

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 17, 2023**

CASE NO. 23604

PERLA VERDE 201H, 203H, 401H, 402H, 403H WELLS

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 23604


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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 23604	APPLICANT'S RESPONSE
Date	August 17, 2023
Applicant	XTO Energy Inc.
Designated Operator & OGRID (affiliation if applicable)	XTO Energy Inc. (OGRID 5380)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF XTO ENERGY INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Apache Corporation
Well Family	Perla Verde 31 State Com wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Stratigraphic equivalent of the top of the Bone Spring formation as found being at 8,153 feet true vertical depth, down to the base of the Second Bone Spring interval, as found being at 10,615 feet true vertical depth, in the Triple Combo log of the West Pearl 36 State #001 well (API #3002538079) located in Section 36-19S-34E, Lea County, New Mexico.
Pool Name and Pool Code:	WC-025 G-08 S203506D; Bone Spring
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	633.96-acres
Building Blocks:	40-acres
Orientation:	South-North
Description: TRS/County	Lots 1-4 and the E2W2 (W2 equivalent) of irregular Sections 30 and 31, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes, Lots 1-4 (W2W2 equivalent) of Sec. 30 and 31, T19S, R35E
Proximity Defining Well: if yes, description	Perla Verde 31 State Com 403H
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Perla Verde 31 State Com 201H (30-025-50524) SHL: 241' FSL, 1139' FWL (Lot 4) of Section 31, T19S, R35E BHL: 50' FNL, 660' FWL (Lot 1) of Section 30, T19S, R35E Target: Bone Spring Orientation: South-North Completion: Standard Location

Well #2	<u>Perla Verde 31 State Com 203H (30-025-50526)</u> SHL: 242' FSL, 1199' FWL (Lot 4) of Section 31, T19S, R35E BHL: 50' FNL, 1980' FWL (Unit C) of Section 30, T19S, R35E Target: Bone Spring Orientation: South-North Completion: Standard Location
Well #3	<u>Perla Verde 31 State Com 401H (30-025-50528)</u> SHL: 241' FSL, 1109' FWL (Lot 4) of Section 31, T19S, R35E BHL: 50' FNL, 330' FWL (Lot 1) of Section 30, T19S, R35E Target: Bone Spring Orientation: South-North Completion: Standard Location
Well #4	<u>Perla Verde 31 State Com 402H (30-025-50525)</u> SHL: 242' FSL, 1229' FWL (Lot 4) of Section 31, T19S, R35E BHL: 50' FNL, 2280' FWL (Unit C) of Section 30, T19S, R35E Target: Bone Spring Orientation: South-North Completion: Standard Location
Well #5	<u>Perla Verde 31 State Com 403H (30-025-50529)</u> SHL: 241' FSL, 1169' FWL (Lot 4) of Section 31, T19S, R35E BHL: 50' FNL, 1310' FWL (Unit C) of Section 30, T19S, R35E Target: Bone Spring Orientation: South-North Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibits A-4, B-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4

List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Feldewert
Signed Name (Attorney or Party Representative):	
Date:	8/15/2023

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

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

CASE NO. 23604

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 stratigraphic equivalent of the top of the Bone Spring formation to base of the Second Bone Spring interval underlying a standard 633.36-acre horizontal spacing unit comprised of the W/2 equivalent of irregular Sections 30 and 31, Township 19 South, Range 35 East, NMPM, Lea 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 pool the stratigraphic equivalent of the top of the Bone Spring formation as found being at 8,153 feet true vertical depth, down to the base of the Second Bone Spring interval, as found being at 10,615 feet true vertical depth, in the Triple Combo log of the West Pearl 36 State #001 well (API #3002538079) located in Section 36, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- **Perla Verde 31 State Com 201H, Perla Verde 31 State Com 401H, and Perla Verde 31 State Com 403H** wells to be horizontally drilled with first take points in

the SW4SW4 equivalent (Lot 4) of irregular Section 31 and last take points in the NW4NW4 equivalent (Lot 1) of Section 30; and

- **Perla Verde 31 State Com 203H and Perla Verde 31 State Com 402H** wells to be horizontally drilled with first take points in the SE4SW4 (Unit N) of irregular Section 31 and last take points in the NE4NW4 (Unit C) of irregular Section 30.

4. The completed interval for the Perla Verde 31 State Com 403H is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of these tracts in a standard horizontal well spacing unit pursuant to NMAC 19.15.16.15.B.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the mineral owners in the proposed spacing unit.

6. Approval of this application will allow the efficient recovery of the oil and gas reserves underlying the subject lands, and is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on July 6, 2023, 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

By: 

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Adam G. Rankin
Julia Broggi
Paula M. Vance
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pmvance@hollandhart.com

ATTORNEYS FOR XTO ENERGY INC.

CASE _____: **Application of XTO Energy Inc. for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the stratigraphic equivalent of the top of the Bone Spring formation to base of the Second Bone Spring interval underlying a standard 633.36-acre horizontal spacing unit comprised of the W/2 equivalent of irregular Sections 30 and 31, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the following proposed wells:

- **Perla Verde 31 State Com 201H, Perla Verde 31 State Com 401H, and Perla Verde 31 State Com 403H** wells to be horizontally drilled with first take points in the SW4SW4 equivalent (Lot 4) of irregular Section 31 and last take points in the NW4NW4 equivalent (Lot 1) of irregular Section 30;
- **Perla Verde 31 State Com 203H and Perla Verde 31 State Com 402H** wells to be horizontally drilled with first take points in the SE4SW4 (Unit N) of irregular Section 31 and last take points in the NE4NW4 (Unit C) of irregular Section 30; and

The completed interval for the Perla Verde 31 State Com 403H is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of these tracts in a horizontal well standard spacing unit pursuant to NMAC 19.15.16.15.B. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells and the imposition of a 200% charge for risk involved in drilling said well. This area is located approximately 17 miles west of Hobbs, New Mexico.

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

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

CASE NO. 23604

SELF AFFIRMED STATEMENT OF BRYAN J. CIFUENTES (Landman)

1. My name is Bryan J. Cifuentes, and I am employed by XTO Energy Inc. ("XTO") as a landman. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. I am familiar with the application filed by XTO in this case and the status of the lands in the subject area.

2. XTO seeks an order pooling all uncommitted interests in the stratigraphic equivalent of the top of the Bone Spring formation to base of the Second Bone Spring interval underlying a standard 633.36-acre horizontal spacing unit comprised of the W/2 equivalent of irregular Sections 30 and 31, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. This horizontal spacing unit will be initially dedicated to the following proposed wells:

- **Perla Verde 31 State Com 201H, Perla Verde 31 State Com 401H, and Perla Verde 31 State Com 403H** wells to be horizontally drilled with first take points in the SW4SW4 equivalent (Lot 4) of irregular Section 31 and last take points in the NW4NW4 equivalent (Lot 1) of irregular Section 30; and
- **Perla Verde 31 State Com 203H and Perla Verde 31 State Com 402H** wells to be horizontally drilled with first take points in the SE4SW4 (Unit N) of irregular Section 31 and last take points in the NE4NW4 (Unit C) of irregular Section 30.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Case No. 23604
Submitted by: XTO ENERGY INC.
Hearing Date: August 17, 2023**

3. The completed interval for the Perla Verde 31 State Com 403H is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of these tracts in a horizontal well standard spacing unit pursuant to NMAC 19.15.16.15.B.

4. XTO seeks to pool the stratigraphic equivalent of the top of the Bone Spring formation to base of the Second Bone Spring interval to avoid existing development in the Third Bone Spring interval underlying the W2 equivalent of irregular Section 31.

5. **XTO Exhibit A-1** contains Form C-102's for the initial wells in the proposed spacing units.

6. **XTO Exhibit A-2** identifies the tracts of land comprising the proposed spacing units and the lateral trajectory of the proposed wells. The acreage is comprised of state and fee lands.

7. **XTO Exhibit A-3** identifies the working interest ownership in each tract and the consolidated working interest ownership in the proposed horizontal spacing unit. XTO has identified the owners that it seeks to pool with **.

8. XTO has reviewed public records, conducted online computer searches and, where applicable, contacted known relatives to locate contact information for all the mineral owners that it seeks to pool. XTO has been able to locate addresses for all the owners it seeks to pool.

9. **XTO Exhibit A-4** contains a sample of the well proposal letter and AFEs sent to the working interest owners. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in this formation.

10. **XTO Exhibit A-5** contains a chronology of the contacts with the uncommitted working interest owners. In my opinion, XTO has undertaken good faith efforts to reach agreement with the uncommitted mineral owners.

11. XTO requests that the overhead and administrative costs for the proposed wells be initially set at \$10,000 per month while drilling and \$1,000 per month while producing, and that these rates be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations." These rates are consistent with the rates charged by XTO and other operator for similar wells in this area.

12. XTO has provided the law firm of Holland & Hart LLP with the names and addresses of the mineral owners XTO seeks to pool and instructed that they be notified of this hearing.

13. **XTO Exhibit A-6** is a copy of the letter sent to all the working interest owners affected by the proposed overlapping spacing unit. All affected working interest received this letter and no objection was received to the proposed development plan.

14. **XTO Exhibits A-1 through A-6** were either prepared by me or compiled under my direction and supervision.

15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Bryan J. Cifuentes

Date: 7/28/2023

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submitted by: XTO ENERGY INC.
Hearing Date: August 17, 2023

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name PERLA VERDE 31 STATE COM			⁶ Well Number 201H
⁷ OGRID No. 005380		⁸ Operator Name XTO ENERGY, INC.			⁹ Elevation 3,702'

