

**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. \_\_\_\_\_**

**APPLICATION**

XTO Holding, 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 959.40-acre, more or less, horizontal well spacing unit comprised of Lots 1-2 (N/2 NE/4 equivalent), S/2 NE/4, and the SE/4 of irregular Section 3, and the E/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 **Shanghai Rooster 15-3 Fed #107H** (API No. 30-015-53675) well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 15, with a first take point in the SE/4 SE/4 (Unit P) of Section 15 and a last take point in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3; and the **Shanghai Rooster 15-3 Fed #125H** (API No. 30-015-50096) well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section

15, with a first take point in the SW/4 SE/4 (Unit O) of Section 15 and a last take point in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 3.

4. The completed interval of the **Shanghai Rooster 15-3 Fed #107H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

5. The **Shanghai Rooster 15-3 Fed #125H** is at a non-standard well location (“NSL”), for which XTO has an approved NSL order. *See* NSL-8488.

6. Applicant has sought and been unable to obtain the signatory approval on the federal communization agreement from all the record title owners.

7. 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 July 11, 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

By:   
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**ATTORNEYS FOR XTO HOLDINGS, LLC**

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 959.40-acre, more or less, horizontal well spacing unit comprised of Lots 1-2 (N/2 NE/4 equivalent), S/2 NE/4, and the SE/4 of irregular Section 3, and the E/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 **Shanghai Rooster 15-3 Fed #107H** (API No. 30-015-53675) well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 15, with a first take point in the SE/4 SE/4 (Unit P) of Section 15 and a last take point in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3; and the **Shanghai Rooster 15-3 Fed #125H** (API No. 30-015-50096) well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 15, with a first take point in the SW/4 SE/4 (Unit O) of Section 15 and a last take point in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 3. The completed interval of the **Shanghai Rooster 15-3 Fed #107H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. The **Shanghai Rooster 15-3 Fed #125H** is at a non-standard well location (“NSL”), for which XTO has an approved NSL order. Also, to be considered will be the designation of XTO Energy, Inc. as operator of the well. Said area is located approximately 11 miles southeast of Loving, New Mexico.