

Corral Canyon Federal #13H & #14H

Case #s: 15664 & 15663

March 30, 2017

An **ExxonMobil** Subsidiary

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

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

CAMENDED REPORT

1220 K. St. Vrancis Dr., Phone: (505) 476-3460	Sents Po. NM 8 Pex: (505) 476-3	1462		TION A	NID ACDE	AGE DEDIC	A TO MOUTE	T	
1	Pl Number			Pool Code			Pool Nam	0	
30-015 Property C		93	9	10217	Property Nam	Mas led	se; Bone	Spring	56 Il Number
314131	ANGE			CORRA		, N FEDERAL	COM	1	13H
OGRID			-		Operator Main XTO ENER				levation 2912'
005381	<u> </u>	<u> </u>			Surface Locati				C912
UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
P	6	25-S	29-B	Bottom Hole	190 Location If Diffe	SOUTH	520	BAST	EDDY
UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	25-S	29-E		200	SOUTH	355	WEST	EDDY
Dedicated Acres	Joint or	r Infill Co	msolidation C	kode Orde	er No.				
320 NO ALLOWARIA W	TLL BR ASSICT	NED TO THIS CO	MPLETION U	VIII. ALL INTER	ESTE HAVE BEEN C	ONSOLIDATED OR A I	ON-STANDARD UNI	THAS BEEN APPROVE	D BY THE DIVISION
;			1	1	SEC. 5		1		
İ	SEC. 6	,			AZ.=131'59'14				
, i	•		SL 0 520	HOR	IZ. DIST.=1189.0)' ' 			
!	,		3 1	18.4		COORDONATES TABLE		ATOR CERTIFIC	
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SURFACE LOCAT		SURFACE LOC Y=419377.5	in F		E - Y=413	891.9 M, X=598615.0 (838.1 M. X=599942.2 (well at this	location pursuant to a con need or working interest, o	tract with an owner
X=598085.9 LAT.=32.152428	£ .	X=639270.1 LAT.=32.1525		4 1	6 - Y=408	550.6 M, X=598637.5 534.2 M, X=599882.3	pooling ag	menicul or a compulsory p entered by the division.	coultry order
LONG.=104,0163		LONG. = 104,016	884" W	· } [-]	SEC. 8-			company and establish	
i 1		i			1		Aten	Janu Roba	ชนย
FIRST TAKE PO		FIRST TAKE P		AREA	A - Y=410	140 83 NUC 172.9 M, X=638461.4 196.7 M, X=639789.2		^	Date
Y=418523.8 X=598969.6	N	Y=418582.2 X=840154.0	N		C - Y=419	187.0 M, X=641118.0 873.6 M. X=639789.0		vanuz ka	badue
LAT.=32.150235 LONG.=104.01354	5 N	LAT.=32.1903: ONG.=104.014	58" N		E - Y=413 F - Y=413	910.2 M, K=839789.5 198.4 M, X=841125.7	54.00	inia raha	41.0 Q
1		:	<u> </u>	PRODUCING PROJECT	G - 704081 H - Y=4081	508.8 M. X=639842.2 502.4 H. X=641187.0		detress	erall-com
	<u> </u>	:	- 1	1 1	i		SURY	EYOR CERTIFI	- 33
		LAST TAKE P	onur i		;	i	I boreby ce	rilly that the well location	shows so this plat
NAD 27 NINE		NAD 83 NI Y=408934.4	Æ		!	•	no or unde	l from Ocid actos of actual r my supervision, and that	
Y=408876.2 X=599010.3	ε	X=640194.9 LAT.=32.1238	E		AZ.=179'45'24	r	#40 CONTOC	to the best of my ballef. APRIL 2, 201	14
LAT.=32.123713 LONG.=104.01351		.ONG.=104.013			ZIZ. DIST.=9780.		Date of Su	rvey	
		, i			SEC. 17		Signature	& Seel at Professional	Surveyor:
	- SEC. 18	!			- SEC. IT			Son Mar	Q.
BOTTOM HOLE LOS	CATION B	OTTOM HOLE L			1				21
NAD 27 NME Y=408746.2		NAD 83 NI Y=408804.4	N	1_11	!	-		1039)	·····ntra
X=599010.9 LAT.=32.123358	E	X=640195.5 LAT.=32.12348					Loriz	1 order	A Fei Leois
LONG.= 104.01351		.ONG.=104.013		LT.	*	;	Certificate	Monber Clary Ck	12641 12641 1219
<u>4</u>	. 1		355	2		!		CHIMIS MANIENTE	PASC W.O.: IAILORY
<u></u>			B.M.	8 9			BEFO	RE THE OIL CON Santa Fe, N	

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. 1 Submitted by:

XTO ENERGY INC Hearing Date: March 30, 2017

Form	3160-5
(June	2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED	•
OMB NO. 1004-013	
Expires: January 31, 20) [

DOIGLAG OF EATID MANAGEMENT	11 11 19	TT 90 TT 10
SUNDRY NOTICES AND REPORTS ON	A COMPANY	HE CONTAN
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abandoned we	is form for proposals to (ii. Use form 3160-3 (APD	or to re-enter and of the such property and	tor Copy	fian, Allottes o	r Tribe Name
SUBMIT IN	TRIPLICATE - Other Insti	ructions on page 2	7. If Un	it or CA/Agree	ement, Name and/or No.
i. Type of Well Gas Well Otl	ner			Name and No. RAL CANYO	N FEDERAL COM 13H
Name of Operator XTO ENERGY INCORPORAT		STEPHANIE RABADUE abadue@xtoenergy.com		Well No.)15-43493-0	0-X1
3a. Address 500 W ILLINOIS STREET SU MIDLAND, TX 79701	ITE 100	3b. Phone No. (include area code) Ph: 432-620-6714	10. Fiel WIL	d and Pool or E LOW LAKE	Exploratory Area BONE SPRING, SE
4. Location of Well (Footage, Sec., 7	, R., M., or Survey Description)		11. Cou	inty or Parish,	State
Sec 6 T25S R29E SESE 1906	FSL 520FEL		EDO	DY COUNTY	, NM
12. CHECK THE AI	PPROPRIATE BOX(ES)	O INDICATE NATURE O	F NOTICE, REPOR	t, or oth	ER DATA
TYPE OF SUBMISSION		TYPE OF	ACTION		
	☐ Acidize	□ Deepen	Production (Star	(Resume)	☐ Water Shut-Off
⊠ Notice of Intent	☐ Alter Casing	☐ Hydraulic Fracturing	□ Reclamation		☐ Well Integrity
☐ Subsequent Report	Casing Repair	New Construction	Recomplete		S Other
Final Abandonment Notice	Change Plans	Plug and Abandon	☐ Temporarily Aba	andon	Change to Original A
	Convert to Injection	☐ Plug Back	☐ Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