¹⁰ Surface Location

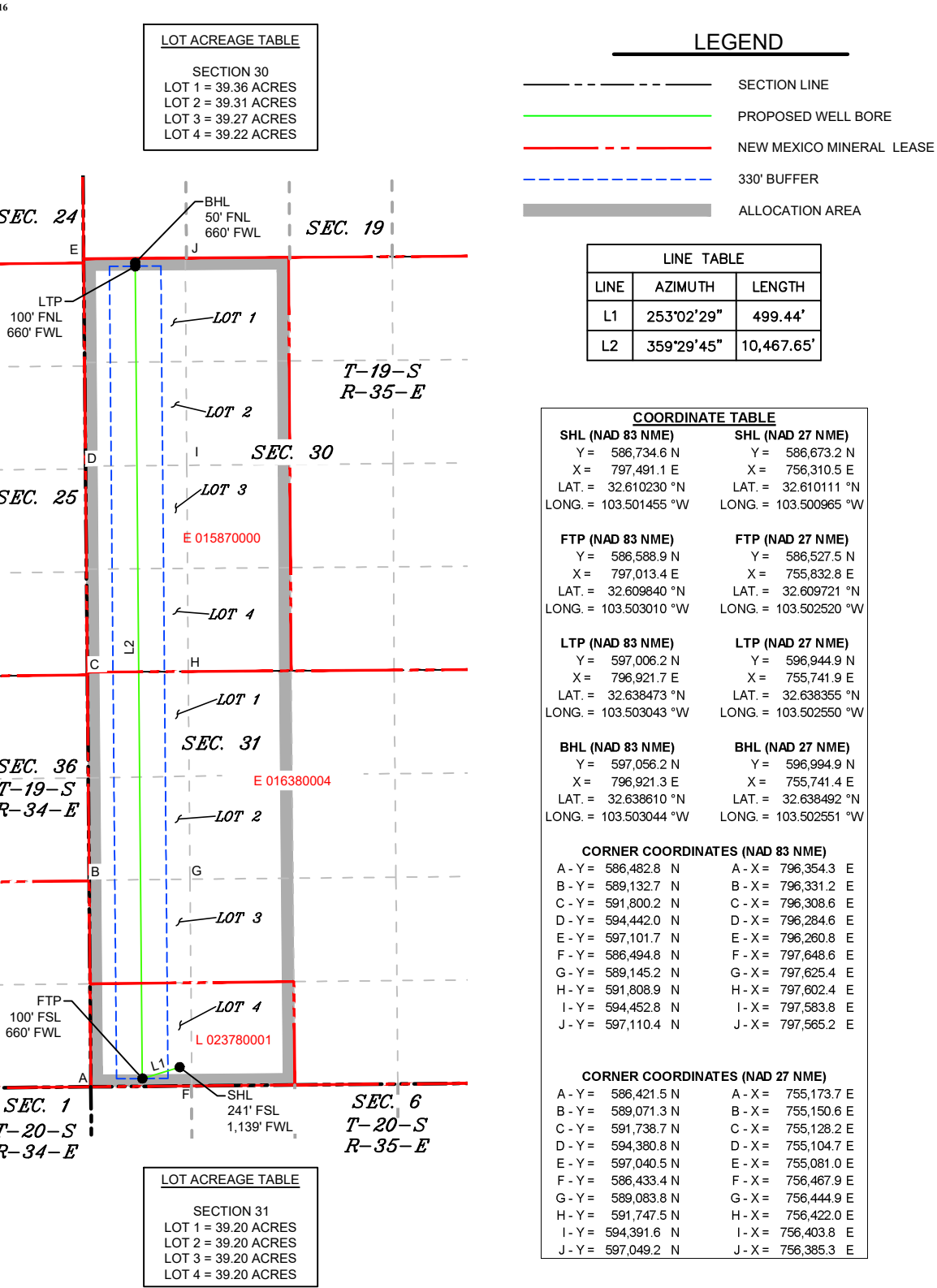
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	19 S	35 E		241	SOUTH	1,139	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	30	19 S	35 E		50	NORTH	660	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ **OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ **SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

07/20/2023
Date of Survey

Signature and Seal of Professional Surveyor:



MARK DILLON HARP 23786
Certificate Number

CC/AI 618.013009.00-01

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
Energy, Minerals & Natural Resources Department
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1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name PERLA VERDE 31 STATE COM			⁶ Well Number 203H
⁷ OGRID No. 005380		⁸ Operator Name XTO ENERGY, INC.			⁹ Elevation 3,702'

¹⁰ Surface Location

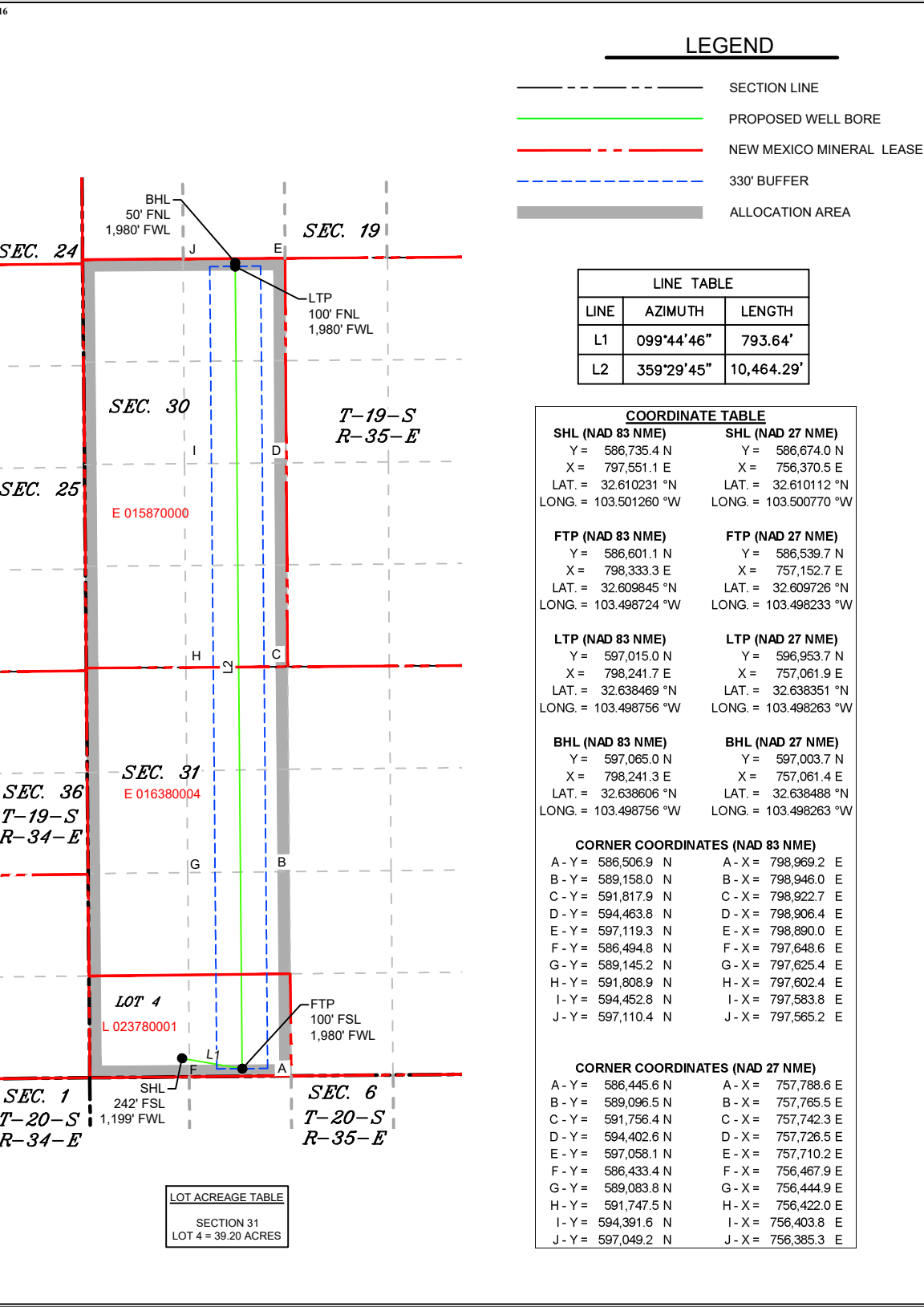
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	19 S	35 E		242	SOUTH	1,199	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	30	19 S	35 E		50	NORTH	1,980	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Date

Printed Name

E-mail Address

¹⁸ SURVEYOR
CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

07/20/2023

Date of Survey

Signature and Seal of
Professional Surveyor:



MARK DILLON HARP 23786
Certificate Number

CC/AI 618.013009.00-02

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name PERLA VERDE 31 STATE COM						⁶ Well Number 401H	
⁷ OGRID No. 005380		⁸ Operator Name XTO ENERGY, INC.						⁹ Elevation 3,702'	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	19 S	35 E		241	SOUTH	1,109	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	30	19 S	35 E		50	NORTH	330	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

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LOT ACREAGE TABLE

SECTION 30
LOT 1 = 39.36 ACRES
LOT 2 = 39.31 ACRES
LOT 3 = 39.27 ACRES
LOT 4 = 39.22 ACRES

LEGEND

SECTION LINE

PROPOSED WELL BORE

NEW MEXICO MINERAL LEASE

330' BUFFER

ALLOCATION AREA

LINE TABLE

LINE	AZIMUTH	LENGTH
L1	259°12'33"	791.53'
L2	359°29'45"	10,468.49'

COORDINATE TABLE

SHL (NAD 83 NME)		SHL (NAD 27 NME)	
Y =	586,734.1 N	Y =	586,672.7 N
X =	797,460.9 E	X =	756,280.3 E
LAT. =	32.610229 °N	LAT. =	32.610110 °N
LONG. =	103.501553 °W	LONG. =	103.501063 °W

FTP (NAD 83 NME)		FTP (NAD 27 NME)	
Y =	586,585.9 N	Y =	586,524.5 N
X =	796,683.4 E	X =	755,502.8 E
LAT. =	32.609838 °N	LAT. =	32.609719 °N
LONG. =	103.504082 °W	LONG. =	103.503591 °W

LTP (NAD 83 NME)		LTP (NAD 27 NME)	
Y =	597,004.0 N	Y =	596,942.7 N
X =	796,591.7 E	X =	755,411.9 E
LAT. =	32.638474 °N	LAT. =	32.638356 °N
LONG. =	103.504115 °W	LONG. =	103.503622 °W

BHL (NAD 83 NME)		BHL (NAD 27 NME)	
Y =	597,053.9 N	Y =	596,992.7 N
X =	796,591.3 E	X =	755,411.5 E
LAT. =	32.638611 °N	LAT. =	32.638494 °N
LONG. =	103.504116 °W	LONG. =	103.503622 °W

CORNER COORDINATES (NAD 83 NME)

A - Y =	586,482.8 N	A - X =	796,354.3 E
B - Y =	589,132.7 N	B - X =	796,331.2 E
C - Y =	591,800.2 N	C - X =	796,308.6 E
D - Y =	594,442.0 N	D - X =	796,284.6 E
E - Y =	597,101.7 N	E - X =	796,260.8 E
F - Y =	586,494.8 N	F - X =	797,648.6 E
G - Y =	589,145.2 N	G - X =	797,625.4 E
H - Y =	591,808.9 N	H - X =	797,602.4 E
I - Y =	594,452.8 N	I - X =	797,583.8 E
J - Y =	597,110.4 N	J - X =	797,565.2 E

CORNER COORDINATES (NAD 27 NME)

A - Y =	586,421.5 N	A - X =	755,173.7 E
B - Y =	589,071.3 N	B - X =	755,150.6 E
C - Y =	591,738.7 N	C - X =	755,128.2 E
D - Y =	594,380.8 N	D - X =	755,104.7 E
E - Y =	597,040.5 N	E - X =	755,081.0 E
F - Y =	586,433.4 N	F - X =	756,467.9 E
G - Y =	589,083.8 N	G - X =	756,444.9 E
H - Y =	591,747.5 N	H - X =	756,422.0 E
I - Y =	594,391.6 N	I - X =	756,403.8 E
J - Y =	597,049.2 N	J - X =	756,385.3 E

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Date

Printed Name

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

07/20/2023

Date of Survey

Signature and Seal of Professional Surveyor:

MARK DILLON HARP

NEW MEXICO

23786

PROFESSIONAL SURVEYOR

MARK DILLON HARP 23786

Certificate Number

CC/AI

618.013009.00-03

P:\618.013 XTO Energy - NM\009 Perla Verde Unit - Lea\00 - Perla Verde Unit\Wells\03 401H\DWG\401H C-102.dwg

Released to Imaging: 8/16/2023 8:06:31 AM

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name PERLA VERDE 31 STATE COM			⁶ Well Number 402H
⁷ OGRID No. 005380		⁸ Operator Name XTO ENERGY, INC.			⁹ Elevation 3,702'

