

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

**APPLICATION OF XTO ENERGY INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

XTO Energy Inc. (“XTO”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation [Purple Sage; Wolfcamp (Gas) (Pool Code 98220)] underlying a standard 447-acre horizontal spacing unit comprised of the E/2 equivalent of Sections 25 and 36, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, XTO states:

1. XTO Energy Inc. (OGRID No. 5380) is a working interest owner in the subject acreage and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed wells:
 - **Shady Pines 24-36 71H** and **Shady Pines 24-36 121H** wells to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 24 to bottom hole locations in the SE/4 SE/4 (Lot 4) of Section 36, and.
 - **Shady Pines 24-36 101H** and **Shady Pines 24-36 131H** wells to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 24 to bottom hole locations in the SW/4 SE/4 (Lot 3) of Section 36.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the mineral owners in the subject spacing unit.

4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of this proposed spacing unit and the horizontal wells to be drilled thereon.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 5, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells thereon;
- B. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

By: _____

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