

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

**APPLICATION OF XTO ENERGY, INC.,
FOR SPACING WITHIN THE BIG EDDY
FEDERAL EXPLORATORY UNIT,
EDDY AND LEA COUNTIES, NEW
MEXICO**

CASE NO. 26248

XTO ENERGY, INC.'S PRE-HEARING STATEMENT

XTO Energy, Inc. ("XTO"), OGRID No. 5380, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

XTO Energy, Inc.

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APPLICANT'S STATEMENT OF CASE

In this case, XTO seeks orders to approve certain spacing accommodations within the Big Eddy Federal Exploratory Unit ("FEU"), Serial Number NMNM105467880 (Legacy Serial No. NMNM068294X), located in Eddy and Lea Counties, New Mexico (the "Application Lands").

Under **Case 26248**, XTO seeks certain spacing accommodations within the Application Lands and states as follows:

A. The FEU is an approved federal exploratory unit, currently in its secondary term, covering lands in Townships 19 through 23 South, and Ranges 28 through 32 East, comprising 133,444.29 acres.

B. The FEU covers all depths and formations below the base of the Dakota Sand, including the Bone Spring and Wolfcamp Formations.

C. XTO is the majority working interest owner in the lands covered by the FEU, and is the operator of the FEU pursuant to the plan of unitization approved for the FEU by the Bureau of Land Management.

D. The FEU is not shaped as a perfect square or rectangle, and its boundaries do not follow section lines. Rather, many portions of the FEU boundaries follow irregular courses along quarter-quarter section boundaries. Due to the alignment of the FEU boundaries, standard horizontal spacing unit rules for the lands and pools covered by the FEU would result in horizontal spacing units that do not align with the boundaries of the FEU.

E. FEU-wide boundary changes (to align with the boundaries of standard horizontal spacing units) are unattainable due to complex and fractured tracts and ownership within the FEU. Therefore, XTO seeks approval of this application to effectively develop the reservoirs within the FEU, without changing the boundaries of the FEU.

F. XTO requests that the order allowing all standard horizontal spacing units that lie within the FEU to be composed of tracts that align with the boundaries of the FEU, without the need for non-standard horizontal spacing units, and regardless of whether such tracts would normally be included within standard horizontal spacing units established pursuant to 19.15.16.15 NMAC. To accomplish such alignment, XTO requests that horizontal spacing units within the FEU comprise one or more contiguous tracts, each of which consists of a governmental quarter-quarter-quarter section or equivalent.

G. XTO further requests that the order authorize the completed intervals of any horizontal well within the FEU to be at any location, without the need for an unorthodox well location, provided that no portion of any completed interval is closer to the FEU boundaries than allowed: (i) by the provisions of any special pool rule covering the location of such well, or if there is no such applicable provision, then (ii) by 19.15.16.15.C. NMAC.

Allowing all standard horizontal spacing units that lie within the FEU to be composed of tracts that align with the boundaries of the FEU, without the need for non-standard horizontal spacing units, and regardless of whether such tracts would normally be included within standard horizontal spacing units established pursuant to 19.15.16.15 NMAC, will best protect correlative rights, prevent waste, avoid stranding reservoirs inside or outside the FEU.

The lands are in Eddy and Lea Counties, New Mexico, located approximately 5.5 miles east of Carlsbad and 36 miles southwest of Hobbs.

APPLICANT'S PROPOSED EVIDENCE

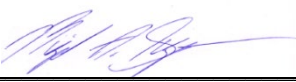
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Matthew Fletcher, Commercial & Land Advisor	Affidavit	Approx. 5
Nathan Ball, Development Manager	Affidavit	Approx. 5

PROCEDURAL MATTERS

XTO is filing this Pre-Hearing Statement in anticipation of possible resolution and withdrawal of objection prior to the hearing date for this Application. Dated this 30th day of July, 2026.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

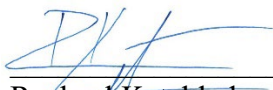
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the forgoing was served to counsel of record by electronic mail this 30th day of July 2026, as follows:

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Energy, Minerals and Natural Resources
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QUESTIONS

Action 610047

QUESTIONS

Operator: XTO ENERGY, INC 3617 North Big Spring Street Midland, TX 79705	OGRID: 5380
	Action Number: 610047
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	2
Testimony time (in minutes)	20