

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

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

**CASE NO.** \_\_\_\_\_

**APPLICATION**

WPX Energy Permian, LLC (“WPX” or “Applicant”) (OGRID No. 246289), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (98220)), underlying a 862.40-acre, more or less, standard horizontal spacing unit comprised of all of Section 26 and the N/2 equivalent of irregular Section 32, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of this application, WPX states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:
  - a. (1) The **Steel Guitar 35-26-29 Fed Com #411H well**, and (2) the **Steel Guitar 35-26-29 Fed Com #421H well**, to be horizontally drilled from a common surface hole location in the NE/4 NW/4 (Unit C) of Section 26 to bottom hole locations in the SW/4 NW/4 (Lot 9) of Section 35;
  - b. (3) The **Steel Guitar 35-26-29 Fed Com #412H well**, (4) the **Steel Guitar 35-26-29 Fed Com #422H well**, and (5) the **Steel Guitar 35-26-29 Fed**

**Com #423H well**, to be horizontally drilled from a common surface hole location in the NE/4 NW/4 (Unit C) of Section 26 to bottom hole locations in the SE/4 NW/4 (Lot 10) of Section 35; and

- c. (6) The **Steel Guitar 35-26-29 Fed Com #413H well**, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in the SW/4 NE/4 (Lot 11) of Section 35.
- 3. The S/2 N/2 of irregular Section 35 borders the Texas state line.
- 4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.
- 5. The pooling of interests in the proposed horizontal well spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
- 6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying the proposed horizontal spacing unit;
- B. Approving the initial wells in the horizontal well spacing unit;
- C. Designating Applicant as the operator of the horizontal spacing unit and the wells to be drilled thereon;

- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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**ATTORNEYS FOR WPX ENERGY PERMIAN, LLC**