



Cattle Baron #2H

Case #: 15805

BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING
November 30, 2017

An **ExxonMobil** Subsidiary

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

APPLICATION OF XTO ENERGY INC. TO
RE-OPEN CASE NO. 15805 TO REVISE THE
WELL NAME AND TO DEDICATE AN ADDITIONAL
INITIAL WELL TO THE NON-STANDARD SPACING AND
PRORATION UNIT UNDER THE TERMS OF ORDER R-14477,
EDDY COUNTY, NEW MEXICO.

CASE NO. 15805 (re-opened)

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

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

1. My name is Angie Repka and I am employed by XTO Energy Inc. ("XTO") in Fort Worth, Texas, as a Landman. I previously testified as an expert in petroleum land matters in Case No. 15805 that resulted in the issuance of pooling Order R-14477 on October 5, 2017. See **Attachment A**, Order No. R-14477.
2. Division Order R-14477 created a 239.62-acre, more or less, non-standard spacing and proration unit comprised of the W/2 E/2 of Section 6, Township 25 South, Range 29 East and the W/2 SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico and pooled the uncommitted interests in the Bone Spring formation (Willow Lake; Bone Spring, Southeast Pool (96217)) in this spacing and proration unit. This unit was to be dedicated to the Cattle Baron State Well No. 2H (API No. 30-015-44281). This well has not been drilled.
3. Paragraph 7, page 2 of Order No. R-14477 required XTO to rename the Cattle Baron State Well No. 2H to reflect that the Unit include portions of two state leases and one federal lease. XTO therefore seeks to amend Order No. R-14477 to reflect the revised well name as the **Cattle Baron Fed Com No. 2H Well**. See **Attachment B**, (revised C-102).
4. In addition, since the entry of Order No. R-14477, XTO has proposed an additional initial well to all interest owners in the spacing unit: the **Golden Corral Fed Com No. 2H Well**. See **Attachment C**, (well proposal letter for Golden Corral Fed Com No. 2H Well and attached AFE). This well will be pad-drilled and simultaneously completed with the initial well set forth in the pooling order.

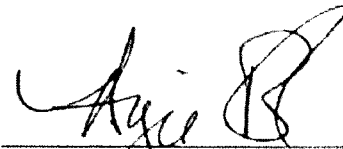
5. The **Golden Corral Fed Com No. 2H Well** is a horizontal well to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 25 South, Range 29 East, to a standard bottomhole location in the NW/4 SE/4 (Unit J) of Section 31, Township 24 South, Range 29 East. The completed interval will comply with the Statewide setback requirements. See **Attachment D**, (C-102 for **Golden Corral Fed Com No. 2H Well**).

6. Because the **Cattle Baron Fed Com No. 2H Well** and the **Golden Corral Fed Com No. 2H Well** will be pad-drilled and simultaneously completed, XTO seeks to amend Order No. R-14477 to dedicate an additional initial well to the Unit.

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

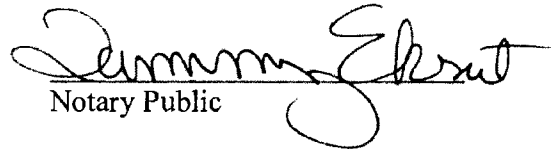
8. All other aspects of Order No. R-14477, including the spacing unit, the pool, and the interests of the parties to be pooled remain the same.

FURTHER AFFIANT SAYETH NOT.



Angie Repka

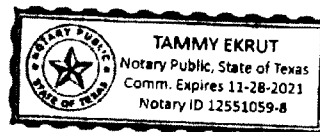
SUBSCRIBED AND SWORN before me on this 29th day of Nov, 2017.