¹⁰ Surface Location

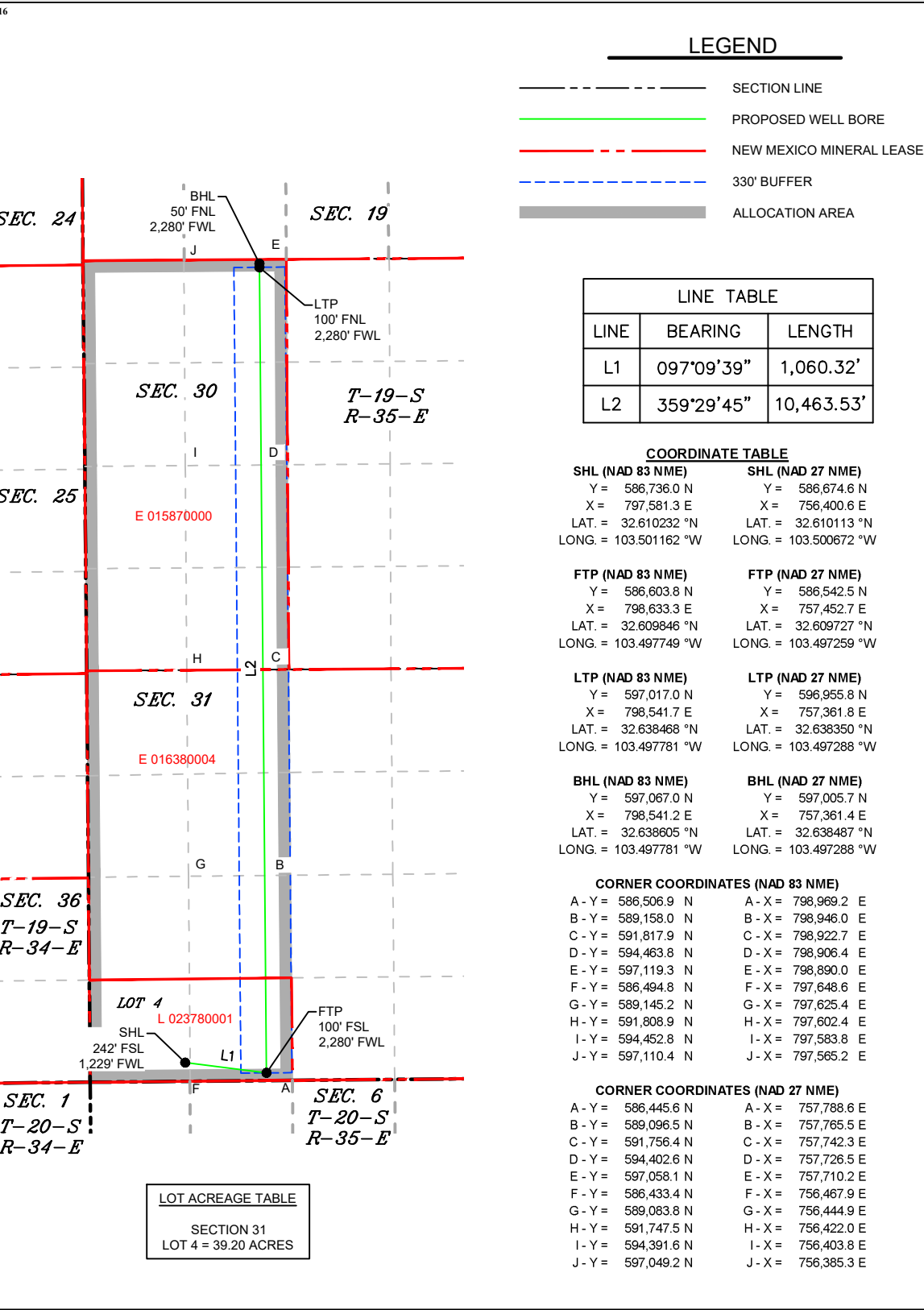
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	19 S	35 E		242	SOUTH	1,229	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	30	19 S	35 E		50	NORTH	2,280	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Date

Printed Name

E-mail Address

¹⁸ SURVEYOR
CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

07/20/2023

Date of Survey

Signature and Seal of
Professional Surveyor:



MARK DILLON HARP 23786
Certificate Number

DB/AI 618.013009.00-04

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

¹ API Number 30-025-	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name PERLA VERDE 31 STATE COM	⁶ Well Number 403H
⁷ OGRID No. 005380	⁸ Operator Name XTO ENERGY, INC.	⁹ Elevation 3,702'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	19 S	35 E		241	SOUTH	1,169	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	30	19 S	35 E		50	NORTH	1,310	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

LEGEND

SECTION LINE
 PROPOSED WELL BORE
 NEW MEXICO MINERAL LEASE
 330' BUFFER
 ALLOCATION AREA

LINE	AZIMUTH	LENGTH
L1	134°31'34"	199.67'
L2	359°29'45"	10,465.99'

SHL (NAD 83 NME)		SHL (NAD 27 NME)	
Y =	586,734.9 N	Y =	586,673.5 N
X =	797,521.0 E	X =	756,340.4 E
LAT. =	32.610230 °N	LAT. =	32.610111 °N
LONG. =	103.501358 °W	LONG. =	103.500868 °W

FTP (NAD 83 NME)		FTP (NAD 27 NME)	
Y =	586,594.9 N	Y =	586,533.5 N
X =	797,663.3 E	X =	756,482.7 E
LAT. =	32.609842 °N	LAT. =	32.609723 °N
LONG. =	103.500899 °W	LONG. =	103.500409 °W

LTP (NAD 83 NME)		LTP (NAD 27 NME)	
Y =	597,010.5 N	Y =	596,949.3 N
X =	797,571.7 E	X =	756,391.9 E
LAT. =	32.638471 °N	LAT. =	32.638353 °N
LONG. =	103.500932 °W	LONG. =	103.500439 °W

BHL (NAD 83 NME)		BHL (NAD 27 NME)	
Y =	597,060.5 N	Y =	596,999.3 N
X =	797,571.3 E	X =	756,391.4 E
LAT. =	32.638608 °N	LAT. =	32.638490 °N
LONG. =	103.500932 °W	LONG. =	103.500439 °W

A - Y = 586,506.9 N	A - X = 798,969.2 E
B - Y = 589,158.0 N	B - X = 798,946.0 E
C - Y = 591,817.9 N	C - X = 798,922.7 E
D - Y = 594,463.8 N	D - X = 798,906.4 E
E - Y = 597,119.3 N	E - X = 798,890.0 E
F - Y = 586,494.8 N	F - X = 797,648.6 E
G - Y = 589,145.2 N	G - X = 797,625.4 E
H - Y = 591,808.9 N	H - X = 797,602.4 E
I - Y = 594,452.8 N	I - X = 797,583.8 E
J - Y = 597,110.4 N	J - X = 797,565.2 E

A - Y = 586,445.6 N	A - X = 757,788.6 E
B - Y = 589,096.5 N	B - X = 757,765.5 E
C - Y = 591,756.4 N	C - X = 757,742.3 E
D - Y = 594,402.6 N	D - X = 757,726.5 E
E - Y = 597,058.1 N	E - X = 757,710.2 E
F - Y = 586,433.4 N	F - X = 756,467.9 E
G - Y = 589,083.8 N	G - X = 756,444.9 E
H - Y = 591,747.5 N	H - X = 756,422.0 E
I - Y = 594,391.6 N	I - X = 756,403.8 E
J - Y = 597,049.2 N	J - X = 756,385.3 E

SECTION	LOT	ACRES
SECTION 31	LOT 4	39.20

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature
Date

Printed Name _____

E-mail Address

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

07/20/2023

Date of Survey

Signature and Seal of
Professional Surveyor:



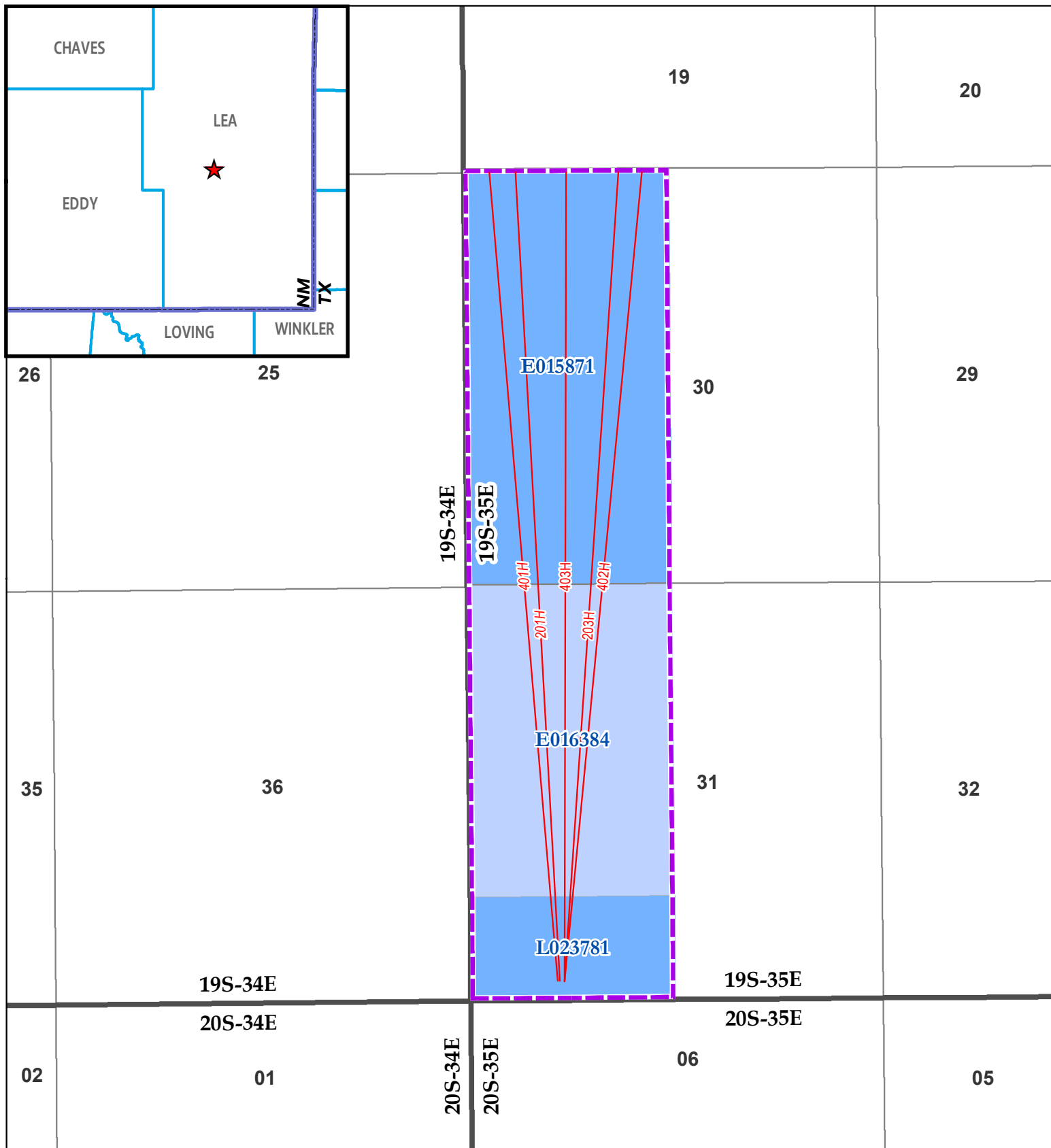
MARK DILLON HARP 23786
Certificate Number

