

**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. _____

APPLICATION

XTO Energy Inc. ("XTO" or "Applicant") (OGRID No. 5380), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 1280-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 32, Township 24 South, Range 29 East, all of Section 5, and the N/2 of Section 8, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, XTO states:

1. Applicant is a working interest owner in the subject acreage and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Corral Canyon 8-32 Fed #161H well**, the **Corral Canyon 8-32 Fed #121H well**, the **Corral Canyon 8-32 Fed #102H well**, the **Corral Canyon 8-32 Fed #162H well**, the **Corral Canyon 8-32 Fed #122H well** to be drilled from common surface hole locations in NW/4 SW/4 (Unit L) of Section 8, to bottom hole locations in the NW/4 SW/4 (Unit L) Section 32.
- The **Corral Canyon 8-32 Fed #163H well**, the **Corral Canyon 8-32 Fed #103H well**, the **Corral Canyon 8-32 Fed #124H well**, the **Corral Canyon 8-32 Fed #104H well**, the **Corral Canyon 8-32 Fed #164H well** to be drilled from common surface hole locations in NE/4 SW/4 (Unit K) of Section 8, to bottom hole locations in the NE/4 SW/4 (Unit K) Section 32.

- The **Corral Canyon 8-32 Fed #125H well**, the **Corral Canyon 8-32 Fed #165H well**, the **Corral Canyon 8-32 Fed #105H well**, the **Corral Canyon 8-32 Fed #126H well**, the **Corral Canyon 8-32 Fed #166H well** to be drilled from common surface hole locations in NW/4 SE/4 (Unit J) of Section 8, to bottom hole locations in the NW/4 SE/4 (Unit J) Section 32.
- The **Corral Canyon 8-32 Fed #167H well**, the **Corral Canyon 8-32 Fed #127H well**, the **Corral Canyon 8-32 Fed #108H well**, the **Corral Canyon 8-32 Fed #168H well**, the **Corral Canyon 8-32 Fed #107H well** to be drilled from common surface hole locations in NE/4 NE/4 (Unit A) of Section 8, to bottom hole locations in the NE/4 SE/4 (Unit I) Section 32.

3. The completed interval for the proposed **Corral Canyon 8-32 Fed #104H well** will remain within 330 feet of the SE/4 of Section 32, the E/2 of Section 5, and the NE/4 of Section 8, to allow inclusion of these proximity tracts in a standard 1280-acre horizontal well spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 14, 2019, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;

- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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ATTORNEYS FOR XTO ENERGY INC.

CASE No. ____:

Application of XTO Energy Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 1280-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 32, Township 24 South, Range 29 East, all of Section 5, and the N/2 of Section 8, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

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The completed interval for the proposed **Corral Canyon 8-32 Fed #104H well** will remain within 330 feet of the SE/4 of Section 32, the E/2 of Section 5, and the NE/4 of Section 8, to allow inclusion of these proximity tracts in a standard 1280-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 6 miles southeast of Malaga, New Mexico.