XTO Energy, Inc respectfully requests the following changes to the original approved APD:

- Weil Name to: Corral Canyon Federal Com #13H.
 Producing Area: take points & bottom hole location.
 Casing & Cement Design.

An updated plat, drilling program and directional drill survey is attached.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

• • •	he foregoing is true and correct. Electronic Submission #360582 verifie For XTO ENERGY INCORPOI Committed to AFMSS for processing by MU: STEPHANIE RABADUE	RATED.	sent to the Carisbad	3)	
Signature	(Electronic Submission) THIS SPACE FOR FEDERA	Date	12/12/2018 STATE OFFICE USE		
certify that the applicant ho which would entitle the app	PAMAQUE The property of this notice does not warrant or the does not warrant or the legal or equitable title to those rights in the subject lease licent to conduct operations thereon. I and Title 43 U.S.C. Section 1212, make it a crime for any or	Office	PETROLEUM ENGINEER Carlsbad		Date 01/09/2017

States any false, flectitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRECT I
1625 N. French Dr., Hobba, NIM 82240
Plenter (173) 993-6161 Fact (375) 993-0720
DISTRECT II
811 S. Frent D., Artesia, NIM 82210
Plenter, (275) 748-1281 Fact (375) 748-4720
DISTRECT III
1000 Eto Branco Road, Aston, NIM 87410
Plenter (305) 334-6178 Fact (305) 334-6170
DISTRECT IV.
DISTRECT IV.
1720 M. St. Honorie IV., Roma IV., NIM 87500

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

1220 South St. Francis Dr. Santa Fe, New Mexico 87505 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

Pagnar (page) DISTRUCT IV 1720 St. Mannin Dr., Sonin Ho, NM 87505 Phona: (503) 476-3460 Pag: (503) 476-3462 DAMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT API Number 30-015-43474 96217 Property Na Property Code CORRAL CANYON FEDERAL 14H Operator Name OGRID No. Elevation XTO ENERGY 2942 5053f0 Surface Location North/South line UL ar lat No. Section Township Lot Idn Feet from the East/West line County Range N 5 25-S 29-E 120 SOUTH 1760 WEST **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 29-E 200 SOUTH **EDDY** 17 25-S 1655 WEST Dedicated Acres Joint or Infill Consolidation Code Order No. .330 LOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A MON-STANDARD UNIT HAS BREN APPROVED BY THE DIVISION SEC. 5 SCALE: 1"=2000" GEODETIC COORDINATES GEODETIC COORDINATES GRID AZ.=192'38'31" NAD 27 NIE NAD 83 NAME **OPERATOR CERTIFICATION** HORIZ. DIST.=460.5 SURFACE LOCATION SURFACE LOCATION heroby certify that the information bench is true a Y=419303.8 N Y=419245.4 N complete to the best of my knowledge and belief, and that this regundanien either owns a working laterast or valuesed mineral interest in the land including the X=641549.5 E X=600365.1 E LAT.=32.152207 N LAT.=32.152330" N LONG.=104.009033" W LONG.=104.009521" W ed bottom hole incetion or has a right to drill this FIRST TAKE POINT FIRST TAKE POINT well at this location pursuant to a contrast with an owner of such mineral or working interest, or to a voluntary NAD 27 NIME NAD B3 NME 330 330 Y=418798.2 N Y=418854.6 N ng agreement or a compulsory pooling order X=600284.3 E X=641448.7 E ero commend by the division. SEC. 8 LAT.=32.150973" N LONG.=104.009363" W LAT.=32.151096" N LONG.=104.009851" W 西西 CORNER COORDINATES TABLE AND 27 NOVE ##D 27 MM2 - Y=419128.6 M, X=599933.6 E - Y=419118.8 M, X=59962.2 E - Y=413828.1 M, X=59962.2 E - Y=413824.3 M, X=601269.4 E - Y=403514.2 M, X=601307.1 E PRODUCING PROJECT w@xdodnery MAD 83 MMT

A - Y=418187.0 N, X=641118.0 E

B - Y=419177.2 N, X=642448.9 E

C - Y=413832.8 N, X=641126.7 E

D - Y=413832.8 N, X=641167.0 E

F - Y=408392.4 N, X=641167.0 E

F - Y=408378.0 N, X=642491.8 E SURVEYOR CERTIFICATION I hereby earlify that the well location shows on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is tree GRID AZ = 179'44'04" and correct to the best of my belief. HORIZ. DIST.=10.068.6 MARCH 6, 2014 LAST TAKE POINT LAST TAKE POINT Date of Survey Signature & Sea of Protestions Surveyor. NAD 83 NME NAD 27 NAE Y=405860.1 N Y=408918.3 N SEC. 17-X=600310.1 E X=641494.B E 181 COE V LAT.-32.123658" N LAT.=32.123782" N LONG.=104.009312 W LONG.=104.009798" W BOTTOM HOLE LOCATION BOTTOM HOLE LOCATION NAD B3 NACE NAD 27 NHE Y=408730.1 N Y=408788.3 N X=600310.7 E X=841495.4 E LAT .= 32,123301" N LAT.=32.123425" N LONG.=104.009797 W LONG .= 104.009311' W