Notary Public

My Commission Expires:

11-28-2021



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

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

**CASE NO. 15805
ORDER NO. R-14477**

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

ORDER OF THE DIVISION

BY THE DIVISION:

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

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

FINDS THAT:

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

(2) XTO Energy, Inc (the "Applicant") seeks approval of a 239.62-acre, more or less, non-standard oil spacing and proration unit and project area (the "Unit") for oil and gas production from the Bone Spring formation, Willow Lake; Bone Spring, Southeast Pool (Pool code 96217), comprising the W/2 E/2 of Section 6, Township 25 South, Range 29 East and the W/2 SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant further seeks an order pooling all uncommitted interests in the Unit for the Bone Spring formation.

(3) The Unit will be dedicated to Applicant's Cattle Baron State Well No. 2H (the "proposed well"; API No. 30-015-44281), a horizontal well to be drilled from a surface location 180 feet from the South line and 2010 feet from the East line (Unit O) of Section 6, Township 25 South, Range 29 East, to a bottom-hole location 2440 feet from the South line and 2010 feet from the East line (Unit J) of Section 31, Township 24 South, Range 29 East, NMPM. The location of the completed interval will be standard for this horizontal oil well within the Unit.

(4) The proposed well is within the Willow Lake; Bone Spring, Southeast Pool and for spacing and setback purposes is subject to Division Rule 19.15.15.9(A) NMAC, which provides for 330-foot setbacks from the unit boundaries and standard 40-acre units each comprising a governmental quarter-quarter section. The proposed Unit and project area consists of six adjacent quarter-quarter sections oriented south to north.

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

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

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

The Division concludes as follows:

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

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

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

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

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

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

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

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

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

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of XTO Energy, Inc, a 239.62-acre, more or less, non-standard oil spacing and proration unit and project area (the "Unit") is hereby established for oil and gas production from the Bone Spring formation, Willow Lake; Bone Spring, Southeast Pool (Pool code 96217), comprising the W/2 E/2 of Section 6, Township 25 South, Range 29 East and the W/2 SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

(3) The Unit shall be dedicated to Applicant's Cattle Baron State Well No. 2H (the "proposed well"; API No. 30-015-44281), a horizontal well to be drilled from a surface location 180 feet from the South line and 2010 feet from the East line (Unit O) of Section 6, Township 25 South, Range 29 East, to a bottom-hole location 2440 feet from the South

line and 2010 feet from the East line (Unit J) of Section 31, Township 24 South, Range 29 East, NMPM. The location of the completed interval will be standard for this horizontal oil well within the Unit.

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

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

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

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

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

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

(10) Within 30 days from the date the schedule of estimated well costs is furnished, any pooled working interest owner shall have the right to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

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

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

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

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

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

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

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

(17) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this Order. Any well costs or charges that are to be paid out of production shall be

withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

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

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

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "David R. Catanach".

DAVID R. CATANACH
Director

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

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, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

□ AMENDED REPORT

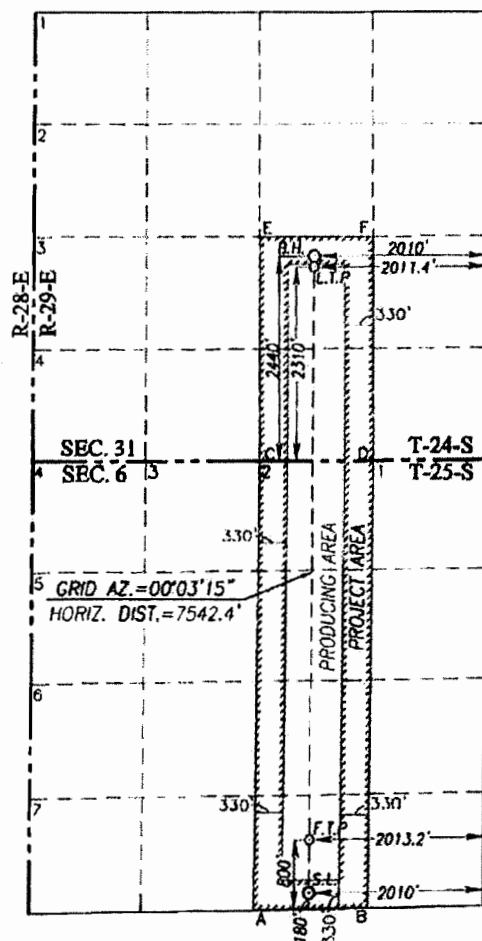
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44281	Pool Code 96217	Pool Name Willow Lake; Bone Spring
Property Code 317085	Property Name CATTLE BARON: Fedl Com	Well Number 2H
OGRID No. 005380	Operator Name XTO ENERGY	Elevation 2905'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	6	25-S	29-E		180	SOUTH	2010	EAST	EDDY

