

From: [Lowe, Leonard, EMNRD](#)
To: [Paula M. Vance](#)
Cc: [Mullin, Leslie](#)
Subject: PROTESTED NSL - XTO Energy INC's Protest BY Apache Corporation [02/23/22]
Date: Thursday, February 23, 2023 3:47:00 PM
Attachments: [PROT. LETTER Outrider 510H NSL protest Apache.pdf](#)
Importance: High

Ms. Paula M. Vance,

Re: XTO Energy Inc.
Outrider 27 Federal Well No. 510H
Non Standard Location Administrative Application
Protested: 02/23/22

The OCD was notified that **Apache Corporation** has protested your application for approval of a Non Standard Location application of the above subject well. This party has been identified as an affected person for their specific location.

Therefore, you are being notified that if **XTO Energy INC.** wishes for this application to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party.

The NSL applications will be retained by OCD, but suspended from further administrative review.

Please contact the OCD once a decision regarding this application is determined within the next 30 days. **If no update is given by the 30 day date, the applications will be cancelled/rejected.**

02/23/23, Notice date

03/23/23, 30 day concludes

Protestant contact information:

Leslie E. Mullin, CPL
Apache Corporation
Senior Landman
(281) 302-2602
Leslie.mullin@apachecorp.com

Please call or e-mail with any questions regarding this matter.

Leonard R. Lowe

Engineering Bureau
OCD - EMNRD
8801 Horizon Blvd NE
Albuquerque, N.M. 87113
CELL NUMBER: 505-930-6717
<http://www.emnrd.state.nm.us/ocd/>



February 23, 2023

VIA FEDEX AND EMAIL: LEONARD.LOWE@STATE.NM.US

New Mexico Oil Conservation Division
Attn: Leonard Lowe
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: XTO Energy Inc.'s Application for Non-Standard Location
Outrider 27 Fed Well #510H
Sections 15, 22 and 27, Township 24 South, Range 32 East
Lea County, New Mexico

Dear Mr. Lowe:

Apache Corporation ("Apache") received notification of XTO Energy Inc.'s ("XTO") application for a non-standard location for the Outrider 27 Fed Well #510H on February 22, 2023 (enclosed). As the Operator of the encroached Ghost Rider Unit, Apache objects to the application for this non-standard location.

Apache and XTO are also in direct contact on this matter.

If you have any questions, please contact the undersigned at leslie.mullin@apachecorp.com or (281) 302-2602.

Sincerely,

APACHE CORPORATION

A handwritten signature in blue ink that reads "Leslie E. Mullin".

Leslie E. Mullin, CPL
Senior Landman

From: [Mullin, Leslie](#)
To: [Lowe, Leonard, EMNRD](#)
Subject: [EXTERNAL] NSL application protest: XTO Outrider 27 Fed 510H
Date: Thursday, February 23, 2023 12:05:36 PM
Attachments: [Outrider 27 Fed 510H NSL notice and application.pdf](#)
[Outrider 510H NSL protest Apache.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good afternoon, Mr. Lowe,

Please find attached our protest of the referenced NSL application. We will also place hard copies in the mail today.

Thank you,
Leslie Mullin

LESLIE E. MULLIN, CPL

LANDMAN
direct | 281.302.2602

APACHE CORPORATION

2000 Post Oak Blvd, Suite 100
Houston, TX 77056-4400

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: XTO Energy Inc. **OGRID Number:** 005380
Well Name: Outrider 27 Fed #510H **API:** 30-025-50233
Pool: WC-025 G-08 S243217P; UPR WOLFCAMP **Pool Code:** 98248

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☒ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

2/17/23

Date

Paula M Vance

Print or Type Name

Signature

505-988-4421

Phone Number

pmvance@hollandhart.com

e-mail Address



Paula M. Vance
Associate Attorney
Phone (505) 954-7286
PMVance@hollandhart.com

February 17, 2023

VIA ONLINE FILING

Dylan Fuge, Division Director (Acting)
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: XTO Energy Inc.
Request for Administrative Approval of Unorthodox Well Location

Outrider 27 Fed #510H well
SW/4 SW/4 of Section 15 and the W/2 W/2 of Sections 22 and 27, T24S-R32E
Lea County, New Mexico
WC-025 G-08 S243217P; UPR WOLFCAMP, [98248]
API No. 30-025-50233

Dear Mr. Fuge:

XTO Energy Inc. (OGRID No. 005380), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the WC-025 G-08 S243217P; UPR WOLFCAMP [98248], seeks administrative approval of an unorthodox well location for its **Outrider 27 Fed #510H well** (API No. 30-025-50233), in a 360-acre, more or less, spacing unit underlying the SW/4 SW/4 of Section 15 and the W/2 W/2 of Sections 22 and 27, Township 24 South, Range 32 East, Lea County, New Mexico.

