

**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 Wolfcamp formation underlying a standard 1,919.2-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 (N/2 N/2 equivalent), S/2 N/2, and the S/2 of irregular Section 3, and all 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 #104H** (API No. 30-015-50043) well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 15, with a first take point in the SE/4 SW/4 (Unit N) of Section 15 and a last take point in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #105H** (API No. 30-015-50098) 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 **Shanghai Rooster 15-3 Fed #121H** (API No. 30-015-50042) well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 15, with a first take point in the SW/4 SW/4 (Unit M) of Section 15 and a last take point in Lot 4 (NE/4 NE/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #124H** (API No. 30-015-50040) well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 15, with a first take point in the SE/4 SW/4 (Unit N) of Section 15 and a last take point in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #126H** (API No. 30-015-50100) 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 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #127H** (API No. 30-015-50094) 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; the **Shanghai Rooster 15-3 Fed #161H** (API No. 30-015-50046) well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 15, with a first take point in the SW/4 SW/4 (Unit M) of Section 15 and a last take point in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #163H** (API No. 30-015-50027) well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 15, with a first take point in the SW/4 SW/4 (Unit M) of Section 15 and a last take point in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #164H** (API No. 30-015-50028) well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 15, with a first take point in the SE/4 SW/4 (Unit N) of Section 15 and a last take point in Lot 3

(NE/4 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #165H** (API No. 30-015-50092) well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 15, with a first take point in the SE/4 SW/4 (Unit N) of Section 15 and a last take point in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #166H** (API No. 30-015-50093) 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 **Shanghai Rooster 15-3 Fed #801H** (API No. 30-015-50029) well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 15, with a first take point in the SW/4 SW/4 (Unit M) of Section 15 and a last take point in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #802H** (API No. 30-015-50039) well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 15, with a first take point in the SE/4 SW/4 (Unit N) of Section 15 and a last take point in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 3; the **Shanghai Rooster 15-3 Fed #803H** (API No. 30-015-50048) 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; and the **Shanghai Rooster 15-3 Fed #805H** (API No. 30-015-50099) 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 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 #165H** 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(3)(b) NMAC.

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

6. 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 September 12, 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,

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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 Wolfcamp formation underlying a standard 1,919.2-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 (N/2 N/2 equivalent), S/2 N/2, and the S/2 of irregular Section 3, and all 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 #104H** (API No. 30-015-50043), **Shanghai Rooster 15-3 Fed #105H** (API No. 30-015-50098), **Shanghai Rooster 15-3 Fed #121H** (API No. 30-015-50042), **Shanghai Rooster 15-3 Fed #124H** (API No. 30-015-50040), **Shanghai Rooster 15-3 Fed #126H** (API No. 30-015-50100), **Shanghai Rooster 15-3 Fed #127H** (API No. 30-015-50094), **Shanghai Rooster 15-3 Fed #161H** (API No. 30-015-50046), **Shanghai Rooster 15-3 Fed #163H** (API No. 30-015-50027), **Shanghai Rooster 15-3 Fed #164H** (API No. 30-015-50028), **Shanghai Rooster 15-3 Fed #165H** (API No. 30-015-50092), **Shanghai Rooster 15-3 Fed #166H** (API No. 30-015-50093), **Shanghai Rooster 15-3 Fed #801H** (API No. 30-015-50029), **Shanghai Rooster 15-3 Fed #802H** (API No. 30-015-50039), **Shanghai Rooster 15-3 Fed #803H** (API No. 30-015-50048), **Shanghai Rooster 15-3 Fed #805H** (API No. 30-015-50099) wells. The completed interval of the **Shanghai Rooster 15-3 Fed #165H** 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(3)(b) NMAC. 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.