Bottom Hole Location If Different From Surface									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	24-S	29-E		2440	SOUTH	2010	EAST	EDDY
Dedicated Acres 239.62		Joint or Infill	Consolidation Code	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



SCALE: 1"=2000'	
GEODETIC COORDINATES NAD 83 NME BOTTOM HOLE LOCATION Y= 426881.6 N X= 637787.6 E LAT.=32.173191° N LONG.=104.021605° W LAST TAKE POINT NAD 83 NME Y= 426751.6 N X= 637787.4 E LAT.=32.172834° N LONG.=104.021607° W	GEODETIC COORDINATES NAD 27 NME BOTTOM HOLE LOCATION Y= 426823.1 N X= 596603.4 E LAT.=32.173068° N LONG.=104.021117° W LAST TAKE POINT NAD 27 NME Y= 426693.1 N X= 596603.3 E LAT.=32.172711° N LONG.=104.021118° W
CORNER COORDINATES TABLE NAD 27 NME A - Y= 419090.8 N, X= 595949.4 E B - Y= 419114.6 N, X= 597277.1 E C - Y= 424379.3 N, X= 595978.8 E D - Y= 424388.4 N, X= 597307.8 E E - Y= 427051.4 N, X= 595960.0 E F - Y= 427057.5 N, X= 597288.3 E	
CORNER COORDINATES TABLE NAD 83 NME A - Y= 419149.1 N, X= 637133.7 E B - Y= 419172.9 N, X= 638461.4 E C - Y= 424437.8 N, X= 637163.0 E D - Y= 424446.9 N, X= 638492.0 E E - Y= 427109.9 N, X= 637144.2 E F - Y= 427116.0 N, X= 638472.5 E	
FIRST TAKE POINT NAD 83 NME Y= 419960.7 N X= 637781.0 E LAT.=32.154167° N LONG.=104.021691° W	FIRST TAKE POINT NAD 27 NME Y= 419902.3 N X= 596596.7 E LAT.=32.154043° N LONG.=104.021203° W
SURFACE LOCATION NAD 83 NME Y=419340.8 N X=637780.4 E LAT.=32.152463° N LONG.=104.021699° W	SURFACE LOCATION NAD 27 NME Y=419282.4 N X=596596.1 E LAT.=32.152339° N LONG.=104.021211° W

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Stephanie Rabadue Date: 7/1/2017

Printed Name: Stephanie Rabadue

E-mail Address: stephanie_rabadue@xtoenergy.com

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from a geodetic or survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 3239

Signature & Seal of Professional Surveyor: Ronald J. Eidson

Certificate Number: Gary G. Eidson 12641
Ronald J. Eidson 3239

ACK REL W.O.: 17130472 FWSC W.O.: 17118573



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

VIA FEDERAL EXPRESS

September 19, 2017

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

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

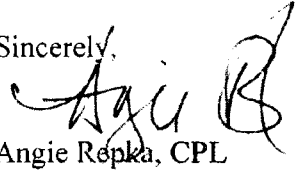
Dear Working Interest Owner:

XTO Energy Inc. hereby proposes the drilling of an approximate 8,473' TVD and 15,767' TMD well to test the Bone Spring formation at a surface location of 180' FSL and 1,980' FEL of Section 6, T25S-R29E and a bottom hole location of 2,440' FSL and 1,980' FEL of Section 31, T24S-29E, Eddy County, New Mexico. The proposed proration unit for this well is the W/2E/2 of Section 6, T25S-29E and W/2SE/4 of Section 31, T24S-29E, Eddy County, Mexico.

