE A. MATHEWS

Corie A. Mathews, being first duly sworn upon oath, deposes and states as follows:
 My name is Corie A. Mathews and I am employed by XTO Permian Operating,
 LLC ("XTO") as a Senior Landman.

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 abovereferenced 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. 25377, XTO seeks an order (1) approving a non-standard 799.77acre, more or less, non-standard horizontal spacing unit ("HSU") composed of the E/2NE/4 and SE/4 of Section 1, E/2 of Section 12, and the NE/4 of Section 13, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, underlying the Application Lands. Received by OCD: 6/4/2025 9:58:22 AM

6. **XTO Exhibit B-1** contains the Form C-102s reflecting that the Wolfcamp wells drilled and completed in the subject unit.

7. **XTO Exhibit B-2** outlines the acreage comprising the non-standard horizontal well spacing unit. There are two federal leases covering this acreage. XTO and Chevron USA Inc., own all the working interests in the Wolfcamp 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.

8. **XTO Exhibit B-3** is a map depicting the non-standard spacing unit in relation to the outline of a standard spacing unit.

9. 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.

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

11. In compiling the addresses for the various interest owners, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, 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.

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12. **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.

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]

FURTHER AFFIANT SAYETH NOT. Dated this 29th day of May, 2025.

Corie A. Mathews XTO Permian Operating, LLC

STATE OF TEXAS

COUNTY OF HARRIS

The foregoing instrument was subscribed and sworn to before me this $\frac{24^{\circ}}{100}$ day of May, 2025, by Corie A. Mathews, Senior Landman for XTO Permian Operating, LLC.

)) ss.

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Witness my hand and official seal.

My commission expires: 11-DI-2028

NOTARY PUBLIC

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	Notary Public, State of Texas
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Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



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Case No. 25377 XTO Permian Operating, LLC - Exhibit B-1

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This grid represents a standard section. You may superimpose a non-standard section, or a larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is the closest to any outer boundary of the tract.

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Case No. 25377 XTO Permian Operating, LLC - Exhibit B-1

<u>C-10</u>	<u>)2</u>		State of New Mexico Energy, Minerals & Natural Resources Department								y 9, 2024		
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Unitize	d Area or Ar	ea of Unifor NMI	m Interest NM105422429	Spacin	g Unit Type	🗴 Horizon	ntal 🗌 Vertical Ground Floor Elevation: 3,112'						
OPE	RATOR C	ERTIFIC	CATIONS				SURVEYOR CE	ERTIFI	CATIONS				
best of interess location an own agreem If this v the con interest comple	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. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling form the division.						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. 1, TM C. PAPPS, NEW MEXICO PROESSIONAL SURVEYOR NO. 2000, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE CTUAL SURVEY ON THE CORUND FROM VIENCE TI'S SURVEY WEETS THE MINIMUM STANDARDS FOR SURVEYNG IN NEW MEXICO, AND THAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. 1TM. C. PAPPS TIM. C. PAPPS TIM. C. PAPPS TO THE SURVEY OF THIS SURVEYNG STATE OF NEW MEXICO NO. 21209					same	
Ma	noj Ve	nkates	h i	09/11	/24		STATE OF NEW MEXICO N	0. 21209			155	ONAL SU	RY
Signatu	ıre		D	Date			Signature and Seal of	Professio	nal Surveyor				
Mano	oj Venka	atesh											
Printed				••			Certificate Number		Date of Surv	vey			
	oj.venka Address	atesh@	exxonmob	il.com	า		TIM C. PAPPAS 2	21209	7/28/20	023			
	Note: No a	llowable wii	'l be assigned to t	his compi	letion until a	ll interests I	ave been consolidated o	pr a non-s	tandard unit f	has been	approved	l by the divis	ion.
()	FS		2821 W NEERB	Ph: 817 TBPE Fir	Street., Ste 2 7.349.9800 - m 17957 T www.fsc copyright 2024 -	Fax: 979.73 BPLS Firm 1 cinc.net	0193887	DATE: DRAW CHECI FIELD	N BY: (ED BY:	9-3-2024 LM CH IR	SCA SHE	LE:	2023060321 1 OF 2 NO

This grid represents a standard section. You may superimpose a non-standard section, or a larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is the closest to any outer boundary of the tract.

