

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

**APPLICATION OF LONGFELLOW  
ENERGY, L.P. FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25804**

**PRE-HEARING STATEMENT**

XTO Holdings, LLC (“XTO”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPLICANT**

Longfellow Energy, L.P.

**ATTORNEYS**

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**INTERESTED PARTY**

XTO Holdings, LLC

**ATTORNEYS**

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**STATEMENT OF THE CASE**

As a preliminary matter, this is an unusual case in that the operator seeking forced pooling does so to force XTO to assign unrelated acreage by preventing XTO from maintaining its own lease. It is an egregious abuse of forced pooling by an operator acting in bad faith and to shake down a fellow operator through the forced pooling mechanism.

In this case, Longfellow Energy, LP (“Longfellow”) seeks to pool all uncommitted interests in the Yeso formation underlying a 320-acre standard, horizontal spacing unit in the S/2 of Section 33, Township 16 South, Range 31 East, Eddy County, New Mexico (“Unit”). Longfellow seeks to dedicate the Unit to eight (8) Van Halen 33 CD Fed Com wells (“Van Halen Wells”). XTO owns 100% of the W/2 W/2 and W/2 E/2 of the Unit, for a total of 50% of the working interest in the Unit. The Unit is comprised of two adjacent federal leases: NMLC 000056302B (XTO’s lease) and NMLC0063368 (Longfellow’s lease).

XTO’s lease will terminate if production has not been established by July 1, 2026. Based on XTO’s communications with Longfellow, it is XTO’s understanding that Longfellow does not intend to develop the Van Halen spacing unit and will let the pooling order expire. The forced pooling process is not, and never was, intended to allow an operator like Longfellow to pool acreage not for development but instead to extract an unrelated agreement from a working interest owner. Longfellow has submitted an APD for a vertical well to hold its own lease and has informed XTO that drilling a vertical well “would be easier to execute given the minimal cost, the ability to obtain a permit quickly, and the avoidance of the longer administrative timeline associated with the horizontal well.” Allowing Longfellow to pool XTO and fail to drill the Van Halen Wells, which would result in the expiration of XTO’s lease, would result in waste, impair XTO’s correlative rights, and strand acreage in the S/2 SW/4 of Section 33, Township 16 South, Range 31 East.

Longfellow has not negotiated with XTO in good faith. Longfellow failed to comply with its assurances that it would remove XTO from being pooled in exchange for XTO’s withdrawal of its objection. In an attempt to force XTO to execute a term assignment for an unrelated lease in a different area, Longfellow informed XTO that it would not develop the Van Halen spacing unit

and would let the pooling order expire. To be clear, Longfellow has sought to ransom XTO by demanding a term assignment for *unrelated* acreage under the threat that if XTO does not agree, Longfellow will not follow through on its development plan and XTO's lease will expire. Such action is not in good faith. Longfellow has also pursued plans to drill a vertical well outside of the Van Halen spacing unit that would only perpetuate its own lease, and not XTO's. This fact further demonstrates Longfellow's true intentions – shake down XTO through the forced pooling process while drilling a vertical well to hold Longfellow's own lease.

Longfellow's proposed development is not prudent or efficient and results in increased reservoir quality risk. Further, due to surface issues, Longfellow intends to place its surface hole location well outside of the spacing unit, which will result in approximately 2,000 feet of unproductive lateral. This would result in waste and increased costs to the working interest owners, including XTO. Finally, the estimated costs of Longfellow's proposed Van Halen Wells are higher than the cost of other wells of similar depth and length drilled in Eddy County.

Allowing each party to proceed with developing their own acreage on their own leases would allow both parties to develop their respective positions and optimize economic outcomes. *See* Order No. R-21416-A (denying Marathon's application where it sought to pool acreage that was 100% controlled by BTA on the grounds that allowing each party to develop its own acreage would best protect correlative rights); Order No. R-21416-A. Denying Longfellow's application will ensure that XTO's lease will be maintained and will not strand acreage, thereby preventing waste and protecting correlative rights. It also would prevent setting a precedent where an operator is allowed to use the forced pooling procedure to leverage outside ransom from another operator with no intention of actually developing the acreage at issue.

**PROPOSED EVIDENCE**

<b>Witness</b>	<b>Occupation</b>	<b>Estimated Time</b>	<b>Exhibits</b>
Shelbi McKee	Landman	Affidavit	Approx. 7
Paul Brown	Geoscientist	Affidavit	Approx. 4

**PROCEDURAL MATTERS**

XTO reserves the right to present rebuttal testimony and exhibits at hearing.

Respectfully submitted,

HARDY MCLEAN LLC

*/s/ Jaclyn M. McLean* \_\_\_\_\_

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served upon the following counsel of record by electronic mail on February 20, 2026.

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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QUESTIONS

Action 556267

**QUESTIONS**

Operator: XTO ENERGY, INC 6401 Holiday Hill Road Midland, TX 79707	OGRID: 5380
	Action Number: 556267
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>