The approximate cost to drill this test is \$1,877,500.00 with a total completion cost of \$7,588,500.00 as evidenced on the enclosed Authority for Expenditure (AFE). Should you wish to participate with your interest, please sign the enclosed AFE and return to the undersigned. A Joint Operating Agreement using a \$7,500 drilling/ \$750 producing well rate will be sent for your execution.

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

Sincerely,


Angie Repka, CPL
Division Landman

Encl.

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

An ExxonMobil Subsidiary



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.:	1603780	DISTRICT:	PERMIAN BASIN
AFE DESC:	D&C HORZ IN 2ND BONE SPRING	FIELD:	CORRAL CANYON (NM)
DATE:	08/15/2016	ACCOUNTING ID:	22334
AFE TYPE:	DEVELOPMENT DRILLING	WELL NAME:	GOLDEN CORRAL FED 02H
OPERATOR:	81 - XTO ENERGY INC.	STATE/COUNTY:	New Mexico / Eddy
SURVEY/ABSTRACT:		XTO WI DECIMAL:	0.999999000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
FRAC FLUID/SW DISPOSAL	0.00	120,000.00	0.00	0.00	120,000.00
CMPL WATER TRANSFER SERVICE	0.00	110,000.00	0.00	0.00	110,000.00
TOTAL:		230,000.00	0.00		230,000.00
DRLG-DAYWK,FTG,& RIG MVG	609,000.00	0.00	0.00	0.00	609,000.00
COMPLETION RIG	0.00	37,000.00	0.00	0.00	37,000.00
CASING CREWS & LAYDOWN SERVICE	10,000.00	0.00	0.00	0.00	10,000.00
DIRECTIONAL TOOLS & SERVICES	200,000.00	0.00	0.00	0.00	200,000.00
ROADS AND LOCATION	50,000.00	0.00	0.00	0.00	50,000.00
DRILLING & COMPL FLUIDS & CHEM	150,000.00	0.00	0.00	0.00	150,000.00
SURF/INT CEMENT & SERVICE	40,000.00	0.00	0.00	0.00	40,000.00
BITS, MILLS & REAMERS	57,000.00	0.00	0.00	0.00	57,000.00
DRLG RENTALS: SUB-SURFACE	46,000.00	0.00	0.00	0.00	46,000.00
DRLG RENTALS: SURFACE	115,000.00	0.00	0.00	0.00	115,000.00
RIG FUEL, POWER & WATER	127,000.00	0.00	0.00	0.00	127,000.00
WELL LOGGING: CASED HOLE	0.00	180,000.00	0.00	0.00	180,000.00
STIMULATION & PUMPING SERVICES	0.00	3,573,000.00	0.00	0.00	3,573,000.00
DRILLING SUPERVISION	74,000.00	0.00	0.00	0.00	74,000.00
MUD LOGGER	23,000.00	0.00	0.00	0.00	23,000.00
MISC SUPPLIES	20,000.00	0.00	0.00	0.00	20,000.00
TITLE WORK/OPINIONS	18,000.00	0.00	0.00	0.00	18,000.00
DRILLING OVERHEAD	6,000.00	0.00	0.00	0.00	6,000.00
TRUCKING & HOT SHOT	25,000.00	0.00	0.00	0.00	25,000.00
FLUID HAULING, SOLIDS CTRL	183,000.00	0.00	0.00	0.00	183,000.00
COMPLETION SERVICES	0.00	200,000.00	0.00	0.00	200,000.00
FLOWBACK	0.00	100,000.00	0.00	0.00	100,000.00
FRAC TANKS	0.00	25,000.00	0.00	0.00	25,000.00
PROD CSG CEMENT & SERVICE	0.00	65,000.00	0.00	0.00	65,000.00
PROD CSG CREW/LAYDOWN SVS	0.00	12,000.00	0.00	0.00	12,000.00
CMPL RENTALS: SUB SURFACE	0.00	40,000.00	0.00	0.00	40,000.00
CMPL RENTALS: SURFACE	0.00	275,000.00	0.00	0.00	275,000.00
CMPL ENGR/SUPERVISION	0.00	45,000.00	0.00	0.00	45,000.00
CMPL TRUCKING & HOT SHOT	0.00	10,000.00	0.00	0.00	10,000.00
CMPL FISHING/REMEDIAL SVS	0.00	25,000.00	0.00	0.00	25,000.00
CMPL MISC LABOR	0.00	28,000.00	0.00	0.00	28,000.00
MISC LABOR/WELDING	23,000.00	0.00	0.00	0.00	23,000.00
CMPL FLUID/CHEM/TRANSP	0.00	340,000.00	0.00	0.00	340,000.00
COMPLETION BITS,SCRAPERS&MILLS	0.00	3,000.00	0.00	0.00	3,000.00
FRAC PIT	0.00	50,000.00	0.00	0.00	50,000.00



