

**BEFORE THE OIL CONSERVATION COMMISSION  
EXAMINER HEARING AUGUST 08, 2019**

**CASE NOS. 20687 & 20695**

*BIG EDDY UNIT 30E REY No. 102H WELL*  
*BIG EDDY UNIT 30E OBI-WAN No. 102H WELL*  
*BIG EDDY UNIT 30E QUI-GON No. 102H WELL*  
*BIG EDDY UNIT 30E ANAKIN No. 203H WELL*  
*BIG EDDY UNIT 30E JEDI No. 102H WELL*

**EDDY COUNTY, NEW MEXICO**



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

**APPLICATION OF XTO ENERGY INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 20687 and 20695**

**AFFIDAVIT OF W. GREG DAVIS  
IN SUPPORT OF CASE NO. 20687 and 20695**

W. Greg Davis, of lawful age and being first duly sworn, declares as follows:

1. My name is Greg Davis. I work for XTO Energy Inc. ("XTO") as a Senior Land Advisor.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. I graduated from the University of Texas with a B.B.A. in Petroleum Land Management in 1981. Since 2019, I have worked with XTO as a Landman and have worked in the Permian Basin of Texas and New Mexico off and on since 1982. I seek to have my credentials accepted by the Division as an expert petroleum landman.
3. I am familiar with the applications filed by XTO in these consolidated cases and I am familiar with the status of the lands in the subject area.
4. None of the parties proposed to be pooled in these cases has indicated opposition, therefore I do not expect any opposition at the hearing.
5. In Case No. 20687, XTO seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre horizontal spacing unit comprised of the S/2 of Sections 13 and 14, Township 20S, Range 31 East, NMPM, Eddy County, New Mexico.

6. This horizontal spacing unit will be dedicated to the following proposed wells:

- The **Big Eddy Unit 30E Anakin #203H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 14 to bottom hole location in the SE/4 SE/4 (Unit P) of Section 13.
- The **Big Eddy Unit 30E Qui-Gon #102H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole location in the NE/4 SE/4 (Unit I) of Section 13.
- The **Big Eddy Unit 30E Rey #102H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole location in the SE/4 SE/4 (Unit I) of Section 13.
- The **Big Eddy Unit 30E Obi-Wan #102H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 14 to bottom hole location in the NE/4 SE/4 (Unit I) of Section 13.
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**XTO Exhibit No. A-1** contains Form C-102s for the proposed wells.

7. The completed interval of the **Big Eddy Unit 30E Anakin #203H Well** will be within 330' of the quarter-quarter line separating the N/2 S/2 and the S/2 S/2 of Sections 13 and 14 to allow inclusion of this proximity acreage into a standard 640-acre horizontal well spacing unit.

8. This acreage falls within the WC Williams Sink; Bone Spring Pool (Code 97650) and the completed interval for these wells will remain within the standard setback as required by the Statewide rules for oil wells.

9. In **Case No. 20695**, XTO seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre horizontal spacing unit comprised of the same acreage: The S/2 of Sections 13 and 14, Township 20 South, Range 31 East, NMPM, Eddy County, New Mexico.

10. This Wolfcamp horizontal spacing unit will be dedicated to the **Big Eddy Unit 30E Jedi #102H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole location in the NE/4 SE/4 (Unit I) of Section 13. **XTO Exhibit No. A-2** contains Form C-102 for the proposed well.

11. The completed interval of the **Big Eddy Unit 30E Jedi #102H Well** will be within 330' of the quarter-quarter line separating the N/2 S/2 and the S/2 S/2 of Sections 13 and 14 to allow inclusion of this proximity acreage into a standard 640-acre horizontal well spacing unit.

12. XTO understands that this acreage will be placed in a Wildcat, Wolfcamp pool. The completed interval for the well will remain within the standard setback as required by the Statewide rules for oil wells.

13. **XTO Exhibit No. A-3** identifies the tracts of land comprising the proposed spacing units. This exhibit also identifies the interest ownership by tract and ultimately by spacing unit. XTO is seeking to pool only the working interest held by Xplor Resources, LLC and the unleased mineral interests held by Leslie H. Bates, III identified on the exhibit. This spacing unit includes Federal and Fee lands.

14. All interest owners that XTO seeks to pool have been located. **XTO Exhibit No. A-4** contains a sample of the well proposal letter and AFEs provided to these parties for the initial Bone Spring wells. **XTO Exhibit No. A-5** contains a sample of the well proposal letter along with an AFE provided to these parties in the Wolfcamp well. The costs reflected in the AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in each of these formations.

15. In addition to sending these letters, XTO has had discussions with the pooled parties and undertook good faith efforts to reach agreement with the parties it is seeking to pool.

16. XTO requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$7,500 per month while drilling and \$750 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

17. No ownership depth severances exist within these proposed spacing and proration units.

18. I have provided the law firm of Holland & Hart LLP with the names and addresses of the owners that XTO seeks to pool and instructed that they be notified of this hearing.

19. XTO Exhibit Nos. A-1 through A-5 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
W. Greg Davis


STATE OF TEXAS )

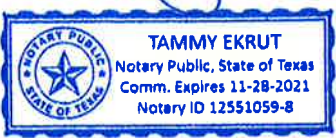
COUNTY OF HARRIS )

SUBSCRIBED and SWORN to before me this 2<sup>nd</sup> day of August 2019 by W. Greg Davis.

My Commission Expires:

11-28-2021

  
\_\_\_\_\_  
NOTARY PUBLIC



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720  
District II  
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Phone: (505) 334-6174 Fax: (505) 334-6170  
District IV  
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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

<sup>1</sup> API Number 30-015-	<sup>2</sup> Pool Code 97650	<sup>3</sup> Pool Name WC Williams Sink; Bone Spring
<sup>4</sup> Property Code	<sup>5</sup> Property Name BIG EDDY UNIT 30E ANAKIN	
<sup>7</sup> OGRID No. 260737	<sup>8</sup> Operator Name XTO PERMIAN OPERATING, LLC.	
		<sup>6</sup> Well Number 203H
		<sup>9</sup> Elevation 3,448

<sup>10</sup> Surface Location

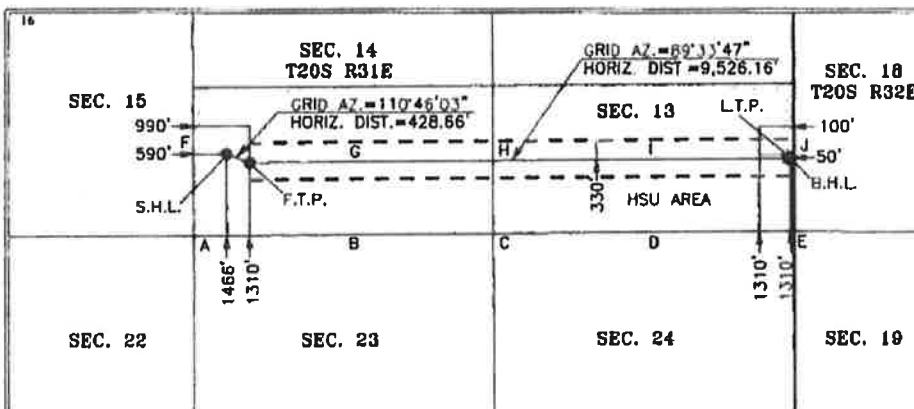
U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
L	14	20 S	31 E		1,466	SOUTH	590	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
P	13	20 S	31 E		1,310	SOUTH	50	EAST	EDDY

<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief, and that this information either only 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.

Stephanie Rabadue 06/05/2019  
Signature Date

Stephanie Rabadue

Print Name

stephanie\_rabadue@xtoenergy.com

E-mail Address

<sup>18</sup> 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.

6-5-2019

Date of Survey

Signature and Seal of Professional Surveyor

*[Signature]*

MARK DILLON HARP  
Certificate Number



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-1

Submitted by: XTO Energy Inc.

Hearing Date: August 8, 2019

Case # 20687 & 20695

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<sup>1</sup> API Number 30-015-	<sup>2</sup> Pool Code 97650	<sup>3</sup> Pool Name WC Williams Sink; Bone Spring
<sup>4</sup> Property Code	<sup>5</sup> Property Name BIG EDDY UNIT 30E QUI-GON	<sup>6</sup> Well Number 102H
<sup>7</sup> OGRID No. 260737	<sup>8</sup> Operator Name XTO PERMIAN OPERATING, LLC.	<sup>9</sup> Elevation 3,452'

<sup>10</sup> Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	20 S	31 E		1,065	SOUTH	435	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	13	20 S	31 E		1,980	SOUTH	200	EAST	EDDY

<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup> SEC. 10	SEC. 11	SEC. 12	SEC. 7	<sup>17</sup> 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. Signature: <u>Stephanie Rabadue</u> Date: <u>06/27/2019</u> Printed Name: <u>Stephanie Rabadue</u> E-mail Address: <u>stephanie_rabadue@xtoenergy.com</u>
<sup>18</sup> 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. Date of Survey: <u>6-27-2019</u> Signature and Seal of Professional Surveyor: Certificate Number: <u>MARK DILLON HARP 23786</u> DH 2019020393				

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<sup>7</sup> OGRID No. 260737	<sup>8</sup> Operator Name XTO PERMIAN OPERATING, LLC.	<sup>9</sup> Elevation 3,452'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	20 S	31 E		1,065	SOUTH	405	WEST	EDDY

<sup>11</sup> 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
I	13	20 S	31 E		1,330	SOUTH	50	EAST	EDDY

<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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<p><sup>16</sup></p>				<p><b><sup>17</sup> OPERATOR CERTIFICATION</b> 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><i>Stephanie Rabadue</i> 06/05/2019 Signature Date</p> <p>Stephanie Rabadue Printed Name</p> <p>stephanie_rabadue@xtoenergy.com E-mail Address</p>																			
<p><b>SURFACE LOCATION</b> NAD 27 NME Y= 571,005.9 X= 649,934.8 LAT.= 32.568860°N LONG.= 103.846638°W</p> <p><b>LAST TAKE POINT</b> NAD 27 NME Y= 571,349.2 X= 659,994.3 LAT.= 32.569673°N LONG.= 103.813980°W</p>		<p><b>SURFACE LOCATION</b> NAD 83 NME Y= 571,067.6 X= 691,114.5 LAT.= 32.568980°N LONG.= 103.847139°W</p> <p><b>LAST TAKE POINT</b> NAD 83 NME Y= 571,410.9 X= 701,174.0 LAT.= 32.569793°N LONG.= 103.814480°W</p>																					
<p><b>FIRST TAKE POINT</b> NAD 27 NME Y= 571,276.8 X= 650,518.4 LAT.= 32.569597°N LONG.= 103.844740°W</p> <p><b>BOTTOM HOLE LOCATION</b> NAD 27 NME Y= 571,349.5 X= 660,044.3 LAT.= 32.569673°N LONG.= 103.813818°W</p>		<p><b>FIRST TAKE POINT</b> NAD 83 NME Y= 571,338.5 X= 691,698.1 LAT.= 32.569717°N LONG.= 103.845241°W</p> <p><b>BOTTOM HOLE LOCATION</b> NAD 83 NME Y= 571,411.2 X= 701,224.0 LAT.= 32.567793°N LONG.= 103.814318°W</p>																					
<p><b>CORNER COORDINATES TABLE</b> NAD 27 NME</p> <table border="1"> <tr><td>A - Y= 569,936.9 N, X= 649,535.5 E</td></tr> <tr><td>B - Y= 569,963.4 N, X= 652,180.5 E</td></tr> <tr><td>C - Y= 569,986.3 N, X= 654,805.9 E</td></tr> <tr><td>D - Y= 570,004.2 N, X= 657,458.4 E</td></tr> <tr><td>E - Y= 570,019.8 N, X= 660,099.9 E</td></tr> <tr><td>F - Y= 571,263.2 N, X= 649,528.5 E</td></tr> <tr><td>G - Y= 571,285.1 N, X= 652,174.0 E</td></tr> <tr><td>H - Y= 571,305.2 N, X= 654,799.1 E</td></tr> <tr><td>I - Y= 571,323.6 N, X= 657,450.6 E</td></tr> <tr><td>J - Y= 571,340.9 N, X= 660,094.4 E</td></tr> </table>		A - Y= 569,936.9 N, X= 649,535.5 E	B - Y= 569,963.4 N, X= 652,180.5 E	C - Y= 569,986.3 N, X= 654,805.9 E	D - Y= 570,004.2 N, X= 657,458.4 E	E - Y= 570,019.8 N, X= 660,099.9 E	F - Y= 571,263.2 N, X= 649,528.5 E	G - Y= 571,285.1 N, X= 652,174.0 E	H - Y= 571,305.2 N, X= 654,799.1 E	I - Y= 571,323.6 N, X= 657,450.6 E	J - Y= 571,340.9 N, X= 660,094.4 E	<p><b>CORNER COORDINATES TABLE</b> NAD 83 NME</p> <table border="1"> <tr><td>A - Y= 569,998.6 N, X= 690,715.2 E</td></tr> <tr><td>B - Y= 570,025.1 N, X= 693,380.2 E</td></tr> <tr><td>C - Y= 570,048.0 N, X= 695,985.6 E</td></tr> <tr><td>D - Y= 570,065.9 N, X= 698,638.1 E</td></tr> <tr><td>E - Y= 570,081.5 N, X= 701,279.6 E</td></tr> <tr><td>F - Y= 571,324.9 N, X= 690,708.2 E</td></tr> <tr><td>G - Y= 571,346.8 N, X= 693,353.7 E</td></tr> <tr><td>H - Y= 571,366.9 N, X= 695,978.8 E</td></tr> <tr><td>I - Y= 571,385.3 N, X= 698,630.3 E</td></tr> <tr><td>J - Y= 571,402.6 N, X= 701,274.1 E</td></tr> </table>		A - Y= 569,998.6 N, X= 690,715.2 E	B - Y= 570,025.1 N, X= 693,380.2 E	C - Y= 570,048.0 N, X= 695,985.6 E	D - Y= 570,065.9 N, X= 698,638.1 E	E - Y= 570,081.5 N, X= 701,279.6 E	F - Y= 571,324.9 N, X= 690,708.2 E	G - Y= 571,346.8 N, X= 693,353.7 E	H - Y= 571,366.9 N, X= 695,978.8 E	I - Y= 571,385.3 N, X= 698,630.3 E	J - Y= 571,402.6 N, X= 701,274.1 E
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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-		<sup>2</sup> Pool Code 97650		<sup>3</sup> Pool Name WC Williams Sink; Bone Spring					
<sup>4</sup> Property Code		<sup>5</sup> Property Name BIG EDDY UNIT 30E OBI-WAN						<sup>6</sup> Well Number 102H	
<sup>7</sup> GRID No. 26(1737		<sup>8</sup> Operator Name XTO PERMIAN OPERATING, LLC.						<sup>9</sup> Elevation 3,450'	
<sup>10</sup> Surface Location									
U/L or lot no. L	Section 14	Township 20 S	Range 31 E	Lot Idn	Feet from the 1,465	North/South line SOUTH	Feet from the 405	East/West line WEST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
U/L or lot no. I	Section 13	Township 20 S	Range 31 E	Lot Idn	Feet from the 1,980	North/South line SOUTH	Feet from the 200	East/West line EAST	County EDDY
<sup>12</sup> Dedicated Acres 640		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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<sup>16</sup> SEC. 10		SEC. 11		SEC. 12		SEC. 7	
SEC. 15		SEC. 14 T20S R31E		SEC. 13		SEC. 18 T20S R32E	
S.H.L. 660'		F.T.P.		L.T.P.		B.H.L. 330'	
405'		GRID AZ = 25°59'10"		GRID AZ = 89°33'25"		HORIZ. DIST. = 9,706.91'	
HORIZ. DIST. = 575.76'							
SEC. 22		SEC. 23		SEC. 24		SEC. 19	
SURFACE LOCATION NAD 27 NME Y= 571,405.9 X= 649,932.7 LAT.= 32.56959°N LONG.= 103.846639°W		LAST TAKE POINT NAD 27 NME Y= 571,997.8 X= 659,761.6 LAT.= 32.571459°N LONG.= 103.814725°W		SURFACE LOCATION NAD 83 NME Y= 571,467.6 X= 691,112.4 LAT.= 32.570079°N LONG.= 103.847140°W		LAST TAKE POINT NAD 83 NME Y= 572,059.5 X= 700,941.3 LAT.= 32.571579°N LONG.= 103.815226°W	
FIRST TAKE POINT NAD 27 NME Y= 571,923.5 X= 650,185.0 LAT.= 32.571379°N LONG.= 103.845812°W		BOTTOM HOLE LOCATION NAD 27 NME Y= 571,998.8 X= 659,891.6 LAT.= 32.571459°N LONG.= 103.814303°W		FIRST TAKE POINT NAD 83 NME Y= 571,985.2 X= 691,364.7 LAT.= 32.571499°N LONG.= 103.846313°W		BOTTOM HOLE LOCATION NAD 83 NME Y= 572,060.3 X= 701,071.3 LAT.= 32.571579°N LONG.= 103.814804°W	
CORNER COORDINATES TABLE NAD 27 NME				CORNER COORDINATES TABLE NAD 83 NME			
A - Y= 572,589.6 N, X= 649,521.6 E				A - Y= 572,651.3 N, X= 690,701.2 E			
B - Y= 572,606.9 N, X= 652,167.6 E				B - Y= 572,668.6 N, X= 693,347.2 E			
C - Y= 572,624.0 N, X= 654,792.3 E				C - Y= 572,685.7 N, X= 695,972.0 E			
D - Y= 572,643.0 N, X= 657,442.8 E				D - Y= 572,704.7 N, X= 698,622.5 E			
E - Y= 572,662.0 N, X= 660,088.8 E				E - Y= 572,723.7 N, X= 701,268.5 E			
F - Y= 571,283.2 N, X= 649,528.5 E				F - Y= 571,324.9 N, X= 690,708.2 E			
G - Y= 571,285.1 N, X= 652,174.0 E				G - Y= 571,346.8 N, X= 693,353.7 E			
H - Y= 571,305.2 N, X= 654,799.1 E				H - Y= 571,366.9 N, X= 695,978.8 E			
I - Y= 571,323.6 N, X= 657,450.6 E				I - Y= 571,385.3 N, X= 698,630.3 E			
J - Y= 571,340.9 N, X= 660,094.4 E				J - Y= 571,402.6 N, X= 701,274.1 E			

