



Sizzler #2H

Case #: 15806

BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING
November 30, 2017

An **ExxonMobil** Subsidiary

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

APPLICATION OF XTO ENERGY INC. TO
RE-OPEN CASE NO. 15806 TO REVISE THE
WELL NAME AND TO DEDICATE TWO ADDITIONAL
INITIAL WELLS TO THE NON-STANDARD SPACING AND
PRORATION UNIT UNDER THE TERMS OF ORDER R-14478,
EDDY COUNTY, NEW MEXICO.

CASE NO. 15806 (re-opened)

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

Angie Repka, being first duly sworn on oath, states as follows:

1. My name is Angie Repka and I am employed by XTO Energy Inc. ("XTO") in Fort Worth, Texas, as a Landman. I previously testified as an expert in petroleum land matters in Case No. 15806 that resulted in the issuance of pooling Order R-14478 on October 5, 2017. See **Attachment A**, Order No. R-14478.
2. Division Order R-14478 created a 479.09-acre, more or less, non-standard spacing and proration unit comprised of the E/2 of Section 6, Township 25 South, Range 29 East and the SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. This order further pooled all the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Gas Pool (98220)) in this spacing and proration unit ("the Unit") and dedicated the Unit to the Sizzler State Well No. 2H (API No. 30-015-44280). This well has not been drilled.
3. Paragraph 7, page 2 of Order No. R-14478 required XTO to rename the Sizzler State Well No. 2H to reflect that the Unit include portions of two state leases and one federal lease. XTO therefore seeks to amend Order No. R-14478 to reflect the revised well name as the **Sizzler Fed Com No. 2H Well**. See **Attachment B**, (revised C-102).
4. In addition, since the entry of Order No. R-14478, XTO has proposed two additional initial wells to all interest owners in the spacing unit: the **Roadhouse Fed Com No. 1H Well** and the **Roadhouse Fed Com No. 2H Well**. See **Attachments C and D**, (well proposal letter for Roadhouse Fed Com No. 1H and 2H Wells and attached AFEs). These wells will be pad-drilled and simultaneously completed with the initial well set forth in the pooling order.


5. The Roadhouse Fed Com No. 1H Well and the Roadhouse Fed Com No. 2H Well are horizontal wells to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 25 South, Range 29 East, to a standard bottomhole location in the NW/4 SE/4 (Unit J) of Section 31, Township 24 South, Range 29 East. The completed interval for each well will comply with the setback requirements set forth in the Special Rules for the Purple Sage; Wolfcamp Gas Pool. See Attachments D and E, (C-102 for Roadhouse Fed Com No. 1H Well and the Roadhouse Fed Com No. 2H Well).

6. Because the Sizzler Fed Com No. 2H Well, the Roadhouse Fed Com No. 1H Well, and the Roadhouse Fed Com No. 2H Well will be pad-drilled and simultaneously completed, XTO seeks to amend Order No. R-14478 to dedicate two additional initial wells to the Unit..

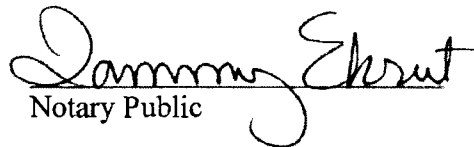
7. Pad-drilling and simultaneous completion of more than one well in a spacing unit, in this area, will result in greater economic efficiencies and the prevention of waste.

8. All other aspects of Order No. R-14478, including the spacing unit, the pool, and the interests of the parties to be pooled remain the same.

FURTHER AFFIANT SAYETH NOT.

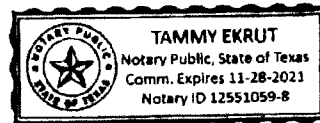

Angie Repka

SUBSCRIBED AND SWORN before me on this 29th day of Nov, 2017.


Notary Public

My Commission Expires:

11-28-2021



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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION TO CONSIDER:**

**CASE NO. 15806
ORDER NO. R-14478**

**APPLICATION OF XTO ENERGY, INC FOR A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on August 31, 2017, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 5th day of October, 2017, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) XTO Energy, Inc (the "Applicant") seeks approval of a 479.09-acre, more or less, non-standard gas spacing unit and project area (the "Unit") for oil and gas production from the Wolfcamp formation, Purple Sage; Wolfcamp Gas Pool (Pool code 98220), comprising the E/2 of Section 6, Township 25 South, Range 29 East and the SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant further seeks an order pooling all uncommitted interests in the Unit for the Wolfcamp formation.