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

ACK REL WO.: MINET REV: MIZING THE WO: M. GARM

Exhibit No. 2 Submitted by:

XTO ENERGY INC Hearing Date: March 30, 2017 Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

		MCS.	AMILIAN	Ŀ
Lease	Serial	No.		_

123	UREAU OF LAND MANA	CEMENT			4		TO CO. POSITIO	17 31, 2010	
			PMR_			5. Lease Serial NMNM11			
RECOMIDIAND Do not use the abandoned we	NOTICES AND REPO is form for proposals to ii. Use form 3160-3 (AF	drill or to re D) for such	proposals.) 8(d Fie	d'Offi	lottes or Tr	ibe Name	
Will V V III	TRIPLICATE - Other ins			er,				nt, Name and/or No.	
Type of Well Oil Well Gas Well Oth	her		-`			8. Well Name a CORRAL C	nd No. ANYON F	EDERAL COM 14H	
2. Name of Operator XTO ENERGY INCORPORAT	Contact:	STEPHANIE rabadue@xto				9. API Well No 30-015-43		<u> </u>	
3a. Address 500 W ILLINOIS STREET SU MIDLAND, TX 79701	ITE 100	3b. Phone No Ph: 432-62	o. (include area 20-6714	code)		10. Field and P WILLOW	ool or Expl LAKE-BC	oratory Area ONE SPRING	
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description	Ų.				11. County or l	Parish, Stat	3	
Sec 5 T25S R29E SESW 120	FSL 1760FWL					EDDY CO	UNTY, N	M	
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICA	TE NATUR	E OF	NOTICE, 1	REPORT, OF	OTHE	R DATA	
TYPE OF SUBMISSION TYPE OF					ACTION				
Notice of Intent	☐ Acidize	☐ Dec	epen		☐ Production	on (Start/Resur	ne) [Water Shut-Off	
•	☐ Alter Casing	[] Hyd	fraulic Fractu	ring	☐ Reclamat	tion	ε] Well Integrity	
☐ Subsequent Report	bsequent Report			n	□ Recompl	ete	Ę	Ø Other	
☐ Final Abandonment Notice	☐ Change Plans	Plug	g and Abando	n	☐ Temporarily Abandon			Change to Original A PD	
·	Convert to Injection	🗖 Plug	g Back		☐ Water Di	sposal			
13. Describe Proposed or Completed Ope If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for fix XTO Energy, Inc respectfully re 1. Well Name to: Corral Canyo 2. Producing Area: take points 3. Field/Pool 3. Casing & Cement Design An updated plat, drilling programment of the producing Area is the producing	operations. If the operation re- amidonment Notices must be fil and inspection. equests the following char on Federal Corn #14H & bottom hole location am and directional drill su true and correct.	suits in a multipled only after all	SEE A COND	recommendation of the control of the	ACHED	FOR APPR	rm 3160-4 pleted and t	must be filed once the operator has	
Com	Electronic Submission & For XTO ENER mitted to AFMSS for proc	368767 verifie GY INCORPOI sesing by MU	d by the BLM RATED, sent STAFA HAQU	Well to the Bon	Information of Carlsbad 02/14/2017 (1	System 7MH0032SE)		_	
Name (Printed/Typed) STEPHAN	IE RABADUE		Title REC	SULA		REVIED			
Signature (Electronic S	ubmission)		Date 02/1	0/20				:	
	THIS SPACE FO	R FEDERA	L OR STA	TE	FFICE VS	€ 7 2017			
Approved By_MUSTAFA_HAQUE_			TitlePETRO	or En		MANAGEN FIELD OFFICE		Date 02/27/2017	
Conditions of approval, if any, are attached certify that the applicant holds legal or equi which would entitle the applicant to conduc	itable title to those rights in the	not warrant or subject lease	Office Cart	bad		THE OFFICE	·		
Title 18 U.S.C. Section 1001 and Title 43 U States any false, fictitious or fraudulent st	J.S.C. Section 1212, make it a stements or representations as	crime for any pe to any matter wi	rson knowingly thin its jurisdic	and w	villfully to mak	to any departm	ent or agen	cy of the United	

Exhibit 3

Corral Canyon Federal No. 13H Well

Description of lands:

Township 25S, Range 29E, N.M.P.M

Section 8: W/2 W/2

Township 25S, Range 29E, N.M.P.M.

Section 17: W/2 W/2

Containing 320 Acres, more or less Eddy County, New Mexico

Owner	Working Interest
XTO Energy Inc.	25.725000%
ExxonMobil Corporation	28.437500%
Mobil Producing Texas & New Mexico Inc.	2.812500%
Stovall Energy, Ltd.	0.468750%
COG Operating LLC	29.361250%
Penroc Oil Corporation	0.140630%
BAGAM Ltd.	0.703130%
HMJ Minerals, Inc.	1.406250%
L.E. Opermann	0.156250%
LRF Jr., LLC	6.250000%
Moon Royalty L.L.C.	0.093750%
Concho Oil & Gas	1.163750%
Sonic Oil & Gas, LP	0.585940%
H.M. Bettis, Inc.	0.585940%
Guinn Family Properties, Ltd.	0.093750%
The Allar Company	2.015630%

TOTAL

100%

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Exhibit No. 3

Submitted by:

XTO ENERGY INC

Hearing Date: March 30, 2017

Exhibit 4

Corral Canyon Federal No. 14H Well

Description of lands:

Township 25S, Range 29E, N.M.P.M

Section 8: E/2 W/2

Township 25S, Range 29E, N.M.P.M.