**<sup>17</sup> 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 on which 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.


Signature: Stephanie Rabadue Date: 06/27/2019

Printed Name: Stephanie Rabadue

E-mail Address: stephanie\_rabadue@xtoenergy.com

**<sup>18</sup> 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.

Date of Survey: 6-27-2019

Signature and Seal of Professional Surveyor: 

MARK DILLON HARP 23786  
Certificate Number: DH 2019020391

**District I**  
1625 N. French Dr. Hobbs, NM 88240  
Phone (575) 397-6161 Fax (575) 393-0720

**District II**  
811 S. First St. Artesia, NM 88210  
Phone (505) 749-1793 Fax (505) 748-9770

**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**

<sup>1</sup> API Number 30-015-	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Wildcat; Wolfcamp
<sup>4</sup> Property Code	<sup>5</sup> Property Name BIG EDDY UNIT 30E JEDI	<sup>6</sup> Well Number 102H
<sup>7</sup> GRID No. 260737	<sup>8</sup> Operator Name XTO PERMIAN OPERATING, LLC	<sup>9</sup> Elevation 3,452'

**<sup>10</sup> Surface Location**

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	20 S	31 E		1,065	SOUTH	465	WEST	EDDY

**<sup>11</sup> Bottom Hole Location If Different From Surface**

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	20 S	31 E		1,310	SOUTH	200	EAST	EDDY

<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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><b><sup>16</sup></b></p>				<p><b><sup>17</sup> OPERATOR CERTIFICATION</b> 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 authority 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><i>Stephanie Rabadue</i> 06/05/2019 Signature Date</p> <p>Stephanie Rabadue Printed Name</p> <p>stephanie_rabadue@xtoenergy.com E-mail Address</p>																			
<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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>6/5/2019 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>MARK DILLON HARP Certificate Number 23786</p>																							
<p><b>SURFACE LOCATION</b> NAD 27 NME Y= 571,006.5 X= 649,994.8 LAT= 32.568861°N LONG= 103.846443°W</p> <p><b>LAST TAKE POINT</b> NAD 27 NME Y= 571,327.8 X= 659,764.4 LAT= 32.568617°N LONG= 103.814727°W</p> <p><b>FIRST TAKE POINT</b> NAD 27 NME Y= 571,256.8 X= 650,518.5 LAT= 32.569542°N LONG= 103.844740°W</p> <p><b>BOTTOM HOLE LOCATION</b> NAD 27 NME Y= 571,328.6 X= 659,894.4 LAT= 32.568617°N LONG= 103.814305°W</p> <p><b>CORNER COORDINATES TABLE</b> NAD 27 NME</p> <table> <tr><td>A - Y= 569,936.9 N, X= 649,535.5 E</td></tr> <tr><td>B - Y= 569,963.4 N, X= 652,180.5 E</td></tr> <tr><td>C - Y= 569,986.3 N, X= 654,805.9 E</td></tr> <tr><td>D - Y= 570,004.2 N, X= 657,458.4 E</td></tr> <tr><td>E - Y= 570,019.8 N, X= 660,099.9 E</td></tr> <tr><td>F - Y= 571,263.2 N, X= 649,528.5 E</td></tr> <tr><td>G - Y= 571,285.1 N, X= 652,174.0 E</td></tr> <tr><td>H - Y= 571,305.2 N, X= 654,799.1 E</td></tr> <tr><td>I - Y= 571,323.6 N, X= 657,450.6 E</td></tr> <tr><td>J - Y= 571,340.9 N, X= 660,094.4 E</td></tr> </table>		A - Y= 569,936.9 N, X= 649,535.5 E	B - Y= 569,963.4 N, X= 652,180.5 E	C - Y= 569,986.3 N, X= 654,805.9 E	D - Y= 570,004.2 N, X= 657,458.4 E	E - Y= 570,019.8 N, X= 660,099.9 E	F - Y= 571,263.2 N, X= 649,528.5 E	G - Y= 571,285.1 N, X= 652,174.0 E	H - Y= 571,305.2 N, X= 654,799.1 E	I - Y= 571,323.6 N, X= 657,450.6 E	J - Y= 571,340.9 N, X= 660,094.4 E	<p><b>SURFACE LOCATION</b> NAD 83 NME Y= 571,068.2 X= 691,174.5 LAT= 32.568981°N LONG= 103.846944°W</p> <p><b>LAST TAKE POINT</b> NAD 83 NME Y= 571,389.5 X= 700,944.1 LAT= 32.569737°N LONG= 103.815227°W</p> <p><b>FIRST TAKE POINT</b> NAD 83 NME Y= 571,318.5 X= 691,698.2 LAT= 32.568662°N LONG= 103.845241°W</p> <p><b>BOTTOM HOLE LOCATION</b> NAD 83 NME Y= 571,390.3 X= 701,074.1 LAT= 32.567737°N LONG= 103.814805°W</p> <p><b>CORNER COORDINATES TABLE</b> NAD 83 NME</p> <table> <tr><td>A - Y= 569,998.6 N, X= 690,715.2 E</td></tr> <tr><td>B - Y= 570,025.1 N, X= 693,360.2 E</td></tr> <tr><td>C - Y= 570,048.0 N, X= 695,985.6 E</td></tr> <tr><td>D - Y= 570,065.9 N, X= 698,638.1 E</td></tr> <tr><td>E - Y= 570,081.5 N, X= 701,279.6 E</td></tr> <tr><td>F - Y= 571,324.9 N, X= 690,708.2 E</td></tr> <tr><td>G - Y= 571,346.8 N, X= 693,353.7 E</td></tr> <tr><td>H - Y= 571,366.9 N, X= 695,978.8 E</td></tr> <tr><td>I - Y= 571,385.3 N, X= 698,630.3 E</td></tr> <tr><td>J - Y= 571,402.6 N, X= 701,274.1 E</td></tr> </table>		A - Y= 569,998.6 N, X= 690,715.2 E	B - Y= 570,025.1 N, X= 693,360.2 E	C - Y= 570,048.0 N, X= 695,985.6 E	D - Y= 570,065.9 N, X= 698,638.1 E	E - Y= 570,081.5 N, X= 701,279.6 E	F - Y= 571,324.9 N, X= 690,708.2 E	G - Y= 571,346.8 N, X= 693,353.7 E	H - Y= 571,366.9 N, X= 695,978.8 E	I - Y= 571,385.3 N, X= 698,630.3 E	J - Y= 571,402.6 N, X= 701,274.1 E
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I - Y= 571,385.3 N, X= 698,630.3 E																							
J - Y= 571,402.6 N, X= 701,274.1 E																							

[illegible]

### Tract 1:

**Spacing Unit Working Interest – 640.00 acres**

XTO Delaware Basin, LLC	81.25000%
XTO Holdings, LLC	14.58334%
Xplor Resources, LLC	2.08333%
Leslie H. Bates, III	2.08333%
Total WI	100.000000%

**Tract 1 (NMLC-0 063667) – SW/4, W/2 SE/4 of Section 14**

XTO Delaware Basin, LLC	100.000000%
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**Tract 2 (NMLC-0 063674) – E/2 SE/4 of Section 14**

XTO Holdings, LLC	100.000000%
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**Tract 3 – (USA NMLC-0 063484) – SW/4, S/2 SE/4, NE/4 SE/4 of Section 13**

XTO Delaware Basin, LLC	100.00000%
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**Tract 4 (Fee) – NW/4 SE/4 of Section 13**

XTO Holdings, LLC	33.33334%
Xplor Resources, LLC	33.33333%
Leslie H. Bates, III	33.33333%
Total WI	100.000000%

**Pooling Notification List**

Xplor Resources, LLC  
1104 N. Shore Drive  
Carlsbad, NM 88220  
Attn: Mike Hyden

Leslie H. Bates, III  
3345 Bailey Creek Cove North  
Collierville, TN 38017-9716



XTO Energy Inc.  
EMHC.W4.4A.541  
22777 Springwoods Village Pkwy  
Spring TX 77389-1425  
832-625-0095 - Direct Phone  
William\_davis@xtoenergy.com

June 7, 2019

Xplor Resources, LLC  
Attn: Mike Hyden  
1104 N. Shore Drive  
Carlsbad, NM 88220

RE: Big Eddy Unit  
Township 20 South Range 31 East, NMPM  
Section 13: S/2  
Section 14: S/2  
Eddy County, New Mexico

Dear Mr. Hyden:

XTO Permian Operating, LLC ("XTO"), as Operator of the Big Eddy Unit ("BEU"), hereby proposes to drill and complete the following horizontal wells from the BEU Drill Island 30 located in Section 14, T20S-R31E, Eddy County, New Mexico (the "Wells"):

1. BEU 30E Anakin 203H well to test the Lower Avalon Shale at an approximate true vertical depth of 8,100' and an approximate measured depth of 18,961'. The well will be drilled at surface location being 1,466' FSL & 590' FWL of Section 14, T20S-R31E, and a bottom-hole location being 1,310' FSL and 50' FEL of Section 13, T20S-R31E, Eddy County, New Mexico. The S/2 of Section 13 and the S 2 of Section 14, T20S-R31E will be dedicated as the horizontal spacing unit ("HSU") for the well. The approximate spud date for the well is August 18, 2019.
2. BEU 30E Obi-Wan 102H well to test the 3rd Bone Spring sand at an approximate true vertical depth of 10,530' and an approximate measured depth of 21,391'. The well will be drilled at surface location being 1,465' FSL & 405' FWL of Section 14, T20S-R31E, and a bottom-hole location being 1,980' FSL and 200' FEL of Section 13, T20S-R31E, Eddy County, New Mexico. The well will be designated as an infill well and will share the HSU for the BEU 30E Anakin 203H well. The approximate spud date for the well is September 6, 2019.
3. BEU 30E Rey 102H well to test the Harkey sand at an approximate true vertical depth of 9,850' and an approximate measured depth of 20,711'. The well will be drilled at surface location being 1,065' FSL & 405' FWL of Section 14, T20S-R31E, and a bottom-hole location being 1,330' FSL and 200' FEL of Section 13, T20S-R31E, Eddy County, New Mexico. The well will be designated as an infill well and will share the HSU for the BEU 30E Anakin 203H well. The approximate spud date for the well is September 29, 2019.
4. BEU 30E Qui-Gon 102H well to test the Third Bone Spring Shale at an approximate true vertical depth of 9,600' and an approximate measured depth of 20,461'. The well will be drilled at surface location being 1,065' FSL & 435' FWL of Section 14, T20S-R31E, and a bottom-hole location being 1,980' FSL and 200' FEL of Section 13, T20S-R31E, Eddy County, New Mexico. The well will be designated as an infill well and will share the HSU for the BEU 30E Anakin 203H well. The approximate spud date for the well is October 10, 2019.