(3) The Unit will be dedicated to Applicant's Sizzler State Well No. 2H (the "proposed well"; API No. 30-015-44280), a horizontal well to be drilled from a surface location 180 feet from the South line and 1650 feet from the East line (Unit O) of Section 6, Township 25 South, Range 29 East, to a bottom-hole location 2440 feet from the South line and 1653 feet from the East line (Unit J) of Section 31, Township 24 South, Range 29 East, NMPM. The location of the completed interval will be standard for this horizontal gas well within the Unit.

(4) The proposed well is within the Purple Sage; Wolfcamp Gas Pool and is subject to Special Rules promulgated with Order No. R-14262 issued in Case No. 15535. Said rules allow 330 foot well setbacks within any standard 320-acre deep gas spacing unit. The proposed Unit and project area consists of one (1) standard gas spacing unit and one (1) non-standard gas spacing unit, adjacent to each other and oriented south to north.

(5) Applicant appeared through counsel and presented the following land and geologic evidence:

- (a) the Wolfcamp formation in this area is suitable for development by horizontal drilling;
- (b) the proposed orientation of the horizontal well from south to north is appropriate for the Unit;
- (c) all separately owned tracts to be included in the Unit are expected to be productive in the Wolfcamp formation, so that the Unit as requested will not impair correlative rights;
- (d) notice by certified mail was provided to parties affected by the proposed non-standard gas spacing unit as defined in Division Rule 19.15.4.12A.(3) NMAC;
- (e) notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments, and whose whereabouts could be ascertained by exercise of reasonable diligence; and
- (f) those potentially affected parties whose whereabouts could not be ascertained were noticed by publication as provided in Rule 19.15.4.12.B NMAC.

(6) Mewbourne Oil Company entered an appearance and appeared at the hearing through counsel. No other party appeared or otherwise opposed this application.

The Division concludes as follows:

(7) Applicant stated that there are State and federal leases within the proposed Unit, therefore a communitization agreement from both the State Land Office and the Bureau of Land Management will be required for the proposed Unit and the well should be renamed to indicate that the lands are communitized.

(8) The proposed non-standard unit should be approved to enable Applicant to drill a horizontal well that will efficiently produce the reserves underlying the Unit, thereby preventing waste and protecting correlative rights.

(9) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(10) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the proposed well to a common source of supply within the Unit at the proposed location.

(11) There are interest owners in the Unit that have not agreed to pool their interests.

(12) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Unit.

(13) XTO Energy, Inc (OGRID 5380) should be designated the operator of the proposed well and the Unit.

(14) Any pooled working interest owner who does not pay its share of estimated well costs should have withheld from production its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the proposed well.

(15) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7500 per month per well while drilling and \$750 per month per well while producing, provided that these rates should be adjusted annually pursuant to the overhead adjustment provision of the COPAS form titled "*Accounting Procedure-Joint Operations*."

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of XTO Energy, Inc, a 479.09-acre, more or less, non-standard gas spacing unit and project area (the "Unit") is hereby established for oil and gas production from the Wolfcamp formation, Purple Sage; Wolfcamp Gas Pool (Pool code 98220), comprising the E/2 of Section 6, Township 25 South, Range 29 East and the SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) All uncommitted interests, whatever they may be, in the oil and gas in the Wolfcamp formation underlying the Unit, are hereby pooled.

(3) The Unit shall be dedicated to Applicant's Sizzler State Well No. 2H (the "proposed well"; API No. 30-015-44280), a horizontal well to be drilled from a surface location 180 feet from the South line and 1650 feet from the East line (Unit O) of Section 6, Township 25 South, Range 29 East, to a bottom-hole location 2440 feet from the South line and 1653 feet from the East line (Unit J) of Section 31, Township 24 South, Range 29 East, NMPM. The location of the completed interval will be standard for this horizontal gas well within the Unit.

(4) The operator of the Unit shall commence drilling the proposed well on or before October 31, 2018, and shall thereafter continue drilling the proposed well with due diligence to test the Wolfcamp formation.

(5) In the event the operator does not commence drilling the proposed well on or before October 31, 2018, Ordering Paragraphs (1) and (2) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence.

(6) Should the proposed well not be drilled and completed within 120 days after commencement thereof, then Ordering Paragraphs (1) and (2) shall be of no further effect, and the Unit and project area created by this order shall terminate, unless operator appears before the Division Director and obtains an extension of the time for completion of the proposed well for good cause shown by satisfactory evidence. If the proposed well is not completed in all of the gas spacing units included in the proposed project area (or Unit) then the operator shall apply to the Division for an amendment to this order to contract the Unit so that it includes only those gas spacing units in which the well is completed.