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C-102 State of New Mexico								
Submit Electronically Via OCD Permitting OIL CONSERVATION DIVISION								
			🗌 As Dri	lled				
WELL LOCATION INFORMATION								
API Number Pool Code Pool Name 30-015-54015 98220 PURPLE SAGE; WOLFCAMP								
Property Code Property Name POKER LAKE LINIT 12 24 PC			Well Number					
333842 POREN LAKE UNIT 13-24 PC ORGID No. Operator Name 373075 XTO PERMIAN OPERATING, LLC.			166H Ground Level 3,094'	Elevation				
Surface Owner: State Fee Tribal 🕱 Federal Mineral Owner: State	🗌 Fee 🗌 Tribal	l 🕱 Fede	ral					
Surface Location								
		ngitude 103.936	776 Cou	nty DDY				
Bottom Hole Location UL Section Township Range Lot Ft. from N/S Ft. from E/W Lat	titude Lo	ongitude	Cou	ntv				
		-103.932		DDY				
Dedicated Acres Infill or Defining Well Defining Well API Overlapping Spacing Unit (Y 719.94 DEFINING V Y	r/N) Consolidat U	tion Code						
Order Numbers. Well setbacks are under Con	nmon Ownership: D	X Yes 🗌] No					
Kick Off Point (KOP)								
		ongitude	Cou					
G 13 24 S 29 E 2,459' FNL 2,250' FEL 32 First Take Point (FTP)	2.218056 -	-103.936	776 ED	DY				
UL Section Township Range Lot Ft. from N/S Ft. from E/W Lat		ongitude	Cou					
	2.219419 -	-103.933	608 ED	DY				
Last Take Point (LTP) UL Section Township Range Lot Ft. from N/S Ft. from E/W Last	titude Lo	ongitude	Cou	nty				
1 24 S 29 E 1 330' FNL 996' FEL 32	2.253041 -	-103.932	784 ED	DY				
Unitized Area or Area of Uniform Interest NMNM105422429 Spacing Unit Type 🗵 Horizontal 🗌 Vertical	Ground Floor E	levation:	3,094'					
OPERATOR CERTIFICATIONS SURVEYOR CERT	TIFICATIONS							
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 is true and correct to the	ade by me or under							
Inocation 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 arcramwatt or a comulacy nodil in order bacetoface antered by the division archite the contract of the division of the diteration of the division of the division of the di	I, TIM C. PAPPAS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 21209, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THAN RESPONSIBLE FOR THIS SURVEY.							
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral	MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLDDE AND BELIEF.							
interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling form the division.	THE C PAPPAS							
Manoj Venkatesh 09/11/24	1209		ESSIONA	L SURVE				
Signature Date Signature and Seal of Profe	essional Surveyor							
Manoj Venkatesh								
Printed Name Certificate Number	Date of Surv	rey						
manoj.venkatesh@exxonmobil.com TIM C. PAPPAS 2120	09 7/28/20	023						
Email Address								
Note: No allowable will be assigned to this completion until all interests have been consolidated or a n	non-standard unit h	has been a	pproved by th	e division.				
2821 West 7th Street., Ste 200 - Fort Worth, TX 76107 Ph: 817.349.9800 - Fax: 979.732.5271 TREF Erem 17057 / TREFS EREM 17058 / TREFS EREM 1705 / TREFS EREM	DATE: 9	9-3-2024		D: 2023060313				

This grid represents a standard section. You may superimpose a non-standard section, or a larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is the closest to any outer boundary of the tract.

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Case No. 25377 XTO Permian Operating, LLC - Exhibit B-1