Xplor Resources, LLC  
June 7, 2019  
Page 2

Enclosed, please find the following:

- Authority For Expenditure (AFE) reflecting XTO's estimated completed well cost for each of the proposed Wells. Xplor's W.I. in the well is 2.08333%. *Note: this is only an estimate and actual costs may be more or less than this AFE.*
- Form C-102 for each Well.

XTO hereby requests Xplor Resources, LLC ("Xplor") agree to commit its leasehold interest in the NW 4SE/4 of Section 13, T20S-R31E, to the BEU and participate in drilling, completing and equipping the Wells. XTO provided Xplor copies of the Big Eddy Unit Agreement and Unit Operating Agreement together with a Consent and Ratification of the Big Eddy Unit Agreement under a separate well proposal letter dated June 6, 2019 for the BEU 30E Jedi 102H well.

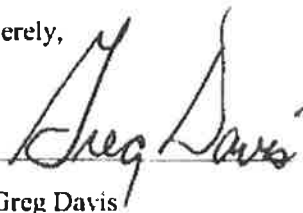
Should Xplor elect not to ratify the BEU, XTO proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the Bone Spring and Wolfcamp formations underlying the HSU for the drilling of the Wells. A modified 1989 AAPL Model Form Operating Agreement covering the WIU will govern the drilling of the Wells with the following general provisions:

- 100%/300%/300% non-consent penalties.
- Drilling and Producing rates of \$7,500/\$750.
- XTO named as Operator.

If Xplor does not wish to participate in the Wells, XTO proposes to acquire an assignment of your leasehold interest for \$2,500 per net acre with Xplor retaining an overriding royalty interest equal to the difference in existing lease burdens and 25%.

Please indicate your elections to this proposal on the attached Ballot and return a signed copy at our earliest convenience. If we do not receive an election from Xplor or come to some other mutual agreement, XTO will apply to the New Mexico Oil Conservation Division for a compulsory pooling order covering the HSU. Should you have any questions regarding this proposal, I can be contacted at the letterhead telephone number and/or email address.

Sincerely,



W. Greg Davis  
Land Representative

Enclosures

## WELL ELECTIONS BALLOT

**Please indicate your election by checking the appropriate box(s):**

- (    ) Xplor hereby elects to participate in the proposed BEU 30E Anakin 203H by returning a signed AFE.
- (    ) Xplor hereby elects **not** to participate in the proposed BEU 30E Anakin 203H.
- (    ) Xplor hereby elects to participate in the proposed BEU 30E Obi-Wan 102H by returning a signed AFE.
- (    ) Xplor hereby elects **not** to participate in the proposed BEU 30E Obi-Wan 102H.
- (    ) Xplor hereby elects to participate in the proposed BEU 30E Rey 102H by returning a signed AFE.
- (    ) Xplor hereby elects **not** to participate in the proposed BEU 30E Rey 102H.
- (    ) Xplor hereby elects to participate in the proposed BEU 30E Qui-Gon 102H by returning a signed AFE.
- (    ) Xplor hereby elects **not** to participate in the proposed BEU 30E Qui-Gon 102H.

**If electing to participate:**

- (    ) Xplor hereby elects to commit its leasehold interest to the BEU by returning a signed Consent and Ratification of Big Eddy Unit Agreement.
- (    ) Xplor hereby elects to commit its leasehold interest to the WIU.

**XPLOR RESOURCES, LLC**

By: \_\_\_\_\_  
Mike Hyden

Title: \_\_\_\_\_



**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFF NO	1903098	DISTRICT	DELAWARE
AFF DESC	D&C IN ANAION	FIELD	WC WILLIAMS SINK
DATE	04/24/2019	ACCOUNTING ID	2202561001
AFF TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30E ANAKIN 20311
OPERATOR	99994331 - XTO ENERGY INC -RI 4331	STATE/COUNTY	New Mexico - Eddy
SURVEY/ABSTRACT		XTO WDE-CIMAL	0 999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex.V.Gd.Part_Wellhead Drilling	15,000.00	0.00	0.00	0.00	15,000.00
Ex.V.Gd.Part_Wellhead Completion	0.00	20,000.00	0.00	0.00	20,000.00
Ex.V.Gd.Part_WellCasing Surface	79,000.00	0.00	0.00	0.00	79,000.00
Ex.V.Gd.Part_WellCasing Intermediate	226,000.00	0.00	0.00	0.00	226,000.00
Ex.V.Gd.Part_WellCasing Production Liner	0.00	410,000.00	0.00	0.00	410,000.00
EX.V.GD,PART_WELLCASING,OTHER	50,000.00	0.00	0.00	0.00	50,000.00
Ex.V.Gd.Part_WellFlowLn Main	0.00	90,000.00	0.00	0.00	90,000.00
Ex.V.Gd.Part_WellTubing, XTOWellwork	0.00	80,000.00	0.00	0.00	80,000.00
Ex.V.Gd.Part_DrillBit	84,000.00	0.00	0.00	0.00	84,000.00
Ex.V.Gd.Part_DrillMud	273,000.00	0.00	0.00	0.00	273,000.00
Ex.V.Gd.Part_OthDownholeCompletionEqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex.V.Gd.Part_ArtLift Downhole XTOWellwork	0.00	140,000.00	0.00	0.00	140,000.00
Ex.V.Gd.Part_ArtLift Surf Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX.V.GD,PART_INSTRUMENTS AUTOMATION	0.00	30,000.00	0.00	0.00	30,000.00
Ex.V.Gd.Suppl.Clothg&OthRel Safety NonWellwork	42,000.00	0.00	0.00	0.00	42,000.00
Ex.V.Fuel Purch_Othr	210,000.00	0.00	0.00	0.00	210,000.00
Ex.V.Rnt&Lse Op Eq DrillEqp ExMobil&Demob M	1,062,000.00	25,000.00	0.00	0.00	1,087,000.00
Ex.V.Rnt&Lse Op Eq Misc_Oth RntSubSurtWithOp	63,000.00	0.00	0.00	0.00	63,000.00
Ex.V.Rnt&Lse Op Eq Misc_Oth RntSurtWebOper	126,000.00	280,000.00	0.00	0.00	406,000.00
Ex.V.Rnt&Lse Op Eq Misc_Oth Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex.V.Contract Labor Technical	0.00	20,000.00	0.00	0.00	20,000.00
Ex.V.Contract Labor Fabrication	74,000.00	0.00	0.00	0.00	74,000.00
Ex.V.Srv.G&GEMOp Well Log&Cased Hole	0.00	360,000.00	0.00	0.00	360,000.00
Ex.V.Srv.Land Overhead Broker Fes	10,000.00	0.00	0.00	0.00	10,000.00
Ex.V.Srv,Eng_O&G Well Drill	285,000.00	7,000.00	0.00	0.00	355,000.00
Ex.V.Srv,Site_Site Prep Completion Dress Loc	75,000.00	0.00	0.00	0.00	75,000.00
Ex.V.Srv,Tran_M&S&Eq NonMar Land&Cour	63,000.00	25,000.00	0.00	0.00	88,000.00
Ex.V.Srv.Waste Mgmt_Oth Drilling Fluid	0.00	250,000.00	0.00	0.00	250,000.00
Ex.V.Srv.Waste Mgmt_Oth Drilling Fluid	252,000.00	0.00	0.00	0.00	252,000.00
Ex.V.Srv.Waste Mgmt_Oth Flowback	0.00	150,000.00	0.00	0.00	150,000.00
Ex.V.Srv.Waste Mgmt_Oth Water Transfer	0.00	125,000.00	0.00	0.00	125,000.00
Ex.V.Srv.Waste Mgmt_Oth Compl Fluid Tmsp	0.00	525,000.00	0.00	0.00	525,000.00
Ex.V.Srv.O&G Well Cementing Surf Intermed	170,000.00	0.00	0.00	0.00	170,000.00
Ex.V.Srv.O&G Well Cementing Production Casing	0.00	130,000.00	0.00	0.00	130,000.00
Ex.V.Srv.O&G Well Well Stimulation Pumping	0.00	3,231,000.00	0.00	0.00	3,231,000.00
Ex.V.Srv.O&G Well Well Stimulation Frac Pit	0.00	50,000.00	0.00	0.00	50,000.00
Ex.V.Srv.O&G Well Oth Dril/Zon Protection	0.00	25,000.00	0.00	0.00	25,000.00
Ex.V.Srv.O&G Well Directional Drill	380,000.00	0.00	0.00	0.00	380,000.00





**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFF NO	1903098	DISTRICT	DELAWARE
AFF DESC	D&C IN AVALON	FIELD	WILLIAMS SINK
DATE	04/24/2019	ACCOUNTING ID	2202561001
AFF TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30E ANAKIN 20311
OPERATOR	99994331 - XTO ENERGY INC -RU4331	STATE/COUNTY	New Mexico Eddy
SURVEY ABSTRACT		XTO WIDE DECIMAL	0.999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex V Serv O&GWell MudLogging	38,000.00	0.00	0.00	0.00	38,000.00
Ex V Serv O&GWell Casing Surf Int	50,000.00	0.00	0.00	0.00	50,000.00
Ex V Serv O&GWell Casing Production	0.00	15,000.00	0.00	0.00	15,000.00
Ex V Serv O&GWell Completion	0.00	250,000.00	0.00	0.00	250,000.00
Ex E O&GVOvrd CombinedFxdRate FieldOps Dril	0.00	10,000.00	0.00	0.00	10,000.00
<b>TOTAL:</b>	<b>3,627,000.00</b>	<b>6,541,000.00</b>	<b>0.00</b>		<b>10,168,000.00</b>

<b>TOTAL THIS AFF:</b>	<b>3,627,000.00</b>	<b>6,541,000.00</b>	<b>10,168,000.00</b>
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\*\*\* This AFF is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. \*\*\*

REMARKS: D&C 2 MILE LATERAL IN THE AVALON. THE SUBJECT WELL WILL BE DRILLED TO A TD OF -19000' MD 8 1/2" TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS BASED ON 42 SPUD TO RR WITH A 2 DAY RIG MOVE.

Prepared By	ANA HERNANDEZ	<div style="border: 1px solid black; padding: 5px; margin-left: 20px;"> <p align="center"><b>Non Operator Approval</b></p> <p>DATE _____</p> <p>COMPANY _____</p> <p>BY _____</p> <p>TITLE _____</p> </div>
Approved By	ROBERT J HEINLE	
Signature		



**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFF NO: 1902558  
 AFF DESC: D&C IN 3RD BONE SPRING SAND  
 DATE: 04/08/2019  
 AFF TYPE: DEVELOPMENT DRILLING  
 OPERATOR: 99994331 - XTO ENERGY INC -RU4331  
 SURVEY ABSTRACT:

DISTRICT: DEI AWARE  
 FIELD: WILDCAT  
 ACCOUNTING ID: 2197781001  
 WELL NAME: BIG EDDY UNIT 30E OBI-WAN 102H  
 STATE/COUNTY: New Mexico Eddy  
 XTO WILDCAT: 0 999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex.V.Gd.Part_Wellhead Drilling	15,000.00	0.00	0.00	0.00	15,000.00
Ex.V.Gd.Part_Wellhead Completion	0.00	20,000.00	0.00	0.00	20,000.00
Ex.V.Gd.Part_WellCasing,Surface	78,000.00	0.00	0.00	0.00	78,000.00
Ex.V.Gd.Part_WellCasing,Intermediate	224,000.00	0.00	0.00	0.00	224,000.00
Ex.V.Gd.Part_WellCasing Production Liner	0.00	512,000.00	0.00	0.00	512,000.00
EX.V.GD,PART_WELLCASING,OTHER	50,000.00	0.00	0.00	0.00	50,000.00
Ex.V.Gd.Part_WellFlowLn,Main	0.00	90,000.00	0.00	0.00	90,000.00
Ex.V.Gd.Part_WellTubing_XTOWellwork	0.00	80,000.00	0.00	0.00	80,000.00
Ex.V.Gd.Part_DrillBit	84,000.00	0.00	0.00	0.00	84,000.00
Ex.V.Gd.Part_DrillMud	273,000.00	0.00	0.00	0.00	273,000.00
Ex.V.Gd.Part_OthDownholeCompletionEqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex.V.Gd.Part_ArtLiftDownhole_XTOWellwork	0.00	140,000.00	0.00	0.00	140,000.00
Ex.V.Gd.Part_ArtLift,Surf Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX.V.GD,PART_INSTRMATLS,AUTOMATION	0.00	30,000.00	0.00	0.00	30,000.00
Ex.V.Gd.Suppl.Clothing&OthRel Safety,NonWellwork	42,000.00	0.00	0.00	0.00	42,000.00
Ex.V.Fuel,Purch_Othr	210,000.00	0.00	0.00	0.00	210,000.00
Ex.V.Rnt&Lse,Op.Eq.DrillEqp ExMobil&Demob M	1,227,000.00	25,000.00	0.00	0.00	1,252,000.00
Ex.V.Rnt&Lse Op.Eq.Misc_Oth.RentSubSurfWithOp	63,000.00	0.00	0.00	0.00	63,000.00
Ex.V.Rnt&Lse,Op.Eq.Misc_Oth.RentSurfWithOper	126,000.00	280,000.00	0.00	0.00	406,000.00
Ex.V.Rnt&Lse,Op.Eq.Misc_Oth.Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex.V.ContractLabor,Technical	0.00	20,000.00	0.00	0.00	20,000.00
Ex.V.ContractLabor,Fabrication	74,000.00	0.00	0.00	0.00	74,000.00
Ex.V.Srv.G&G EMOp WellLoggCasedHole	0.00	360,000.00	0.00	0.00	360,000.00
Ex.V.Srv.LandOverhead BrokerFee	10,000.00	0.00	0.00	0.00	10,000.00
Ex.V.Srv.Engr O&GW-WellDrill	285,000.00	70,000.00	0.00	0.00	355,000.00
Ex.V.Srv.Site_SitePrep CompletionDressLoc	75,000.00	0.00	0.00	0.00	75,000.00
Ex.V.Srv.Trans M&S&Eq NonMar_Land&Cour	63,000.00	25,000.00	0.00	0.00	88,000.00
Ex.V.Srv.WasteMgmt_Oth Drilling Fluid	0.00	250,000.00	0.00	0.00	250,000.00
Ex.V.Srv.WasteMgmt_Oth Drilling Fluid	252,000.00	0.00	0.00	0.00	252,000.00
Ex.V.Srv.WasteMgmt_Oth Flowback	0.00	150,000.00	0.00	0.00	150,000.00
Ex.V.Srv.WasteMgmt_Oth Water Transfer	0.00	125,000.00	0.00	0.00	125,000.00
Ex.V.Srv.WasteMgmt_Oth ComplFluidTrnsf	0.00	525,000.00	0.00	0.00	525,000.00
Ex.V.Srv.O&GW-Well.Cementing,Surf Intermed	170,000.00	0.00	0.00	0.00	170,000.00
Ex.V.Srv.O&GW-Well.Cementing Production Casing	0.00	130,000.00	0.00	0.00	130,000.00
Ex.V.Srv.O&GW-Well WellStimulation Pumping	0.00	3,231,000.00	0.00	0.00	3,231,000.00
Ex.V.Srv.O&GW-Well WellStimulation Frac Pit	0.00	50,000.00	0.00	0.00	50,000.00
Ex.V.Srv.O&GW-Well_Oth_DrillZoneProtection	0.00	25,000.00	0.00	0.00	25,000.00
Ex.V.Srv.O&GW-Well DirectionalDrill	380,000.00	0.00	0.00	0.00	380,000.00



