

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

**APPLICATION OF XTO DELAWARE  
BASIN, LLC FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

XTO Delaware Basin, LLC (“XTO” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 799.90-acre horizontal spacing unit comprised of the W/2 equivalent of irregular Section 5, the W/2 of Section 8, and the NW/4 of Section 17, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its application, XTO states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has a right to drill thereon.
2. Applicant seeks to designate XTO Permian Operating, LLC (OGRID No. 373075) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed wells:
  - **JRU DI 7 Sawtooth Fed Com 118H and JRU DI 7 Sawtooth Fed Com 803H** wells, to be horizontally drilled from surface locations in the NE/4 NE/4 equivalent (Lot 1) of irregular Section 6, with first take points in the NW/4 NW/4 equivalent (Lot 4) of irregular Section 5 and last take points in the SW/4 NW/4 (Unit E) of Section 17;

- **JRU DI 7 Sawtooth Fed Com 804H, JRU DI 7 Sawtooth Fed Com 903H and JRU DI 7 Sawtooth Fed Com 904H** wells, to be horizontally drilled from surface locations in the NE/4 NE/4 equivalent (Lot 1) of irregular Section 6, with first take points in the NE/4 NW/4 equivalent (Lot 3) of irregular Section 5 and last take points in the SE/4 NW/4 (Unit F) of Section 17; and
- **JRU DI 7 Sawtooth Fed Com 807H and JRU DI 7 Sawtooth Fed Com 908H** wells, to be horizontally drilled from a surface location in the NW/4 NE/4 equivalent (Lot 2) of irregular Section 6, with first take points in the NW/4 NW/4 equivalent (Lot 4) of irregular Section 5 and last take points in the SW/4 NW/4 (Unit E) of Section 17.

4. The completed interval for the **JRU DI 7 Sawtooth Fed Com 804H** 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 October 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the proposed horizontal well spacing unit;
- B. Designating XTO Permian Operating, LLC as the operator of this horizontal well spacing unit and the wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, 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: 

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
505-988-4421  
505-983-6043 Facsimile  
mhfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR XTO DELAWARE BASIN, LLC**

CASE \_\_\_\_\_: **Application of XTO Delaware Basin, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 799.90-acre horizontal spacing unit comprised of the W/2 equivalent of irregular Section 5, the W/2 of Section 8, and the NW/4 of Section 17, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit will be initially dedicated to the following proposed wells:

- **JRU DI 7 Sawtooth Fed Com 118H and JRU DI 7 Sawtooth Fed Com 803H** wells, to be horizontally drilled from surface locations in the NE/4 NE/4 equivalent (Lot 1) of irregular Section 6, with first take points in the NW/4 NW/4 equivalent (Lot 4) of irregular Section 5 and last take points in the SW/4 NW/4 (Unit E) of Section 17;
- **JRU DI 7 Sawtooth Fed Com 804H, JRU DI 7 Sawtooth Fed Com 903H and JRU DI 7 Sawtooth Fed Com 904H** wells, to be horizontally drilled from surface locations in the NE/4 NE/4 equivalent (Lot 1) of irregular Section 6, with first take points in the NE/4 NW/4 equivalent (Lot 3) of irregular Section 5 and last take points in the SE/4 NW/4 (Unit F) of Section 17; and
- **JRU DI 7 Sawtooth Fed Com 807H and JRU DI 7 Sawtooth Fed Com 908H** wells, to be horizontally drilled from a surface location in the NW/4 NE/4 equivalent (Lot 2) of irregular Section 6, with first take points in the NW/4 NW/4 equivalent (Lot 4) of irregular Section 5 and last take points in the SW/4 NW/4 (Unit E) of Section 17.

The completed interval for the **JRU DI 7 Sawtooth Fed Com 804H** 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 XTO Permian Operating, LLC as operator of the wells and the imposition of a 200% charge for risk involved in drilling said well. This area is located approximately 17.5 miles northeast of Malaga, New Mexico.