(7) Upon final plugging and abandonment of the proposed well and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled Unit shall terminate, unless this Order has been amended to authorize further operations.

(8) XTO Energy, Inc (OGRID 5380) is hereby designated the operator of the well and the Unit.

(9) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit an itemized schedule of estimated costs of drilling, completing and equipping the proposed well ("well costs").

(10) Within 30 days from the date the schedule of estimated well costs is furnished, any pooled working interest owner shall have the right to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable

for risk charges. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(11) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs within 90 days following completion of the proposed well. If no objection to the actual well costs is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.

(12) Within 60 days following determination of reasonable well costs, any pooled working interest owner who has paid its share of estimated costs in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid exceed its share of reasonable well costs.

(13) The operator is hereby authorized to withhold the following costs and charges from each non-consenting owner's share of production from each well:

- (a) The proportionate share of reasonable well costs attributable to such interest; and
- (b) As a charge for the risk involved in drilling the well, 200% of the above costs.

(14) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs.

(15) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7500 per month per well while drilling and \$750 per month per well while producing, provided that these rates may, at the election of the operator, be adjusted annually pursuant to the overhead adjustment provisions of the COPAS form titled "*Accounting Procedure-Joint Operations*." The operator is authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well(s), not more than what are reasonable, attributable to each pooled working interest owner.

(16) Except as provided above, all proceeds from production from the proposed well that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(17) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this Order. Any well costs or charges that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(18) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(19) The operator of the well and the Unit shall notify the Division in writing of the subsequent voluntary agreement of parties subject to the compulsory pooling provisions of this order.

(20) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DAVID R. CATANACH
Director

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) 334-6178

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 30-015-44280	² Pool Code 98220	³ Pool Name Purple Sage; Wildcamp
⁴ Property Code 317098	⁵ Property Name SIZZLER F&O	⁶ Well Number 2H
⁷ OGRID No. 600380	⁸ Operator Name XTO ENERGY	⁹ Elevation 2913'

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
O	6	25 S	29 E		180	SOUTH	1,650	EAST	EDDY

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
J	31	24 S	29 E		2,440	SOUTH	1,653	EAST	EDDY

¹² Dedicated Acres 479.09	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NEP Pending
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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.

<p>¹⁶ GEODEIC COORDINATES BOTTOM HOLE LOCATION NAD 83 NME Y= 428,884.0 X= 638,144.9 LAT.= 32.173195°N LONG.= 104.020450°W</p> <p>LAST TAKE POINT NAD 83 NME Y= 426,754.8 X= 638,144.7 LAT.= 32.172838°N LONG.= 104.020452°W</p> <p>CORNER COORDINATES TABLE NAD 27 NME A - Y= 419,090.8 N, X= 595,949.4 E B - Y= 419,114.6 N, X= 597,277.1 E C - Y= 424,379.3 N, X= 595,978.8 E D - Y= 424,388.4 N, X= 597,307.8 E E - Y= 427,051.4 N, X= 595,980.0 E F - Y= 427,057.5 N, X= 597,288.3 E</p> <p>CORNER COORDINATES TABLE NAD 83 NME A - Y= 419,149.1 N, X= 637,133.7 E B - Y= 419,172.9 N, X= 638,461.4 E C - Y= 424,437.8 N, X= 637,183.0 E D - Y= 424,446.8 N, X= 638,492.0 E E - Y= 427,109.9 N, X= 637,144.2 E F - Y= 427,116.0 N, X= 638,472.5 E</p> <p>FIRST TAKE POINT NAD 83 NME Y= 419,967.1 X= 638,136.1 LAT.= 32.154181°N LONG.= 104.020544°W</p> <p>SURFACE LOCATION NAD 83 NME Y= 419,347.2 X= 638,140.4 LAT.= 32.152477°N LONG.= 104.020536°W</p>	<p>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 undivided 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.</p> <p>Signature: Stephanie Robardue Date: 9-1-17</p> <p>Printed Name: Stephanie Robardue</p> <p>E-mail Address: stephanie-robardue@xtoenergy.com</p> <p>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.</p> <p>08-31-2017 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: [Signature]</p> <p>MARK DILLON HARP 23786 Certificate Number</p> <p>2017081417</p>
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 8-B
Submitted by: XTO ENERGY
Hearing Date: November 30, 2017



XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298
(817) 870-2800
(817) 885-6616 Fax

VIA FEDERAL EXPRESS

September 19, 2017

Scott & Valerie Branson
1501 Mountain Shadow Drive
Carlsbad, NM 88220-4156

RE: XTO – Roadhouse Fed 1H
E/2 of Section 6-25S-29E
SE/4 of Section 31-24S-29E
Eddy County, New Mexico

Dear Working Interest Owner:

XTO Energy Inc. hereby proposes the drilling of an approximate 10,053' TVD and 17,344' TMD well to test the Wolfcamp formation at a surface location of 180' FSL and 1,680' FEL of Section 6, T25S-R29E and a bottom hole location of 2,440' FSL and 1,680' FEL of Section 31, T24S-29E, Eddy County, New Mexico. The proposed proration unit for this well is the E/2 of Section 6, T25S-29E and SE/4 of Section 31, T24S-29E, Eddy County, Mexico.

The approximate cost to drill this test is \$2,325,500.00 with a total completion cost of \$7,932,500.00 as evidenced on the enclosed Authority for Expenditure (AFE). Should you wish to participate with your interest, please sign the enclosed AFE and return to the undersigned. A Joint Operating Agreement using a \$7,500 drilling/ \$750 producing well rate will be sent for your execution.

Should you have any questions regarding this matter, I can be contacted at (817) 885-2746 or via email at angie_repka@xtoenergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angie Repka', written over a circular stamp or seal.

Angie Repka, CPL
Division Landman

Encl.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 8-C
Submitted by: XTO ENERGY
Hearing Date: November 30, 2017



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.: 1603781
 AFE DESC: D&C HORZ IN WOLFCAMP A
 DATE: 08/15/2016
 AFE TYPE: DEVELOPMENT DRILLING
 OPERATOR: 81 - XTO ENERGY INC.
 SURVEY/ABSTRACT:

DISTRICT: PERMIAN BASIN
 FIELD: CORRAL CANYON (NM)
 ACCOUNTING ID: 22335
 WELL NAME: ROADHOUSE STATE 01H
 STATE/COUNTY: New Mexico / Eddy
 XTO WI DECIMAL: 0.999999000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
FRAC FLUID/SW DISPOSAL	0.00	120,000.00	0.00	0.00	120,000.00
CMPL WATER TRANSFER SERVICE	0.00	110,000.00	0.00	0.00	110,000.00
TOTAL:		230,000.00	0.00		230,000.00
DRLG-DAYWK,FTG,& RIG MVG	699,000.00	0.00	0.00	0.00	699,000.00
COMPLETION RIG	0.00	37,000.00	0.00	0.00	37,000.00
CASING CREWS & LAYDOWN SERVICE	12,000.00	0.00	0.00	0.00	12,000.00
DIRECTIONAL TOOLS & SERVICES	180,000.00	0.00	0.00	0.00	180,000.00
ROADS AND LOCATION	50,000.00	0.00	0.00	0.00	50,000.00
DRILLING & COMPL FLUIDS & CHEM	168,000.00	0.00	0.00	0.00	168,000.00
SURF/INT CEMENT & SERVICE	90,000.00	0.00	0.00	0.00	90,000.00
BITS, MILLS & REAMERS	62,000.00	0.00	0.00	0.00	62,000.00
DRLG RENTALS: SUB-SURFACE	56,000.00	0.00	0.00	0.00	56,000.00
DRLG RENTALS: SURFACE	140,000.00	0.00	0.00	0.00	140,000.00
RIG FUEL, POWER & WATER	155,000.00	0.00	0.00	0.00	155,000.00
WELL LOGGING: CASED HOLE	0.00	200,000.00	0.00	0.00	200,000.00
STIMULATION & PUMPING SERVICES	0.00	3,573,000.00	0.00	0.00	3,573,000.00
DRILLING SUPERVISION	90,000.00	0.00	0.00	0.00	90,000.00
MUD LOGGER	28,000.00	0.00	0.00	0.00	28,000.00
MISC SUPPLIES	24,000.00	0.00	0.00	0.00	24,000.00
TITLE WORK/OPINIONS	8,000.00	0.00	0.00	0.00	8,000.00
DRILLING OVERHEAD	8,000.00	0.00	0.00	0.00	8,000.00
TRUCKING & HOT SHOT	31,000.00	0.00	0.00	0.00	31,000.00
FLUID HAULING, SOLIDS CTRL	183,000.00	0.00	0.00	0.00	183,000.00
COMPLETION SERVICES	0.00	200,000.00	0.00	0.00	200,000.00
FLOWBACK	0.00	100,000.00	0.00	0.00	100,000.00
FRAC TANKS	0.00	25,000.00	0.00	0.00	25,000.00
PROD CSG CEMENT & SERVICE	0.00	35,000.00	0.00	0.00	35,000.00
PROD CSG CREW/LAYDOWN SVS	0.00	8,000.00	0.00	0.00	8,000.00
CMPL RENTALS: SUB SURFACE	0.00	40,000.00	0.00	0.00	40,000.00
CMPL RENTALS: SURFACE	0.00	275,000.00	0.00	0.00	275,000.00
CMPL ENGR/SUPERVISION	0.00	45,000.00	0.00	0.00	45,000.00
CMPL TRUCKING & HOT SHOT	0.00	10,000.00	0.00	0.00	10,000.00
CMPL FISHING/REMEDIAL SVS	0.00	25,000.00	0.00	0.00	25,000.00
CMPL MISC LABOR	0.00	28,000.00	0.00	0.00	28,000.00
MISC LABOR/WELDING	28,000.00	0.00	0.00	0.00	28,000.00
CMPL FLUID/CHEM/TRANSP	0.00	330,000.00	0.00	0.00	330,000.00
COMPLETION BITS,SCRAPERS&MILLS	0.00	3,000.00	0.00	0.00	3,000.00
FRAC PIT	0.00	50,000.00	0.00	0.00	50,000.00