Section 17: E/2 W/2

TOTAL

Containing 320 Acres, more or less Eddy County, New Mexico

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Sonic Oil & Gas, LP	0.585940%
H.M. Bettis, Inc.	0.585940%
Guinn Family Properties, Ltd.	0.093750%
The Allar Company	2.015630%

100%

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 4 Submitted by:

XTO ENERGY INC
Hearing Date: March 30, 2017

DISTRICT 1 1425 M. French Dr., Hobbs, MM 68240 DISTRICT II 1801 W. Grand Avenue, Artesia. MM 6821

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 15, 2009

Submit one copy to appropriate District Office

DISTRICT III 1000 Ro Brazos Rd., Asteo, NM 67410 OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

DISTRICT IV 1220 S. St. Francis Dr., Santa Pe, NM 67505 Santa Fe, New Mexico 6/505

AMENDED REPORT

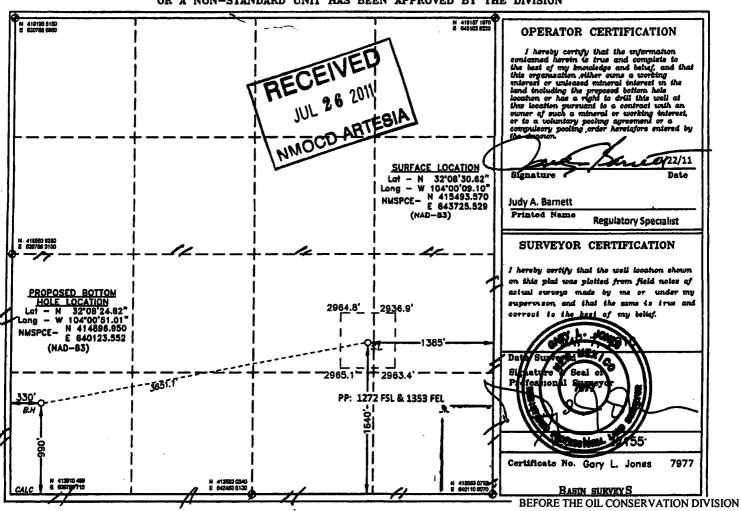
	WELL LOCATION AND	ACREAGE DEDICATION PL	AT AMENDED REPO			
API Number 30-015-3821	2 96217		I Mame E SPRING SOUTHEAST			
Property Code	Pro	perty Name	Well Number 3H			
38340		SLIDER "8" FEDERAL Operator Name				
6137	2965'					
	Surfe	ice Location				
or let No. Section Town	shin Renge Lot Idn Feet D	rom the North/South line Feet fr	om the East/West line Count			

J 8 25 S 29 E 1640 SOUTH 1385 EAST EDDY

Bottom Hole Location If Different From Surface

UL or lot No. Section Township Feet from the North/South line East/West inc County Range Feet from the 1049 WEST **EDDY** 25 S 29 E SOUTH 330 Dedicated Acres Joint or Infill Consolidation Code Order No. 320

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



Santa Fe, New Mexico
Exhibit No. 5
Submitted by:
XTO ENERGY INC
Hearing Date: March 30, 2017

DISTRICT I 1625 N. Franch Dr., Hobbs, NM 88240 DISTRICT II 1801 W. Grand Avenue, Artesia, NM 88210

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 15, 2009

Submit one copy to appropriate District Office

BASIN SURVEYS

DISTRICT III 1000 Rio Brazos Rd., Autec, NM 87410 OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

DISTRICT IV 1220 S. St. Francis Dr., Senta Fe, KM 67505

☐ AMENDED REPORT

38-01	1-38	242	9	6217	u	HLOW	AKE	BONE	SPRING	6/94.8HB
Property C					Property N	(ame	,		Well No	
2031 OGRID NO	<u> 50</u>	 		SL	IDER "8" I	FEDERAL			Klevat	
6/13	· –		DEVON	ENERG	•	TION COMPA	NY, L.	P	296	
	/				Surface L	ocation .				
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	e North/South	line F	et from the	East/West line	County
J	8	25 S	29 E		2326	SOUTH	<u> </u>	1575	EAST	EDDY
			Bottom	Hole Lo	cation If Di	fferent From	Surfac	е		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the			et from the	East/West line	County
L	8	25 S	29 E		2220	SOUTH	1	330	WEST	EDDY
Dedicated Acres	Joint o	r Infill (Consolidation	Code Or	der No.					
	<u>.l</u>									
NO ALLO	WABLE V					UNTIL ALL I N APPROVED			EN CONSOLIDA	ATED
			NON BIAN	DAND CI			419157.1870			
N.: 418198.5160 E.: 639768.6680	i			İ	i	Ē.	645102.8230	OPERATO	R CERTIFICAT	NOI
	+		· 	- 	. - 	· 		the best of my this organisation interest or unle- land including i location or has this location pur owner of such of or to a voluntar	rify that the inform n is true and complemented and belief now the continuous a work according to the continuous and mineral interest the proposed bottom hardys to drill this reuant to a contract a mineral or working ty pooling agreementing order heretafore of	and that ing in the tole well at with an interest, or a
PROPOSED BY HOLE LOCA Lot - N 32°C Long - W 104°C NMSPCE - N 41°C (NAD-83)	HON 8'36.99" 90'51.02" 126.944 1119.646					SURFACE LOCA Lat - N 32'08' Long - W 104'00 NMSPCE- N 4181 E 6435 (NAD-83)	37.41" 11.28" 79.514	Signature		Date
330' O		341	6.2'	4 -	2964.9' / 294 	1575'-	848,-	I hereby cortify on this plat we actual surveys supervison an correct to the	R CERTIFICAT that the well location plotted from field was by me or the that the same is the same of the composition of the co	on shown notes of under my true and
	1		 		; ; ; ; ; ; ; ; ; ;	,5835,		Certificate No	Gary L. Jones	7977

DISTRICT I 1625 M. French Dr., Bobbs, MM 68240 DISTRICT II 1801 V. Grand Avenue, Artesia, Mi 88210