<u>C-10</u>	<u>)2</u>				Sta	te of N	ew Mexico					Revised July 9, 20
Submit El	1		Ene				ral Resources Department					Initial Calmittal
	a OCD Permitting OIL CONSERVA						TION DIVISION			Submitt		Initial Submittal
										Type:		As Drilled
												As Drilled
					WELL LO	1	INFORMATION					
API Nu 30-0	umber)15-53552		Pool Code 98220			Pool Nam PURPI	^e ₋E SAGE; WOLFCAI	MP				
Propert 3338			Property Name	POKE	ER LAKE UI	NIT 13-24	PC				Well N 168H	
ORGIE 3730	O No.		Operator Name	ХТО І	PERMIAN C	DPERATIN	IG, LLC.					Level Elevation
Surface	e Owner: 🔲	State 🗌 F	ee 🗌 Tribal 🛛	Federal			Mineral Owner:	State 🗌	Fee 🗌 Triba	I 🗶 Fede	eral	
						Surface	Location					
UL H	Section 13	Townshi 24 S	· · ·	Lot	Ft. from N, 2,42	/S 20' FNL	Ft. from E/W 996' FEL	Latitude 32.218		ongitude -103.932	2721	County EDDY
							ble Location					
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Order N	Numbers.						Well setbacks are unde	er Commor	Ownership:	X Yes [] No	
UL	Section	Tourshi	p Range	Lot	Ft. from N		Point (KOP) Ft. from E/W	Latitude		maituda		County
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I hereb	y certify that	the informat	tion contained her	ein is true	e and complet	e to the	I hereby certify that					
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an own	er of such a n	nineral or w	is well at this loca orking interest, or	to a volu	ntary pooling		I, TIM C. PAPPAS, NEW 1 21209, DO HEREBY CER ACTUAL SURVEY ON THE	GROUND U	PON WHICH IT IS	S BASED	6	C. PARA
0			ling order heretofd				WEEF PERFORMED BY ME OF UNDER MY DIRECT SUPERVISION. THAT I AM RESPONSIBLE FOR THIS SURVEY. THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.					
the con	sent of at leas	st one lessee	further certify the or owner of a wo	rking inte	rest or unleas	sed mineral	MEXICO, AND THAT IS THE MY KNOWLEDGE AND BEI	LIEF. 4 S	RRECT TO THE E	24	*	
comple	ted interval w		et pool or formati ed or obtained a co									
divisior	n.						TIM C. PAPPAS REGISTERED PROFESSIONAL LAND SURVEYOR STATE OF NEW MEXICO NO. 21209					
Ma	inoj Ve	nkates	ıh	09/1	1/24			. 21205			155	VONAL SUR!
Signatu			Γ	Date			Signature and Seal of	f Professio	nal Surveyor			
Man	oj Venk	atesh										
Printed	Name						Certificate Number		Date of Surv	/ey		
	nanoj.venkatesh@exxonmobil.com						TIM C. PAPPAS 21209 7/28/2023					
Email A	Address											
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This grid represents a standard section. You may superimpose a non-standard section, or a larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is the closest to any outer boundary of the tract.

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Case No. 25377 XTO Permian Operating, LLC - Exhibit B-1



Date: 5/22/2025



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PLU 13-24 PIERCE CANYON STANDARD SPACING UNIT

SEC 1: E/2 SEC 12: E/2 SEC 13: NE4 IN 24S-29E CONTAINING 806.49 ACRES, MORE OR LESS.

Purple Sage Pool Code



STANDARD SPACING UNIT

COMMITTED ACREAGE Operator: XTO Permian Type: Federal, State Acreage



POKER LAKE UNIT

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4,000 Feet Date: 5/27/2025

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. 25377

AFFIDAVIT OF JENNIFER L. MCHARGE

Jennifer L. McHarge, being first duly sworn upon oath, deposes and states as follows:

1. My name is Jennifer L. McHarge, and I am employed by XTO Permian Operating,

LLC ("XTO") as a Senior Geoscientist.

2. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my qualifications as an expert in petroleum geology have been accepted and made a matter of record. I have several years of experience in petroleum geology and have worked directly or in a supervisory role with the properties that are the subject of this matter.

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 abovereferenced 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.

XTO Exhibit C-1 includes a base map of the lands showing the proposed
 Wolfcamp formation spacing unit.

6. **Exhibit C-2** depicts a subsea structure map that I prepared on the top of the Wolfcamp 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 Wolfcamp 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 stratigraphic cross-section I prepared for the Wolfcamp 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 Wolfcamp 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 Wolfcamp formation in the vicinity of the proposed unit.

10. **XTO Exhibit C-5** includes the gross isopach map. The Wolfcamp wells are indicated by black lines. The proposed horizontal spacing unit is outlined in yellow. The contour interval used in this exhibit is 20'.

11. 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.

12. Exhibit C-1 through Exhibit C-5 were prepared by me or compiled from XTO's company business records under my direct supervision.

13. 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.

14. 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]

FURTHER AFFIANT SAYETH NOT. Dated this 29 day of May, 2025.

KTO Permian Operating, LLC

STATE OF TEXAS

COUNTY OF HARRIS

The foregoing instrument was subscribed and sworn to before me this day of May, 2025, by Jennifer L. McHarge, Senior Geoscientist for XTO Permian Operating, LLC.

)) ss.

)

Witness my hand and official seal.

My commission expires: 11-01-202 NOTARY PUBLIC

NIN RY PU	PAIGE STONAKER
	Notary Public, State of Texas
	Comm. Expires 11-01-2028
THE OF THIS	Notary ID 135154017



Date: 5/22/2025



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PLU 13-24 PIERCE CANYON

<mark>PLU: 74</mark>



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. 25377

AFFIDAVIT

) ss.

