

**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, through its undersigned attorneys, hereby files this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

XTO Energy, Inc.

ATTORNEY

Miguel A. Suazo
James P. Parrot
Jacob L. Everhart
Ryan McKee
Raj K. Lahoti
Beatty & Wozniak, P.C.
500 Don Gaspar Ave.,
Santa Fe, NM 87505
(505) 946-2090
Fax: 800-886-6566
msuazo@bwenergylaw.com
jparrot@bwenergylaw.com
jeverhart@bwenergylaw.com
rmckee@bwenergylaw.com
rlahoti@bwenergylaw.com

INTERESTED PARTIES

V-F Petroleum, Inc.

Devon Energy Production Company,
L.P. (*Monitoring*)

ATTORNEY

Darin C. Savage
Andrew D. Schill
William E. Zimsky
Olivia N. Atkins
555 Rivergate Lane, B4-180
Durango, CO 81301
Telephone: 970.358.4401
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com
olivia@abadieschill.com

Pride Energy Company (*Monitoring*)

Sharon T. Shaheen
422 Medico Lane, Suite A
Santa Fe, NM 87505
505-469-1521
sharon@shaheenlawnm.com
ec: paralegal@shaheenlawnm.com

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.

On August 5, 2026, V-F Petroleum Inc. ("V-F") filed an entry of appearance and objection to hearing by affidavit. V-F is concerned that this Application will strip other operators of their right to protest NSP applications pertaining to the unit, despite assurances that the opposite is true. V-F is an offset interest owner in Sections 20, 21, and 22, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

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	30 Minutes	Approx. 6
Nathan Ball, Development Manager	30 Minutes	Approx. 6

APPLICANT'S PROPOSED EVIDENCE

To be provided in V-F's Pre-Hearing Statement.

PROCEDURAL MATTERS

If V-F's objection is withdrawn prior to or at hearing, XTO intends to present this case by affidavit. XTO requests that the parties be granted leave to file written closing briefs after the close of hearing.

Dated this 8th day of September, 2026.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 
James P. Parrot
Miguel A. 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 Energy, Inc.

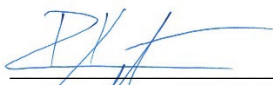
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the forgoing was served to counsel of record by electronic mail this 8th day of September 2026, as follows:

Darin C. Savage
Andrew D. Schill
William E. Zimsky
Olivia N. Atkins
555 Rivergate Lane, B4-180
Durango, CO 81301
Telephone: 970.358.4401
Facimile: 970.358.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com
olivia@abadieschill.com

Attorneys for V-F Petroleum Inc. & Devon Energy Production Company, L.P.

Sharon T. Shaheen
422 Medico Lane, Suite A
Santa Fe, NM 87505
505-469-1521
sharon@shaheenlawnm.com
ec: paralegal@shaheenlawnm.com
Attorney for Pride Energy Company



Rachael Ketchledge

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 622484

QUESTIONS

Operator: XTO ENERGY, INC 3617 North Big Spring Street Midland, TX 79705	OGRID: 5380
	Action Number: 622484
	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)	60