

**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,

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***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.