**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFF NO	1902558	DISTRICT	DELAWARE
AFF DESC	D&C IN 3RD BONE SPRING SAND	FIELD	WILDCAT
DATE	04/08/2019	ACCOUNTING ID	2197781001
AFF TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30E OBI-WAN 10211
OPERATOR	99994331 - XTO ENERGY INC -RU 4331	STATE/COUNTY	New Mexico Eddy
SURVEY ABSTRACT		XTO WIDE-CINMAI	0 999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
Ex V Serv O&GWell Mudlogging	38,000.00	0.00	0.00	0.00	38,000.00
Ex V Serv O&GWell Casing Surf Int	50,000.00	0.00	0.00	0.00	50,000.00
Ex V Serv O&GWell Casing Production	0.00	15,000.00	0.00	0.00	15,000.00
Ex V Serv O&GWell Completion	0.00	250,000.00	0.00	0.00	250,000.00
Ex V O&GJV Overhd Combined FndRate FieldOps Drill	0.00	10,000.00	0.00	0.00	10,000.00
<b>TOTAL:</b>	<b>3,789,000.00</b>	<b>6,643,000.00</b>	<b>0.00</b>		<b>10,432,000.00</b>
<b>TOTAL THIS AFF:</b>	<b>3,789,000.00</b>	<b>6,643,000.00</b>			<b>10,432,000.00</b>

\*\*\* This AFF is an estimate only. By returning one signed copy, you agree to pay your share of the actual costs incurred. \*\*\*

REMARKS: D&C 2 MI F LATERAL IN THE 3RD BONE SPRING. THE SUBJECT WELL WILL BE DRILLED TO A TD OF -21400 MD 10530 TVD WITH RL 5-1 2" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS BASED ON 42 SPD TO RR WITH A 7 DAY RIG MOVE.

		Non Operator Approval	
Prepared By	ANAHERRANDEZ	DATE	_____
Approved By	ROBERT J HEINLE	COMPANY	_____
Signature	_____	BY	_____
		TITLE	_____



**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFE NO	1902826	DISTRICT	DELAWARE
AFE DESC	D&C IN HARKFY SAND	FIELD	NASH DRAW (DEL., BS, AV)
DATE	04/12/2019	ACCOUNTING ID	2200201001
AFE TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30E REY 102H
OPERATOR	99994331 - XTO ENERGY INC -RU4331	STATE/COUNTY	New Mexico Eddy
SURVEY ABSTRACT		XTO WI DECIMAL	0.999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V,Gd,Part_Wellhead,Drilling	15,000.00	0.00	0.00	0.00	15,000.00
Ex,V,Gd,Part_Wellhead,Completion	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,Gd,Part_WellCasing,Surface	78,000.00	0.00	0.00	0.00	78,000.00
Ex,V,Gd,Part_WellCasing,Intermediate	224,000.00	0.00	0.00	0.00	224,000.00
Ex,V,Gd,Part_WellCasing,Production Liner	0.00	444,000.00	0.00	0.00	444,000.00
EX,V,GD PART_WELLCASING OTHER	50,000.00	0.00	0.00	0.00	50,000.00
Ex,V,Gd,Part_WellFlowLn,Main	0.00	90,000.00	0.00	0.00	90,000.00
Ex,V,Gd,Part_WellTubing, XTOWellwork	0.00	80,000.00	0.00	0.00	80,000.00
Ex,V,Gd,Part_DrillBit	84,000.00	0.00	0.00	0.00	84,000.00
Ex,V,Gd,Part_DrillMud	273,000.00	0.00	0.00	0.00	273,000.00
Ex,V,Gd,Part_OthDownholeCompletionEqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex,V,Gd,Part_ArtLift,Downhole XTOWellwork	0.00	140,000.00	0.00	0.00	140,000.00
Ex,V,Gd,Part_ArtLift,Surf Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX,V,GD PART_INSTRMATLS AUTOMATION	0.00	30,000.00	0.00	0.00	30,000.00
Ex,V,Gd,Suppl Clothg&OthRel Safety NonWellwork	42,000.00	0.00	0.00	0.00	42,000.00
Ex,V,Fuel Purch_Othr	210,000.00	0.00	0.00	0.00	210,000.00
Ex,V,Rnt&Lse Op,Eq,DrillEqp,ExMobH&Demob M	1,227,000.00	25,000.00	0.00	0.00	1,252,000.00
Ex,V,Rnt&Lse Op,Eq,Misc_Oth,RentSubSurfWithOp	63,000.00	0.00	0.00	0.00	63,000.00
Ex,V,Rnt&Lse Op,Eq,Misc_Oth,RentSurfWithOper	126,000.00	280,000.00	0.00	0.00	406,000.00
Ex,V,Rnt&Lse Op,Eq,Misc_Oth,Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex,V,ContractLabor,Technical	0.00	20,000.00	0.00	0.00	20,000.00
Ex,V,ContractLabor,Fabrication	74,000.00	0.00	0.00	0.00	74,000.00
Ex,V,Srv,G&G,EMOp,WellLoggCasedHole	0.00	360,000.00	0.00	0.00	360,000.00
Ex,V,Srv,LandOverhead,BrokerFee	10,000.00	0.00	0.00	0.00	10,000.00
Ex,V,Srv,Eng_O&GWellDrill	285,000.00	70,000.00	0.00	0.00	355,000.00
Ex,V,Srv,Site_SitePrep,CompletionDressLoc	75,000.00	0.00	0.00	0.00	75,000.00
Ex,V,Srv,Trans,M&S&Eq,NonMar_Land&Cour	63,000.00	25,000.00	0.00	0.00	88,000.00
Ex,V,Srv,WasteMgmt_Oth Drilling Fluid	0.00	250,000.00	0.00	0.00	250,000.00
Ex,V,Srv,WasteMgmt_Oth Drilling Fluid	252,000.00	0.00	0.00	0.00	252,000.00
Ex,V,Srv,WasteMgmt_Oth Flowback	0.00	150,000.00	0.00	0.00	150,000.00
Ex,V,Srv,WasteMgmt_Oth,Water Transfer	0.00	125,000.00	0.00	0.00	125,000.00
Ex,V,Srv,WasteMgmt_Oth ComplFluidTransp	0.00	525,000.00	0.00	0.00	525,000.00
Ex,V,Srv,O&GWell Cementing,Surf Intermed	170,000.00	0.00	0.00	0.00	170,000.00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0.00	130,000.00	0.00	0.00	130,000.00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0.00	3,231,000.00	0.00	0.00	3,231,000.00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0.00	50,000.00	0.00	0.00	50,000.00
Ex,V,Srv,O&GWell_Oth_DrillZoneProtection	0.00	25,000.00	0.00	0.00	25,000.00
Ex,V,Srv,O&GWell DirectionalDrill	380,000.00	0.00	0.00	0.00	380,000.00



**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFE NO	1902826	DISTRICT	DELAWARE
AFE DESC	D&C IN HARKEY SAND	FIELD	NASH DRAW (DEL. BS. AV)
DATE	04/12/2019	ACCOUNTING ID	2200201001
AFE TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30E REY 102H
OPERATOR	99994331 - XTO ENERGY INC -RU4331	STATE/COUNTY	New Mexico / Eddy
SURVEY/ABSTRACT		XTO WI DECIMAL	0.999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex. V. Serv. O&G Well, Mud Logging	38,000.00	0.00	0.00	0.00	38,000.00
Ex. V. Serv. O&G Well Casing Surf Int	50,000.00	0.00	0.00	0.00	50,000.00
Ex. V. Serv. O&G Well Casing, Production	0.00	15,000.00	0.00	0.00	15,000.00
Ex. V. Serv. O&G Well, Completion	0.00	250,000.00	0.00	0.00	250,000.00
Ex. E. O&G JV Overhd, Combined Fxd Rate, Field Ops, Dril	0.00	10,000.00	0.00	0.00	10,000.00
<b>TOTAL:</b>	<b>3,789,000.00</b>	<b>6,575,000.00</b>	<b>0.00</b>		<b>10,364,000.00</b>

<b>TOTAL THIS AFE:</b>	<b>3,789,000.00</b>	<b>6,575,000.00</b>	<b>10,364,000.00</b>
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\*\*\* 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 2 MILE LATERAL IN THE 3RD BONE SPRING. THE SUBJECT WELL WILL BE DRILLED TO A TD OF -20710' MD/9866' TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS BASED ON 42 SPUD TO RR WITH A 7 DAY RIG MOVE.

		Non Operator Approval	
Prepared By	ANA HERNANDEZ	DATE	_____
Approved By	ROBERT J HEINLE	COMPANY	_____
Signature	_____	BY	_____
		TITLE	_____





**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFE NO	1902825	DISTRICT	DELAWARE
AFE DESC	D&C IN BSPG3 SHALE	FIELD	NASH DRAW (DEL, BS, AV)
DATE	04/12/2019	ACCOUNTING ID	2200181001
AFE TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30E QUI-GON 10211
OPERATOR	99994331 - XTO ENERGY INC -RU4331	STATE/COUNTY	New Mexico / Eddy
SURVEY/ABSTRACT		XTO WI DECIMAL	0.999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex,V Gd,Part_Wellhead Drilling	15 000 00	0 00	0 00	0 00	15 000 00
Ex,V Gd,Part_Wellhead Completion	0 00	20 000 00	0 00	0 00	20 000 00
Ex,V Gd,Part_WellCasing Surface	78 000 00	0 00	0 00	0 00	78 000 00
Ex,V Gd,Part_WellCasing Intermediate	224 000 00	0 00	0 00	0 00	224 000 00
Ex,V Gd,Part_WellCasing,Production Liner	0 00	439 000 00	0 00	0 00	439 000 00
EX,V,GD PART_WELL,CASING,OTHER	50 000 00	0 00	0 00	0 00	50 000 00
Ex,V Gd,Part_WellFlowLn Main	0 00	90 000 00	0 00	0 00	90 000 00
Ex,V Gd,Part_WellTubing_XTOWellwork	0 00	80 000 00	0 00	0 00	80 000 00
Ex,V Gd,Part_DrillBtt	84 000 00	0 00	0 00	0 00	84 000 00
Ex,V Gd,Part_DrillMud	273 000 00	0 00	0 00	0 00	273 000 00
Ex,V Gd,Part_OthDownholeCompletionEqp,XTOWell	0 00	75 000 00	0 00	0 00	75 000 00
Ex,V Gd,Part_ArtLift Downhole_XTOwellwork	0 00	140 000 00	0 00	0 00	140 000 00
Ex,V Gd,Part_ArtLift Surf,Gas Lift	0 00	120 000 00	0 00	0 00	120 000 00
EX,V,GD PART_INSTRUMENTS AUTOMATION	0 00	30 000 00	0 00	0 00	30 000 00
Ex,V Gd,Suppl Cloihg&OthRel Safety NonWellwork	42 000 00	0 00	0 00	0 00	42 000 00
Ex,V,Fuel Purch_Othr	210 000 00	0 00	0 00	0 00	210 000 00
Ex,V,Rnt&Lse Op,Eq,DrillEqp,ExMobils&Demob,M	1,227 000 00	25 000 00	0 00	0 00	1,252 000 00
Ex,V,Rnt&Lse Op,Eq,Misc_Oth,RentSubSurfWithOp	63 000 00	0 00	0 00	0 00	63 000 00
Ex,V,Rnt&Lse Op,Eq,Misc_Oth,RentSurfWithOper	126 000 00	280 000 00	0 00	0 00	406 000 00
Ex,V,Rnt&Lse Op,Eq,Misc_Oth,Frac Tanks	0 00	35 000 00	0 00	0 00	35 000 00
Ex,V,ContractL Labor Technical	0 00	20 000 00	0 00	0 00	20 000 00
Ex,V,ContractL Labor Fabrication	74 000 00	0 00	0 00	0 00	74 000 00
Ex,V,Srv,G&G EMOp,Well,oggCasedHole	0 00	360 000 00	0 00	0 00	360 000 00
Ex,V,Srv,LandOverhead,BrokerFee	10 000 00	0 00	0 00	0 00	10 000 00
Ex,V,Srv_Eng_O&GWellDrill	285 000 00	70 000 00	0 00	0 00	355 000 00
Ex,V,Srv_Site_SitePrep CompletionDressLoc	75 000 00	0 00	0 00	0 00	75 000 00
Ex,V,Srv Trans M&S&Eq NonMar_Land&Cour	63 000 00	25 000 00	0 00	0 00	88 000 00
Ex,V,Srv WasteMgmt_Oth Drilling Fluid	0 00	250 000 00	0 00	0 00	250 000 00
Ex,V,Srv WasteMgmt_Oth Drilling Fluid	252 000 00	0 00	0 00	0 00	252 000 00
Ex,V,Srv WasteMgmt_Oth,Flowback	0 00	150 000 00	0 00	0 00	150 000 00
Ex,V,Srv WasteMgmt_Oth Water Transfer	0 00	125 000 00	0 00	0 00	125 000 00
Ex,V,Srv WasteMgmt_Oth ComplFluidTrnsf	0 00	525 000 00	0 00	0 00	525 000 00
Ex,V,Srv,O&GWell,Cementing,Surf Intermed	170 000 00	0 00	0 00	0 00	170 000 00
Ex,V,Srv,O&GWell,Cementing,Production Casing	0 00	130 000 00	0 00	0 00	130 000 00
Ex,V,Srv,O&GWell,WellStimulation,Pumping	0 00	3,231 000 00	0 00	0 00	3 231 000 00
Ex,V,Srv,O&GWell,WellStimulation,Frac Pit	0 00	50 000 00	0 00	0 00	50 000 00
Ex,V,Srv,O&GWell_Oth_DrillZoneProtection	0 00	25 000 00	0 00	0 00	25 000 00
Ex,V,Srv,O&GWell DirectionalDrill	380 000 00	0 00	0 00	0 00	380 000 00



