

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

**APPLICATION OF XTO HOLDINGS, LLC  
TO REOPEN RILEY PERMIAN OPERATING COMPANY, LLC  
CASE NO. 25047, EDDY COUNTY, NEW MEXICO. Case No. 25809**

**APPLICATION OF XTO HOLDINGS, LLC TO  
REOPEN RILEY PERMIAN OPERATING COMPANY, LLC  
CASE NO. 25048, EDDY COUNTY, NEW MEXICO. Case No. 25808**

**APPLICATION OF XTO HOLDINGS, LLC TO  
REOPEN RILEY PERMIAN OPERATING COMPANY, LLC  
CASE NO. 25049, EDDY COUNTY, NEW MEXICO. Case No. 25807**

**APPLICATION OF XTO HOLDINGS, LLC TO  
REOPEN RILEY PERMIAN OPERATING COMPANY, LLC  
CASE NO. 25358, EDDY COUNTY, NEW MEXICO. Case No. 25868**

**ORDER DENYING XTO HOLDINGS, LLC'S APPLICATIONS TO  
REOPEN RILEY PERMIAN OPERATING'S CASE NOS. 25047-25049**

This matter came before the New Mexico Oil Conservation Division ("Division") on the Applications of XTO Holdings, LLC ("XTO") to reopen Case Nos. 25047, 25048 and 25049. The Division notes that Riley Permian Operating Company, LLC ("Riley") filed a Withdrawal of Objection for XTO's Application to Reopen Case No. 25358 (docketed as Case No. 25868) prior to this determination. Having considered the briefs and evidence submitted by the parties regarding the remaining contested cases, the Division finds as follows:

**FINDINGS OF FACT**

1. On December 9, 2024, Riley filed applications for compulsory pooling in Case Nos. 25047, 25048 and 25049 (the "Cases").
2. Riley sent well proposals and hearing notices to XTO at P.O. Box 840780, Dallas, TX 75284.

3. Riley had used this Dallas address since 2021 to send XTO approximately \$4.5 million in revenue payments and joint interest billings, which XTO accepted and processed without objection.

4. USPS tracking and certified mail return receipts confirm that the notices were delivered to the Dallas address and signed for by "Waymond Harvey" on December 17, 2024.

5. On January 7, 2025, more than 30 days prior to the hearings, Riley emailed XTO's landman, Chad Smith, specifically asking for a preferred notice address for upcoming proposals and applications; XTO failed to respond.

6. Riley published notice of the hearings in the Carlsbad Current-Argus on December 21, 2024, specifically identifying "XTO Holdings, LLC" by name.

7. Following the entry of the pooling orders on February 19, 2025, XTO formally elected to participate in the wells on April 4, 2025, submitting signed AFEs and insurance certificates.

8. Under Paragraph 27 of the Orders, XTO's payment for its share of estimated costs was due on May 5, 2025; XTO failed to make the required payment.

9. XTO did not raise a complaint regarding notice until late November 2025, after Riley informed XTO it had been deemed a non-consenting party due to non-payment.

### **CONCLUSIONS OF LAW**

10. The Division has jurisdiction over the parties and the subject matter of these Cases pursuant to NMSA 1978, § 70-2-17.

11. An applicant for compulsory pooling must provide notice to each owner of an interest "known to the applicant" at the time the application is filed, in accordance with 19.15.4.12(A)(1) NMAC.

12. "Reasonable diligence" requires an applicant to take actions an "individual of ordinary prudence would undertake under the circumstances," as established in *Fulton v. Cornelius*, 1988-NMCA-057.

13. Riley's use of the Dallas address—a proven, active commercial address used for years of successful business transactions—constitutes reasonable diligence as required by 19.15.4.12(B) NMAC.

14. Evidence of a failure to provide notice as required by 19.15.4.9 NMAC may be cause for reopening a case upon a "proper showing" under 19.15.4.12(D) NMAC.

15. XTO is a sophisticated party with a dedicated "Operated By Others" (OBO) division responsible for monitoring pooling proceedings.

16. Waiver: By submitting formal elections to participate and signed AFEs, XTO demonstrated actual knowledge of the proceedings and waived any claims regarding procedural notice defects under established principles of waiver and estoppel.

17. Administrative proceedings must conform to fundamental principles of justice and due process, which Riley satisfied through certified mail and publication notice identifying XTO by name.

### **ORDER**

#### **IT IS THEREFORE ORDERED THAT:**

- A. The Applications of XTO Holdings, LLC, to Reopen Case Nos. 25047, 25048 and 25049 are hereby **DENIED**.
- B. The pooling orders and the associated risk charges shall remain in full force and effect.

**DATED: February 25, 2026**

*Gregory Chakalian*

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**Gregory Chakalian**  
**Hearing Examiner**