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 15, 2009

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION DISTRICT III 1000 Rio Brazos Rd., Azteo, NM 87410 DISTRICT IV

1220 South St. Francis Dr.

Santa	re,	New	Mexico	07000	

1820 S. St. Francis D	r., Sente Po, i	NW 87506	WELL LO	CATION	AND ACREA	AGE DEDICATI	ON PLAT	C AMENDE	REPORT
30-01	Number 6 - 38,	281	9	Pool Code	, re	Pillow lal	Pool Name	SF	
Property (383U	0		•	SL	Property Nam IDER "8" FE	ne .		Well N	
ogrid n UL 13			DEVON	ENERG	Operator Nam Y PRODUCTIO	DN COMPANY,	L.P.	Eleva 296	
					Surface Loc	ation			
UL or lot No.	Section	Township	Range	Lot Idn	Peet from the	North/South line	Feet from the	East/West line	County
J	8	25 S	29 E	1	1690	SOUTH	1385	EAST	EDDY
		· · · · · · · · · · · · · · · · · · ·	Bottom	Hole Loc	cation If Diffe	erent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	8	25 S	29 E		1664	SOUTH	330	WEST	EDDY
NO ALLO		TILL BE A		TO THIS		UNTIL ALL INTER APPROVED BY		ZEN CONSOLIDA	ATED
N 419196 5150 E 619789 6560				ECEI		M 410157 187 8 043102 622	I hereby ce contained here the best of my this organizatio	OR CERTIFICAT rify that the inform in is true and comp. knowledge and belief in either owns a work insed mineral interest the proposad bottom; a right to drill the remaint to a contract a mineral or working ing order heretofore	nation lete to , and that ing
	. — — 			ł .	RTESIA		owner of such or to a volunta computery pool the dingram.	a mineral or working ny pooling agreement ing order heretofore	interest, or a entered by

PROPOSED BOTTOM HOLE LOCATION Lat - N 32'08'51.35" Long - W 104'00'51.02" NMSPCE - N 415556.947 (NAD-83) SURFACE LOCATION
Lat - N 32°08'31.26"
Long - W 104°80'09.12"
NMSPCE - N 415358.533
E 643723.036 (NAD-83) Printed Name **Regulatory Specialist** N 416553 9290 E 839789 3160 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 2964.8' | 2936 9' supervison, and that the same is true and correct to the best of my belief. 1385 B.H. 2965.1= + 2963.4 Signe Prof PP: 1773 FSL & 1033 FEL Certificate No. Gary 7977 N 413910 489 E 638766 715 N 412853 6730 E 646110 5070 BASIN SURVEYS

Property Code

API Number

30-15-38243

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

Well Number

413

WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Name

STINDD & PENEDAL

WILLOWLAKE: BONE SPRING SOUTHEAST

³ Pool Code

96217

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UL or lot no.		Townshi		Range	L	ot Idn	Feet from the	North/South ilne	Feet	from the	East/We		County
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	J	İ					!	1	1	Judith Barnetté	@dvn.com		
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XTO Energy Inc. 810 Houston Street Fort Worth, Texas 76102-6298 (817) 870-2800 (817) 885-1806 Fax

January 24, 2017

ERF Jr., LLC P.O. Box 11327 Midland, TX 79702

RE:

XTO – Corral Canyon 13H W/2W/2 of Section 8-25S-29E W/2W/2 of Section 17-25S-29E Eddy County, New Mexico

Dear Working Interest Owner:

XTO Energy Inc. hereby proposes the drilling of an approximate 8,495' TVD and 18,900' TMD well to test the 2nd Bone Spring formation at a surface location of 190' FSL and 520' FEL of Section 6, T25S-R29E and a bottom hole location of 200' FSL and 355' FWL of Section 17, T25S-29E, Eddy County, New Mexico. The proposed proration unit for this well is the W/2W/2 of Section 8, T25S-29E and W/2W/2 of Section 17, T25S-29E, Eddy County, Mexico.

The approximate cost to drill this test is \$1,804,176.00 with a total completion cost of \$6,462,176.00 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 prepared for your execution. Should you wish to farmout your interest, please contact the undersigned.

Should you wish to discuss another option rather than participate, please contact the undersigned.

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. 6
Submitted by:
XTO ENERGY INC
Hearing Date: March 30, 2017

An ExxenMobil Subsidiary



AFE NO.:

1403779

AFE DESC:

D&C - HORZ IN BRUSHY CANYON

DATE:

04/19/2014

AFE TYPE:

DEVELOPMENT DRILLING

OPERATOR: 81 - XTO ENERGY INC.

SECTION/TOWNSHIP/RANGE: 6/25S/29E

DISTRICT:

PERMIAN BASIN

FIELD:

OPERATED

ACCOUNTING ID: 21757

WELL NAME:

