

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

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

Case No. _____

APPLICATION

WPX Energy Permian, LLC (“WPX”), OGRID No. 246289, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 430.41-acre, more or less, spacing unit comprised of the E/2 of Sections 26 and 35, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its Application, WPX states the following:

1. WPX is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. WPX proposes and dedicates to the HSU the **Steel Guitar 26-35 Fed Com 410H Well, Steel Guitar 26-35 Fed Com 414H Well, Steel Guitar 26-35 Fed Com 415H Well, Steel Guitar 26-35 Fed Com 424H Well, Steel Guitar 26-35 Fed Com 425H Well, Steel Guitar 26-35 Fed Com 443H Well, and the Steel Guitar 26-35 Fed Com 444H Well**, as initial wells, to be drilled to a sufficient depth to test the Wolfcamp formation.
3. WPX proposes the **Steel Guitar 26-35 Fed Com 410H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35.

4. WPX proposes the **Steel Guitar 26-35 Fed Com 414H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35.

5. WPX proposes the **Steel Guitar 26-35 Fed Com 415H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 12 of Section 35.

6. WPX proposes the **Steel Guitar 26-35 Fed Com 424H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35.

7. WPX proposes the **Steel Guitar 26-35 Fed Com 425H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 12 of Section 35.

8. WPX proposes the **Steel Guitar 26-35 Fed Com 443H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35.

9. WPX proposes the **Steel Guitar 26-35 Fed Com 444H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 12 of Section 35.

10. All the wells proposed herein are unorthodox in their locations, as take points and certain intervals do not comply with setback requirements under the statewide rules; therefore, WPX will apply administratively to the Division for approval of the non-standard locations.

11. WPX has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

12. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

13. In order to provide for its just and fair share of the oil and gas underlying the subject lands, WPX requests that all uncommitted interests in this HSU be pooled and that WPX be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, WPX requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 430.41-acre, more or less, spacing unit comprised of the E/2 of Sections 26 and 35, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

B. Approving the **Steel Guitar 26-35 Fed Com 410H Well, Steel Guitar 26-35 Fed Com 414H Well, Steel Guitar 26-35 Fed Com 415H Well, Steel Guitar 26-35 Fed Com 424H Well, Steel Guitar 26-35 Fed Com 425H Well, Steel Guitar 26-35 Fed Com 443H Well,** and the **Steel Guitar 26-35 Fed Com 444H Well** as the wells for the HSU.

C. Designating WPX as operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing WPX to recover its costs of drilling, equipping, and completing the wells;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by WPX in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application of WPX Energy Permian, LLC, for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 430.41-acre, more or less, spacing unit comprised of the E/2 of Sections 26 and 35, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Steel Guitar 26-35 Fed Com 410H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35; **Steel Guitar 26-35 Fed Com 414H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35; **Steel Guitar 26-35 Fed Com 415H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 12 of Section 35; **Steel Guitar 26-35 Fed Com 424H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35; **Steel Guitar 26-35 Fed Com 425H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 12 of Section 35; **Steel Guitar 26-35 Fed Com 443H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 11 of Section 35; and the **Steel Guitar 26-35 Fed Com 444H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a bottom hole location in Lot 12 of Section 35. All the proposed wells have unorthodox locations; Applicant will be applying administratively for approval of the non-standard locations. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located adjacent to the southern state line and approximately 31 miles southeast of Carlsbad, New Mexico.