**XTO ENERGY INC.**  
AUTHORITY FOR EXPENDITURE

AFE NO	1902825	DISTRICT	DELAWARE
AFE DESC	D&C IN BSPG3 SHALE	FIELD	NASH DRAW (DEL, BS, AV)
DATE	04/12/2019	ACCOUNTING ID	2200181001
AFE TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30E QUI-GON 102H
OPERATOR	99994331 - XTO ENERGY INC -RU4331	STATE/COUNTY	New Mexico / Eddy
SURVEY/ABSTRACT		XTO WI DECIMAL	0 999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex V,Srv,O&GWell,MudLogging	38,000.00	0.00	0.00	0.00	38,000.00
Ex V,Srv,O&GWell,Casing,Surf Int	50,000.00	0.00	0.00	0.00	50,000.00
Ex V,Srv,O&GWell,Casing,Production	0.00	15,000.00	0.00	0.00	15,000.00
Ex V,Srv,O&GWell,Completion	0.00	250,000.00	0.00	0.00	250,000.00
Ex,E O&G/VOvrhd,CombinedFxdRate,FieldOps,Dril	0.00	10,000.00	0.00	0.00	10,000.00
<b>TOTAL:</b>	<b>3,789,000.00</b>	<b>6,570,000.00</b>	<b>0.00</b>		<b>10,359,000.00</b>
<b>TOTAL THIS AFE:</b>	<b>3,789,000.00</b>	<b>6,570,000.00</b>			<b>10,359,000.00</b>

\*\*\* 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 2 MILE LATERAL IN THE 3RD BONE SPRING THE SUBJECT WELL WILL BE DRILLED TO A TD OF +/-20460'MD/9625'TVD WHERE 5-1/2" CASING WILL BE CEMENTED IN PLACE DRILLING COSTS BASED ON 42 SPUD TO RR WITH A 7 DAY RIG MOVE

Prepared By ANA HERNANDEZ

Approved By ROBERT J HEINLE

Signature \_\_\_\_\_

**Non Operator Approval**

DATE \_\_\_\_\_

COMPANY \_\_\_\_\_

BY \_\_\_\_\_

TITLE \_\_\_\_\_



XTO Energy Inc.  
EMHC.W4.4A.541  
22777 Springwoods Village Pkwy  
Spring TX 77389-1425  
832-625-0095 - Direct Phone  
William\_davis@xtoenergy.com

June 6, 2019

Xplor Resources, LLC  
Attn: Mike Hyden  
1104 N. Shore Drive  
Carlsbad, NM 88220

RE: Big Eddy Unit  
Township 20 South – Range 31 East, NMPM  
Section 13: S/2  
Section 14: S/2  
Eddy County, New Mexico

Dear Mr. Hyden:

XTO Permian Operating, LLC ("XTO"), as Operator of the Big Eddy Unit ("BEU"), hereby proposes the drilling, completing and equipping the BEU 30E Jedi 102H well (the "Well") to test the Wolfcamp formation at an approximate true vertical depth of 10,715' and an approximate measured depth of 21,576'. The Well will be drilled at surface location located on the BEU Drill Island 30 being 1,065' FSL & 465' FEL of Section 14, T20S-R31E, and a bottom-hole location being 1,310' FSL and 200' FEL of Section 13, T20S-R31E, Eddy County, New Mexico. The S/2 of Section 13 and the S/2 of Section 14, T20S-R31E will be dedicated as the horizontal spacing unit ("HSU") for the Well. The estimated spud date of the well is August 1, 2019.

Enclosed, please find the following:

- Copies of the Big Eddy Unit Agreement and Unit Operating Agreement.
- Two (2) originals of Consent and Ratification of the Big Eddy Unit Agreement.
- Two originals of Authority for Expenditure (AFE) reflecting XTO's estimated completed well cost for the Well. Xplor's estimated working interest in the Well is 2.08333% and *Note: this is only an estimate and actual costs may be more or less than this AFE.*
- Form C-102 for the Well.

XTO hereby requests Xplor Resources, LLC ("Xplor") agree to commit its leasehold interest in the NW/4SE/4 of Section 13, T20S-R31E, to the BEU and participate in drilling, completing and equipping the Well.



Xplor Resources, LLC

June 6, 2019

Page 2


Should Xplor elect not to ratify the BEU, XTO proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the Wolfcamp and Bone Spring formations underlying the HSU. A modified 1989 AAPL Model Form Operating Agreement covering the WIU will govern the drilling of the Well with the following general provisions:

- 100%/300%/300% non-consent penalties.
- Drilling and Producing rates of \$7,500/\$750.
- XTO named as Operator.

If Xplor does not wish to participate in the Well, XTO proposes to acquire an assignment of your leasehold interest for \$2,500 per net acre with Xplor retaining an overriding royalty interest equal to the difference in existing lease burdens and 25%.

Please indicate your election to this proposal on the attached Ballot and return a signed copy at our earliest convenience. If we do not receive an election from Xplor or come to some other mutual agreement, XTO will apply to the New Mexico Oil Conservation Division for a compulsory pooling order covering the HSU for the well. Should you have any questions regarding this proposal, I can be contacted at the letterhead telephone number and/or email address.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Greg Davis", is written over a horizontal line.

W. Greg Davis  
Land Representative

Enclosures

## WELL ELECTION BALLOT

**Please indicate your election by checking the appropriate box(s):**

(    ) Xplor hereby elects to participate in the proposed BEU 30E Jedi 102H by returning a signed AFE.

(    ) Xplor hereby elects **not** to participate in the proposed BEU 30E Jedi 102H.

**If electing to participate:**

(    ) Xplor hereby elects to commit its leasehold interest to the BEU by returning a signed Consent and Ratification of Big Eddy Unit Agreement.

(    ) Xplor hereby elects to commit its leasehold interest to the WIU.

**XPLOR RESOURCES, LLC**

By: \_\_\_\_\_  
Mike Hyden

Title: \_\_\_\_\_



**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFF NO.	1902559	DISTRICT	DELAWARE
AFF DESC	D&C IN 3RD BONE SPRING	FIELD	WILDCAT
DATE	04/08/2019	ACCOUNTING ID	2197801001
AFF TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30L JLDI 10211
OPERATOR	99994331 - XTO ENERGY INC -RU4331	STATE/COUNTY	New Mexico Eddy
SURVEY ABSTRACT		XTO WT DECIMAL	0.999900000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex V Gd Part_Wellhead Drilling	15,000.00	0.00	0.00	0.00	15,000.00
Ex V Gd Part_Wellhead Completion	0.00	20,000.00	0.00	0.00	20,000.00
Ex V Gd Part_WellCasing Surface	78,000.00	0.00	0.00	0.00	78,000.00
Ex V Gd Part_WellCasing Intermediate	224,000.00	0.00	0.00	0.00	224,000.00
Ex V Gd Part_WellCasing Production Liner	0.00	461,000.00	0.00	0.00	461,000.00
EX V.GD.PART_WELLCASING.OTHER	50,000.00	0.00	0.00	0.00	50,000.00
Ex V.Gd.Part_WellFlowLn,Main	0.00	90,000.00	0.00	0.00	90,000.00
Ex V.Gd.Part_WellTubing_XTOWellwork	0.00	80,000.00	0.00	0.00	80,000.00
Ex V.Gd.Part_DrillBit	84,000.00	0.00	0.00	0.00	84,000.00
Ex V.Gd.Part_DrillMud	273,000.00	0.00	0.00	0.00	273,000.00
Ex V Gd.Part_OthDownholeCompletionFqpXTOWell	0.00	75,000.00	0.00	0.00	75,000.00
Ex V Gd Part_ArtLift Downhole XTOWellwork	0.00	140,000.00	0.00	0.00	140,000.00
Ex V.Gd Part_ArtLift,Surf Gas Lift	0.00	120,000.00	0.00	0.00	120,000.00
EX V.GD.PART_INSTRMATS.AUTOMATION	0.00	30,000.00	0.00	0.00	30,000.00
Ex V.Gd Suppl.Clothing&OthRel.Safety.NonWellwork	42,000.00	0.00	0.00	0.00	42,000.00
Ex V Fuel,Purch_Othr	210,000.00	0.00	0.00	0.00	210,000.00
Ex V.Rnt&Lse,Op Eq.DrillEqp,ExMobl&Demob,M	1,227,000.00	25,000.00	0.00	0.00	1,252,000.00
Ex V.Rnt&Lse,Op Eq.Misc_Oth RentSubSurfWithOp	63,000.00	0.00	0.00	0.00	63,000.00
Ex V.Rnt&Lse,Op Eq.Misc_Oth RentSurfWithOper	126,000.00	280,000.00	0.00	0.00	406,000.00
Ex V.Rnt&Lse,Op Eq Misc_Oth Frac Tanks	0.00	35,000.00	0.00	0.00	35,000.00
Ex V Contract Labor Technical	0.00	20,000.00	0.00	0.00	20,000.00
Ex V Contract Labor Fabrication	74,000.00	0.00	0.00	0.00	74,000.00
Ex V.Srv G&G EMOp.Well,oggCasedHole	0.00	360,000.00	0.00	0.00	360,000.00
Ex V Srv LandOverhead BrokerFee	10,000.00	0.00	0.00	0.00	10,000.00
Ex V Srv Eng_O&GWellDrill	285,000.00	70,000.00	0.00	0.00	355,000.00
Ex V Srv Site_SitePrep CompletionDressLoc	75,000.00	0.00	0.00	0.00	75,000.00
Ex V Srv Trans M&S&Fq NonMar_Land&Cour	63,000.00	25,000.00	0.00	0.00	88,000.00
Ex V.Srv WasteMgmt_Oth Drilling Fluid	0.00	250,000.00	0.00	0.00	250,000.00
Ex V.Srv WasteMgmt_Oth Drilling Fluid	252,000.00	0.00	0.00	0.00	252,000.00
Ex V.Srv WasteMgmt_Oth Flowback	0.00	150,000.00	0.00	0.00	150,000.00
Ex V.Srv WasteMgmt_Oth Water Transfer	0.00	125,000.00	0.00	0.00	125,000.00
Ex V Srv WasteMgmt_Oth.ComplFluidTrnsf	0.00	525,000.00	0.00	0.00	525,000.00
Ex V Srv O&GWell Cementing Surf Intermed	170,000.00	0.00	0.00	0.00	170,000.00
Ex V Srv O&GWell Cementing Production Casing	0.00	130,000.00	0.00	0.00	130,000.00
Ex V Srv O&GWell WellStimulation Pumping	0.00	3,231,000.00	0.00	0.00	3,231,000.00
Ex V Srv O&GWell WellStimulation Frac Pit	0.00	50,000.00	0.00	0.00	50,000.00
Ex V Srv O&GWell Oth_DrillZoneProtection	0.00	25,000.00	0.00	0.00	25,000.00
Ex V Srv O&GWell DirectionalDrill	380,000.00	0.00	0.00	0.00	380,000.00



**XTO ENERGY INC.**  
**AUTHORITY FOR EXPENDITURE**

AFE NO	1902559	DISTRICT	DELAWARE
AFE DESC	D&C IN 3RD BONE SPRING	FIELD	WILDCAT
DATE	04/08/2019	ACCOUNTING ID	2197801001
AFE TYPE	DEVELOPMENT DRILLING	WELL NAME	BIG EDDY UNIT 30E JED1 10211
OPERATOR	99994331 - XTO ENERGY INC -RU4331	STATE/COUNTY	New Mexico - Eddy
SURVEY ABSTRACT		XTO WI DECIMAL	0.999900000

DETAIL OF EXPENDITURES	DRY/HOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
Ex.V.Srv.O&GWell,MudLogging	38,000.00	0.00	0.00	0.00	38,000.00
Ex.V.Srv.O&GWell,Casing,Surf Int	50,000.00	0.00	0.00	0.00	50,000.00
Ex.V.Srv.O&GWell,Casing,Production	0.00	15,000.00	0.00	0.00	15,000.00
Ex.V.Srv.O&GWell Completion	0.00	250,000.00	0.00	0.00	250,000.00
Ex.E.O&GIVOvrd CombinedFxdRate,FieldOps,Dril	0.00	10,000.00	0.00	0.00	10,000.00
<b>TOTAL:</b>	<b>3,789,000.00</b>	<b>6,592,000.00</b>	<b>0.00</b>		<b>10,381,000.00</b>

<b>TOTAL THIS AFE:</b>	<b>3,789,000.00</b>	<b>6,592,000.00</b>	<b>10,381,000.00</b>
------------------------	---------------------	---------------------	----------------------

\*\*\* 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 2 MILE LATERAL IN THE 3RD BONE SPRING. THE SUBJECT WELL WILL BE DRILLED TO A TD OF -21570' MD 10504' TVD WITH RF 5-1/2" CASING WILL BE CEMENTED IN PLACE. DRILLING COSTS BASED ON 42 SPUD TO RR WITH A 7 DAY RIG MOVE.