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.: 1603781
 AFE DESC: D&C HORZ IN WOLFCAMP A
 DATE: 08/15/2016
 AFE TYPE: DEVELOPMENT DRILLING
 OPERATOR: 81 - XTO ENERGY INC.
 SURVEY/ABSTRACT:

DISTRICT: PERMIAN BASIN
 FIELD: CORRAL CANYON (NM)
 ACCOUNTING ID: 22335
 WELL NAME: ROADHOUSE STATE 01H
 STATE/COUNTY: New Mexico / Eddy
 XTO WI DECIMAL: 0.999999000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
WIP-INTAN. DEVLPMNT COST	2,012,000.00	4,984,000.00	0.00		6,996,000.00
CONDUCTOR PIPE	20,000.00	0.00	0.00	0.00	20,000.00
TUBING	0.00	65,000.00	0.00	0.00	65,000.00
WELLHEAD	9,500.00	0.00	0.00	0.00	9,500.00
LEASE AND FLOW LINES	0.00	30,000.00	0.00	0.00	30,000.00
PACKER & SUB-SURFACE EQUIPMENT	0.00	20,000.00	0.00	0.00	20,000.00
AUTOMATION EQUIPMENT	0.00	15,000.00	0.00	0.00	15,000.00
GAS LIFTS-SINGLE WELL	0.00	120,000.00	0.00	0.00	120,000.00
SURFACE CASING	16,000.00	0.00	0.00	0.00	16,000.00
INTERMEDIATE CASING	268,000.00	0.00	0.00	0.00	268,000.00
PRODUCTION/LINER CASING	0.00	128,000.00	0.00	0.00	128,000.00
TUBING HEAD/X-MAS TREE	0.00	15,000.00	0.00	0.00	15,000.00
WIP-Lease & Well Equip. TOTA	313,500.00	393,000.00	0.00		706,500.00
TOTAL THIS AFE:	2,325,500.00	5,607,000.00			7,932,500.00

*** 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 A 7.5K' HORIZONTAL IN WOLFCAMP A. SUBJECT WELL WILL BE DRILLED TO A TD OF +/-17,344'MD/10,053' TVD WHERE A 4-1/2" LINER WILL BE CEMENTED IN PLACE. DRILLING COSTS BASED ON 28 DAYS SPUD-RR WITH A 5 DAY RIG MOVE. WELL WILL THEN BE FRACTURE STIMULATED.

		Non Operator Approval	
Prepared By:	<u>ROBIN ANDERSON</u>	DATE	_____
Approved By:	<u>KENDAL DECKER</u>	COMPANY	_____
Signature:	_____	BY	_____
		TITLE	_____



XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298
(817) 870-2800
(817) 885-6616 Fax

VIA FEDERAL EXPRESS

September 19, 2017

Scott & Valerie Branson
1501 Mountain Shadow Drive
Carlsbad, NM 88220-4156

RE: XTO – Roadhouse Fed 2H
E/2 of Section 6-25S-29E
SE/4 of Section 31-24S-29E
Eddy County, New Mexico

Dear Working Interest Owner:

XTO Energy Inc. hereby re-proposes the drilling of an approximate 10,022' TVD and 17,222' TMD well to test the Wolfcamp formation at a surface location of 180' FSL and 2,040' FEL of Section 6, T25S-R29E and a bottom hole location of 2,440' FSL and 2,040' FEL of Section 31, T24S-29E, Eddy County, New Mexico. The proposed proration unit for this well is the E/2 of Section 6, T25S-29E and SE/4 of Section 31, T24S-29E, Eddy County, Mexico.

