

**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

ORDER DENYING XTO'S REQUEST FOR PROTECTIVE ORDER

This matter comes before the Hearing Examiner on the proposed Protective Order Governing Confidential Material ("Proposed Order") submitted by XTO Energy, Inc. ("XTO") purporting to govern the unredacted version of XTO's Exhibit B-2, which the Hearing Examiner previously ordered produced to all parties of record in the Order on Preliminary Objections of V-F Petroleum Inc., entered September 16, 2026 ("Prior Order"). Having reviewed the Proposed Order and the record, the Hearing Examiner issues the following findings, conclusions, and order.

FINDINGS OF FACT

1. The Prior Order required XTO to produce an unredacted copy of Exhibit B-2 to all parties of record, "subject to a mutually acceptable protective order if XTO asserts confidentiality," and directed that, absent agreement, the parties "shall promptly submit competing proposed orders for the Hearing Examiner's consideration."
2. XTO has asserted confidentiality and submitted the Proposed Order, which would designate Exhibit B-2 as "Confidential Material," restrict its disclosure to a defined circle of persons, require that any filing referencing it be submitted by email rather than through the Division's public-access portal, and require its return or destruction at the conclusion of the Proceeding.
3. Exhibit B-2 consists of tract-level ownership, commitment, and acreage information for lands within the Big Eddy Federal Exploratory Unit.
4. Ownership, commitment, and acreage breakouts of this kind are routinely submitted to and required by the Division in spacing, pooling, and unitization proceedings, and routinely become part of the public record in those proceedings.
5. XTO has not submitted any affidavit, brief, or other showing explaining why this particular ownership and commitment data, as distinguished from the ownership data the Division routinely receives and makes public

in comparable cases, is a trade secret or otherwise warrants confidential treatment. The Proposed Order itself asserts only that XTO “reasonably believes in good faith” that the information is confidential; it does not identify what in Exhibit B-2 is competitively sensitive or why.

CONCLUSIONS OF LAW

1. A protective order sealing material from the Division’s public record requires a showing of good cause, consistent with Rule 1-026(C) NMRA, and is not entered merely because a party unilaterally designates its own exhibit as confidential.
2. As found in the Prior Order, parties of record — and, by extension, the public interest the Division administers — are ordinarily entitled to a fair opportunity to review material evidence bearing on ownership and correlative rights. Ownership, commitment, and acreage data of the kind at issue here is the type of exhibit the Division routinely requires as part of the public record in spacing and unitization matters, and its production imposes no unusual burden on XTO.
3. XTO, as the party seeking confidential treatment, bears the burden of demonstrating good cause for departing from that norm. A conclusory assertion of good-faith belief, without an accompanying showing of specific competitive or proprietary harm, does not satisfy that burden.
4. Because XTO has not made the required showing, the Proposed Order is denied without prejudice to XTO submitting a renewed request, supported by a brief and evidentiary showing, identifying with specificity what portions of Exhibit B-2 are trade secret or otherwise confidential and why the Division’s ordinary practice of public disclosure should not apply.

ORDER

IT IS THEREFORE ORDERED that:

1. XTO’s request for entry of the Protective Order Governing Confidential Material is **DENIED**.
2. XTO shall produce the unredacted Exhibit B-2 to all parties of record and shall file it as part of the public record of this Proceeding, within three (3) business days of this Order, without the restrictions set forth in the Proposed Order.

3. This denial is without prejudice to XTO filing a renewed, supported request for protective treatment limited to specifically identified portions of Exhibit B-2, accompanied by a brief and evidentiary showing of good cause. Any such request shall be filed no later than 5 days after the issuance of this Order.
4. This Order is effective immediately.



Gregory Chakalian
Hearing Examiner
Oil Conservation Division

DATED and ISSUED: September 25, 2026