

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

**APPLICATIONS OF WPX ENERGY PERMIAN, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

WPX Energy Permian, LLC (“WPX”), OGRID No. 246289, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 430.41-acre, more or less, spacing unit comprised of the E/2 of Section 26 and Lots 5, 6, 11, and 12 of Section 35, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

In support of its Application, WPX states the following:

1. WPX is a working interest owner in the proposed horizontal spacing unit (“HSU”) and has a right to drill a well thereon.
2. WPX has previously pooled this HSU in Case No. 25611, Order No. R-24068, and is submitting this new application because WPX has changed its development plan in order to include certain U-turn wells in the HSU. Therefore, WPX requests the Division to vacate Order No. R-24068 upon issuance of the new pooling order pursuant to this application such that the new pooling order will supplant and replace Order No. R-24068.
3. WPX proposes and dedicates to the HSU the **Steel Guitar 35-26 Fed Com 324H Well**, the **Steel Guitar 35-26 Fed Com 333H Well**, and the **Steel Guitar 35-26 Fed Com 334H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

4. WPX proposes the **Steel Guitar 35-26 Fed Com 324H Well**, an oil well, to be drilled as a U-Turn well, with the surface location in or near the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in or near the NE/4 NE/4 (Unit A) of Section 26.

5. WPX proposes the **Steel Guitar 35-26 Fed Com 333H Well**, an oil well, to be horizontally drilled from the surface location in or near the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35.

6. WPX proposes the **Steel Guitar 35-26 Fed Com 334H Well**, an oil well, to be drilled as a U-Turn well, with the surface location in or near the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in or near the NE/4 NE/4 (Unit A) of Section 26. The 334H Well qualifies as the proximity well to create with proximity tracts the larger standard unit covering the W/2 of Section 26 and Lots 5, 6, 11, and 12 of Section 35.

7. The 324H and 334H Wells proposed herein are orthodox in their location, as the take points and completed intervals comply with setback requirements under statewide rules. However, the 333H Well has a nonstandard location that encroaches upon the western boundary of the unit; WPX is seeking administrative approval of this nonstandard location.

8. WPX has sought in good faith but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

9. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

10. In order to provide for its just and fair share of the oil and gas underlying the subject lands, WPX requests that all uncommitted interests in this HSU be pooled and that WPX be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, WPX requests that this Application be set for hearing on February 5, 2026, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 430.41-acre, more or less, spacing unit comprised of the E/2 of Section 26 and Lots 5, 6, 11, and 12 of Section 35, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

B. Approving the **Steel Guitar 35-26 Fed Com 324H Well**, the **Steel Guitar 35-26 Fed Com 333H Well**, and the **Steel Guitar 35-26 Fed Com 334H Well**, as the wells for the HSU.

C. Vacating previous Order No. R-24068 and supplanting the previous order with the order issued pursuant to this application.

D. Designating WPX as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing WPX to recover its costs of drilling, equipping, and completing the wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by WPX in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application WPX Energy Permian, LLC, for Compulsory Pooling, Eddy County, New Mexico.

Applicant in the above-styled cause seeks for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 430.41-acre, more or less, spacing unit comprised of the E/2 of Section 26 and Lots 5, 6, 11, and 12 of Section 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the; **Steel Guitar 35-26 Fed Com 324H Well**, an oil well, to be drilled as a U-Turn well, with the surface location in or near the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in or near the NE/4 NE/4 (Unit A) of Section 26; the **Steel Guitar 35-26 Fed Com 333H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35; and the **Steel Guitar 35-26 Fed Com 334H Well**, an oil well, to be drilled as a U-Turn well, with the surface location in or near the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in or near the NE/4 NE/4 (Unit A) of Section 26. The 324H and 334H Wells are orthodox in their locations, as their take points and completed intervals will comply with setback requirements under statewide rules. However, the 333H Well is unorthodox, and applicant will seek administrative approval from the OCD for the nonstandard location. The 334H Well is the proximity well, and proximity tracts will be utilized to create the standard unit. This application will supplant and replace the application in Case No. 25611 for the unit, and Order No. R-24068 will be vacated upon issuance of the new order for said unit. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located adjacent to the southern state line and approximately 31 miles southeast of Carlsbad, New Mexico.