The location of the **Outrider 27 Fed #510H oil well** is as follows:

- Surface location: 396' FSL and 1,029' FEL (Unit P) of Section 28
- First take point: 100' FSL and 987' FWL (Unit M) of Section 27
- Last take point: 1,219' FSL and 1,006' FWL (Unit M) of Section 15
- Bottom hole location: 1,306' FSL and 1,005' FWL (Unit M) of Section 15

Since this acreage is governed by the Division's statewide rules, the as-drilled interval for this well is unorthodox because a part of the interval is more than 50 feet from its projected location and

closer than the standard offsets to the eastern boundary of the spacing unit—thus, encroaching on the spacing unit to the east comprising the E/2 W/2, NE/4 and SE/4 of Section 22 and the E/2 SW/4 and SE/4 of Section 15, T24S-R32E (Apache Corporation’s “Ghost Rider Communitization Unit”). As explained in the engineering statement included as **Exhibit A**, approval of the unorthodox, as-drilled interval is necessary to allow XTO to use its preferred well spacing plan for horizontal wells in this area, which will maximize recovery and prevent waste.

Exhibit B is a Form C-102 showing that part of the interval for the as-drilled Outrider 27 Fed #510H well encroaches on the spacing unit/tracts to the east in the E/2 W/2, NE/4 and SE/4 of Section 22 and the E/2 SW/4 and SE/4 of Section 15, T24S-R32E.

Exhibit C is a plat for Sections 15, 22 and 27, T24S-R32E, that shows the proposed Outrider 27 Fed #510H well in relation to the offsetting adjoining spacing unit/tracts to the east. Exhibit C also includes ownership information for the affected spacing unit to the east, showing that it is operated by Apache Corporation. In addition, the exhibit identifies that these are Bureau of Land Management (“BLM”) leases. Accordingly, the “affected persons”¹ are Apache Corporation and the BLM.

Exhibit D is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected persons:

Type	Affected Party	Location
Operator/ Working Interest	Apache Corporation	E/2W/2, NE/4 and SE/4 of Section 22 and the E/2SW/4 and SE/4 of Section 15
Federal Mineral Interest	Bureau of Land Management	E/2W/2, NE/4 and SE/4 of Section 22 and the E/2SW/4 and SE/4 of Section 15

¹ See NMAC §§ 19.15.2.7.A(8) [defining “affected persons” as, “in the absence of an operator, or with respect to an application wherein the operator of the spacing unit or identified tract is the applicant, each working interest owner”] and 19.15.4.12.A(2)(a).

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

Paula M. Vance
ATTORNEY FOR XTO ENERGY INC.



XTO Energy Inc.
22777 Springwoods Village Pkwy
Spring TX 77389-1425
817-994-1621 - Mobile Phone
Jacob.M.Borta@ExxonMobil.com

Mr. Leonard Lowe
Engineering Administrative Permitting Group
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

February 14, 2023

Re: Non-Standard Location Application
Outrider 28 Federal Well No. 510H
API#: 30-025-50233
T24S-R32E
SW/4SW/4 Section 15 &
W/2W/2's of Sections 22 & 27
Lea County, New Mexico

Dear Mr. Lowe:

XTO respectfully requests administrative approval of a non-standard location for the Outrider 27 Fed 510H well to allow part of the completed interval located in the SW/4SW/4 of Section 22 to be approximately 206 feet from the eastern boundary of the existing 360.0-acre horizontal spacing unit. This well is located in the WC-025-G-08 S2432179, UPR WOLFCAMP (Pool Code 98248).

Due to formation push and difficulty steering the bottomhole assembly, the well drifted off course while drilling this tract. However, subsequent bottomhole assemblies corrected the deflection and placed the well back on planned trajectory. Thus, XTO finds it necessary to request approval of this non-standard location to avoid causing wasted resources and reducing the production of the Outrider 27 Fed 510H.

Respectfully,

A handwritten signature in black ink, appearing to read 'JMB', written over a horizontal line.