XTO ENERGY INC.
AUTHORITY FOR EXPENDITURE

AFE NO.: 1603780	DISTRICT: PERMIAN BASIN
AFE DESC: D&C HORIZ IN 2ND BONE SPRING	FIELD: CORRAL CANYON (NM)
DATE: 08/15/2016	ACCOUNTING ID: 22334
AFE TYPE: DEVELOPMENT DRILLING	WELL NAME: GOLDEN CORRAL FED 02H
OPERATOR: 81 - XTO ENERGY INC.	STATE/COUNTY: New Mexico / Eddy
SURVEY/ABSTRACT:	XTO WI DECIMAL: 0.999999000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP / TIE-IN	SUPPLEMENT	TOTAL
WIP-INTAN. DEVLPMT COST	1,776,000.00	5,008,000.00	0.00		6,784,000.00
CONDUCTOR PIPE	20,000.00	0.00	0.00	0.00	20,000.00
TUBING	0.00	65,000.00	0.00	0.00	65,000.00
WELLHEAD	9,500.00	0.00	0.00	0.00	9,500.00
LEASE AND FLOW LINES	0.00	40,000.00	0.00	0.00	40,000.00
PACKER & SUB-SURFACE EQUIPMENT	0.00	20,000.00	0.00	0.00	20,000.00
AUTOMATION EQUIPMENT	0.00	15,000.00	0.00	0.00	15,000.00
GAS LIFTS-SINGLE WELL	0.00	120,000.00	0.00	0.00	120,000.00
SURFACE CASING	20,000.00	0.00	0.00	0.00	20,000.00
INTERMEDIATE CASING	52,000.00	0.00	0.00	0.00	52,000.00
PRODUCTION/LINER CASING	0.00	198,000.00	0.00	0.00	198,000.00
TUBING HEAD/X-MAS TREE	0.00	15,000.00	0.00	0.00	15,000.00
WIP-Lease & Well Equip. TOTA	101,500.00	473,000.00	0.00		574,500.00
TOTAL THIS AFE:	1,877,500.00	5,711,000.00			7,588,500.00

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

REMARKS: D&C A 7.5K' HORIZONTAL IN SECOND BONE SPRINGS. THE GOLDEN CORRAL FEDERAL 2H WILL BE DRILLED TO A TD OF +/-15,767'MD/8,473'TVD WHERE 5-1/2" CASING WILL BE CEMENTED. DRILLING COSTS BASED ON 23 DAYS SPUD-RR WITH A 5 DAY RIG MOVE. WELL WILL THEN BE FRACTURE STIMULATED

Prepared By: <u>ROBIN ANDERSON</u>	<div style="border: 1px solid black; padding: 10px; text-align: center;"> Non Operator Approval </div> <div> DATE _____ COMPANY _____ BY _____ TITLE _____ </div>
Approved By: <u>KENDAL DECKER</u>	
Signature: _____	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-5161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