The approximate cost to drill this test is \$2,325,500.00 with a total completion cost of \$7,932,500.00 as evidenced on the enclosed Authority for Expenditure (AFE). Should you wish to participate with your interest, please sign the enclosed AFE and return to the undersigned. A Joint Operating Agreement using a \$7,500 drilling/ \$750 producing well rate will be sent for your execution.

Should you have any questions regarding this matter, I can be contacted at (817) 885-2746 or via email at angie_repka@xtoenergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angie Repka', written over the word 'Sincerely,'.

Angie Repka, CPL
Division Landman

Encl.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 8-D
Submitted by: **XTO ENERGY**
Hearing Date: November 30, 2017



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.: 1603782
AFE DESC: D&C HORZ IN WOLFCAMP A
DATE: 08/15/2016
AFE TYPE: DEVELOPMENT DRILLING
OPERATOR: 81 - XTO ENERGY INC.
SURVEY/ABSTRACT:

DISTRICT: PERMIAN BASIN
FIELD: CORRAL CANYON (NM)
ACCOUNTING ID: 22336
WELL NAME: ROADHOUSE FED 02H
STATE/COUNTY: New Mexico / Eddy
XTO WI DECIMAL: 0.999999000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
FRAC FLUID/SW DISPOSAL	0.00	120,000.00	0.00	0.00	120,000.00
CMPL WATER TRANSFER SERVICE	0.00	110,000.00	0.00	0.00	110,000.00
TOTAL:		230,000.00	0.00		230,000.00
DRLG-DAYWK,FTG,& RIG MVG	699,000.00	0.00	0.00	0.00	699,000.00
COMPLETION RIG	0.00	37,000.00	0.00	0.00	37,000.00
CASING CREWS & LAYDOWN SERVICE	12,000.00	0.00	0.00	0.00	12,000.00
DIRECTIONAL TOOLS & SERVICES	180,000.00	0.00	0.00	0.00	180,000.00
ROADS AND LOCATION	50,000.00	0.00	0.00	0.00	50,000.00
DRILLING & COMPL FLUIDS & CHEM	168,000.00	0.00	0.00	0.00	168,000.00
SURF/TNT CEMENT & SERVICE	90,000.00	0.00	0.00	0.00	90,000.00
BITS, MILLS & REAMERS	62,000.00	0.00	0.00	0.00	62,000.00
DRLG RENTALS: SUB-SURFACE	56,000.00	0.00	0.00	0.00	56,000.00
DRLG RENTALS: SURFACE	140,000.00	0.00	0.00	0.00	140,000.00
RIG FUEL, POWER & WATER	155,000.00	0.00	0.00	0.00	155,000.00
WELL LOGGING: CASED HOLE	0.00	200,000.00	0.00	0.00	200,000.00
STIMULATION & PUMPING SERVICES	0.00	3,573,000.00	0.00	0.00	3,573,000.00
DRILLING SUPERVISION	90,000.00	0.00	0.00	0.00	90,000.00
MUD LOGGER	28,000.00	0.00	0.00	0.00	28,000.00
MISC SUPPLIES	24,000.00	0.00	0.00	0.00	24,000.00
TITLE WORK/OPINIONS	8,000.00	0.00	0.00	0.00	8,000.00
DRILLING OVERHEAD	8,000.00	0.00	0.00	0.00	8,000.00
TRUCKING & HOT SHOT	31,000.00	0.00	0.00	0.00	31,000.00
FLUID HAULING, SOLIDS CTRL	183,000.00	0.00	0.00	0.00	183,000.00
COMPLETION SERVICES	0.00	200,000.00	0.00	0.00	200,000.00
FLOWBACK	0.00	100,000.00	0.00	0.00	100,000.00
FRAC TANKS	0.00	25,000.00	0.00	0.00	25,000.00
PROD CSG CEMENT & SERVICE	0.00	35,000.00	0.00	0.00	35,000.00
PROD CSG CREW/LAYDOWN SVS	0.00	8,000.00	0.00	0.00	8,000.00
CMPL RENTALS: SUB SURFACE	0.00	40,000.00	0.00	0.00	40,000.00
CMPL RENTALS: SURFACE	0.00	275,000.00	0.00	0.00	275,000.00
CMPL ENGR/SUPERVISION	0.00	45,000.00	0.00	0.00	45,000.00
CMPL TRUCKING & HOT SHOT	0.00	10,000.00	0.00	0.00	10,000.00
CMPL FISHING/REMEDIAL SVS	0.00	25,000.00	0.00	0.00	25,000.00
CMPL MISC LABOR	0.00	28,000.00	0.00	0.00	28,000.00
MISC LABOR/WELDING	28,000.00	0.00	0.00	0.00	28,000.00
CMPL FLUID/CHEM/TRANSP	0.00	330,000.00	0.00	0.00	330,000.00
COMPLETION BITS,SCRAPERS&MILLS	0.00	3,000.00	0.00	0.00	3,000.00
FRAC PIT	0.00	50,000.00	0.00	0.00	50,000.00