DB/AI 618.013009.00-05

Perla Verde 31 State Com

Lea County, NM Delaware Basin

Date: 7/25/2023



Document Path: O:\Arcview\Projects\Kelli\Project_MXD\PD_BCifuentes_PerlaVerde_ForcedPooledHearing.mxd



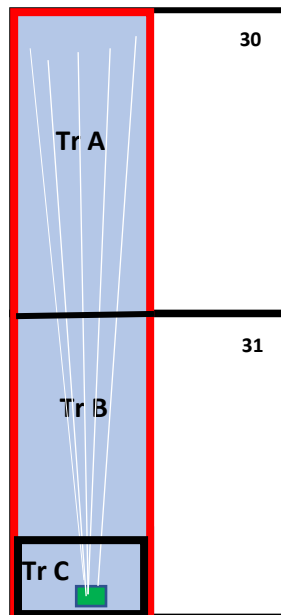
0 1,000 2,000 4,000 Feet

— XTO HORIZONTAL
— SPACING UNIT
XTO STATE LEASE
STATE LEASE PREMIER

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-2
Case No. 23604
Submitted by: XTO ENERGY INC.
Hearing Date: August 17, 2023



PERLA VERDE 31 STATE COM UNIT OWNERSHIP:



Legend:

- = Fee Minerals
- = State Acreage
- = Federal Acreage

Est. Unit Working Interests:

• XTO Holdings LLC:	48.84%
• Marathon Oil Permian LLC:	25.01%
• Black Shale Minerals, LLC:	2.342%
• Chisos, Ltd.:	2.342%
• Sipes Exploration, Inc.:	3.082%
• Southwest Royalties, Inc.:	1.202%
• MJK Mineral Partners, Ltd.:	4.110%
• Yalch Operating, LP:	0.175%
• Diane Patrick Tipton:	0.175%
• West Pecos Trading Company, LLC:	0.531%
• D.M. Royalties, Ltd:	0.009%
• BTA Et Al.:	12.46%

Parties XTO is seeking to Pool:

- Chevron U.S.A. Inc. (ORRI)
- Manix Royalty, Ltd. (ORRI)
- John & Theresa Hillman Family (ORRI)
- Donaldson Brown Royalty, LP (ORRI)
- Adele Royalty Ventures, LLC (ORRI)
- GBB Royalties, LLC (ORRI)
- Kristen Hayes (ORRI)
- KHB Energy, LLC (ORRI)
- Veirs Family Partnership, LP (ORRI)
- B&R Land and Cattle, LLC (ORRI)
- J. Stanley Halperin Estate (ORRI)
- Roger P. Palma (ORRI)
- Nancy Winter Revocable Trst u/t/a dated 7/2002 (ORRI)
- Morris Associate II (ORRI)
- **Marathon Oil Permian LLC (Working Interest)
- **Sipes Explorations, Inc. (Working Interest)
- **Diane Patrick Tipton (Working Interest)

Ownership by Tract:

Tract A: State Lease E0-1587: 317.16 acres, more or less, being Lot 1 (39.36 ac.), Lot 2 (39.31 ac.), Lot 3 (39.27 ac.), Lot 4 (39.22 ac.) and the E/2W/2 of Section 30, Township 19 South, Range 35 East, N.M.P.M. Lea County, New Mexico.

- XTO Holdings, LLC: 0.50
- **Marathon Oil Permian LLC: 0.50

Tract B: State Lease E0-1638-004: 237.60 acres, more or less, being Lot 1 (39.20 ac.), Lot 2 (39.20 ac.), Lot 3 (39.20 ac.), the E/2NW/4 and the NE/4SW/4 of Section 31, Township 19 South, Range 35 East, N.M.P.M. Lea County, New Mexico.

- XTO Holdings, LLC: 0.625
- Black Shale Minerals, LLC: 0.0625
- Chisos, Ltd.: 0.0625
- **Sipes Explorations, Inc.: 0.08225001
- Southwest Royalties, Inc.: 0.03208333
- MJK Mineral Partners, Ltd.: 0.10966667
- Yalch Operating, LP: 0.00466666
- **Diane Patrick Tipton: 0.00466666
- West Pecos Trading Company, LLC: 0.01416667
- D.M. Royalties, Ltd.: 0.00250000

Tract C: State Lease L0-2378-001: 79.20 acres, more or less, being Lot 4 (39.20 ac.) and the SE/4SW/4 of Section 31, Township 19 South, Range 35 East, N.M.P.M Lea County, NM

- BTA Et Al: 1.00

** Indicates parties that have entered into a voluntary agreement*

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-3
Case No. 23604
Submitted by: XTO ENERGY INC.
Hearing Date: August 17, 2023



XTO Energy Inc.
Land Dept. Loc. 115
22777 Springwoods Village Pkwy
Spring, TX 77389-1425
346-566-9630 Direct Phone
Bryan.cifuentes@exxonmobil.com

May 10, 2023

VIA FEDEX SIGNATURE REQUIRED

Marathon Oil Corporation
Attn: Samuel Cox
990 Town and Country Blvd.
Houston, TX 77024

RE: Perla Verde 31 State Com 201H, Perla Verde 31 State Com 203H, Perla Verde 31 State Com 401H, Perla Verde 31 State Com 402H, and Perla Verde 31 State Com 403H
Proposed Spacing Unit
Section 31: West Half (W2) - T19S-R35E
Section 30: West Half (W2) - T19S-R35E
Lea County, New Mexico

Dear Sir or Madam,

As a Working Interest Owner, XTO Energy Inc ("XTO") hereby re-proposes the drilling and completion of the captioned wells to test the 1st and 2nd Bone Spring formations as follows in Lea County, NM. This proposal replaces the well proposal that was sent in November of 2022.

Perla Verde 31 State Com 201H

- Surface Location being 241 FSL and 1139 FWL in Section 31, T19S-R35E;
- First Take Point being 100 FSL and 660 FWL in Section 31, T19S-R35E;
- Last Take Point being 100 FNL and 660 FWL in Section 30, T19S-R35E;
- Bottom Hole Location being 50 FNL and 660 FWL in Section 30, T19S-R35E;
- TVD: 9,675, TMD: 20,641, 1st BS

Perla Verde 31 State Com 203H

- Surface Location being 241 FSL and 1169 FWL in Section 31, T19S-R35E;
- First Take Point being 100 FSL and 1980 FWL in Section 31, T19S-R35E;
- Last Take Point being 100 FNL and 1980 FWL in Section 30, T19S-R35E;
- Bottom Hole Location being 50 FNL and 1980 FWL in Section 30, T19S-R35E;
- TVD: 9,675, TMD: 20,961, 1st BS

Perla Verde 31 State Com 401H

- Surface Location being 241 FSL and 1109 FWL in Section 31, T19S-R35E;
- First Take Point being 100 FSL and 330 FWL in Section 31, T19S-R35E;
- Last Take Point being 100 FNL and 330 FWL in Section 30, T19S-R35E;
- Bottom Hole Location being 50 FNL and 330 FWL in Section 30, T19S-R35E;
- TVD: 10,550, TMD: 21,810 2nd BS

Perla Verde 31 State Com 402H

- Surface Location being 241 FSL and 1229 FWL in Section 31, T19S-R35E;
- First Take Point being 100 FSL and 2310 FWL in Section 31, T19S-R35E;
- Last Take Point being 100 FNL and 2310 FWL in Section 30, T19S-R35E;
- Bottom Hole Location being 50 FNL and 2310 FWL in Section 30, T19S-R35E;
- TVD: 10,550, TMD: 22,573, 2nd BS

Perla Verde 31 State Com 403H

- Surface Location being 241 FSL and 1199 FWL in Section 31, T19S-R35E;
- First Take Point being 100 FSL and 1320 FWL in Section 31, T19S-R35E;
- Last Take Point being 100 FNL and 1320 FWL in Section 30, T19S-R35E;
- Bottom Hole Location being 50 FNL and 1320 FWL in Section 30, T19S-R35E;
- TVD: 10,550, TMD: 21,487, 2BS

The estimated dry hole cost to drill each of the Perla Verde 31 State Com 201H, 203H, 401H, 402H and 403H wells will be an estimated \$4.438M with a total D&C of \$11.319M, as evidenced on the enclosed Authority for Expenditures (AFE). Should you wish to participate with your interest, please sign the enclosed AFE and return to the undersigned at the address shown above. XTO is proposing the operations under a modified Exhibit "A" under the existing 1989 AAPL Model Form Operating Agreement with the following general provisions:

- Contract Area consisting of the West Half (W/2) of Sections 30 & 31- T19S-R35E, Lea County, NM, limited to the 1st and 2nd Bone Spring formations; approximately 633.36 gross acres, more or less
- 100%/300% non-consenting penalty
- \$13,250/\$1325 drilling and producing monthly overhead rates
- XTO Energy Inc. named as Operator

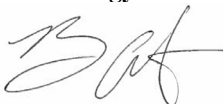
We respectfully request that you select one of the elections below regarding your interest in the proposed wells, as well as your approval for the amended Exhibit "A" attached. Should you wish to discuss another option in lieu of your participation or should you have any questions regarding this matter, please contact the undersigned at the contact information above listed.

Please return your elections (and a signed copy of the AFE if you elect to participate) to the attention of the undersigned at the letterhead address within thirty (30) days of receipt of this letter.

If you have any questions or require additional information, please contact me at (832) 566-9630. Operations questions should be directed to Jennifer Stewart via email at jennifer.stewart@exxonmobil.com

Sincerely,

XTO Energy Inc.