CORRAL CANYON FED 13H

STATE/COUNTY: XTO WI DECIMAL: 0.999999000

New Mexico / Eddy

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
FRAC PLUID/SW DISPOSAL	0.00	150,000.00	0,00	0.00	150,000.00
CMPL WATER TRANSFER SERVICE	0,00	50,000.00	0.00	0,00	50,000.00
TOTAL:		200,000.00	0.00		200,000.00
DRLG-DAYWK,FTG,& RIG MVG	531,000,00	0,00	0,00	0.00	531,000.00
COMPLETION RIG	0.00	40,000.00	0.00	0.00	40,000.00
CASING CREWS & LAYDOWN SERVICE	7,500,00	0,00	0.00	0.00	7,500.00
DIRECTIONAL TOOLS & SERVICES	139,000.00	0.00	0.00	0.00	139,000.00
ROADS AND LOCATION	125,000.00	5,000.00	0.00	0.00	130,000.00
DRILLING & COMPL FLUIDS & CHEM	118,000,00	0.00	0.00	0.00	118,000.00
WELL LOGGING: OPEN HOLE	20,000.00	0.00	0.00	0,00	20,000.00
SURFANT CEMENT & SERVICE	41,000.00	0.00	0.00	0.00	41,000.00
BITS, MILLS & REAMERS	45,000.00	0.00	0.00	0.00	45,000.00
COMPLETION SERVICES-SURFACE	0.00	160,000.00	0.00	0.00	160,000.00
DRLG RENTALS: SUB-SURFACE	52,000.00	0:00	0.00	0,00	52,000.00
DRLG RENTALS: SURFACE	97,000.00	0.00	0.00	0.00	97,000.00
RIG FUEL, POWER & WATER	118,000.00	0.00	0.00	0.00	118,000.00
WELL LOGGING: CASED HOLE	0.00	240,000.00	0.00	0,00	240,000.00
STIMULATION & PUMPING SERVICES	0.00	2,200,000.00	0.00	0.00	2,200,000.00
DRILLING SUPERVISION	88,000.00	0.00	0.00	0.00	88,000.00
MUD LOGGER	26,000.00	0.00	0.00	0.00	26,000.00
MISC SUPPLIES	24,000.00	0.00	0.00	0.00	24,000.00
TITLE WORK/OPINIONS	18,000.00	0.00	0.00	0.00	18,000.00
DRILLING OVERHEAD	7,000.00	0,00	0,00	0,00	7,000.00
TRUCKING & HOT SHOT	28,000.00	8,000,00	0,00	0,00	36,000.00
FLUID HAULING, SOLIDS CTRL	191,000.00	28,000,00	0.00	0.00	219,000.00
COMPLETION SERVICES	0.00	100,000.00	0;00	0.00	100,000.00
FLOWBACK	0.00	120,000.00	0.00	0.00	120,000.00
FRAC TANKS	0.00	25,000,00	0,00	0.00	25,000.00
PROD CSG CEMENT & SERVICE	0.00	75,000.00	0,00	0.00	75,000.00
DISTRICT TOOL-SUBSURFACE	0.00	20,000.00	0.00	0.00	20,000.00
PROD CSG CREW/LAYDOWN SVS	0,00	9,000.00	0.00	0.00	9,000.00
CMPL RENTALS: SUB SURFACE	0.00	30,000.00	0.00	0.00	30,000,00
CMPL RENTALS: SURFACE	0,00	120,000.00	0,00	0.00	120,000.00
CMPL ENGR/SUPERVISION	0.00	15,000,00	0,00	0.00	15,000,00
CMPL TRUCKING & HOT SHOT	0.00	20,000.00	0.00	0.00	20,000.00
CMPL FISHING/REMEDIAL SVS	0.00	26,000.00	0.00	0.00	26,000.00
CMPL CONTINGENCIES	0,00	20,000.00	0.00	0.00	20,000.00
CMPL MISC LABOR	0,60	10,000.00	0.00	0.00	10,000.00



AFE NO.:

1403779

AFE DESC: D&C - HORZ IN BRUSHY CANYON

DATE: 0

04/19/2014

AFE TYPE:

DEVELOPMENT DRILLING

OPERATOR: 81 - XTO ENERGY INC. SECTION/TOWNSHIP/RANGE: 6/25S/29E

DISTRICT:

PERMIAN BASIN

FIELD:

OPERATED 21757

ACCOUNTING ID: WELL NAME:

CORRAL CANYON FED 13H

STATE/COUNTY:

New Mexico / Eddy

XTO WI DECIMAL: 0.999999000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
MISC LABOR/WELDING	26,000.00	0.00	0.00	0.00	26,000.00
CMPL FLUID/CHEM/TRANSP	0,00	550,000.00	0.00	0.00	550,000.00
COMPLETION BITS, SCRAPERS&MILLS	0,00	50,000.00	0.00	0,00	50,000.00
FRAC PIT	0.00	50,000.00	0.00	0.00	50,000.00
WIP-INTAN. DEVLPMT COST	1,701,500.00	3,921,000.00	0.00	<u> </u>	5,622,500.00
CONDUCTOR PIPE	25,000.00	0.00	0.00	0.00	25,000.00
TUBING	0:00	50,000.00	0.00	0,00	50,000.00
WELLHEAD	8,676,00	10,000.00	0.00	0.00	18,676.00
TANK BATTERIES	0.00	10,000.00	0.00	0.00	10,000.00
SWD SYSTEMS	0,00	5,000.00	0.00	0.00	5,000.00
ELECTRICAL DISTR. SYSTEMS	0.00	4,000.00	0.00	0.00	4,000.00
LEASE AND FLOW LINES	0.00	10,000,00	0.00	0.00	10,000.00
SEP, DEHY, TREATERS, HEAT EXCH, SC	0,00	10,000.00	0.00	0,00	10,000.00
PACKER & SUB-SURFACE EQUIPMENT	0.00	20,000.00	0.00	0.00	20,000.00
SUB-SURFACE PUMP, RODS & ACCES	0.00	160,000,00	0.00	0.00	160,000.00
AUTOMATION EQUIPMENT	0,00	3,000.00	0.00	0.00	3,000.00
GAS LIFTS-SINGLE WELL	0.00	10,000.00	0.00	0.00	10,000.00
SURFACE CASING	17,000,00	0.00	0.00	0.00	17,000.00
INTERMEDIATE CASING	52,000.00	0,00	0.00	0.00	52,000.00
PRODUCTION/LINER CASING	0.00	222,000.00	0.00	0.00	222,000:00
TUBING HEAD/X-MAS TREE	0.00	18,000.00	0.00	0.00	18,000.00
CMPL CONTINGENCIES	0.00	5,000.00	0.00	0.00	5,000.00
WIP-Lease & Well Equip. TOTA	102,676.00	537,000.00	0.00		639,676.00
TOTAL THIS AFE:	1,804,176.00	4,658,000.00			6,462,176.00

*** 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 2-MILE HORIZONTAL IN THE 2ND BONE SPRINGS. THE CORRAL CANYON FED 13H WILL BE DRILLED TO A TD OF +/- 18,900'MD/8,495'TVD WHERE 5-1/2" CASING WILL BE CEMENTED. DRILLING COSTS BASED ON 26 DAYS SPUD-RR WITH A 5 DAY RIG MOVE. FRAC: 2000 #/FT



AFE NO.:

1403779

AFE DESC:

D&C - HORZ IN BRUSHY CANYON

DATE:

04/19/2014

AFE TYPE:

DEVELOPMENT DRILLING

OPERATOR: 81 - XTO ENERGY INC.