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.:	1603782	DISTRICT:	PERMIAN BASIN
AFE DESC:	D&C HORZ IN WOLFCAMP A	FIELD:	CORRAL CANYON (NM)
DATE:	08/15/2016	ACCOUNTING ID:	22336
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	ROADHOUSE FED 02H
OPERATOR:	81 - XTO ENERGY INC.	STATE/COUNTY:	New Mexico / Eddy
SURVEY/ABSTRACT:		XTO WI DECIMAL:	0.999999000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
WIP-INTAN. DEVLPMT COST	2,012,000.00	4,984,000.00	0.00		6,996,000.00
CONDUCTOR PIPE	20,000.00	0.00	0.00	0.00	20,000.00
TUBING	0.00	65,000.00	0.00	0.00	65,000.00
WELLHEAD	9,500.00	0.00	0.00	0.00	9,500.00
LEASE AND FLOW LINES	0.00	30,000.00	0.00	0.00	30,000.00
PACKER & SUB-SURFACE EQUIPMENT	0.00	20,000.00	0.00	0.00	20,000.00
AUTOMATION EQUIPMENT	0.00	15,000.00	0.00	0.00	15,000.00
GAS LIFTS-SINGLE WELL	0.00	120,000.00	0.00	0.00	120,000.00
SURFACE CASING	16,000.00	0.00	0.00	0.00	16,000.00
INTERMEDIATE CASING	268,000.00	0.00	0.00	0.00	268,000.00
PRODUCTION/LINER CASING	0.00	128,000.00	0.00	0.00	128,000.00
TUBING HEAD/X-MAS TREE	0.00	15,000.00	0.00	0.00	15,000.00
WIP-Lease & Well Equip. TOTA	313,500.00	393,000.00	0.00		706,500.00
TOTAL THIS AFE:	2,325,500.00	5,607,000.00			7,932,500.00

*** 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 A 1.5-MILE HORIZONTAL IN WOLFCAMP A (DELAWARE BASIN). ROADHOUSE STATE 2H WILL BE DRILLED TO A TD OF +/-17,222'MD/10,022'TVD WHERE A 4-1/2" LINER WILL BE CEMENTED IN PLACE. DRILLING COSTS BASED ON 28 DAYS SPUD-RR WITH A 5 DAY RIG MOVE. WELL WILL THEN BE FRACTURE STIMULATED.

Prepared By:	ROBIN ANDERSON	Non Operator Approval	
		DATE	_____
Approved By:	KENDAL DECKER	COMPANY	_____
		BY	_____
Signature:	_____	TITLE	_____

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 30-015-44278		² Pool Code 98220		³ Pool Name Purple Sage, Wolfcamp	
⁴ Property Code 318096		⁵ Property Name ROADHOUSE Fld		⁶ Well Number 1H	
⁷ OGRID No. 005380		⁸ Operator Name XTO ENERGY		⁹ Elevation 2914'	

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
O	6	25 S	29 E		180	SOUTH	1,680	EAST	EDDY

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
J	31	24 S	29 E		2,440	SOUTH	1,680	EAST	EDDY

¹² Dedicated Acres 479.09	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NED Pending
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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.