Bryan Cifuentes, CPL
Commercial & Land Advisor – Delaware Basin
Bryan.cifuentes@exxonmobil.com

Enclosures: AFE

_____ Elect to participate in the **Perla Verde 31 State Com 201H**

_____ Elect **NOT** to participate in the **Perla Verde 31 State Com 201H**

_____ Elect to participate in the **Perla Verde 31 State Com 203H**

_____ Elect **NOT** to participate in the **Perla Verde 31 State Com 203H**

_____ Elect to participate in the Perla Verde 31 State Com 401H
_____ Elect **NOT** to participate in the Perla Verde 31 State Com 401H
_____ Elect to participate in the Perla Verde 31 State Com 402H
_____ Elect **NOT** to participate in the Perla Verde 31 State Com 402H
_____ Elect to participate in the Perla Verde 31 State Com 403H
_____ Elect **NOT** to participate in the Perla Verde 31 State Com 403H

Working Interest Owner

Company Name _____

Signed: _____

By: _____

Title: _____



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.:	1807171	DISTRICT:	PERMIAN - DELAWARE
AFE DESC:	D&C IN BSPG1	FIELD:	LEA
DATE:	5/10/2023	ACCOUNTING ID:	2146681001
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	PERLA VERDE 31 STATE COM 201H
OPERATOR:	99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY:	New Mexico / Lea
SURVEY/ABSTRACT:		XTO WI DECIMAL:	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	75,000.00	0.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	75,000.00	0.00	0.00	75,000.00
EX,V,GD,PART_WELLCASING,SURFACE	92,000.00	0.00	0.00	0.00	92,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	550,000.00	0.00	0.00	0.00	550,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	901,000.00	0.00	0.00	901,000.00
EX,V,GD,PART_WELLCASING,OTHER	33,000.00	0.00	0.00	0.00	33,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Gd,Part_DrillBit	56,000.00	110,000.00	0.00	0.00	166,000.00
Ex,V,Gd,Part_DrillMud	200,000.00	0.00	0.00	0.00	200,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	225,000.00	0.00	0.00	225,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Fuel,Purch_Othr	138,000.00	0.00	0.00	0.00	138,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	1,748,727.00	15,000.00	0.00	0.00	1,763,727.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth.RentSubSurfWithOp	82,500.00	0.00	0.00	0.00	82,500.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	125,000.00	300,000.00	0.00	0.00	425,000.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSURFW	82,500.00	0.00	0.00	0.00	82,500.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSUBSU	125,000.00	0.00	0.00	0.00	125,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,ContractLabor,Technical	77,000.00	30,000.00	0.00	0.00	107,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	16,545.00	0.00	0.00	0.00	16,545.00
Ex,V,Serv,Eng_O&GWellDrill	209,000.00	75,000.00	0.00	0.00	284,000.00
Ex,V,Srv,Site_SitePrep,Roads&Location	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	63,000.00	30,000.00	0.00	0.00	93,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	175,000.00	0.00	0.00	175,000.00
EX,V,SRV,WASTEMGMT_OTH,COMPLFLUIDTR	0.00	475,000.00	0.00	0.00	475,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	73,000.00	0.00	0.00	0.00	73,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,100,000.00	0.00	0.00	3,100,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	260,000.00	0.00	0.00	0.00	260,000.00
Ex,V,Serv,O&GWell,MudLogging	27,000.00	0.00	0.00	0.00	27,000.00
Ex,V,Srv,O&GWell,Casing,Surf Int	60,000.00	0.00	0.00	0.00	60,000.00
Ex,V,Srv,O&GWell,Casing,Production	0.00	30,000.00	0.00	0.00	30,000.00



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.:	1807171	DISTRICT:	PERMIAN - DELAWARE
AFE DESC:	D&C IN BSPG1	FIELD:	LEA
DATE:	5/10/2023	ACCOUNTING ID:	2146681001
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	PERLA VERDE 31 STATE COM 201H
OPERATOR:	99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY:	New Mexico / Lea
SURVEY/ABSTRACT:		XTO WI DECIMAL:	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Serv,O&GWell,Completion	0.00	325,000.00	0.00	0.00	325,000.00
Ex,E,O&GJVOverhd,CombinedFxdRate,FieldOps,Dril	0.00	20,000.00	0.00	0.00	20,000.00
TOTAL:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00

TOTAL THIS AFE:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00
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*** This AFE is an estimate **only**. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS: D&C 2-MILE BONE SPRING 10K LATERAL. NORTH LEA EDDY (NON-POTASH); 25 DAYS SPUD TO FRR. TOTAL DRILLING COSTS ARE \$5419273 BASED ON 25 SPUD TO RR WITH A 1.5 DAY RIG MOVE.

		Non Operator Approval	
Prepared By:	ANA HERNANDEZ	DATE	_____
Approved By:	TED PIROG	COMPANY	_____
		BY	_____
Signature:		TITLE	_____



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.:	1807171	DISTRICT:	PERMIAN - DELAWARE
AFE DESC:	D&C IN BSPG1	FIELD:	LEA
DATE:	5/10/2023	ACCOUNTING ID:	2146681001
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	PERLA VERDE 31 STATE COM 201H
OPERATOR:	99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY:	New Mexico / Lea
SURVEY/ABSTRACT:		XTO WI DECIMAL:	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	75,000.00	0.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	75,000.00	0.00	0.00	75,000.00
EX,V,GD,PART_WELLCASING,SURFACE	92,000.00	0.00	0.00	0.00	92,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	550,000.00	0.00	0.00	0.00	550,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	901,000.00	0.00	0.00	901,000.00
EX,V,GD,PART_WELLCASING,OTHER	33,000.00	0.00	0.00	0.00	33,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Gd,Part_DrillBit	56,000.00	110,000.00	0.00	0.00	166,000.00
Ex,V,Gd,Part_DrillMud	200,000.00	0.00	0.00	0.00	200,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	225,000.00	0.00	0.00	225,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Fuel,Purch_Othr	138,000.00	0.00	0.00	0.00	138,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	1,748,727.00	15,000.00	0.00	0.00	1,763,727.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth.RentSubSurfWithOp	82,500.00	0.00	0.00	0.00	82,500.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	125,000.00	300,000.00	0.00	0.00	425,000.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSURFW	82,500.00	0.00	0.00	0.00	82,500.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSUBSU	125,000.00	0.00	0.00	0.00	125,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,ContractLabor,Technical	77,000.00	30,000.00	0.00	0.00	107,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	16,545.00	0.00	0.00	0.00	16,545.00
Ex,V,Serv,Eng_O&GWellDrill	209,000.00	75,000.00	0.00	0.00	284,000.00
Ex,V,Srv,Site_SitePrep,Roads&Location	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	63,000.00	30,000.00	0.00	0.00	93,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	175,000.00	0.00	0.00	175,000.00
EX,V,SRV,WASTEMGMT_OTH,COMPLFLUIDTR	0.00	475,000.00	0.00	0.00	475,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	73,000.00	0.00	0.00	0.00	73,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,100,000.00	0.00	0.00	3,100,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	260,000.00	0.00	0.00	0.00	260,000.00
Ex,V,Serv,O&GWell,MudLogging	27,000.00	0.00	0.00	0.00	27,000.00
Ex,V,Srv,O&GWell,Casing,Surf Int	60,000.00	0.00	0.00	0.00	60,000.00
Ex,V,Srv,O&GWell,Casing,Production	0.00	30,000.00	0.00	0.00	30,000.00



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.:	1807171	DISTRICT:	PERMIAN - DELAWARE
AFE DESC:	D&C IN BSPG1	FIELD:	LEA
DATE:	5/10/2023	ACCOUNTING ID:	2146681001
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	PERLA VERDE 31 STATE COM 201H
OPERATOR:	99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY:	New Mexico / Lea
SURVEY/ABSTRACT:		XTO WI DECIMAL:	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Serv,O&GWell,Completion	0.00	325,000.00	0.00	0.00	325,000.00
Ex,E,O&GJVOverhd,CombinedFxdRate,FieldOps,Dril	0.00	20,000.00	0.00	0.00	20,000.00
TOTAL:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00

TOTAL THIS AFE:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00
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*** This AFE is an estimate **only**. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS: D&C 2-MILE BONE SPRING 10K LATERAL. NORTH LEA EDDY (NON-POTASH); 25 DAYS SPUD TO FRR. TOTAL DRILLING COSTS ARE \$5419273 BASED ON 25 SPUD TO RR WITH A 1.5 DAY RIG MOVE.

		Non Operator Approval	
Prepared By:	ANA HERNANDEZ	DATE	_____
Approved By:	TED PIROG	COMPANY	_____
Signature:	_____	BY	_____
		TITLE	_____



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.: 2103102	DISTRICT: PERMIAN - DELAWARE
AFE DESC: D&C IN BSP2	FIELD: LEA
DATE: 5/10/2023	ACCOUNTING ID: 2189601001
AFE TYPE: DEVELOPMENT DRILLING	WELL NAME: PERLA VERDE 31 STATE COM 401H
OPERATOR: 99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY: New Mexico / Lea
SURVEY/ABSTRACT:	XTO WI DECIMAL:

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
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Ex,V,Gd,Part_Wellhead,Drilling	75,000.00	0.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	75,000.00	0.00	0.00	75,000.00
EX,V,GD,PART_WELLCASING,SURFACE	92,000.00	0.00	0.00	0.00	92,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	550,000.00	0.00	0.00	0.00	550,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	901,000.00	0.00	0.00	901,000.00
EX,V,GD,PART_WELLCASING,OTHER	33,000.00	0.00	0.00	0.00	33,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Gd,Part_DrillBit	56,000.00	110,000.00	0.00	0.00	166,000.00
Ex,V,Gd,Part_DrillMud	200,000.00	0.00	0.00	0.00	200,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	225,000.00	0.00	0.00	225,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Fuel,Purch_Othr	138,000.00	0.00	0.00	0.00	138,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	1,748,727.00	15,000.00	0.00	0.00	1,763,727.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSubSurfWithOp	82,500.00	0.00	0.00	0.00	82,500.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	125,000.00	300,000.00	0.00	0.00	425,000.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSURFW	82,500.00	0.00	0.00	0.00	82,500.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSUBSU	125,000.00	0.00	0.00	0.00	125,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,ContractLabor,Technical	77,000.00	30,000.00	0.00	0.00	107,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	16,545.00	0.00	0.00	0.00	16,545.00
Ex,V,Serv,Eng_O&GWellDrill	209,000.00	75,000.00	0.00	0.00	284,000.00
Ex,V,Srv,Site_SitePrep,Roads&Location	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	63,000.00	30,000.00	0.00	0.00	93,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	175,000.00	0.00	0.00	175,000.00
EX,V,SRV,WASTEMGMT_OTH,COMPLFLUIDTR	0.00	475,000.00	0.00	0.00	475,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	73,000.00	0.00	0.00	0.00	73,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,100,000.00	0.00	0.00	3,100,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	260,000.00	0.00	0.00	0.00	260,000.00
Ex,V,Serv,O&GWell,MudLogging	27,000.00	0.00	0.00	0.00	27,000.00
Ex,V,Srv,O&GWell,Casing,Surf Int	60,000.00	0.00	0.00	0.00	60,000.00
Ex,V,Srv,O&GWell,Casing,Production	0.00	30,000.00	0.00	0.00	30,000.00



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.:	2103102	DISTRICT:	PERMIAN - DELAWARE
AFE DESC:	D&C IN BSP2	FIELD:	LEA
DATE:	5/10/2023	ACCOUNTING ID:	2189601001
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	PERLA VERDE 31 STATE COM 401H
OPERATOR:	99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY:	New Mexico / Lea
SURVEY/ABSTRACT:		XTO WI DECIMAL:	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Serv,O&GWell,Completion	0.00	325,000.00	0.00	0.00	325,000.00
Ex,E,O&GJVOverhd,CombinedFxdRate,FieldOps,Dril	0.00	20,000.00	0.00	0.00	20,000.00
TOTAL:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00

TOTAL THIS AFE:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00
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*** This AFE is an estimate **only**. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS: D&C 2-MILE BONE SPRING 10K LATERAL. NORTH LEA EDDY (NON-POTASH); 25 DAYS SPUD TO FRR. TOTAL DRILLING COSTS ARE \$5419273 BASED ON 25 SPUD TO RR WITH A 1.5 DAY RIG MOVE.

