

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

**APPLICATION OF XTO PERMIAN
OPERATING, LLC FOR APPROVAL OF
NON-STANDARD HORIZONTAL
SPACING UNIT, EDDY COUNTY, NEW
MEXICO**

Case No. _____

APPLICATION

XTO Permian Operating, LLC, OGRID No. 5380 (“XTO” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and 19.15.16.15(B)(5) NMAC, for an order (1) approving a 2,080.66-acre, more or less, non-standard horizontal spacing unit (“HSU”) composed of all of Sections 2, 11, 14, and the N/2 N/2 of Section 23, Township 24 South, Range 30 East, N.M.P.M. (the “Application Lands”).

In support of its Application, XTO states the following:

1. XTO is a working interest owner in the subject lands and has a right to drill wells thereon.
2. XTO seeks to dedicate all of the Application Lands to form a 2,080.66-acre, more or less, HSU.
3. XTO seeks to dedicate the above-referenced HSU to the following proposed wells:
 - A. **Poker Lake Unit 23 DTD Fed State Com #122H**, which is a gas well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Wolfcamp Formation in Lot 4 (Unit D) of Section 2 Township 24 South, Range 30 East;

B. **Poker Lake Unit 23 DTD Fed State Com #172H**, which is a gas well that will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Wolfcamp Formation in Lot 3 (Unit C) of Section 2, Township 24 South, Range 30 East;

C. **Poker Lake Unit 23 DTD Fed State Com #107H**, which is a gas well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Wolfcamp Formation in Lot 1 (Unit A) of Section 2, Township 24 South, Range 30 East;

4. XTO has sought in good faith but has been unable to obtain voluntary agreement from all interest owners in the Wolfcamp Formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

5. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.

WHEREFORE, XTO requests this Application be set for hearing on March 4, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the creation of an approximately 2,080.66-acre non-standard HSU, composed of the Application Lands, pursuant to 19.15.16.15(B)(5) NMAC;
- B. Approving the **Poker Lake Unit 23 DTD Fed State Com #122H**, **Poker Lake Unit 23 DTD Fed State Com #172H**, and **Poker Lake Unit 23 DTD Fed State Com #107H**, as the wells for the HSU.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

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Application of XTO Permian Operating, LLC, for Approval of a Non-Standard Horizontal Spacing Unit, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 2,080.66-acre, more or less, non-standard horizontal spacing and proration unit composed of all of Sections 2, 11, 14, and the N/2 N/2 of Section 23, Township 24 South, Range 30 East, N.M.P.M. The proposed wells to be dedicated to the horizontal spacing unit are the **Poker Lake Unit 23 DTD Fed State Com #122H**, which is a gas well that will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Wolfcamp Formation in Lot 4 (Unit D) of Section 2 Township 24 South, Range 30 East; **Poker Lake Unit 23 DTD Fed State Com #172H**, which is a gas well that will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Wolfcamp Formation in Lot 3 (Unit C) of Section 2, Township 24 South, Range 30 East; and **Poker Lake Unit 23 DTD Fed State Com #107H**, which is a gas well that will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14, Township 24 South, Range 30 East, to a bottom hole location in the Wolfcamp Formation in Lot 1 (Unit A) of Section 2, Township 24 South, Range 30 East. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The wells and lands are located approximately 39 miles southeast from Carlsbad, New Mexico.