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, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

DAMENDED REPORT

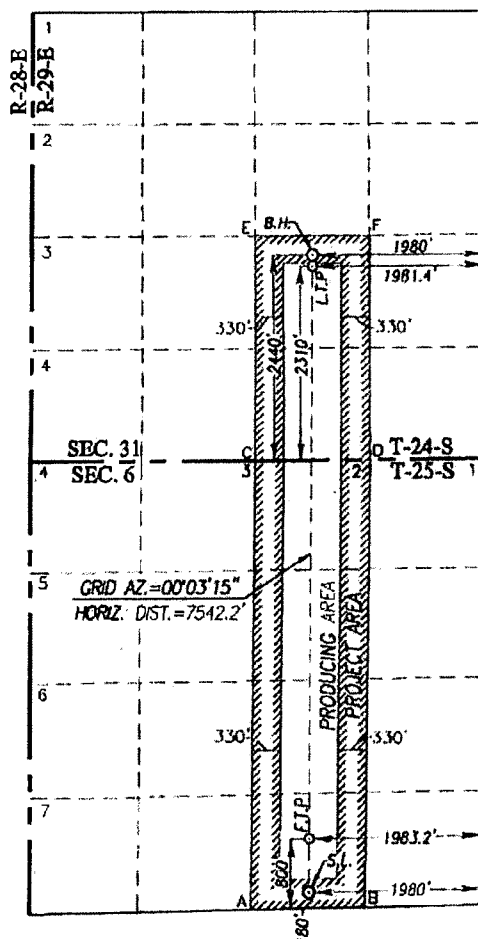
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-016-44277	Pool Code 960217	Pool Name Willow Lake; Bone Spring SE
Property Code 3150001	Property Name GOLDEN CORRAL Fed	Well Number 2H
OGRID No. 005380	Operator Name XTO ENERGY	Elevation 2905'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	6	25-S	29-E		180	SOUTH	1980	EAST	EDDY

Bottom Hole Location If Different From Surface									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	24-S	29-E		2440	SOUTH	1980	EAST	EDDY
Dedicated Acres 239.62		Joint or Infill	Consolidation Code	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



SCALE: 1"=2000'	
GEODETIC COORDINATES NAD 83 NME	GEODETIC COORDINATES NAD 27 NME
BOTTOM HOLE LOCATION Y= 426881.8 N X= 637817.5 E LAT.=32.173192° N LONG.=104.021508° W	BOTTOM HOLE LOCATION Y= 426823.3 N X= 596633.4 E LAT.=32.173069° N LONG.=104.021020° W
LAST TAKE POINT NAD 83 NME Y= 426751.8 N X= 637817.4 E LAT.=32.172834° N LONG.=104.021510° W	LAST TAKE POINT NAD 27 NME Y= 426693.3 N X= 596633.3 E LAT.=32.172711° N LONG.=104.021022° W
CORNER COORDINATES TABLE NAD 27 NME	
A - Y= 419090.8 N, X= 595949.4 E	B - Y= 419114.6 N, X= 597277.1 E
C - Y= 424379.3 N, X= 595978.8 E	D - Y= 424388.4 N, X= 597307.8 E
E - Y= 427051.4 N, X= 595960.0 E	F - Y= 427057.5 N, X= 597288.3 E
CORNER COORDINATES TABLE NAD 83 NME	
A - Y= 419149.1 N, X= 637133.7 E	B - Y= 419172.9 N, X= 638461.4 E
C - Y= 424437.8 N, X= 637163.0 E	D - Y= 424446.9 N, X= 638492.0 E
E - Y= 427109.9 N, X= 637144.2 E	F - Y= 427116.0 N, X= 638472.5 E
FIRST TAKE POINT NAD 83 NME Y= 419961.2 N X= 637811.0 E LAT.=32.154168° N LONG.=104.021594° W	FIRST TAKE POINT NAD 27 NME Y= 419902.9 N X= 596626.7 E LAT.=32.154045° N LONG.=104.021107° W
SURFACE LOCATION NAD 83 NME Y=419341.3 N X=637810.4 E LAT.=32.152464° N LONG.=104.021602° W	SURFACE LOCATION NAD 27 NME Y=419282.9 N X=596626.1 E LAT.=32.152340° N LONG.=104.021114° W

