

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

**APPLICATION OF XTO ENERGY,  
INC., FOR APPROVAL OF A  
STANDARD HORIZONTAL SPACING  
UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

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

**APPLICATION**

XTO Energy Inc., OGRID No. 005380 (“XTO” or “Applicant”), 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 (1) approving a 768.88-acre, more or less, standard horizontal well spacing unit (the “Unit” or “HSU”) comprised of the W/2 of Sections 20, 29, and 32, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico (the “Application Lands”), and (2) pooling all uncommitted interests in the Wildcat G-03 S263016K; Bone Spring formation [Pool No. 97863], designated as an oil pool, underlying said HSU.

In support of its Application, XTO states the following:

1. XTO is a working interest owner in the Application Lands and has the right to drill wells thereon.
2. XTO seeks to dedicate all of the Application Lands to form a 768.88-acre, more or less, HSU.
3. XTO seeks to dedicate the above-referenced HSU to the following wells (“Wells”):
  - A. **Blanche 20 29 32 Fed State Com 200H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 19, Township 26 South, Range 30 East, to a bottom hole

location in the Bone Spring formation located in Lot 3 of Section 32, Township 26 South, Range 30 East;

B. **Blanche 20 29 32 Fed State Com 201H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 19, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 3 of Section 32, Township 26 South, Range 30 East;

C. **Blanche 20 29 32 Fed State Com 203H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 19, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 4 of Section 32, Township 26 South, Range 30 East;

D. **Blanche 20 29 32 Fed State Com 312H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 3 of Section 32, Township 26 South, Range 30 East, and;

E. **Blanche 20 29 32 Fed State Com 313H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 4 of Section 32, Township 26 South, Range 30 East.

4. The wells are orthodox in their location as defined by 19.15.16.15.(C) NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15(C) NMAC.

5. XTO is seeking approval of a standard HSU. Approval of the HSU will allow XTO to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands and reduce surface disturbance.

6. XTO has made good-faith efforts to obtain voluntary agreement from all interest owners in the Wildcat G-03 S263016K; Bone Spring formation [Pool No. 97863] underlying the proposed spacing unit, but has been unable to secure agreement from all parties to participate in the drilling of the wells or otherwise commit their interests.

7. The pooling of all interests in the Wildcat G-03 S263016K; Bone Spring formation [Pool No. 97863] within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. To provide for its just and fair share of oil and gas underlying the Application Lands, XTO requests that all uncommitted interests in this HSU should be pooled and that XTO be designated as the operator of the proposed horizontal wells and HSU.

WHEREFORE, XTO requests this Application be set for hearing on October 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. Approving a standard horizontal well spacing unit and pooling all uncommitted interests in the Wildcat G-03 S263016K; Bone Spring formation [Pool No. 97863] underlying the standard horizontal well spacing unit within the Application Lands;
- B. Approving the Wells in the Unit;

- C. Designating XTO as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing XTO to recover its costs of drilling, completing, and equipping the wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and;
- F. Imposing a 200% charge for the risk assumed by XTO in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

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***Application of XTO Energy, Inc., for Approval of a Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) approving a 768.88-acre, more or less, standard horizontal well spacing unit (the “Unit” or “HSU”) comprised of the W/2 of Sections 20, 29, and 32, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico (the “Application Lands”), and (2) pooling all uncommitted interests in the Wildcat G-03 S263016K; Bone Spring formation [Pool No. 97863], designated as an oil pool, underlying said HSU. The proposed wells to be dedicated to the horizontal spacing unit are the: **Blanche 20 29 32 Fed State Com 200H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 19, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 3 of Section 32, Township 26 South, Range 30 East; **Blanche 20 29 32 Fed State Com 201H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 19, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 3 of Section 32, Township 26 South, Range 30 East; **Blanche 20 29 32 Fed State Com 203H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 19, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 4 of Section 32, Township 26 South, Range 30 East; **Blanche 20 29 32 Fed State Com 312H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 3 of Section 32, Township 26 South, Range 30 East, and; **Blanche 20 29 32 Fed State Com 313H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, Township 26 South, Range 30 East, to a bottom hole location in the Bone Spring formation located in Lot 4 of Section 32, Township 26 South, Range 30 East. The wells and lands are located approximately 18.4 miles southeast of Malaga, New Mexico.