

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

**APPLICATION OF XTO ENERGY INC. TO
RE-OPEN CASE NO. 15805 TO REVISE THE
WELL NAME AND TO DEDICATE AN ADDITIONAL
INITIAL WELL TO THE NON-STANDARD SPACING AND
PRORATION UNIT UNDER THE TERMS OF ORDER R-14477,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15805 (re-opened)

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APPLICATION

XTO Energy Inc., ("XTO") through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-14477 to (1) revise the well name for the initial well; and (2) to dedicate an additional initial well to the non-standard spacing unit under the terms of compulsory pooling Order No. R-14477. In support of its application, XTO states:

1. Order No. R-14477, entered on October 5, 2017, created a 239.62-acre, more or less, non-standard spacing and proration unit comprised of the W/2 E/2 of Section 6, Township 25 South, Range 29 East and the W/2 SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. This order further pooled all the uncommitted interests in the Bone Spring formation (Willow Lake; Bone Spring, Southeast Pool (96217)) in this spacing and proration unit ("the "Unit") and dedicated the Unit to the Cattle Baron State Well No. 2H (API No. 30-015-44281).

2. Paragraph 7, page 2 of Order No. R-14477 requires XTO to rename the Cattle Baron State Well No. 2H to reflect that the Unit include portions of two state leases and one federal

lease. XTO therefore seeks to amend Order No. R-14477 to reflect the revised well name as the **Cattle Baron Fed Com No. 2H Well**.

2. In addition, since the entry of Order No. R-14477, XTO has proposed an additional initial well in the spacing unit: the **Golden Corral Fed Com No. 2H Well**. This well will be pad-drilled and simultaneously completed with the initial well set forth in the pooling order.

3. Because the **Cattle Baron Fed Com No. 2H Well** and the **Golden Corral Fed Com No. 2H Well** will be pad-drilled and simultaneously completed, XTO seeks to amend Order No. R-14477 to dedicate an additional initial well to the Unit.

4. The **Golden Corral Fed Com No. 2H Well** is a horizontal well to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 25 South, Range 29 East, to a standard bottomhole location in the NW/4 SE/4 (Unit J) of Section 31, Township 24 South, Range 29 East. The completed interval will comply with the Statewide setback requirements.

5. In order to permit XTO to obtain its just and fair share of the oil and gas underlying the subject lands, to prevent waste and to promote economic efficiency, an Order R-14477 should be amended to dedicate the **Golden Corral Fed Com No. 2H Well** as an additional initial well under the Order.

WHEREFORE, XTO requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 30, 2017, and, after notice and hearing as required by law, the Division amend Order No. R-14477 (1) to reflect the revised well name; and (2) to dedicate an additional initial well to the Unit.

Respectfully submitted,

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ATTORNEYS FOR XTO ENERGY INC.

CASE No. 15805 (re-opened): Application of XTO Energy Inc. to revise the well name and to dedicate an additional initial well to the non-standard spacing and proration unit under the terms of Order R-14477, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-14477 to 1) revise the well name for the initial well; and 2) to dedicate an additional initial well to the spacing unit under the terms of compulsory pooling Order No. R-14477. The revised well name for the initial well will be the **Cattle Baron Fed Com No. 2H Well**. XTO further requests that the **Golden Corral Fed Com No. 2H Well** be dedicated to the non-standard spacing and proration unit as an additional initial well. The **Cattle Baron Fed Com No. 2H Well** and the **Golden Corral Fed Com No. 2H Well** will be pad-drilled and simultaneously completed. The **Golden Corral Fed Com No. 2H Well** is a horizontal well to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 25 South, Range 29 East, to a standard bottomhole location in the NW/4 SE/4 (Unit J) of Section 31, Township 24 South, Range 29 East. The completed interval will comply with the Statewide setback requirements. Said area is located approximately 6 miles southeast of Malaga, New Mexico.