Jacob Borta
Drilling Engineer

EXHIBIT
A

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

PRE-PERF PLAT

¹ API Number 30-025-50233	² Pool Code 98248	³ Pool Name WC-025 G-08 S243217P; UPR WOLFCAMP
⁴ Property Code 332873	⁵ Property Name OUTRIDER 27 FED	⁶ Well Number 510H
⁷ OGRID No. 005380	⁸ Operator Name XTO ENERGY, INC.	⁹ Elevation 3,527'

¹⁰ Surface Location

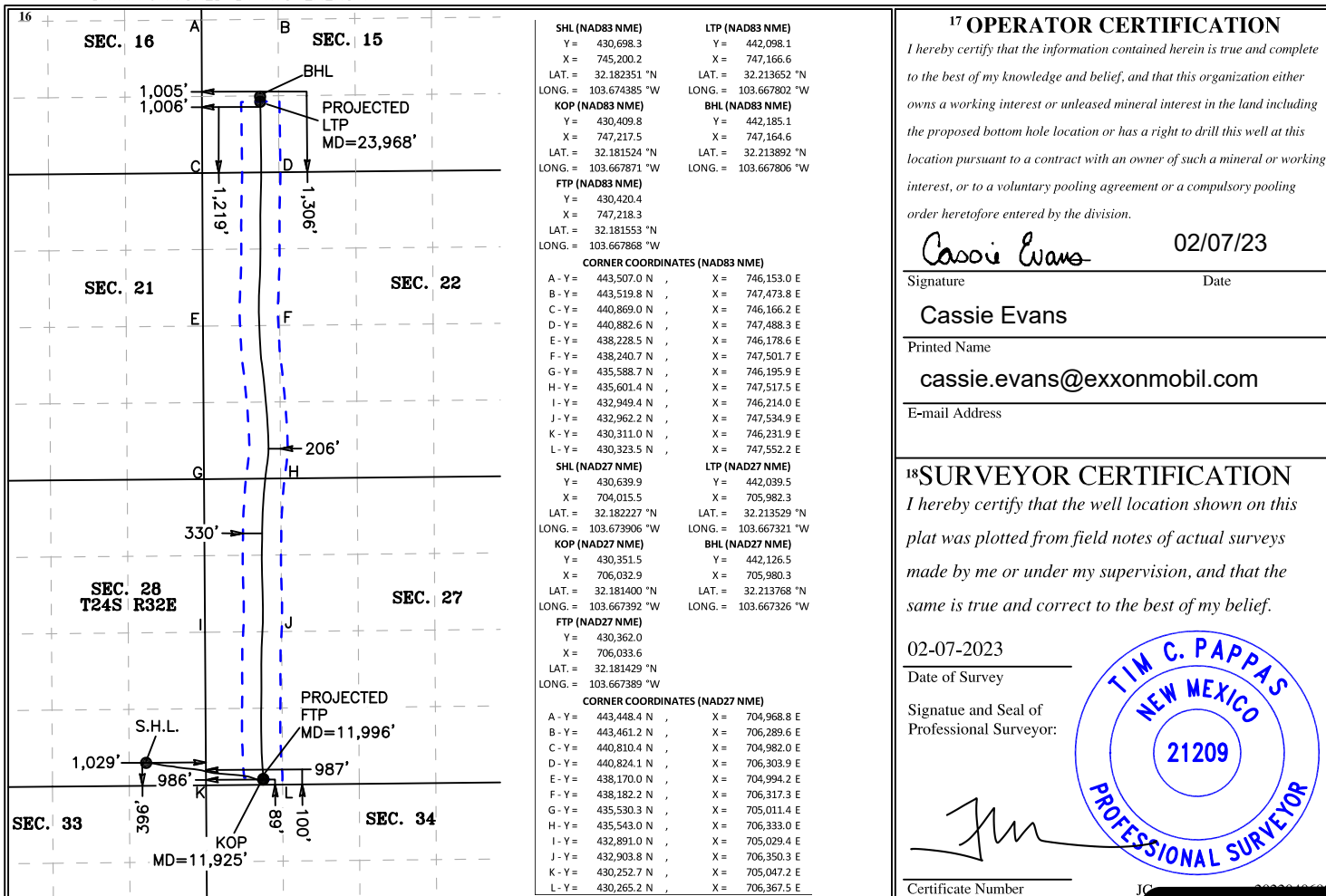
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	24 S	32 E		396	SOUTH	1,029	EAST	LEA