		Non Operator Approval	
Prepared By:	ANA HERNANDEZ	DATE	_____
Approved By:	TED PIROG	COMPANY	_____
		BY	_____
Signature:	_____	TITLE	_____



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.: 2103103	DISTRICT: PERMIAN - DELAWARE
AFE DESC: D&C IN BSP2.	FIELD: LEA
DATE: 5/10/2023	ACCOUNTING ID: 2189621001
AFE TYPE: DEVELOPMENT DRILLING	WELL NAME: PERLA VERDE 31 STATE COM 402H
OPERATOR: 99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY: New Mexico / Lea
SURVEY/ABSTRACT:	XTO WI DECIMAL:

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
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Ex,V,Gd,Part_Wellhead,Drilling	75,000.00	0.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	75,000.00	0.00	0.00	75,000.00
EX,V,GD,PART_WELLCASING,SURFACE	92,000.00	0.00	0.00	0.00	92,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	550,000.00	0.00	0.00	0.00	550,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	901,000.00	0.00	0.00	901,000.00
EX,V,GD,PART_WELLCASING,OTHER	33,000.00	0.00	0.00	0.00	33,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Gd,Part_DrillBit	56,000.00	110,000.00	0.00	0.00	166,000.00
Ex,V,Gd,Part_DrillMud	200,000.00	0.00	0.00	0.00	200,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	225,000.00	0.00	0.00	225,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Fuel,Purch_Othr	138,000.00	0.00	0.00	0.00	138,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	1,748,727.00	15,000.00	0.00	0.00	1,763,727.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth.RentSubSurfWithOp	82,500.00	0.00	0.00	0.00	82,500.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	125,000.00	300,000.00	0.00	0.00	425,000.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSURFW	82,500.00	0.00	0.00	0.00	82,500.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSUBSU	125,000.00	0.00	0.00	0.00	125,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,ContractLabor,Technical	77,000.00	30,000.00	0.00	0.00	107,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	16,545.00	0.00	0.00	0.00	16,545.00
Ex,V,Serv,Eng_O&GWellDrill	209,000.00	75,000.00	0.00	0.00	284,000.00
Ex,V,Srv,Site_SitePrep,Roads&Location	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	63,000.00	30,000.00	0.00	0.00	93,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	175,000.00	0.00	0.00	175,000.00
EX,V,SRV,WASTEMGMT_OTH,COMPLFLUIDTR	0.00	475,000.00	0.00	0.00	475,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	73,000.00	0.00	0.00	0.00	73,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,100,000.00	0.00	0.00	3,100,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	260,000.00	0.00	0.00	0.00	260,000.00
Ex,V,Serv,O&GWell,MudLogging	27,000.00	0.00	0.00	0.00	27,000.00
Ex,V,Srv,O&GWell,Casing,Surf Int	60,000.00	0.00	0.00	0.00	60,000.00
Ex,V,Srv,O&GWell,Casing,Production	0.00	30,000.00	0.00	0.00	30,000.00



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.:	2103103	DISTRICT:	PERMIAN - DELAWARE
AFE DESC:	D&C IN BSP2.	FIELD:	LEA
DATE:	5/10/2023	ACCOUNTING ID:	2189621001
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	PERLA VERDE 31 STATE COM 402H
OPERATOR:	99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY:	New Mexico / Lea
SURVEY/ABSTRACT:		XTO WI DECIMAL:	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Serv,O&GWell,Completion	0.00	325,000.00	0.00	0.00	325,000.00
Ex,E,O&GJVOrhd,CombinedFxdRate,FieldOps,Dril	0.00	20,000.00	0.00	0.00	20,000.00
TOTAL:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00

TOTAL THIS AFE:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00
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*** This AFE is an estimate **only**. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS: D&C 2-MILE BONE SPRING 10K LATERAL. NORTH LEA EDDY (NON-POTASH); 25 DAYS SPUD TO FRR. TOTAL DRILLING COSTS ARE \$5419273 BASED ON 25 SPUD TO RR WITH A 1.5 DAY RIG MOVE.

		Non Operator Approval	
Prepared By:	ANA HERNANDEZ	DATE	_____
Approved By:	TED PIROG	COMPANY	_____
		BY	_____
Signature:	_____	TITLE	_____



XTO ENERGY INC.

AUTHORITY FOR EXPENDITURE

AFE NO.:	2103104	DISTRICT:	PERMIAN - DELAWARE
AFE DESC:	D&C IN BSP2.	FIELD:	LEA
DATE:	5/10/2023	ACCOUNTING ID:	2189641001
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	PERLA VERDE 31 STATE COM 403H
OPERATOR:	99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY:	New Mexico / Lea
SURVEY/ABSTRACT:		XTO WI DECIMAL:	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	75,000.00	0.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	75,000.00	0.00	0.00	75,000.00
EX,V,GD,PART_WELLCASING,SURFACE	92,000.00	0.00	0.00	0.00	92,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	550,000.00	0.00	0.00	0.00	550,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	901,000.00	0.00	0.00	901,000.00
EX,V,GD,PART_WELLCASING,OTHER	33,000.00	0.00	0.00	0.00	33,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Gd,Part_DrillBit	56,000.00	110,000.00	0.00	0.00	166,000.00
Ex,V,Gd,Part_DrillMud	200,000.00	0.00	0.00	0.00	200,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_ArtLift,Surf,Gas Lift	0.00	225,000.00	0.00	0.00	225,000.00
EX,V,GD,PART_INSTRMATLS,AUTOMATION	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Suppl,Misc,NonWellwork	45,000.00	0.00	0.00	0.00	45,000.00
Ex,V,Fuel,Purch_Othr	138,000.00	0.00	0.00	0.00	138,000.00
Ex,V,Rnt&Lse,Op,Eq,DrillEqp,ExMobili&Demob,M	1,748,727.00	15,000.00	0.00	0.00	1,763,727.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth.RentSubSurfWithOp	82,500.00	0.00	0.00	0.00	82,500.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,RentSurfWithOper	125,000.00	300,000.00	0.00	0.00	425,000.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSURFW	82,500.00	0.00	0.00	0.00	82,500.00
EX,V,RNT&LSE,OP,EQ,MISC_OTH,RENTSUBSU	125,000.00	0.00	0.00	0.00	125,000.00
Ex,V,Rnt&Lse,Op,Eq,Misc_Oth,Frac Tanks	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,ContractLabor,Technical	77,000.00	30,000.00	0.00	0.00	107,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	300,000.00	0.00	0.00	300,000.00
Ex,V,Serv,LandOverhead,BrokerFee	16,545.00	0.00	0.00	0.00	16,545.00
Ex,V,Serv,Eng_O&GWellDrill	209,000.00	75,000.00	0.00	0.00	284,000.00
Ex,V,Srv,Site_SitePrep,Roads&Location	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Serv,Trans,M&S&Eq,NonMar_Land&Cour	63,000.00	30,000.00	0.00	0.00	93,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Srv,WasteMgmt_Oth,Drilling Fluid	150,000.00	0.00	0.00	0.00	150,000.00
Ex,V,Srv,WasteMgmt_Oth,Flowback	0.00	100,000.00	0.00	0.00	100,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	175,000.00	0.00	0.00	175,000.00
EX,V,SRV,WASTEMGMT_OTH,COMPLFLUIDTR	0.00	475,000.00	0.00	0.00	475,000.00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	73,000.00	0.00	0.00	0.00	73,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,100,000.00	0.00	0.00	3,100,000.00
Ex,V,Serv,O&GWell,DirectionalDrill	260,000.00	0.00	0.00	0.00	260,000.00
Ex,V,Serv,O&GWell,MudLogging	27,000.00	0.00	0.00	0.00	27,000.00
Ex,V,Srv,O&GWell,Casing,Surf Int	60,000.00	0.00	0.00	0.00	60,000.00
Ex,V,Srv,O&GWell,Casing,Production	0.00	30,000.00	0.00	0.00	30,000.00



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.:	2103104	DISTRICT:	PERMIAN - DELAWARE
AFE DESC:	D&C IN BSP2.	FIELD:	LEA
DATE:	5/10/2023	ACCOUNTING ID:	2189641001
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	PERLA VERDE 31 STATE COM 403H
OPERATOR:	99994331 - XTO ENERGY INC.-RU4331	STATE/COUNTY:	New Mexico / Lea
SURVEY/ABSTRACT:		XTO WI DECIMAL:	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Serv,O&GWell,Completion	0.00	325,000.00	0.00	0.00	325,000.00
Ex,E,O&GJVOverhd,CombinedFxdRate,FieldOps,Dril	0.00	20,000.00	0.00	0.00	20,000.00
TOTAL:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00

TOTAL THIS AFE:	4,438,272.00	6,881,000.00	0.00	0.00	11,319,272.00
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*** This AFE is an estimate **only**. By returning one signed copy, you agree to pay your share of the actual costs incurred. ***

REMARKS: D&C 2-MILE BONE SPRING 10K LATERAL. NORTH LEA EDDY (NON-POTASH); 25 DAYS SPUD TO FRR. TOTAL DRILLING COSTS ARE \$5419273 BASED ON 25 SPUD TO RR WITH A 1.5 DAY RIG MOVE.

		Non Operator Approval	
Prepared By:	ANA HERNANDEZ	DATE	_____
Approved By:	TED PIROG	COMPANY	_____
		BY	_____
Signature:	_____	TITLE	_____

Perla Verde 31 State Com
Lea County, NM Delaware Basin
Summary of Communication

Marathon Oil Permian LLC

- 5/22/2023: Made contact regarding proposal and JOA sent via certified mail.
- 5/16/2023, Proposals received 10:28AM. (Received signed return receipt from T Washington –FED EX)
- 5/15/2023, delivery was sent.

Sipes Exploration, Inc.

- 7/17/2023: Sent email with proposals and JOA via email
- 7/13/2023: Sent email to Mr. Kevin Sipes to confirm they have received proposals and JOA
- 5/16/2023 Proposals delivered, 9:30AM Tracking # 7190 2455 0800 0157 7856

Diane Patrick Tipton

- 5/15/2023. Proposals and JOA were received.
- 5/12/2023 Delivery - 2:45PM Tracking# 7190 2455 0800 0157 7900



XTO Energy Inc.
Land Dept. Loc. 115
22777 Springwoods Village Pkwy
Spring TX 77389-1425
(346) 566-9630
Bryan.cifuentes@exxonmobil.com

June 7, 2023

VIA USPS EXPRESS MAIL - RETURN RECEIPT REQUESTED

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY PROPOSED
OVERLAPPING SPACING UNITS**

Re: Notice of Overlapping Spacing Units
Bone Spring
Perla Verde 31 State Com 201H
Perla Verde 31 State Com 203H
Perla Verde 31 State Com 401H
Perla Verde 31 State Com 402H
Perla Verde 31 State Com 403H
W/2 of Sections 31 & 30, Township 19 South, Range 35 East

To Whom It May Concern:

XTO Energy, Inc. has proposed wells for development of the 1st and 2nd Bone Spring formations underlying the W/2 of Sections 31 & 30, Township 19 South, Range 35 East. This letter is to amend the previous letter dated November 28, 2022 by adding the Perla Verde 31 State Com 402H well. The amended proposed development plan will require the formation of the following 633.96 estimated acre spacing unit comprised of the W/2 of Sections 30 & 31 to be initially dedicated to the following wells:

- Perla Verde 31 State Com 201H – 1st Bone Spring
 - SHL: 241' FSL & 1,139' FWL (Section 31)
 - BHL: 50' FNL & 660' FWL (Section 30)
 - Approximate TVD: 9,675'
- Perla Verde 31 State Com 203H – 1st Bone Spring
 - SHL: 241' FSL & 1,199' FWL (Section 31)
 - BHL: 50' FNL & 1,980' FWL (Section 30)
 - Approximate TVD: 9,675'
- Perla Verde 31 State Com 401H – 2nd Bone Spring
 - SHL: 241' FSL & 1,109' FWL (Section 31)
 - BHL: 50' FNL & 330' FWL (Section 30)
 - Approximate TVD: 10,550'
- Perla Verde 31 State Com 403H – 2nd Bone Spring
 - SHL: 241' FSL & 1,169' FWL (Section 31)
 - BHL: 50' FNL & 1310' FWL (Section 30)
 - Approximate TVD: 10,550'
- Perla Verde 31 State Com 402H – 2nd Bone Spring
 - SHL: 241' FSL & 1,229' FWL (Section 31)
 - BHL: 50' FNL & 2310' FWL (Section 30)
 - Approximate TVD: 10,550'

The proposed 633.96 acre spacing unit will overlap the following existing spacing units and wells:

- Perla Verde 31 State Com 001H – 3rd Bone Spring
 - SHL: 170' FSL & 330' FWL (Section 31)

An **ExxonMobil** Subsidiary

- BHL: 197' FNL & 382' FWL (Section 15)
- TVD: 11,020'
- Spacing Unit: W/2 W/2 Section 31
- Producing Interval: 11,336' – 15,521'
- Perla Verde 31 State Com 003H – 3rd Bone Spring
 - SHL: 170' FSL & 1,860' FWL (Section 31)
 - BHL: 170' FNL & 1,860' FWL (Section 15)
 - TVD: 11,000'
 - Spacing Unit: E/2W/2 Section 31
 - Producing Interval: 11,400' – 15,635'

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing units by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing units.

