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

APPLICATION OF XTO HOLDINGS, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO.

<u>APPLICATION</u>

XTO Holdings, LLC ("XTO" or "Applicant"), 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 mineral owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Sections 10 and 15, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, XTO 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 designate XTO Energy Inc. (OGRID No. 5380) as the operator of the proposed horizontal spacing unit.
- 3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Corral Canyon 10-15 Fed Com 21H** (API No. 30-015-43718) well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 3, with a first take point in the NW/4 NW/4 (Unit D) of Section 10 and a last take point in the SW/4 SW/4 (Unit M) of Section 15.

- 4. Applicant has sought and been unable to obtain the signatory approval on the federal communization agreement from all the record title owners in one federal lease covering the subject spacing unit, NMNM-144091.
- 5. The pooling of record title owners will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted record title owners in the horizontal spacing unit; and
- B. Designating XTO Energy Inc. as operator of this spacing unit and the horizontal well to be drilled thereon.

Respectfully submitted,

HOLLAND & HART LLP

Ву:

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CASE :

Application of XTO Holdings, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Sections 10 and 15, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Corral Canyon 10-15 Fed Com 21H (API No. 30-015-43718) well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 3, with a first take point in the NW/4 NW/4 (Unit D) of Section 10 and a last take point in the SW/4 SW/4 (Unit M) of Section 15. Also, to be considered will be the designation of XTO Energy Inc. as operator of the well. Said area is located approximately 12 miles southeast of Loving, New Mexico.