

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

**APPLICATION OF XTO HOLDINGS, LLC
TO REOPEN RILEY PERMIAN OPERATING
COMPANY, LLC CASE NO. 25047,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. _____
ORDER NO. R-23729**

APPLICATION

XTO Holdings, LLC (“XTO”), through its undersigned counsel, hereby files this Application to Re-Open Riley Permian Operating LLC Case No. 25047, in which the Oil Conservation Division (“Division”) issued Order No. R-23729. In support of its Application, XTO states the following.

1. On December 9, 2024, Riley filed its application for Case No. 25047.
2. On February 13, 2025, Riley presented Case No. 25047 by affidavit to the Division.
3. At the hearing, Riley stated that it only sought to pool XTO Holdings, LLC and SEP Permian Holding Corp. *See* Case No. 25047.
4. During the hearing, the Division admitted Riley’s exhibits into the record, including Riley’s notice affidavit (Exhibit E). Exhibit E identifies XTO’s mailing address as P.O. Box 840780, Dallas, TX 75284, which is not XTO’s address.
5. Riley’s exhibits also included Exhibit C-8, a chronology of contact provided by Riley’s landman. Exhibit C-8 contains several tracking numbers for the well proposal letters Riley sent to XTO and other interest owners prior to pooling. The tracking numbers show that all the well proposal letters were sent to the same incorrect Dallas, Texas address as the hearing notice.

6. As set out in its chronology of contact, Riley did not make any other efforts to communicate with XTO apart from sending the well proposal letter to the incorrect address via certified mail. *See* Riley Exhibit C-8.

7. XTO's correct address is 22777 Springwoods Village Pkwy, Spring, Texas 77389. Riley had knowledge of this address well before it sent out well proposal letters, and well before it sent notice of the pooling proceeding.

8. The Division entered Order No. R-23729 ("Order") in Case No. 25047 on February 19, 2025.

9. The Order pooled uncommitted interests in the Yeso formation, underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Section 33, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico ("Subject Lands"), and dedicated the unit to the Eagle 33 Fed Com #004H and Eagle 33 Fed Com #005H wells. The Order further designated Riley as operator of the Subject Lands.

10. Following the issuance of the Order, Riley e-mailed a copy of the Order to an XTO landman.

11. In response, XTO requested that it be permitted to participate in the development instead of being treated as a pooled party because it had never received notice of the hearing.

12. Riley denied XTO's request on the grounds that the time to voluntarily participate had lapsed.

13. Pursuant to 19.15.4.12 NMAC, Riley was obligated to send notice to each owner of an interest in the mineral estate of the lands the applicant proposes to be pooled whose interest is evidenced by a written conveyance document either of record or known to the applicant. Riley's

hearing exhibits correctly listed XTO Holdings, LLC as an interest owner in its spacing unit but sent notice of the pooling application and hearing to the wrong address.

14. Only “when an applicant has been unable to locate persons entitled to notice after exercising *reasonable diligence*” may the applicant rely on notice by publication. See NMAC 19.15.4.12(B) (emphasis added).

15. XTO’s correct address was easily ascertainable through XTO’s prior e-mail communications with Riley’s landman. and is also readily available on the internet. Furthermore, XTO received no e-mail communications from Riley notifying XTO of the hearing, despite Riley having a working e-mail address for an XTO landman.

16. Riley was required to provide proper notice of the pooling application and hearing to XTO but failed to do so.

WHEREFORE, XTO respectfully requests that the Division set this matter for hearing on January 8, 2026, reopen the case to remedy Riley’s failure of notice, and provide XTO with the opportunity to exercise its right to participate in Riley’s development.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Jaclyn M. McLean

Dana S. Hardy

Jaclyn M. McLean

Jaime R. Kennedy

Yarithza Peña

125 Lincoln Ave., Suite 223

Santa Fe, NM 87501

505-230-4410

dhardy@hardymclean.com

jmclean@hardymclean.com

jkennedy@hardymclean.com

ypena@hardymclean.com

ATTORNEYS FOR XTO HOLDINGS LLC