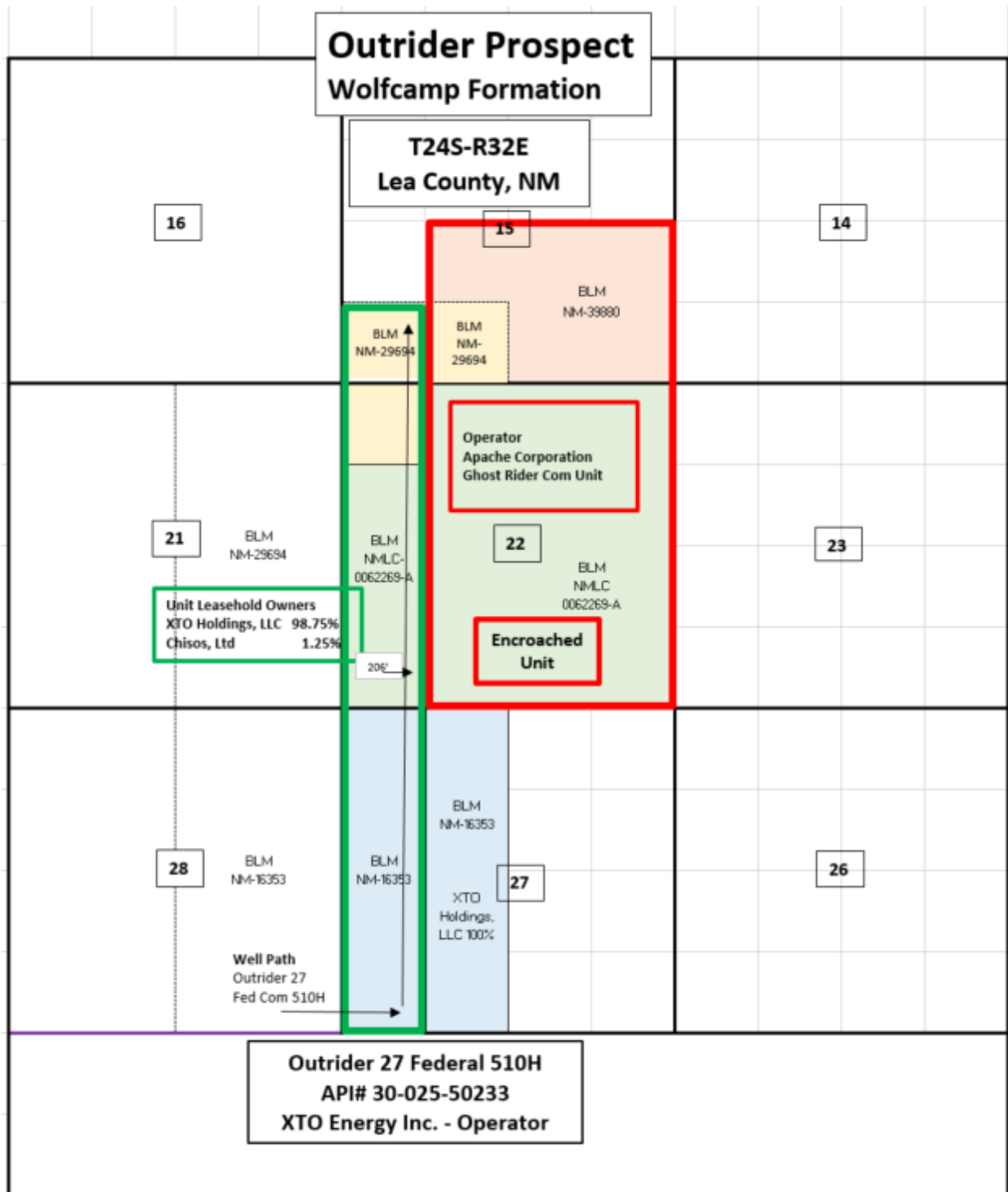
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	24 S	32 E		1,306	SOUTH	1,005	WEST	LEA

¹² Dedicated Acres 360	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. NOTE: AS-DRILLED BOTTOM HOLE PLOTTED FROM DATA FURNISHED BY XTO ENERGY.





ADDR1	ADDR2	ADDR3	ADDR4	ADDR5	ADDR6
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	
Apache Corporation Attn: Leslie Mullin	2000 Post Oak Blvd., #100	Houston	TX	77056	

EXHIBIT

D



Paula M. Vance
Associate Attorney
Phone (505) 954-7286
PMVance@hollandhart.com

February 17, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: XTO Energy Inc.
Request for Administrative Approval of Unorthodox Well Location

Outrider 27 Fed #510H well
SW/4SW/4 of Section 15 and the W/2W/2 of Sections 22 and 27, T24S-R32E
Lea County, New Mexico
WC-025 G-08 S243217P; UPR WOLFCAMP, [98248]
API No. 30-025-50233

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from the date this application is received by the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Brett Woody
XTO Energy Inc.
(346) 566-9338
brett.woody@exxonmobil.com

Sincerely,

ATTORNEY FOR XTO ENERGY INC.

MANIFEST - 73905 - XTO - Outrider 510H - NSL

Parent ID	Mail Date	Name	Address	City	ST	Zip	MailClass	TrackingNo	Well
31309	02/17/2023	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	9414811898765 838946364	73905 - XTO - Outrider 510H - NSL - notice list - 1
31309	02/17/2023	Apache Corporation Attn Leslie Mullin	2000 Post Oak Blvd Ste 100	Houston	TX	77056-4497	Certified with Return Receipt (Signature)	9414811898765 838946302	73905 - XTO - Outrider 510H - NSL - notice list - 2