

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

**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

WPX Energy Permian, LLC (“WPX”), OGRID No. 246289, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 431.99-acre, more or less, spacing unit comprised of the W/2 of Sections 35 and 26, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its Application, WPX states the following:

1. WPX is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. WPX proposes and dedicates to the HSU the **Steel Guitar 35-26 Fed Com 322H Well, Steel Guitar 35-26 Fed Com 323H Well, Steel Guitar 35-26 Fed Com 331H Well, and Steel Guitar 35-26 Fed Com 332H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Springs formation.
3. WPX proposes the **Steel Guitar 35-26 Fed Com 322H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in Lot 9 of Section 35.

4. WPX proposes the **Steel Guitar 35-26 Fed Com 323H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in Lot 10 of Section 35.

5. WPX proposes the **Steel Guitar 35-26 Fed Com 331H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in Lot 9 of Section 35.

6. WPX proposes the **Steel Guitar 35-26 Fed Com 332H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in Lot 10 of Section 35.

7. The wells proposed herein are orthodox in their locations, as the take points comply with setback requirements under statewide rules.

8. The **Steel Guitar 35-26 Fed Com 332H Well** qualifies as the proximity well to create with proximity tracts the larger standard unit covering the W/2 of Sections 35 and 26, and therefore WPX designates the 332H as the proximity well.

9. WPX has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

10. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

11. In order to provide for its just and fair share of the oil and gas underlying the subject lands, WPX requests that all uncommitted interests in this HSU be pooled and that WPX be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, WPX requests that this Application be set for hearing on October 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 431.99-acre, more or less, spacing unit comprised of the W/2 of Sections 35 and 26, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

B. Approving the **Steel Guitar 35-26 Fed Com 322H Well, Steel Guitar 35-26 Fed Com 323H Well, Steel Guitar 35-26 Fed Com 331H Well, and Steel Guitar 35-26 Fed Com 332H Well** as the wells for the HSU.

C. Designating WPX as operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing WPX to recover its costs of drilling, equipping, and completing the wells;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by WPX in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application of WPX Energy Permian, LLC, for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 431.99-acre, more or less, spacing unit comprised of the W/2 of Sections 35 and 26, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Steel Guitar 35-26 Fed Com 322H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in Lot 9 of Section 35; **Steel Guitar 35-26 Fed Com 323H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in Lot 10 of Section 35; **Steel Guitar 35-26 Fed Com 331H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in Lot 9 of Section 35; **Steel Guitar 35-26 Fed Com 332H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in Lot 10 of Section 35. The proposed wells have orthodox locations. The **332H Well** is designated as the proximity well, and proximity tracts will be utilized. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located adjacent to the southern state line and approximately 31 miles southeast of Carlsbad, New Mexico.