		Non Operator Approval	
Prepared By	ANA HERNANDEZ	DATE	_____
Approved By	ROBERT J HEINLE	COMPANY	_____
Signature	_____	BY	_____
		TITLE	_____

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

**APPLICATION OF XTO ENERGY INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 20687 and 20695**

**AFFIDAVIT OF MICHAEL WILLIAMS  
IN SUPPORT OF CASE NOS. 20635 AND 20636**

Michael Williams, of lawful age and being first duly sworn, declares as follows:

1. My name is Michael Williams. I work for XTO Energy Inc. ("XTO") as a geologist.
2. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. I graduated from the Texas Tech University with a B.S. in Geology in 2010 and the University of Oklahoma with a M.S. in Geology in 2013. Since 2013, I have worked with XTO as a Geologist in the Permian Basin. I have been a member of the American Association of Petroleum Geologist since 2012. I seek to have my credentials accepted by the Division as an expert in petroleum geology.
3. I am familiar with the applications filed by XTO in these cases and I have conducted a geologic study of the targeted Bone Spring and Wolfcamp formations underlying the subject acreage.
4. XTO is targeting the Bone Spring formation with its proposed **Big Eddy Unit 30E Anakin #203H, Big Eddy Unit 30E Qui-Gon #102H, Big Eddy Unit**

**30E Rey #102H wells and Big Eddy Unit 30E Obi-Wan #102H**, and the Wolfcamp formation with its proposed **Big Eddy Unit 30E Jedi #102H Well**.

5. **XTO Exhibit No. B-1** is a structure map, with a 25' contour interval, that I prepared for the Third Bone Spring Lime that is representative of the targeted intervals within the Bone Spring formation. The proposed wellbores are depicted by a single red line. The structure map shows that the formations under this acreage are gently dipping to the east at approximately 89.6 degrees. The Third Bone Spring Lime formation top (sub-sea true vertical depth) data point utilized to construct the structure map has been posted in red adjacent to the corresponding wells. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted Bone Spring intervals with a horizontal well in this area.

6. **XTO Exhibit No. B-2** is a structure map, with a 25' contour interval, that I prepared for the Wolfcamp that is representative of the targeted intervals within the Wolfcamp formation. The proposed wellbore is depicted by a single red line. The structure map shows that the formations under this acreage are gently dipping to the east at approximately 89.8 degrees. The Wolfcamp formation top (sub-sea true vertical depth) data point utilized to construct the structure map has been posted in red adjacent to the corresponding wells. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted Wolfcamp intervals with a horizontal well in this area.

7. **XTO Exhibit No. B-3** is a locator map displaying a cross-section line in blue consisting of three wells penetrating the Bone Spring and Wolfcamp formations that

I used to construct a stratigraphic cross-section A-A'. I consider these wells to be representative of the geology in the area.

8. **XTO Exhibit No. B-4** is a stratigraphic cross section using the representative wells depicted on Exhibit B-3. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target intervals are labeled on the exhibit and the cross-section demonstrates the likelihood that the targeted intervals extend across the proposed unit.

9. Using the log for the BEU 14 Fed 1 SWD in Section 14, I have created additional exhibits for each target zone that show the gamma ray, resistivity and porosity logs in more detail:

- a. **XTO Exhibit B-5** shows that the Lower Avalon Shale target zone for the proposed Big Eddy Unit 30E Anakin 203H well likely extends across the proposed unit.
- b. **XTO Exhibit B-6** shows that that the Third Bone Spring Shale target interval for the proposed 30 E Qui-Gon 102H well likely extends across the proposed unit.
- c. **XTO Exhibit B-7** shows that the Harkey Sand target interval for the proposed Big Eddy Unit 30E Rey #102H well likely extends across the proposed unit.
- d. **XTO Exhibit B-8** shows that the Third Bone Spring Sand target interval for the proposed Big Eddy Unit 30E Obi-Wan #102H well likely extends across the proposed unit.
- e. **XTO Exhibit B-9** shows that the Wolfcamp XY Sand target interval for the proposed Big Eddy Unit 30E Jedi #102H well likely extends across the proposed unit.

10. In my opinion, the laydown orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

11. Based on my geologic study, the Bone Spring and Wolfcamp formations underlying the subject area, including the targeted intervals of these formations, are suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will contribute more-or-less equally to the production from the wellbores.

12. In my opinion, the granting of XTO's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.


13. XTO Exhibit Nos. B-1 through B-9 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

  
MICHAEL WILLIAMS

STATE OF TEXAS                   )  
  )  
COUNTY OF HARRIS            )

SUBSCRIBED and SWORN to before me this 2nd day of August, 2019 by Michael Williams.

  
NOTARY PUBLIC

My Commission Expires:

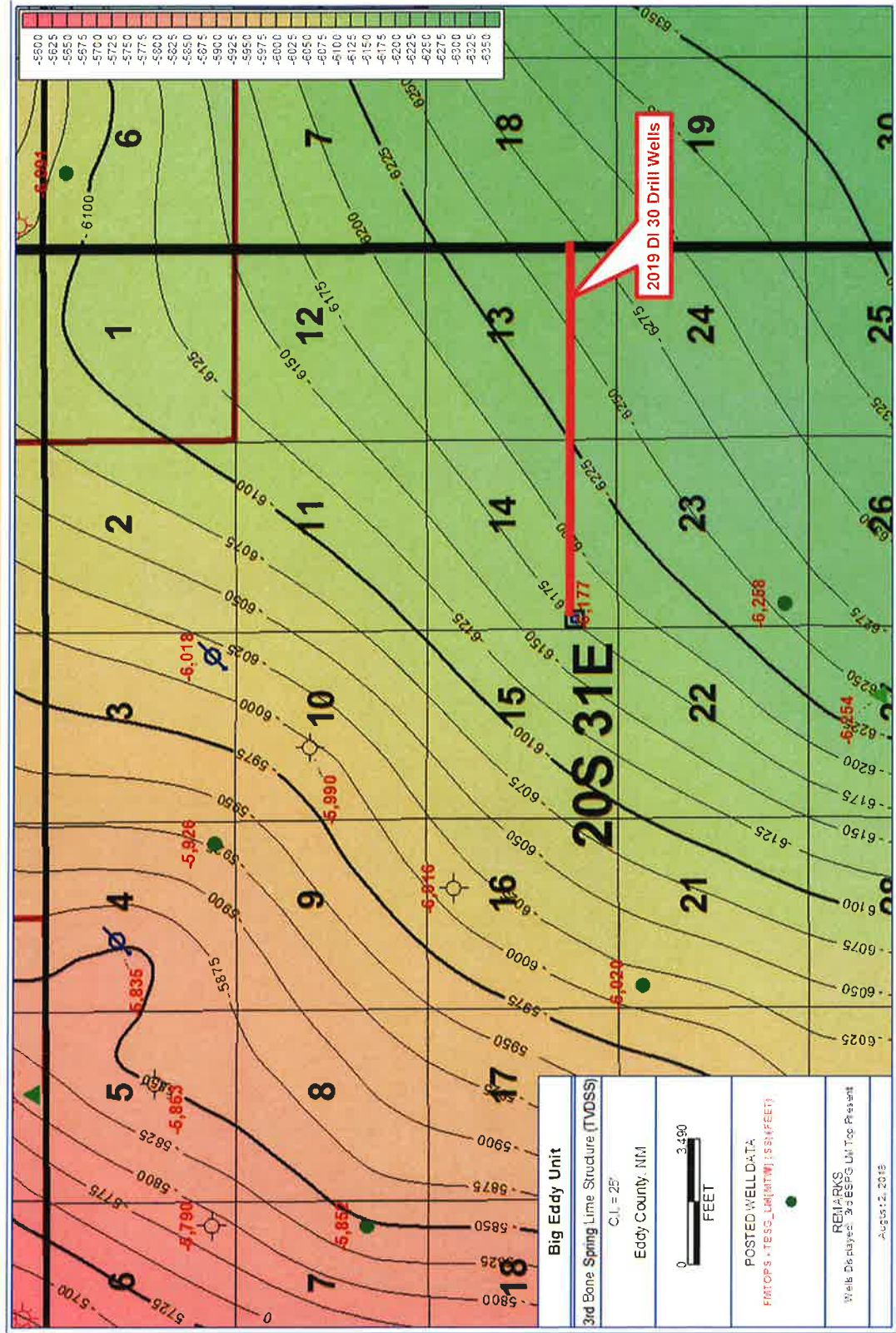
11-28-2021







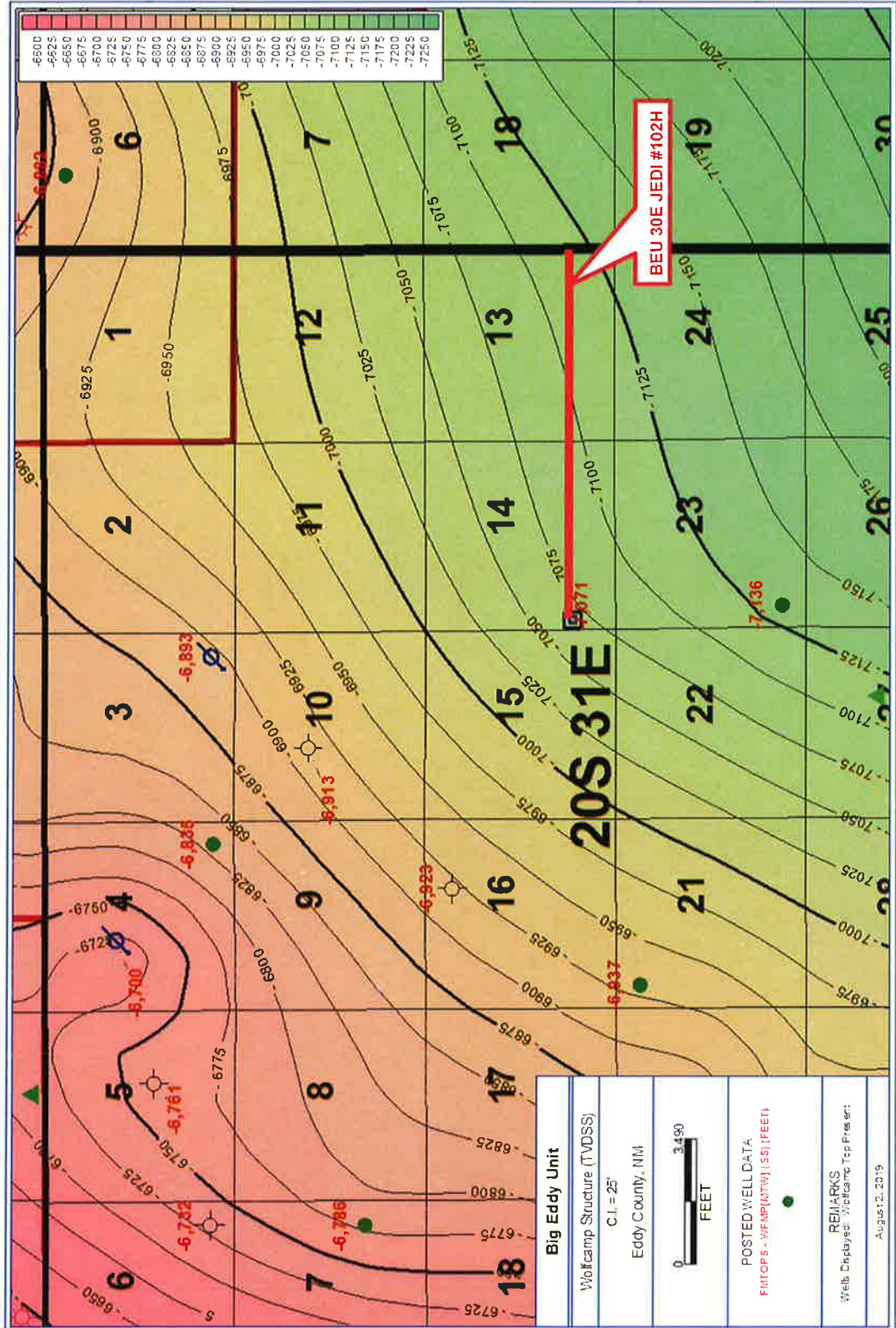
# Third Bone Spring Lime Structure Map (TVDSS)