Any questions regarding this notice may be directed to myself or Jim Pruitt.

Sincerely,



Bryan Cifuentes, CPL
Commercial & Land Advisor
(346) 566-9630
Bryan.cifuentes@ExxonMobil.com

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

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

CASE NO. 23064

SELF-AFFIRMED STATEMENT OF PAUL BROWN, GEOLOGIST

1. My name is Paul Brown and I am employed by XTO Energy Inc. ("XTO") as a Geologist.

2. This is my first time testifying before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. I have included a copy of my resume as **XTO Exhibit B-1**. I believe that my credentials qualify me to testify as an expert witness in petroleum geology matters.

3. I am familiar with the application filed by XTO in this case, and I have conducted a geologic study of the lands in the subject area.

4. **XTO Exhibit B-2** is a regional map showing the location of the subject acreage noted by the red star.

5. XTO intends to target the First and Second intervals within the Bone Spring formation with the proposed wells. Due to existing development in the Third Bone Spring interval underlying the subject acreage, XTO seeks to pool only those depths from the stratigraphic equivalent of the top of the Bone Spring formation as found being at 8,153 feet true vertical depth, down to the base of the Second Bone Spring interval, as found being at 10,615 feet true vertical depth, in the Triple Combo log of the West Pearl 36

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Case No. 23604
Submitted by: XTO ENERGY INC.
Hearing Date: August 17, 2023**

State #001 well (API #3002538079) located in Section 36-19S-34E, Lea County, New Mexico.

6. **XTO Exhibit B-3** is a subsea structure map that I prepared on top of the First Bone Spring Sand, with contour intervals of 25 feet. XTO's proposed spacing unit is outlined in a bold gray line and the general location and trajectory of the initially proposed wells are identified with dashed red lines. The existing Bone Spring wells in the area are shown with solid red lines. This exhibit demonstrates that the targeted intervals dip gently to the SSE. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to developing the targeted intervals with horizontal wells.

7. **XTO Exhibit B-4** is a structural cross section that I prepared using logs from the wells shown on the left side of the exhibit as A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted interval, are of good quality and are representative of the geology in the subject area. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target intervals for the initially proposed wells are identified on the exhibit with green arrows. The cross-section demonstrates that the targeted intervals are continuous and relatively uniform across the proposed spacing unit.

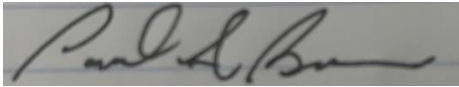
8. My geologic study indicates the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the wells.

9. In my opinion, the standup orientation of the proposed wells is consistent with existing development in this area and appropriate due to the geologic stress.

10. In my opinion, approval of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

11. **XTO Exhibits B-1 through B-4** were either prepared by me or compiled under my direction and supervision.

12. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



7/20/2023

Paul Brown

Date



Biography of Paul Brown

Mr. Brown graduated from the University of California with Bachelor and Master of Science degrees in Geological Sciences. He worked as an engineering geologist for Leighton and Associates, Inc. in California before joining Exxon in 1998.

From 1998 to 2003, Mr. Brown held exploration and production geoscience positions based in Houston and New Orleans for the Gulf of Mexico, Trinidad, California, and Nigeria.

In 2003, he moved to ExxonMobil Development Company, first as geoscience lead for a Nigeria deep-water project, then as North Caspian Supervisor for Kashagan and Tengiz fields, Kazakhstan.

In 2008, Mr. Brown moved to ExxonMobil Upstream Research Company as Planning Advisor for global geoscience research activities.

From 2010 to 2012, as South America Project Manager at ExxonMobil Exploration Company, Mr. Brown was responsible for onshore and deep-water operations in Argentina, Brazil, Colombia and Guyana.

Mr. Brown became Production Geoscience Advisor for the Americas in 2012; his regional duties were expanded in 2013 to also include Europe, Russia, and the Caspian region.

Mr. Brown was seconded twice from 2014 to 2021, first to BP, then to Hilcorp, in Anchorage, Alaska as New Well Delivery Team Leader and Regional Reservoir Development Leader for Prudhoe Bay Field.

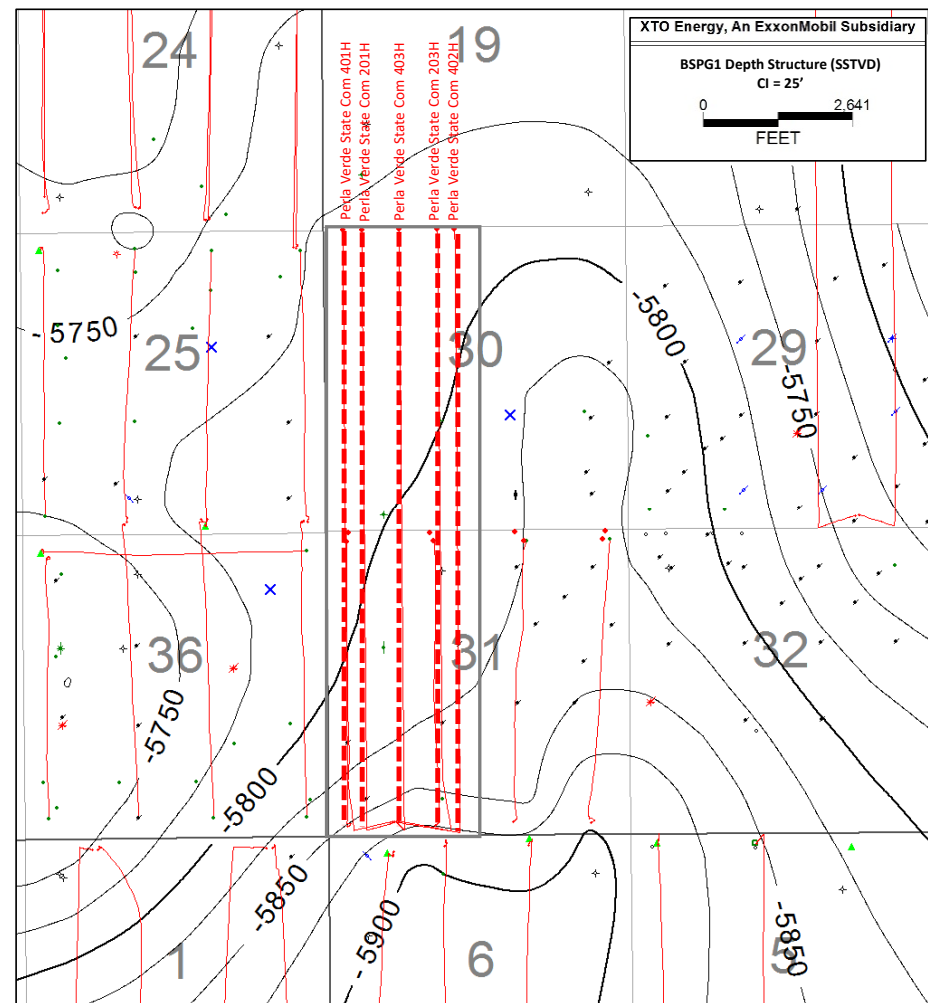
Between Alaska assignments in 2018/19, he returned to Houston as Africa Geoscience Supervisor at ExxonMobil Development, responsible for LNG and deep-water projects in Mozambique, Angola, and Tanzania.

Mr. Brown assumed his current Houston-based role at XTO Energy (ExxonMobil Unconventional) in 2022 as Senior Geoscience Advisor for Delaware Basin, New Mexico.

