

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

**APPLICATION OF XTO ENERGY INC.,
FOR APPROVAL OF STANDARD
HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

XTO Energy Inc., OGRID No. 005380 (“XTO” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a 769.28-acre, more or less, standard horizontal spacing unit (“HSU”) composed of the E/2 of Sections 20, 29, and 32, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico (the “Application Lands”), and (2) pooling all uncommitted mineral interests in the Wildcat G-03 S263016K; Bone Spring Pool [97863], designated as an oil pool, underlying said HSU.

In support of its Application, XTO states the following:

1. XTO and/or its affiliates are working interest owners in the Application Lands and have the right to drill the well(s) thereon as the designated Operator of the Application Lands.
2. XTO seeks to dedicate all of the Application Lands to form a 769.28-acre, more or less, HSU.
3. XTO seeks to dedicate the above-referenced HSU to the following proposed wells:
 - A. **Sophia 20 Federal Com 306H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, Township 26 South, Range 30 East, to a bottom hole location in the Wildcat G-03 S263016K; Bone Spring Pool in Lot 2 of Section 32, Township 26 South, Range 30 East;

B. **Sophia 20 Federal Com 308H** (API No. *Pending*), which is an oil well that will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, Township 26 South, Range 30 East, to a bottom hole location in the Wildcat G-03 S263016K; Bone Spring Pool in Lot 1 of Section 32, Township 26 East, Range 30 East;

4. The wells are orthodox in their locations as defined by 19.15.16.15.(C) NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15.C.(1)(a-b).

5. XTO has made good faith efforts to obtain voluntary agreement from all interest owners in the Wildcat G-03 S263016K; Bone Spring Pool underlying the proposed spacing unit, but has been unable to secure agreement from all parties to participate in the drilling of the wells or otherwise commit their interests.

6. The pooling of all interests in the Wildcat G-03 S263016K; Bone Spring Pool within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. To provide for its just and fair share of oil and gas underlying the Application Lands, XTO requests that all uncommitted interests in this HSU be pooled and that XTO be designated as the operator of the proposed horizontal wells and HSU.


WHEREFORE, XTO requests this Application be set for hearing on March 5, 2026, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Approving the horizontal well spacing unit and pooling all uncommitted interests in Wildcat G-03 S263016K; Bone Spring Pool underlying the HSU within the Application Lands;

- B. Approving the **Sophia 20 Federal Com 306H** and **Sophia 20 Federal Com 308H** as the initial wells for the HSU;
- C. Designating XTO as operator of the HSU and the horizontal wells to be drilled thereon;
- D. Authorizing XTO to recover its costs of drilling, completing, and equipping the wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by XTO in drilling, equipping, 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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Application of XTO Energy Inc., for Approving a Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 769.28-acre, more or less, standard horizontal spacing and proration unit composed of the E/2 of Sections 20, 29, and 32, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico and (2) pooling all uncommitted mineral interests in the Wildcat G-03 S263016K; Bone Spring formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the: **Sophia 20 Federal Com 306H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, Township 26 South, Range 30 East, to a bottom hole location in the Wildcat G-03 S263016K; Bone Spring Pool in Lot 2 of Section 32, Township 26 South, Range 30 East, and the **Sophia 20 Federal Com 308H** (API No. Pending), which is an oil well that will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, Township 26 South, Range 30 East, to a bottom hole location in the Wildcat G-03 S263016K; Bone Spring Pool in Lot 1 of Section 32, Township 26 East, Range 30 East. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks for the Wildcat G-03 S263016K; Bone Spring Pool. The well and lands are located approximately 16.10 miles southeast of Malaga, New Mexico.