An ExxonMobil Subsidiary



# Wolfcamp Structure Map (TVDSS)



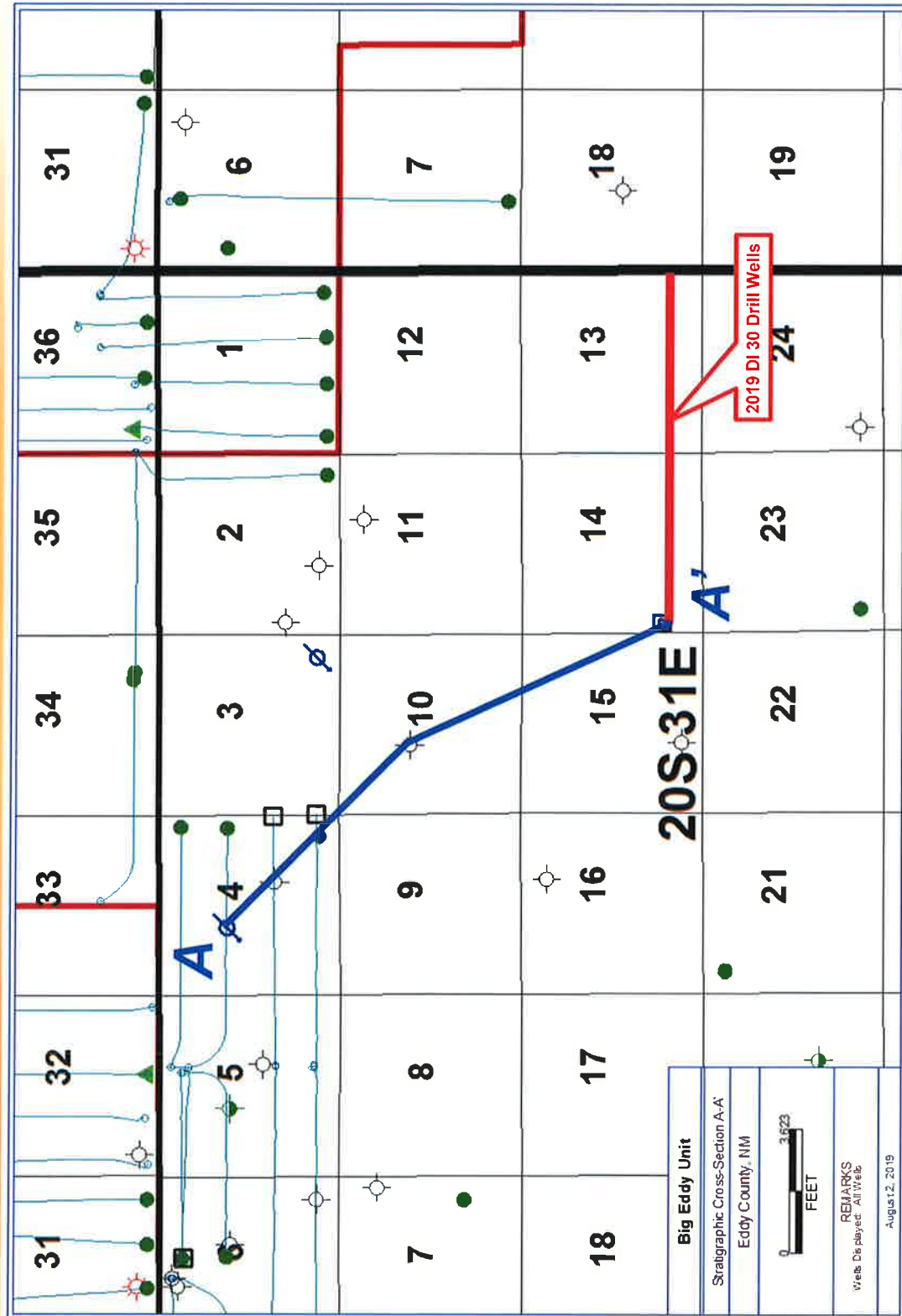
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-2  
 Submitted by: XTO Energy Inc.  
 Hearing Date: August 8, 2019  
 Case # 20687 & 20695

An ExxonMobil Subsidiary





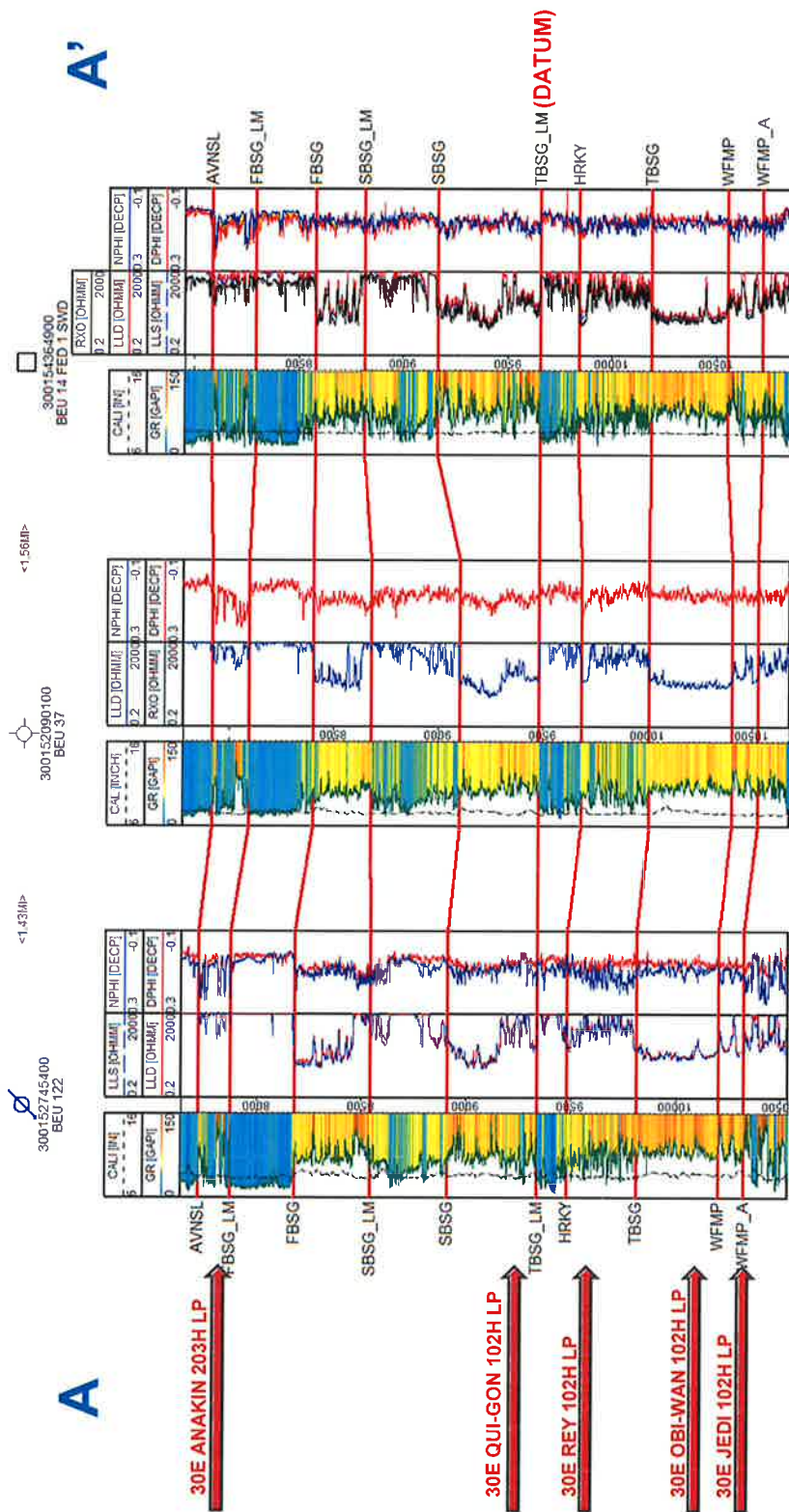
# Stratigraphic Cross-Section Locator Map