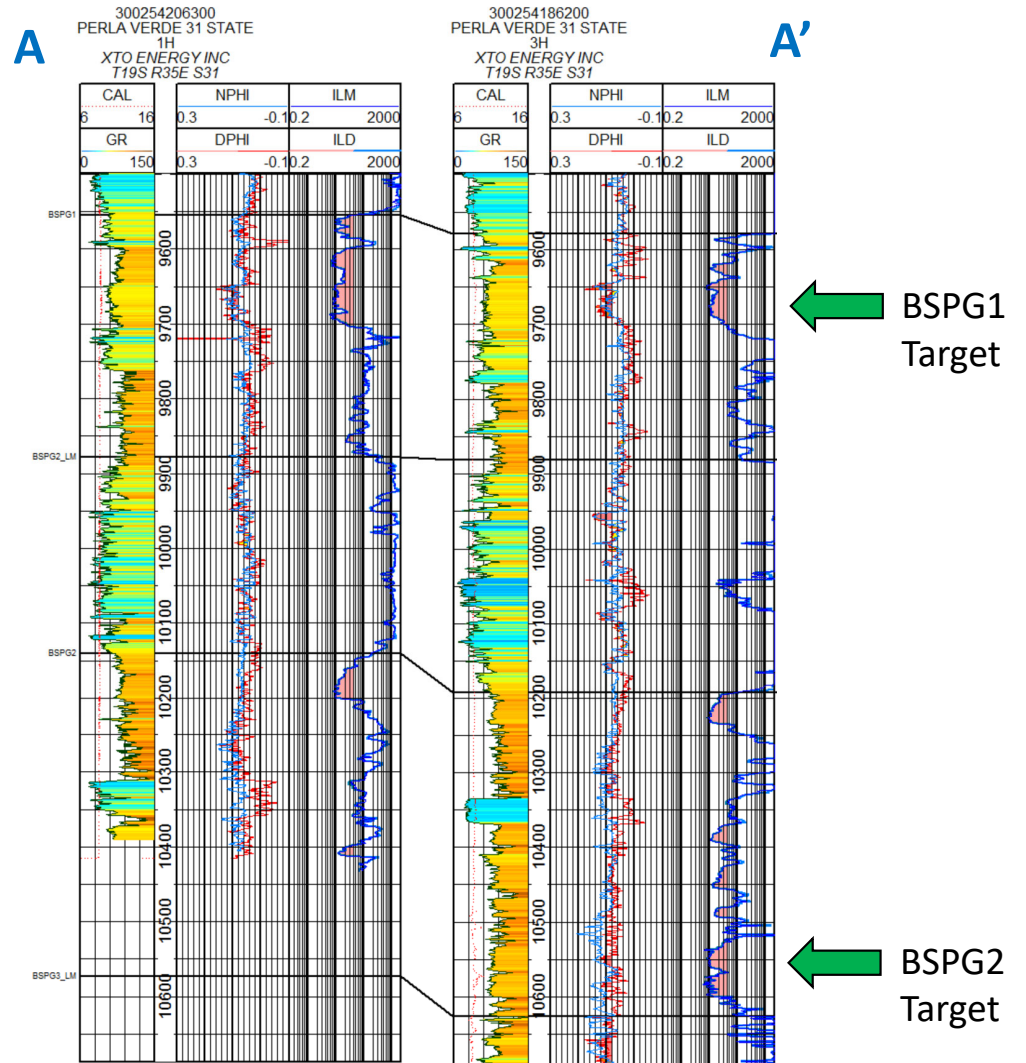
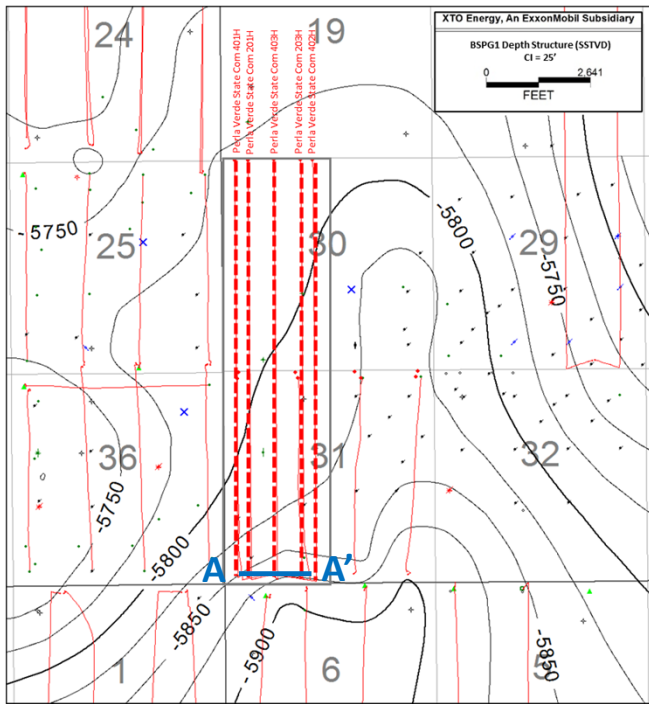
Locator Map



BSPG1 Structure Map



Structural Cross Section



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

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

CASE NO. 23604

**SELF-AFFIRMED STATEMENT OF
ADAM G. RANKIN**

1. I am attorney in fact and authorized representative of XTO Energy Inc. (“XTO”), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.
2. The above-referenced applications and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letters attached hereto.
3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.
4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of August 14, 2023.
5. I caused a notice to be published to all parties subject to these compulsory pooling proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit D.
6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in these cases. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Case No. 23604
Submitted by: XTO ENERGY INC.
Hearing Date: August 17, 2023**



Adam G. Rankin _____

2/14/23 _____

Date



Michael H. Feldewert
Partner
Phone (505) 988-4421
Email mfeldewert@hollandhart.com

June 16, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL POOLED PARTIES

Re: Application of XTO Energy Inc. for Compulsory Pooling, Lea County, New Mexico: Perla Verde 31 Stat Com 201H, 203H, 401H, 402H and 403H wells.

Ladies & Gentlemen:

This letter is to advise you that XTO Energy Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 6, 2023, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.nm.gov/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Bryan Cifuentes at (346) 566-9630 or at bryan.cifuentes@exxonmobile.com.

Sincerely,

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

Michael H. Feldewert
ATTORNEY FOR XTO ENERGY INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

XTO - Perla Verde 201H, 203H 401H-403H wells, Case no. 23604
Postal Delivery Report

Tracking Number	Recipient	Status
921489019403832268703	Diane Patrick Tipton 10 Double Arrow Rd Santa Fe NM 87505	In-Transit
921489019403832268704	Sipes Exploration PO BOX 10865 Midland TX 79702-0000	Delivered Signature Received
921489019403832268705	Apache Corproation 2000 Post Oak Blvd Ste 100 Houston TX 77056-4400	In-Transit
921489019403832268706	Chevron U S A Inc 1400 Smith Street Houston TX 77002	Delivered Signature Received
921489019403832268707	Manix Royalty Ltd 3300 N A Street Building 8 Suite 106 Midland TX 79705	Delivered Signature Received
921489019403832268708	John & Theresa Hillman Family Properties LP PO BOX 50187 Midland TX 79710	Delivered Signature Received
921489019403832268709	Donaldson Brown Royalty LP 500 Grant Street Suite 3840 Pittsburgh PA 15219	Delivered Signature Received
921489019403832268710	Adele Royalty Ventures LLC Washington DC 20006 800 17th Street NW FL 12 Washington WASHINGTON DC 20006	Delivered Signature Received
921489019403832268711	GBB Royalties LLC 888 Bestgate Road Suite 402 Annapolis MD 21401	Delivered Signature Received
921489019403832268712	Kristen Hayes separate property POSSIBLE HEIR: John Rhett Hayes Dallas Texas 75225 3008 Southwestern Blvd Dallas TX 75225	In-Transit
921489019403832268713	KHB Energy LLC 5500 Preston Road Suite 250 Dallas TX 75205	Delivered Signature Received
921489019403832268714	Veirs Family Partnership LP 36 Kestral Lane El Prado NM 87529	Delivered Signature Received
921489019403832268715	B&R Land and Cattle LLC PO BOX 2243 Longview TX 75606	Delivered Signature Received
921489019403832268716	Estate of J Stanley Halperin Residuary Trust Fund f/b/o Florence S Halperin by Florence S Halperin and Andrew S Halperin as Trustees PO BOX 343 Rhinebeck NY 12572	Delivered Signature Received
921489019403832268717	Roger P Palma marital staus unknown Webster New York 14580 1348 Shoecraft Road Webster NY 14580	In-Transit
921489019403832268718	Nancy Winter and David A Brauner Co-Trustees of the Nancy Winter Revocable Trust u/t/a dated July 10 2002 c/o Windels Marx Lane & Mittendorf LLP 156 West 56th Street New York NY 10019	Delivered Signature Received
921489019403832268719	Morris Associate II Manchester Maine 01944 18 Boardman Avenue Manchester ME 01944	Delivered Signature Received

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D

Case No. 23604

Submitted by: XTO ENERGY INC.

Hearing Date: August 17, 2023

Affidavit of PublicationSTATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
June 22, 2023
and ending with the issue dated
June 22, 2023.



Publisher

Sworn and subscribed to before me this
22nd day of June 2023.



Business Manager

My commission expires
January 29, 2027

(Seal) **STATE OF NEW MEXICO**
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE
June 22, 2023**STATE OF NEW MEXICO**
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearing will be conducted remotely on Thursday, July 6, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than June 26, 2023.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=maaef304905c6a120ecfe7659a603112> Webinar number: 2490 895 0241

Join by video system: 24908950241@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free +1-408-418-9388 United States Toll Access code: 2490 895 0241

Panelist password: RiCWWgmZ327 (74299469 from phones and video systems)

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All pooled parties, including: Diane Patrick Tipton, her heirs and devisees; Sipes Exploration; and Apache Corporation.

Case No. 23604: Application of XTO Energy Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the stratigraphic equivalent of the top of the Bone Spring formation to base of the Second Bone Spring interval underlying a standard 633.36-acre horizontal spacing unit comprised of the W/2 equivalent of irregular Sections 30 and 31, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the following proposed wells:

- Perla Verde 31 State Com 201H, Perla Verde 31 State Com 401H, and Perla Verde 31 State Com 403H wells to be horizontally drilled with first take points in the SW4SW4 equivalent (Lot 4) of irregular Section 31 and last take points in the NW4NW4 equivalent (Lot 1) of irregular Section 30;

- Perla Verde 31 State Com 203H and Perla Verde 31 State Com 402H wells to be horizontally drilled with first take points in the SE4SW4 (Unit N) of irregular Section 31 and last take points in the NE4NW4 (Unit C) of irregular Section 30; and

The completed interval for the Perla Verde 31 State Com 403H is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of these tracts in a horizontal well standard spacing unit pursuant to NMAC 19.15.16.15.B. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells and the imposition of a 200% charge for risk involved in drilling said well. This area is located approximately 17 miles west of Hobbs, New Mexico. #00279942

67100754

00279942

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 20, 2023
and ending with the issue dated
July 20, 2023.


Publisher

Sworn and subscribed to before me this
20th day of July 2023.


Business Manager

My commission expires
January 29, 2027
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
July 20, 2023

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearing will be conducted remotely on Thursday, August 3, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than July 23, 2023.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mc68e708eacdd7b63543532aead523b82>
Webinar number: 2480 139 3502

Join by video system: 24801393502@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free
+1-408-418-9388 United States Toll
Access code: 2480 139 3502

Panelist password: PGpPdJhW277 (74773549 from phones and video systems)

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Marathon Oil Corporation; Chevron U.S.A. Inc.; Manix Royalty, Ltd.; John & Theresa Hillman Family Properties, LP; Donaldson Brown Royalty, LP; Adele Royalty Ventures, LLC; GBB Royalties, LLC; Kristen Hayes, separate property, and John Rhett Hayes, their heirs and devisees; KHB Energy, LLC; Veirs Family Partnership, LP; B&R Land and Cattle, LLC; Estate of J. Stanley Halperin, Residuary Trust Fund f/b/o Florence S. Halperin, by Florence S. Halperin and Andrew S. Halperin as Trustees; Roger P. Palma, marital status unknown, his heirs and devisees; Nancy Winter and David A. Brauner, Co-Trustees of the Nancy Winter Revocable Trust u/t/a dated July 10, 2002 c/o Windels Marx Lane & Mittendorf, LLP; and Morris Associate II.

Case No. 23604: Application of XTO Energy Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the stratigraphic equivalent of the top of the Bone Spring formation to base of the Second Bone Spring interval underlying a standard 633.36-acre horizontal spacing unit comprised of the W/2 equivalent of irregular Sections 30 and 31, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the following proposed wells:

• **Perla Verde 31 State Com 201H, Perla Verde 31 State Com 401H, and Perla Verde 31 State Com 403H** wells to be horizontally drilled with first take points in the SW4SW4 equivalent (Lot 4) of irregular Section 31 and last take points in the NW4NW4 equivalent (Lot 1) of irregular Section 30;

• **Perla Verde 31 State Com 203H and Perla Verde 31 State Com 402H** wells to be horizontally drilled with first take points in the SE4SW4 (Unit N) of irregular Section 31 and last take points in the NE4NW4 (Unit C) of irregular Section 30; and

The completed interval for the Perla Verde 31 State Com 403H is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of these tracts in a horizontal well standard spacing unit pursuant to NMAC 19.15.16.15.B. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells and the imposition of a 200% charge for risk involved in drilling said well. This area is located approximately 17 miles west of Hobbs, New Mexico.

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