

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

**APPLICATION OF XTO PERMIAN OPERATING, INC.  
FOR APPROVAL OF A 719.94-ACRE NON-STANDARD  
SPACING UNIT IN THE WOLFCAMP FORMATION,  
EDDY COUNTY, NEW MEXICO**

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

**APPLICATION**

XTO Permian Operating, Inc. (“XTO” or “Applicant”) (OGRID No. 373075), through the undersigned attorney, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA § 70-2-17 and Rule 19.15.16.15(B)(5) NMAC for an order approving a non-standard spacing unit for a Wolfcamp [Purple Sage] (Pool Code 98220) horizontal spacing unit comprised of portions of Sections 1, 12, and 13, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

In support of this application, XTO states:

1. Applicant is the designated operator of the proposed horizontal spacing unit and has the right to drill thereon.
2. XTO Delaware Basin, LLC and Chevron U.S.A are the owners of the working interest the proposed horizontal spacing unit.
3. Applicant understands that these wells will be placed in a Wolfcamp oil pool and seeks approval of a non-standard spacing unit to allow for effective well spacing, to prevent waste, and to protect correlative rights.
4. Applicant seeks to dedicate portions of Sections 1, 12, and 13, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico to form a 719.94-acre, more or less, Wolfcamp horizontal spacing unit.

5. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following wells drilled from shared surface locations in the S2NE4 of Section 13:

- **Poker Lake Unit 13-24 PC #166H** well, with first take point in the SW4NE4 of Section 13, and last take point in Lot 1 of Section 1;
- **Poker Lake Unit 13-24 PC #165H, Poker Lake Unit 13-24 PC #106H, Poker Lake Unit 13-24 #116H, and Poker Lake Unit 13-24 PC #125H** wells, with first take points in the SW4NE4 of Section 13, and last take points in the NW4SE4 of Section 1;
- **Poker Lake Unit 13-24 PC #168H, Poker Lake Unit 13-24 PC #127H, Poker Lake Unit 13-24 PC #108H, and Poker Lake Unit 13-24 PC #118H** wells, with first take points in the SE4NE4 of Section 13, and last take points in Lot 1 of Section 1;

6. The wells are horizontally drilled, and the producing area for the wells is orthodox.

7. Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.,* 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC; 19.15.16.15.C(7) NMAC.

8. Approval of a non-standard spacing unit will allow XTO to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks and pipelines, by including only those lands in the Poker Lake Exploratory Unit, thereby avoiding additional facility costs associated with communitization of additional acreage.

9. Approval of this application will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 27, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5);
- B. Approving the wells in the Unit; and
- C. Designating XTO as the operator of the Unit and the wells drilled thereon.

Respectfully Submitted,

KUIPER LAW FIRM, PLLC

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CASE \_\_\_\_\_: **Application of XTO Permian Operating, Inc. for approval of a Non-Standard Spacing Unit, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division approving a non-standard 719.94-acre Wolfcamp [Purple Sage] horizontal spacing unit comprised of portions of Sections 1, 12, and 13, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the following wells:

- **Poker Lake Unit 13-24 PC #166H** well, with first take point in the SW4NE4 of Section 13, and last take point in Lot 1 of Section 1;
- **Poker Lake Unit 13-24 PC #165H, Poker Lake Unit 13-24 PC #106H, Poker Lake Unit 13-24 #116H, and Poker Lake Unit 13-24 PC #125H** wells, with first take points in the SW4NE4 of Section 13, and last take points in the NW4SE4 of Section 1; and
- **Poker Lake Unit 13-24 PC #168H, Poker Lake Unit 13-24 PC #127H, Poker Lake Unit 13-24 PC #108H, and Poker Lake Unit 13-24 PC #118H** wells, with first take points in the SE4NE4 of Section 13, and last take points in Lot 1 of Section 1.

All of the above-mentioned wells are horizontally drilled. The wells are drilled at orthodox locations. The wells and lands are approximately 21 miles southeast of Carlsbad, New Mexico.