An ExxonMobil Subsidiary

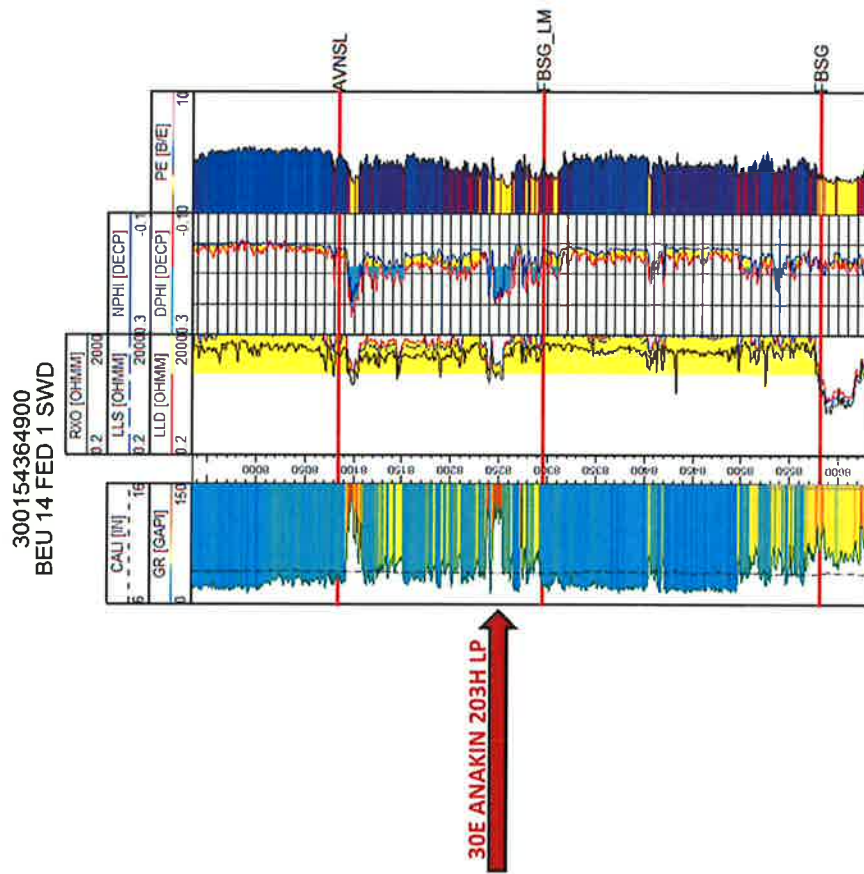


# Stratigraphic Cross-Section A-A'





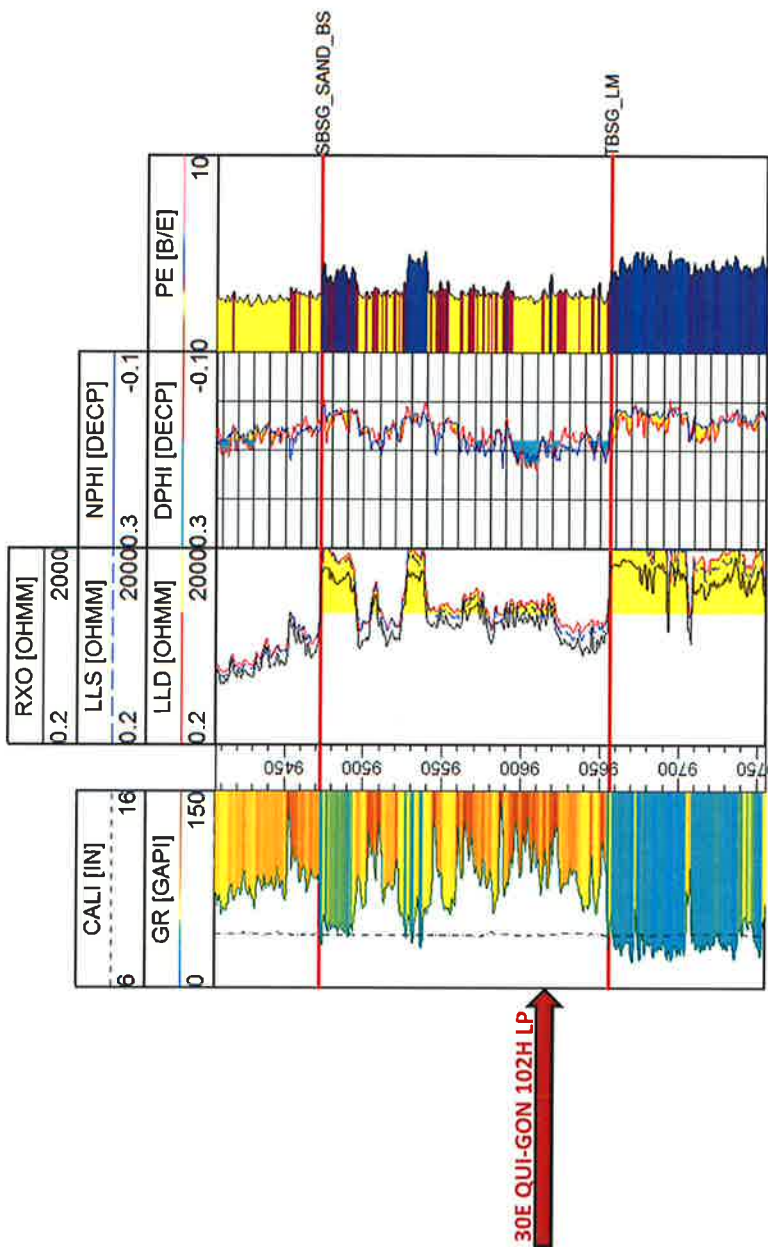
## Lower Avalon Shale Target





# Third Bone Spring Shale Target

300154364900  
BEU 14 FED 1 SWD

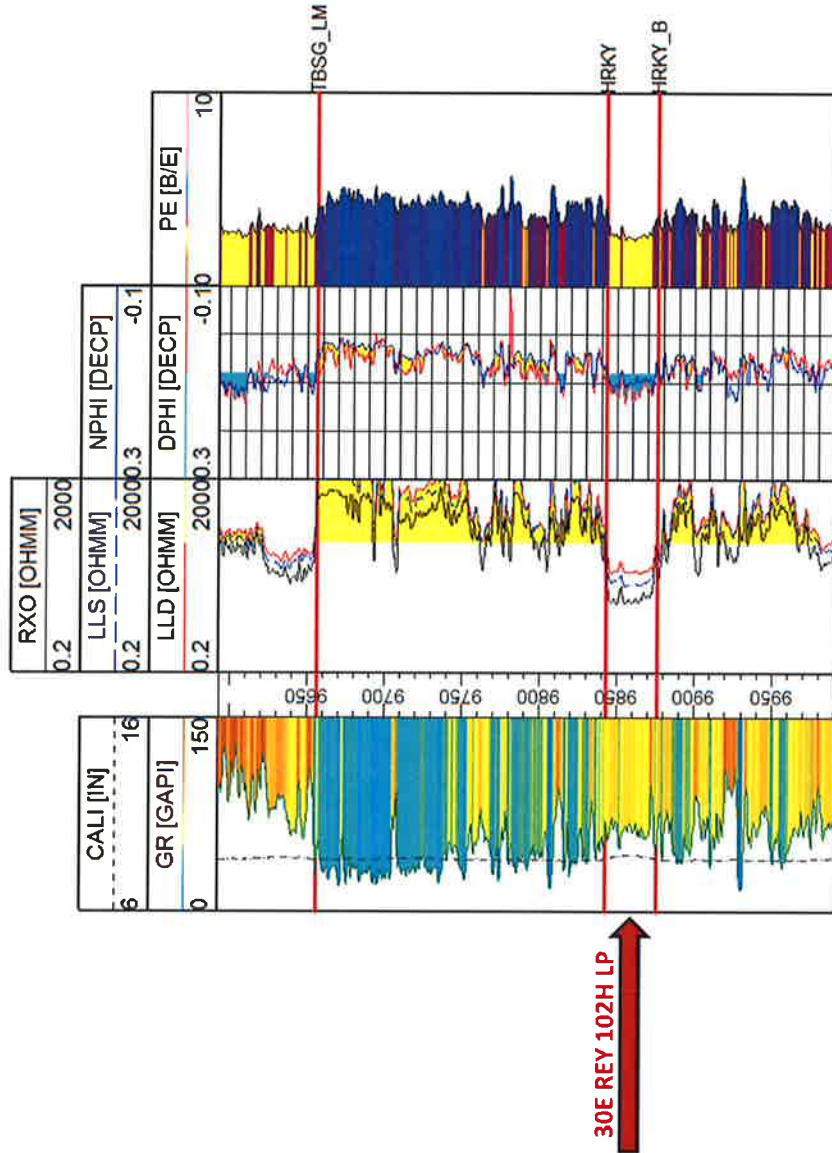






# Harkey Sand Target

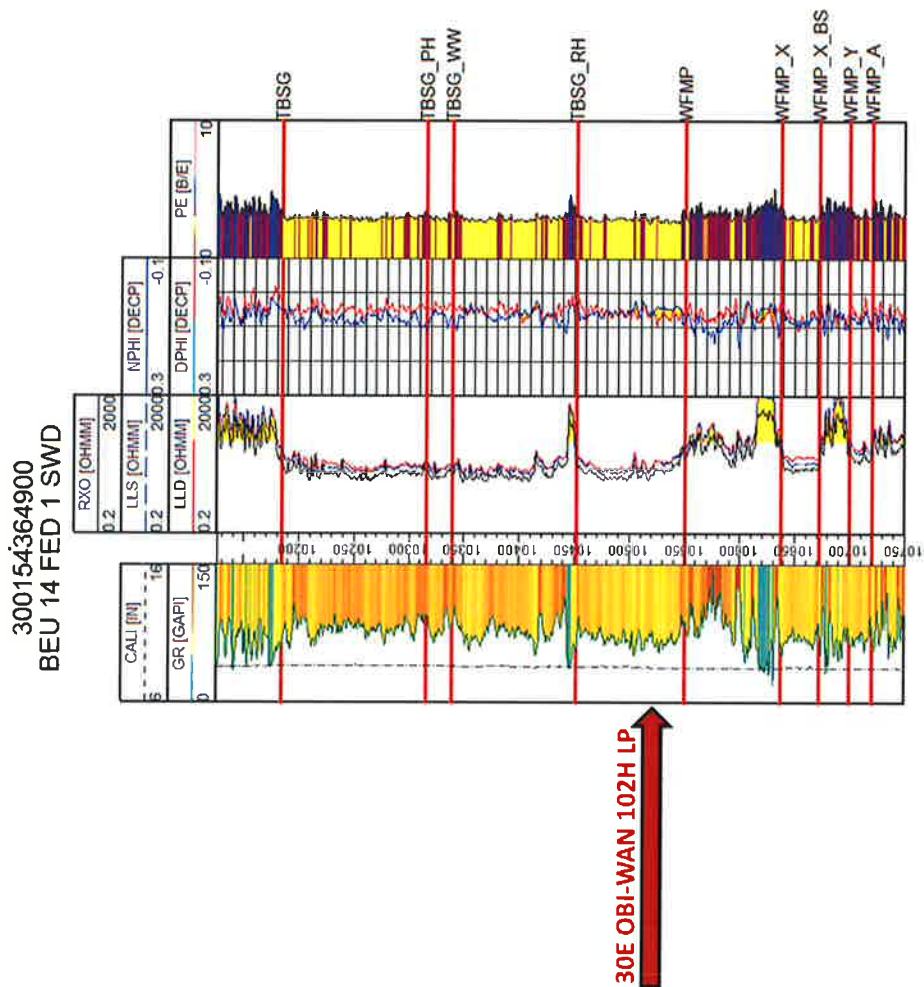
300154364900  
BEU 14 FED 1 SWD



An ExxonMobil Subsidiary



# Third Bone Spring Sand Target

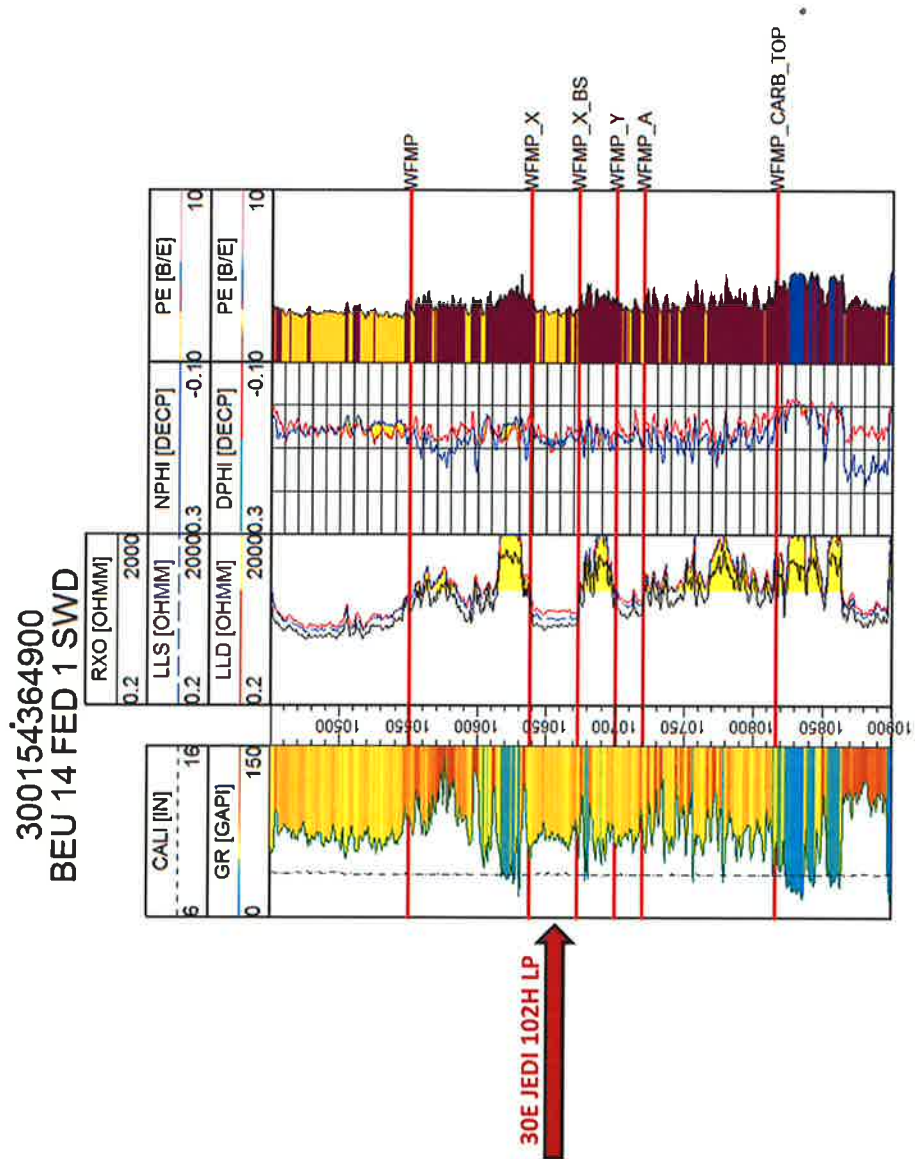


An ExxonMobil Subsidiary





# Wolfcamp XY Sand Target



An ExxonMobil Subsidiary

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

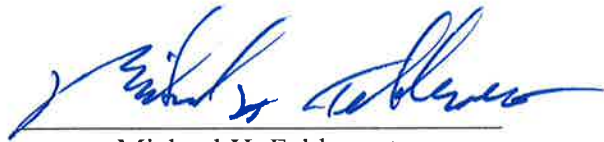
**APPLICATION OF XTO ENERGY INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 20687 & 20695**

**AFFIDAVIT**

STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE   )

Michael H. Feldewert, attorney in fact and authorized representative of XTO Energy Inc., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

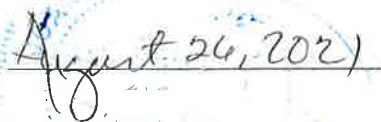


Michael H. Feldewert

SUBSCRIBED AND SWORN to before me this 7th day of August, 2019 by Michael H. Feldewert.

  
Notary Public

My Commission Expires:





**Michael H. Feldewert**  
Recognized Specialist in the  
Area of Natural Resources –  
Oil and Gas Law – New Mexico Board  
of Legal Specification  
mfeldewert@hollandhart.com

July 17, 2019

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL POOLED PARTIES**

**Re: Application of XTO Energy Inc. for Compulsory Pooling, Eddy County, New Mexico.**

**Big Eddy Unit 30E Rey #102H Well**

**Big Eddy Unit 30E Obi-Wan #102H Well**

**Big Eddy Unit 30E Qui-Gon #102H Well**

**Big Eddy Unit 30E Anakin #203H Well**

Ladies & Gentlemen:

This letter is to advise you that XTO Energy Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 8, 2019, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact W. Greg Davis, at (832) 625-0095 or [William\\_Davis@xtoenergy.com](mailto:William_Davis@xtoenergy.com).

Sincerely,

Michael H. Feldewert

**ATTORNEY FOR XTO ENERGY INC.**

HOLLAND & HART



**Michael H. Feldewert**  
Recognized Specialist in the  
Area of Natural Resources –  
Oil and Gas Law – New Mexico Board  
of Legal Specification  
mfeldewert@hollandhart.com

July 17, 2019

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL POOLED PARTIES**

**Re: Application of XTO Energy Inc. for Compulsory Pooling, Eddy County, New Mexico.**  
**Big Eddy Unit 30E Jedi #102H Well**

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If you have any questions about this matter please contact W. Greg Davis, at (832) 625-0095 or [William\\_Davis@xtoenergy.com](mailto:William_Davis@xtoenergy.com).

Sincerely,

Michael H. Feldewert

**ATTORNEY FOR XTO ENERGY INC.**

\$ 5.60 x 2 = \$11.20



## Shipment Confirmation Acceptance Notice

### A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

XTO/BEU30E Rey 102H, Obi-Wan 102H, Qui-Gon 102H,  
Anakin 203H, Jedi 102H  
Case Nos. 20687 & 20695  
CM# 51206.0041

Shipment Date: 07/16/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

### B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
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5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0015 7188 21





## Firm Mailing Book For Accountable Mail

[illegible]

Postal Delivery Report  
XTO - BEU Rey 102H, Obi-Wan 102H, Anakin 203H, and Jedi 102H  
Case Nos. 20687 20695

Tracking Number      Recipient

9214890194038386334197 Xplor Resources LLC Attn: Mike Hyden 1104 N Shoe Drive Carlsbad NM 88220  
9214890194038386334203 Leslie H Bates III 3345 Bailey Creek North Colliersville TN 38017

Status

Delivered Signature Received  
In-Transit

**AFFIDAVIT OF PUBLICATION**

Ad No.  
0001291880

HOLLAND & HART  
PO BOX 2208

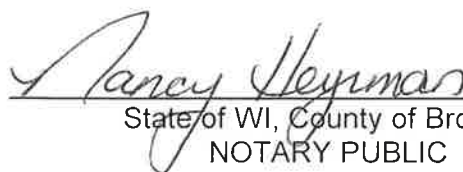
SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

07/21/19

  
Legal Clerk

Subscribed and sworn before me this  
22nd of July 2019.

  
State of WI, County of Brown  
NOTARY PUBLIC

5.15.23

My Commission Expires

Ad#:0001291880  
P O : Case No. 20687  
# of Affidavits :0.00

NANCY HEYRMAN  
Notary Public  
State of Wisconsin

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **August 8, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **July 29, 2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All overriding royalty interest owners and pooled parties, including: Xplor Resources LLC; Leslie H. Bates, III, his heirs and devisee**

**Case No. 20687: Application of XTO Energy Inc. 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 standard 640-acre, more or less, horizontal spacing unit comprised of the S/2 of Sections 13 and 14, Township 20 South, Range 31 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit will be dedicated to the following proposed wells:

- o The **Big Eddy Unit 30E Rey #102H Well** and the **Big Eddy Unit 30E Qui-Gon #102H Well**, both which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole location in the NE/4 SE/4 (Unit I) of Section 13.
- o The **Big Eddy Unit 30E Obi-Wan #102H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 14 to bottom hole location in the NE/4 SE/4 (Unit I) of Section 13.
- o The **Big Eddy Unit 30E Anakin #203H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section



14 to bottom hole location in the SE/4 SE/4 (Unit P) of Section 13.

The completed interval of the **Big Eddy Unit 30E Anakin #203H Well** will be within 330' of the quarter-quarter line separating the N/2 S/2 and the S/2 S/2 of Sections 13 and 14 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. 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 applicant as operator of the wells, and the imposition of a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles northeast of Carlsbad, New Mexico.

*July 21, 2019*

CARLSBAD  
**CURRENT-ARGUS**

**AFFIDAVIT OF PUBLICATION**

**Ad No.**  
**0001291868**

HOLLAND & HART  
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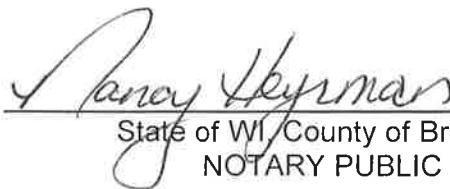
SANTA FE NM 87504

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My Commission Expires

NANCY HEYRMAN  
Notary Public  
State of Wisconsin

Ad#:0001291868  
P O : Case No. 20695  
# of Affidavits :0.00

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO**

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or claim in the following case  
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To:All overriding royalty interest owners and pooled parties, including: Xplor Resources LLC; Leslie H. Bates, III, his heirs and devisee**

**Case No. 20695:Application of XTO Energy Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the S/2 of Sections 13 and 14, Township 20 South, Range 31 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit will be dedicated to the proposed **Big Eddy Unit 30E Jedi #102H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole location in the SE/4 SE/4 (Unit P) of Section 13. The completed interval for the proposed **Big Eddy Unit 30E Jedi #102H Well** will be within 330' of the quarter-quarter line separating the N/2 S/2 and the S/2 N/2 of Sections 13 and 14 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the

well and the imposition of a 200% charge for risk involved in     ling said well. Said area is located approximately 20 miles northeast of Carlsbad, New Mexico.

*July 21, 2019*