<p>16</p> <p>GEODETIC COORDINATES BOTTOM HOLE LOCATION NAD 83 NME Y= 426,883.9 X= 638,117.5 LAT.= 32.173195°N LONG.= 104.020539°W</p> <p>LAST TAKE POINT NAD 83 NME Y= 426,753.9 X= 638,117.4 LAT.= 32.172838°N LONG.= 104.020541°W</p> <p>CORNER COORDINATES TABLE NAD 27 NME A - Y= 419,090.8 N, X= 595,949.4 E B - Y= 419,114.6 N, X= 597,277.1 E C - Y= 424,378.3 N, X= 595,978.8 E D - Y= 424,388.4 N, X= 597,307.8 E E - Y= 427,051.4 N, X= 595,960.0 E F - Y= 427,057.5 N, X= 597,288.3 E</p> <p>CORNER COORDINATES TABLE NAD 83 NME A - Y= 419,149.1 N, X= 637,133.7 E B - Y= 419,172.9 N, X= 638,481.4 E C - Y= 424,437.8 N, X= 637,163.0 E D - Y= 424,446.9 N, X= 638,482.0 E E - Y= 427,109.8 N, X= 637,144.2 E F - Y= 427,116.0 N, X= 638,472.5 E</p> <p>FIRST TAKE POINT NAD 83 NME Y= 419,988.6 X= 638,111.0 LAT.= 32.154180°N LONG.= 104.020625°W</p> <p>SURFACE LOCATION NAD 83 NME Y= 419,346.7 X= 638,110.4 LAT.= 32.152478°N LONG.= 104.020633°W</p>	<p>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 undivided 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.</p> <p>Signature: <u>Stefanie Rabalais</u> Date: <u>9-1-17</u></p> <p>Printed Name: <u>Stefanie Rabalais</u></p> <p>E-mail Address: <u>stefanie-rabalais@xtoenergy.com</u></p> <p>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.</p> <p>08-31-2017 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <u>[Signature]</u></p> <p>MARK DILLON HARP 23786 Certificate Number</p> <p>AW 2017081415</p>
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District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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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 30-015-44571	² Pool Code 98220	³ Pool Name Purple Sage, Wolfcamp
⁴ Property Code 318091P	⁵ Property Name ROADHOUSE: Ford Com	⁶ Well Number 2H
⁷ OGRID No. 0003810	⁸ Operator Name XTO ENERGY	⁹ Elevation 2905'

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
O	6	25 S	29 E		180	SOUTH	2,040	EAST	EDDY

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
J	31	24 S	29 E		2,440	SOUTH	2,040	EAST	EDDY

¹² Dedicated Acres 479.09	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSP Ranking
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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.

<p>16</p> <p>GEODETIC COORDINATES BOTTOM HOLE LOCATION NAD 83 NME Y = 426,881.4 X = 637,757.6 LAT. = 32.173191°N LONG. = 104.021702°W</p> <p>LAST TAKE POINT NAD 83 NME Y = 426,751.4 X = 637,757.4 LAT. = 32.172834°N LONG. = 104.021704°W</p> <p>CORNER COORDINATES TABLE NAD 27 NME A - Y = 419,090.8 N, X = 595,949.4 E B - Y = 419,114.6 N, X = 597,277.1 E C - Y = 424,379.3 N, X = 595,978.8 E D - Y = 424,388.4 N, X = 597,307.8 E E - Y = 427,051.4 N, X = 595,960.0 E F - Y = 427,057.5 N, X = 597,288.3 E</p> <p>CORNER COORDINATES TABLE NAD 83 NME A - Y = 419,149.1 N, X = 637,133.7 E B - Y = 419,172.9 N, X = 638,461.4 E C - Y = 424,437.8 N, X = 637,163.0 E D - Y = 424,446.9 N, X = 638,482.0 E E - Y = 427,109.9 N, X = 637,144.2 E F - Y = 427,116.0 N, X = 638,472.5 E</p> <p>FIRST TAKE POINT NAD 83 NME Y = 419,960.2 X = 637,751.0 LAT. = 32.154165°N LONG. = 104.021788°W</p> <p>SURFACE LOCATION NAD 83 NME Y = 419,340.2 X = 637,750.4 LAT. = 32.152461°N LONG. = 104.021796°W</p>	<p>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.</p> <p>Signature: <u>Stephanie Rabidue</u> Date: <u>9-1-17</u> Printed Name: <u>Stephanie Rabidue</u> E-mail Address: <u>stephanie-rabidue@xtoenergy.com</u></p> <p>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.</p> <p>08-31-2017 Date of Survey Signature and Seal of Professional Surveyor: <u>[Signature]</u> MARK DILLON HARP 23786 Certificate Number AW 2017081416</p>
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