

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

**APPLICATION OF XTO PERMIAN  
OPERATING, LLC., FOR APPROVAL  
OF A NON-STANDARD HORIZONTAL  
SPACING UNIT, EDDY COUNTY, NEW  
MEXICO**

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

**APPLICATION**

XTO Permian Operating, LLC., OGRID No. 373075 (“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 2,240-acre, more or less, non-standard horizontal well spacing unit (the “Unit” or “NSHSU”) comprised all of Sections 33, 34, and 35, and the W/2 of Section 36, Township 22 South, Range 30 East, N.M.P.M., Eddy County, New Mexico (the “Application Lands”).

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 as the designated federal unit Operator of the Application Lands.

2. XTO seeks to dedicate all of the Application Lands to form a 2,240-acre, more or less, NSHSU.

3. XTO seeks to dedicate the above-referenced NSHSU to the following wells (“Wells”):

A. **James Ranch Unit DI 8 Fed Com 701H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole

location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 NW/4 (Unit D) of Section 33, Township 22 South, Range 30 East;

B. **James Ranch Unit DI 8 Fed Com 702H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/4 NW/4 (Unit E) of Section 33, Township 22 South, Range 30 East;

C. **James Ranch Unit DI 8 Fed Com 703H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 SW/4 (Unit L) of Section 33, Township 22 South, Range 30 East;

D. **James Ranch Unit DI 8 Fed Com 706H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 SW/4 (Unit L) of Section 33, Township 22 South, Range 30 East;

E. **James Ranch Unit DI 8 Fed Com 708H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/SW (Unit M) of Section 33, Township 22 South, Range 30 East;

F. **James Ranch Unit DI 8 Fed Com 801H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 NW/4 (Unit D) of Section 33, Township 22 South, Range 30 East;

G. **James Ranch Unit DI 8 Fed Com 802** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/NW (Unit E) of Section 33, Township 22 South, Range 30 East;

H. **James Ranch Unit DI 8 Fed Com 805H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 SW/4 (Unit L) of Section 33, Township 22 South, Range 30 East;

I. **James Ranch Unit DI 8 Fed Com 806H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/4 SW/4 (Unit M) of Section 33, Township 22 South, Range 30 East;

J. **James Ranch Unit DI 8 Fed Com 901H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole

location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 NW/4 (Unit D) of Section 33, Township 22 South, Range 30 East;

K. **James Ranch Unit DI 8 Fed Com 902H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/4 NW/4 (Unit E) of Section 33, Township 22 South, Range 30 East;

L. **James Ranch Unit DI 8 Fed Com 905H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 SW/4 (Unit L) of Section 33, Township 22 South, Range 30 East;

M. **James Ranch Unit DI 8 Fed Com 906H** (API No. 30-015-*Pending*), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/4 SW/4 (Unit M) of Section 33, Township 22 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 non-standard HSU. Approval of the NSHSU will allow XTO to efficiently locate surface facilities for the recovery of oil and gas underlying the

subject lands, thereby preventing waste and protecting correlative rights. The NSHS will also allow XTO to reduce surface disturbance within the James Ranch DI 8 federal unit.

6. To provide for its just and fair share of the oil and gas underlying the subject lands, XTO requests to be designated as the operator of the proposed horizontal wells and NSHSU.

WHEREFORE, XTO requests this Application be set for hearing on May 7, 2026, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the creation of an approximately 2,240-acre, more or less, non-standard horizontal spacing unit composed of the application lands, pursuant to 19.15.16.15(B)(5) NMAC.
- B. Approving the **James Ranch Unit DI 8 Fed Com 701H, James Ranch Unit DI 8 Fed Com 702H, James Ranch Unit DI 8 Fed Com 703H, James Ranch Unit DI 8 Fed Com 706H, James Ranch Unit DI 8 Fed Com 708H, James Ranch Unit DI 8 Fed Com 801H, James Ranch Unit DI 8 Fed Com 802, James Ranch Unit DI 8 Fed Com 805H, James Ranch Unit DI 8 Fed Com 806H, James Ranch Unit DI 8 Fed Com 901H, James Ranch Unit DI 8 Fed Com 902H, James Ranch Unit DI 8 Fed Com 905H, and James Ranch Unit DI 8 Fed Com 906H** as the wells for the NSHSU.
- C. Designating XTO as the operator of the NSHSU and the horizontal wells to be drilled thereon.

Respectfully submitted,

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*Attorneys for XTO Permian Operating, LLC.*

***Application of XTO Permian Operating, LLC., for Approval of a Non-Standard Horizontal Spacing Unit, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) approving a 2,240-acre, more or less, non-standard horizontal well spacing unit (the “Unit” or “NSHSU”) comprised all of Sections 33, 34, and 35, and the W/2 of Section 36, Township 22 South, Range 30 East, N.M.P.M., Eddy County, New Mexico (the “Application Lands”). The proposed wells to be dedicated to the non-standard horizontal spacing unit are the: **James Ranch Unit DI 8 Fed Com 701H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 NW/4 (Unit D) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 702H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/4 NW/4 (Unit E) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 703H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 SW/4 (Unit L) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 706H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 SW/4 (Unit L) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 708H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/SW (Unit M) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 801H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 NW/4 (Unit D) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 802** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/NW (Unit E) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 805H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 SW/4 (Unit L) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 806H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/4 SW/4 (Unit M) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 901H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring

formation [Pool Code: 40295] located in the NW/4 NW/4 (Unit D) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 902H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/4 NW/4 (Unit E) of Section 33, Township 22 South, Range 30 East; **James Ranch Unit DI 8 Fed Com 905H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the NW/4 SW/4 (Unit L) of Section 33, Township 22 South, Range 30 East; and the **James Ranch Unit DI 8 Fed Com 906H** (API No. 30-015-Pending), which is an oil well that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 36, Township 22 South, Range 30 East, to a bottom hole location in the Los Medanos; Bone Spring formation [Pool Code: 40295] located in the SW/4 SW/4 (Unit M) of Section 33, Township 22 South, Range 30 East. The wells are orthodox in location, and the take points and laterals comply with statewide rules for setbacks. The wells and lands are located approximately 23 miles east of Carlsbad, New Mexico.