SECTION/TOWNSHIP/RANGE: 6/25S/29E

DISTRICT:

PERMIAN BASIN

FIELD:

OPERATED

ACCOUNTING ID:

21757

WELL NAME: STATE/COUNTY: **CORRAL CANYON FED 13H** New Mexico / Eddy

XTO WI DECIMAL: 0.999999000

	e .	Non Operator Approval					
Prepared By:	STEPHANIE RABADUE	DATE					
Approved Dur	VENDAL DECVED	COMPANY					
Approved By:	KENDAL DECKER	BY					
Signature:		TITLE					
	<i>:</i>						



XTO Energy Inc. 810 Houston Street Fort Worth, Texas 76102-6298 (817) 870-2800 (817) 885-1806 Fax

VIA FEDERAL EXPRESS

January 24, 2017

BAGAM, Ltd. P.O. Box 37 Graham, TX 76450

RE:

XTO - Corral Canyon 14H E/2W/2 of Section 8-25S-29E E/2W/2 of Section 17-25S-29E Eddy County, New Mexico

Dear Working Interest Owner:

XTO Energy Inc. hereby proposes the drilling of an approximate 8,545' TVD and 18,750' TMD well to test the 2nd Bone Spring formation at a surface location of 120' FSL and 1,760' FWL of Section 5, T25S-R29E and a bottom hole location of 200' FSL and 1,655' FWL of Section 17, T25S-29E, Eddy County, New Mexico. The proposed proration unit for this well is the E/2W/2 of Section 8, T25S-29E and E/2W/2 of Section 17, T25S-29E, Eddy County, Mexico.

The approximate cost to drill this test is \$1,871,176.00 with a total completion cost of \$6,529,176.00 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 prepared for your execution.

Should you wish to discuss another option rather than participate, please contact the undersigned.

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 **Division Landman**

Encl.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 7 Submitted by: **XTO ENERGY INC**

Hearing Date: March 30, 2017



AFE NO.:

1402600

AFE DESC:

D&C - HORZ IN 2ND BONE SPRING

DATE:

03/13/2014

AFE TYPE: DEVELOPMENT DRILLING OPERATOR: 81 - XTO ENERGY INC.

SECTION/TOWNSHIP/RANGE: 5/25S/29E

DISTRICT:

PERMIAN BASIN

FIELD:

OPERATED

ACCOUNTING ID:

21720

WELL NAME:

CORRAL CANYON FED 14H

STATE/COUNTY: XTO WI DECIMAL: 0.999999000

New Mexico / Eddy

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
FRAC FLUID/SW DISPOSAL	0.00	150,000.00	0.00	0.00	150,000.00
CMPL WATER TRANSFER SERVICE	0.00	50,000.00	0.00	0,00	50,000.00
TOTAL:	0.00	200,000.00	0.00	0.00	200,000.00
DRLG-DAYWK,FTG,& RIG MVG	546,000.00	0.00	0.00	0.00	546,000.00
COMPLETION RIG	0.00	40,000.00	0.00	0,00	40,000.00
CASING CREWS & LAYDOWN SERVICE	7,500.00	0.00	0.00	0,00	7,500.00
DIRECTIONAL TOOLS & SERVICES	144,000.00	0.00	0.00	0.00	144,000.00
ROADS AND LOCATION	150,000.00	5,000,00	0.00	0,00	155,000.00
DRILLING & COMPL FLUIDS & CHEM	118,000,00	0,00	0.00	0.00	118,000.00
WELL LOGGING: OPEN HOLE	20,000.00	0.00	0.00	0.00	20,000.00
SURF/INT CEMENT & SERVICE	41,000.00	0.00	0.00	0.00	41,000.00
BITS, MILLS & REAMERS	47,000.00	0.00	0.00	0.00	47,000.00
COMPLETION SERVICES-SURFACE	0.00	160,000.00	0.00	0.00	160,000.00
DRLG RENTALS: SUB-SURFACE	66,000,00	0.00	0,00	0.00	66,000.00
DRLG RENTALS: SURFACE	97,000.00	0.00	0.00	0.00	97,000.00
RIG FUEL, POWER & WATER	118,000.00	0.00	0.00	0.00	118,000,00
WELL LOGGING: CASED HOLE	0.00	240,000.00	0.00	0.00	240,000.00
STIMULATION & PUMPING SERVICES	0.00	2,200,000.00	0.00	0.00	2,200,000.00
DRILLING SUPERVISION	88,000.00	0.00	0.00	0.00	88,000.00
MUD LOGGER	26,000.00	0.00	0.00	0.00	26,000.00
MISC SUPPLIES	24,000.00	0.00	0.00	0,00	24,000.00
TITLE WORK/OPINIONS :	18,000.00	0.00	0.00	0,00	18,000.00
DRILLING OVERHEAD	7,000.00	0.00	0.00	0.00	7,000.00
TRUCKING & HOT SHOT	28,000.00	8,000.00	0.00	0.00	36,000.00
FLUID HAULING, SOLIDS CTRL	191,000.00	28,000.00	0.00	0.00	219,000.00
COMPLETION SERVICES	0.00	100,000.00	0:00	0.00	100,000.00
FLOWBACK	0,00	120,000.00	0.00	0.00	120,000.00
FRAC TANKS	0.00	25,000,00	0.00	0.00	25,000.00
PROD CSG CEMENT & SERVICE	0.00	75,000.00	0.00	0.00	75,000.00
DISTRICT TOOL-SUBSURFACE	0.00	20,000.00	0.00	0.00	20,000.00
PROD CSG CREW/LAYDOWN SVS	0.00	9,000.00	0.00	0.00	9,000.00
CMPL RENTALS: SUB SURFACE	0.00	30,000.00	0.00	0.00	30,000.00
CMPL RENTALS: SURFACE	0.00	120,000.00	0.00	0.00	120,000.00
CMPL ENGR/SUPERVISION	0.00	15,000.00	0.00	0.00	15,000.00
CMPL TRUCKING & HOT SHOT	0.00	20,000.00	0.00	-0.00	20,000.00
CMPL FISHING/REMEDIAL SVS	0.00	26,000.00	0.00	0.00	26,000.00
CMPL CONTINGENCIES	0,00	20,000.00	0.00	0.00	20,000.00
CMPL MISC LABOR	0.00	10,000.00	0.00	0.00	10,000.00