OPERATOR CERTIFICATION	
I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless stated otherwise 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
Signature <i>Stephanie Rabadue</i>	Date <i>11-1-17</i>
Printed Name <i>Stephanie Rabadue</i>	
E-mail Address <i>xtobenergy.com</i>	
SURVEYOR CERTIFICATION	
I hereby certify that the well location shown on this plat was plotted from field notes of a survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge.	
Date of Survey <i>06/09/2017</i>	3239
Signature <i>Ronald J. Eklund</i>	REGISTERED PROFESSIONAL SURVEYOR
Certificante Number <i>Gary G. Eklund 12641</i>	<i>Ronald J. Eklund 3239</i>
ACK. REG. W.O.:17190514	FWSC W.O.: 17110572

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

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

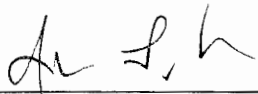
**APPLICATION OF XTO ENERGY INC. TO
RE-OPEN CASE NO. 15805 TO REVISE THE
WELL NAME AND TO DEDICATE AN ADDITIONAL
INITIAL WELL TO THE NON-STANDARD SPACING AND
PRORATION UNIT UNDER THE TERMS OF ORDER R-14477,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15805 (re-opened)

AFFIDAVIT

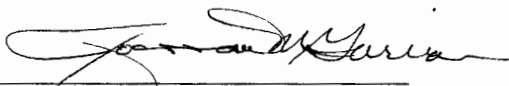
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Jordan L. Kessler, attorney in fact and authorized representative of XTO Energy Inc, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.



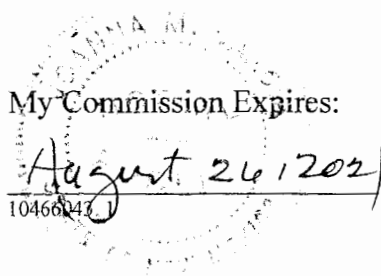
Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 29th day of November, 2017, by Jordan L. Kessler.



Notary Public

My Commission Expires:


August 26, 2021
10466247.1



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jlkessler@hollandhart.com

November 9, 2017

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: POOLED PARTIES

Re: Application of XTO Energy Inc. to revise the well name and to dedicate an additional initial well to the non-standard spacing and proration unit under the terms of Order R-14477, Eddy County, New Mexico.

Dear Sir or Madam:

This letter is to advise you that XTO Energy Inc., has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on November 30, 2017. The hearing will be held in Porter Hall in 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 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 Angie Repka, at (817) 885-2746 or Angie_Repka@xtoenergy.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. L. Kessler".

Jordan L. Kessler

ATTORNEY FOR XTO ENERGY INC.

Cattle Baron Fed Com No. 2H Well / Golden Corral Fed Com No. 2H Well
Pooled Parties (4)
Case No. 15805

Chevron USA, Inc.
P.O. Box 2100
Houston, TX 77252

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

I-43 Associates, Inc.
903 Douglas Ave.
Midland, TX 79701-5069

The Allar Company
P.O. Box 1567
Graham, TX 76450-7567

U.S. Postal Service®
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit usps.com

OFFICE
 Corral No. 2H Well / Golden
 Pooled Parties (4)
 Case No. 15805

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Chevron
P.O. Box 21001
Houston, TX 77252

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

U.S. Postal Service®
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit usps.com

OFFICE
 Corral No. 2H Well / Golden
 Pooled Parties (4)
 Case No. 15805

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

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

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:

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

2. Article Number (Transfer from service label)

7017 1450 0002 1697 3782

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Mail

☐ Mail Restricted Delivery

4. Is delivery address different from item address below: ☐ Yes ☐ No

5. Is delivery address different from item address below: ☐ Yes ☐ No

6. Signature ☐ Agent ☒ Addressee

7. Received by (Print Name) **Valerie Branson** Date of Delivery **07/11/2015**

8. U.S. POSTAL SERVICE CARLSBAD NM 88220

9. Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation

☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

PS Form 3811, July 2015 PSN 7530-02-000-9053

U.S. Postal Service[®] CERTIFIED MAIL[®] RECEIPT Domestic Mail Only

For delivery information, see PSN 7530-02-000-9053

OFFICIAL Cattle Baron No. 2H Well / Golden
Corral No. 2H Well

Certified Mail Fee \$ **0.35**

Extra Services & Fees (check box and fee in dollars and cents)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage \$

Sent **1-43 Associates, Inc.**

Street **903 Douglas Ave.**
City, State & ZIP+4[®] **Midland, TX 79701-5069**

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for instructions

U.S. Postal Service[®] CERTIFIED MAIL[®] RECEIPT Domestic Mail Only

For delivery information, see PSN 7530-02-000-9053

OFFICIAL Cattle Baron No. 2H Well / Golden
Corral No. 2H Well

Certified Mail Fee \$ **0.35**

Extra Services & Fees (check box and fee in dollars and cents)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$

Sent **The Allar Company**
Street **P.O. Box 1567**
City, State & ZIP+4[®] **Graham, TX 76450-7567**

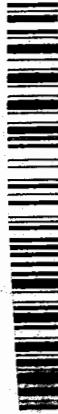
PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for instructions

SET

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

1-43 Associates, Inc.
903 Douglas Ave.
Midland, TX 79701-5069



9590 9402 3164 7166 5195 95

2. Article Number (Transfer from service label)

7017 1450 0002 1697 3775

PS Form 3811, July 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

- Article Addressed to:
- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

The Allar Company
P.O. Box 1567
Graham, TX 76450-7567



9590 9402 3164 7166 5195 88

2. Article Number (Transfer from service label)

7017 1450 0002 1697 3768

PS Form 3811, July 2015 PSN 7530-02-000-9053

THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
 B. Received by (Printed Name) **Melanie Barrett** C. Date of Delivery **11-13-17**
 D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail
☐ Mail Restricted Delivery
☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
Melanie Barrett
 B. Received by (Printed Name) **Melanie Barrett** C. Date of Delivery **11-13-17**
 D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail
☐ Mail Restricted Delivery
☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

November 15, 2017

**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 **November 30, 2017**, 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 **November 20, 2017**. 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 cases and notice to the public.

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

To: Chevron USA, Inc.; Scott & Valerie Branson, their heirs and devisees; I-43 Associates, Inc.; The

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 10
Submitted by: **XTO ENERGY**
Hearing Date: November 30, 2017

Allar Company.

Case No. 15805 (re-opened): Application of XTO Energy Inc. to revise the well name and to dedicate an additional initial well to the non-standard spacing and proration unit under the terms of Order R-14477, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-14477 to 1) revise the well name for the initial well; and 2) to dedicate an additional initial well to the spacing unit under the terms of compulsory pooling Order No. R-14477. The revised well name for the initial well will be the **Cattle Baron Fed Com No. 2H Well**. XTO further requests that the **Golden Corral Fed Com No. 2H Well** be dedicated to the non-standard spacing and proration unit as an additional initial well. The **Cattle Baron Fed Com No. 2H Well** and the **Golden Corral Fed Com No. 2H Well** will be pad-drilled and simultaneously completed. The **Golden Corral Fed Com No. 2H Well** is a horizontal well to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 25 South, Range 29 East, to a standard bottomhole location in the NW/4 SE/4 (Unit J) of Section 31, Township 24 South, Range 29 East. The completed interval will comply with the Statewide setback requirements. Said area is located approximately 6 miles southeast of Malaga, New Mexico.