)

STATE OF COLORADO 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 abovereferenced Application has been provided under Notice Letters dated May 14, 2025, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered to the interested parties on or about May 18, 2025, as shown on certified mail receipts attached as Exhibit D-3.

Applicant also published notice of the Application in the Carlsbad Current-Argus on May 17, 2025. Proof of receipt is shown on Exhibit E.

Rachael Ketchledge

SUBSCRIBED AND SWORN to before me on May 27, 2025, by Rachael Ketchledge.

My commission expires: March 4, 2027

MARY GRACE T. GO-HOVELAND NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20114013519 MY COMMISSION EXPIRES MARCH 4, 2027

NOT

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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

May 14, 2025

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Application of XTO Permian Operating, LLC for Approval of a Non-Standard Horizontal Spacing Unit in Eddy County, New Mexico (Case No. 25377).

Dear Interest Owners:

This letter is to advise you that XTO Permian Operating, LLC ("XTO") has filed the enclosed amended application, Case No. 25377, with the New Mexico Oil Conservation Division for Approval of a Standard Spacing Unit and Compulsory Pooling in Eddy County, New Mexico.

In Case No. 25377, XTO seeks an Order from the Division to: (1) approve a 799.77-acre, more or less, non-standard horizontal spacing unit composed of the E/2 NE/4 and SE/4 of Section 1, E/2 of Section 12, and the NE/4 of Section 13, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

A hearing has been requested before a Division Examiner on June 5, 2025, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 9:00 a.m. Mountain Standard Time, 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 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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> 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://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to

BEATTY & WOZNIAK, P.C.

May 14, 2025 Case No. 25377 Page 2

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; 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

Beatty & Wozniak, P.C. Energy in the Law[®]

Case No. 25377 Certified Mailing Status

MAIL DATE	OWNER	ADDRESS	TYPE_INT	MAIL CLASS	TRACKING NUMBER
M 14, 2025	Devon Energy Production Company	333 West Sheridan Avenue	33/1		
May 14, 2025	LP	Oklahoma City, OK 73102	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0208 7946 85
Mar. 14, 2025	Bureau of Land Management	620 East Green Street	MINERAL		
May 14, 2025	Carlsbad Field Office	Carlsbad, NM 88220-6292	OWNER/ROYALTY	Certified w/ Return Receipt (Signature)	9589 0710 5270 0208 7946 78





Page 37 of 39

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

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 96

Ad Number:	47980
Description:	NMOCD - 25377
Ad Cost:	\$217.80

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:

May 17, 2025

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

Sherry Dances

Agent

Subscribed to and sworn to me this 17th day of May 2025.

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

> Beatty & Wozniak, P.C. BEATTY & WOZNIAK, P.C. 1675 Broadway # 600 Denver, CO 80202-4692 rketchledge@bwenergylaw.com



LEGAL NOTICE MAY 17, 2025

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, June 5, 2025, beginning at 9:00 A.M. MST 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 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 signal 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 May 29, 2025.

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: Bureau of Land Management, Carlsbad Field Office; Devon Energy Production Company LP.

CASE NO. 25377: 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 799.77-acre, more or less, non-standard horizontal spacing and proration unit composed of the E/2NE/4 and SE/4 of Section 1, E/2 of Section 12, and the NE/4 of Section 13, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the: Poker Lake Unit 13-24 PC 108H (API No. 30-015-53558), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East; to a bottom hole location in the Purple Sage, Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 East; Poker Lake Unit 13-24 PC 118H (API No. 30-015-53556), which is a gas well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East; to a bottom hole location in the Purple Sage, Wolfcamp Formation in the SE/4 NE/4 (Unit H) of Section 13, Township 24 South, Range 29 East; to a bottom hole location in the Purple Sage. Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 13, Township 24 South, Range 29 East; Poker Lake Unit 13-24 PC 127H (API No. 30-015-53553), which is a gas well that will be horizontally drilled from a surface location in the Purple Sage. Wolfcamp Formation in the NE/4 NE/4 (Lot 1) of Section 13, Township 24 South, Range 29 East; Oaker Lake Unit 13-24 PC 166H (API No. 30-015-54015), which is a gas well that will be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 13, Township 24 South, Range 29 East; to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1, Township 24 South, Range 29 East; to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 13, Township 24 South, Range 29 East; to a bottom hole locatio

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