

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

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

CASE NOS. 26089 & 26090

**APPLICATIONS OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

CASE NOS. 26213-26218

**JOINT MOTION FOR CONTINUANCE AND AMENDMENT OF
PRE-HEARING ORDER**

XTO Permian Operating, LLC (“XTO”), and Permian Resources Operating, LLC (“Permian”) (collectively as the “Parties”), through undersigned counsel, respectfully request that the Oil Conservation Division (“Division”) amend the Pre-Hearing Order entered in these matters to continue the contested hearing from July 28, 2026, to August 25, 2026. In support of this motion, XTO and Permian state the following.

1. XTO filed administrative applications seeking approval of two non-standard proration units (“NSPs”) on February 2, 2026. On March 11, 2026, Permian advised the Division of its objection to XTO’s administrative NSP applications. When the parties could not reach an agreement as to XTO’s administrative applications, XTO filed applications for hearing with the Division as provided in 19.15.15.11(B)(5) and 19.15.16.15.(B)(5) NMAC.

2. XTO filed their Applications in Case Nos. 26089 and 26090 on April 7, 2026, to which Permian objected on May 1, 2026.

3. A status conference was held on May 21, 2026, on XTO’s Applications. At the status conference, XTO requested that a contested hearing be scheduled for the next available contested hearing date of July 28, 2026.

4. Permian filed Applications to pool a portion of the acreage that is the subject of XTO's Application in Case Nos. 26089 and 26090, on May 29, 2026 (Case Nos. 26213-26218).

5. On June 12, 2026, the Division issued the Amended Pre-Hearing Order consolidating XTO and Permian's respective cases for purposes of a contested hearing on July 28, 2026.

6. XTO's application requests approval of a non-standard proration unit and is not pursuing compulsory pooling. Whereas Permian's application requests approval of compulsory pooling.

7. This dispute involves significant issues concerning not only the Division, but also the New Mexico State Land Office ("SLO") and United States Bureau of Land Management ("BLM"). *See* Affidavit of Drew Tarwater, attached hereto as Exhibit B.

8. Permian's application and leasehold involves both SLO and BLM acreage, while XTO's application and leasehold involves only federal minerals.

9. Permian has been actively engaged with both the SLO and BLM to attempt to find a solution that will not result in the stranding of SLO minerals. The SLO and BLM have notified Permian that they are working on a solution for a drill island that will allow Permian to develop SLO leased minerals. Permian believes the requisite approvals are forthcoming, and will lead to the resolution of the Parties' dispute. *See* Exhibit B.

10. XTO has been made aware of a proposed drill island near or within the acreage that is the subject of dispute between the Parties. At this time, XTO does not object to the proposed drill island. *See* Exhibit A; *see also* Exhibit B.

11. Affording Permian additional time to pursue a drill island will likely lead to the resolution of the dispute between the Parties, and obviate the need for a contested hearing. The

parties are diligently working to finalize an agreement based on the proposed drill island, are making substantial progress toward a final resolution, and continue to negotiate in good faith. *See* Exhibits A, B.

12. In light of the time required to complete the discussions with the SLO, BLM, and negotiations between the Parties, the parties respectfully request a continuance of the current hearing schedule. Granting a continuance to the August 25, 2026 hearing docket will provide sufficient time and resolve the issues raised by Permian's objection.

13. A continuance will conserve the resources of both the Division and the parties by avoiding the need to prepare for and conduct a contested hearing that is likely to become unnecessary upon completion of negotiations between the Parties.

14. Accordingly, the Parties respectfully submit that good cause exists for the requested continuance.

15. Should the Division require more information, XTO and Permian are available for an additional status conference on July 23, 2026, ahead of the requested August 25, 2026, contested hearing.

16. Permian joins in this Motion.

For the foregoing reasons, XTO and Permian request that the Division amend the Pre-Hearing Order and reschedule the contested hearing in this matter for August 25, 2026.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

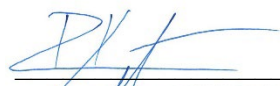
By: 
James P. Parrot
Miguel Suazo
Jacob L. Everhart
Ryan McKee
Raj K. Lahoti
500 Don Gaspar Ave.
Santa Fe, NM 87505
(505) 946-2090
msuazo@bwenergylaw.com
jparrot@bwenergylaw.com
jeverhart@bwenergylaw.com
rmckee@bwenergylaw.com
rlahoti@bwenergylaw.com
Attorneys for XTO Permian Operating, LLC

By: */s/ Jaclyn M. McLean*
Dana S. Hardy
Jaclyn M. McLean
Yarithza Peña
125 Lincoln Ave, Ste. 223
Santa Fe, NM 87501
Phone: (505) 230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com
ypena@hardymclean.com
Attorneys for Permian Resources Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the forgoing was served to counsel of record by electronic mail this 13th day of July 2026, as follows:

Dana S. Hardy
Jaclyn M. McLean
Yarithza Peña
125 Lincoln Ave, Ste. 223
Santa Fe, NM 87501
Phone: (505) 230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com
ypena@hardymclean.com
Attorneys for Permian Resources Operating, LLC



Rachael Ketchledge

EXHIBIT A

**STATE OF NEW MEXICO
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SELF-AFFIRMED STATEMENT OF ANDREA S. BOSWORTH

Andrea S. Bosworth, first duly sworn upon oath, deposes and states as follows:

1. I am employed by XTO Permian Operating, LLC (“XTO”) as a Commercial & Land Advisor – Delaware Basin, and have personal knowledge of the matters addressed herein.
2. I am responsible for the development plan involved in XTO’s James Ranch Unit Case Nos. 26089 and 26090. Additionally, I have been involved in the negotiations with Permian Resources Operating, LLC (“Permian”) regarding their Buster Case Nos. 26213-26218.
3. XTO’s application requests approval of a non-standard proration unit and does not seek compulsory pooling of interests. By contrast, Permian Resources’ application requests approval of compulsory pooling.
4. XTO is aware that Permian has been in communication with the New Mexico State Land Office (“SLO”) and the United States Bureau of Land Management (“BLM”) regarding the approval of a drill island that would allow Permian to develop SLO-leased minerals in the area.
5. XTO does not object to the proposed drill island.
6. Continuing the contested hearing currently set for July 28, 2026, to August 25, 2026, would allow both parties additional time to fully prepare for a hearing that would promote a fair and thorough presentation of evidence and issues, ensuring that all relevant information is

EXHIBIT A

adequately developed for the record; and afford Permian additional time to pursue a drill island and will likely lead to the resolution of the dispute between the Parties, and obviate the need for a contested hearing.

7. Granting the requested continuance would conserve the resources of both the Division and the parties by avoiding the need to prepare for and conduct a contested hearing that may not be fully prepared.

8. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in this Motion are true, correct, and accurate.

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EXHIBIT A

FURTHER AFFIANT SAYETH NOT.

Dated this 10th day of July, 2026.

Andrea Bosworth

Andrea S. Bosworth
XTO Permian Operating, LLC

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

The foregoing instrument was subscribed and sworn to before me this 10th day of July, 2026, by Andrea S. Bosworth, Commercial & Land Advisor – Delaware Basin for XTO Permian Operating, LLC.

Witness my hand and official seal.

My commission expires: 11-22-2028



Cynthia Lea Sloan

NOTARY PUBLIC

EXHIBIT B

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CASE NOS. 26213-26218

**SELF-AFFIRMED STATEMENT
OF DREW TARWATER**

1. I am a Landman Permian Resources Operating, LLC ("Permian Resources"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement.

2. In my role, I am responsible for the development plan involved in the Permian Resources' Buster Case Nos. 2613-26218. Additionally, I have been involved in the negotiations with XTO Permian Operating, LLC ("XTO") regarding their Buster well Case Nos. 26089 and 26090.

3. XTO's application requests approval of a non-standard proration unit and does not seek compulsory pooling of interests. By contrast, Permian Resources' application requests approval of compulsory pooling.

4. This dispute involves significant issues affecting not only the parties before the Division, but also the New Mexico State Land Office ("SLO") and the United States Bureau of Land Management ("BLM"), both of which have interests implicated by the proposed development and the location of future drilling operations.

5. Permian Resources' position in this matter is that the development proposed by XTO would result in the stranding of SLO acreage and would primarily develop federal minerals

EXHIBIT B

while preventing the efficient development of State-owned mineral interests. To address these concerns, Permian Resources has been actively engaged with both the SLO and the BLM in an effort to identify a development solution that would avoid the stranding of SLO minerals.

6. Through those discussions, the SLO and BLM have advised Permian Resources that they are working toward a solution involving the approval of a drill island that would allow for the development of the SLO-leased minerals in the area.

7. Based upon communications with the SLO and BLM, the parties believe that the requisite approvals may be forthcoming and that such approvals could facilitate resolution of the dispute presently before the Division.

8. Counsel for Permian has advised that meaningful progress has been made by Permian, the SLO, and the BLM in locating and obtaining approval for a drill island near or within the disputed lands. I am further informed that XTO does not currently object to the proposed drill island location.

9. Continuing the contested hearing currently set for July 28, 2026, to August 25, 2026, would afford both parties additional time to pursue the drill island approval process and fully prepare for a hearing that would promote a fair and thorough presentation of evidence and issues, ensuring that all relevant information is adequately developed for the record.

10. Granting the requested continuance would conserve the resources of both the Division and the parties by avoiding the need to prepare for and conduct a contested hearing that may not be fully prepared.

11. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

EXHIBIT B

Signed by:

Drew Tarwater

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7/9/2026

Drew Tarwater

Date