AFE NO.: AFE DESC:

1402600

D&C - HORZ IN 2ND BONE SPRING

DATE:

03/13/2014

AFE TYPE: **DEVELOPMENT DRILLING**

OPERATOR: 81 - XTO ENERGY INC. SECTION/TOWNSHIP/RANGE: 5/25S/29E DISTRICT:

PERMIAN BASIN

FIELD:

OPERATED

ACCOUNTING ID: STATE/COUNTY:

21720

WELL NAME: CORRAL CANYON FED 14H

New Mexico / Eddy

XTO WI DECIMAL: 0.999999000

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP/ TIE-IN	SUPPLEMENT	TOTAL
MISC LABOR/WELDING	32,000.00	0.00	0.00	0.00	32,000.00
CMPL FLUID/CHEM/TRANSP	0.00	550,000.00	0.00	0.00	550,000.00
COMPLETION BITS, SCRAPERS&MILLS	0.00	50,000.00	0,00	0.00	50,000.00
FRAC PIT	0.00	50,000.00	0.00	0,00	50,000.00
WIP-INTAN. DEVLPMT COST	1,768,500.00	3,921,000.00	0.00		5,689,500.00
CONDUCTOR PIPE	25,000.00	0.00	0.00	0.00	25,000.00
TUBING	0.00	50,000.00	0,00	0.00	50,000.00
WELLHEAD	8,676,00	10,000.00	0.00	0.00	18,676.00
TANK BATTERIES	0.00	10,000.00	0.00	0.00	10,000.00
SWD SYSTEMS	0.00	5,000.00	0.00	0.00	5,000.00
ELECTRICAL DISTR. SYSTEMS	0.00	4,000.00	0.00	0.00	4,000.00
LEASE AND FLOW LINES	0.00	10,000.00	0,00	0.00	10,000.00
SEP, DEHY, TREATERS, HEAT EXCH, SC	0.00	10,000.00	0.00	0.00	10,000.00
PACKER & SUB-SURFACE EQUIPMENT	0.00	20,000.00	0.00	0.00	20,000.00
SUB-SURFACE PUMP, RODS & ACCES	0.00	160,000.00	0.00	0.00	160,000.00
AUTOMATION EQUIPMENT	0.00	3,000.00	0.00	0.00	3,000.00
GAS LIFTS-SINGLE WELL	0.00	10,000.00	0.00	0.00	10,000.00
SURFACE CASING	17,000.00	0.00	0.00	, 0.00	17,000.00
INTERMEDIATE CASING	52,000.00	0.00	0.00	0.00	52,000.00
PRODUCTION/LINER CASING	0,00	222,000,00	0.00	0.00	222,000.00
TUBING HEAD/X-MAS TREE	0.00	18,000.00	0.00	0.00	18,000,00
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REMARKS:

D&C A 2-MILE HORIZONTAL WELL IN THE SECOND BONE SPRING FORMATION. THE CORRAL CANYON FED 14H WILL BE DRILLED TO A TD OF +/- 18,750'MD/8545'TVD WHERE 5-1/2" PRODUCTION CASING WILL BE RUN & CEMENTED. DRILLING COSTS BASED ON 26 DAYS SPUD-RR WITH A 5 DAY RIG MOVE. WELL WILL BE FRACTURE STIMULATED.



AFE NO.:	1402600	DISTRICT:	PERMIAN BASIN
AFE DESC:	D&C - HORZ IN 2ND BONE SPRING	FIELD:	OPERATED
DATE:	03/13/2014		21720
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	81 - XTO ENERGY INC.	STATE/COUNTY:	New Mexico / Eddy
	/NSHIP/RANGE: 5/25S/29E	XTO WI DECIMAL:	0.99999000

	•		Non Operator Approval	
Prepared By:	STEPHANIE RABADUE	DATE		
Annanced Dec	VENDAL DECVED	COMPANY		
Approved By:	KENDAL DECKER	ву		· .
Signature:	· · · · · · · · · · · · · · · · · · ·	TITLE		
	·			

Affidavit of Publication

State of New Mexico, County of Eddy, ss.

Danny Fletcher, being first duly sworn, on oath says:

That he is the Publisher of the Carlsbad Current-Argus. 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 mav 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:

March 14

2017

That the cost of publication is \$162.18 and that payment thereof has been made and will be assessed as court costs.

Subscribed and sworn to before me this 16 day of 20017

My commission Expires 2/13/2/

Notary Public



March 14, 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 March 30, 2017, in the Oil Conservation Division Hearing Room at 12:20 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, cany other form of auxiliary aid or service to attend or participate in the hearing, please contact: Fiorene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by March 20, 2017. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Fiorene 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: ExxonMobil Corp.;
OXY USA Inc.; Stovall
Energy Ltd.; COG Operating LLC; Penroc
Oil Corp.; BAGAM
Ltd.; HMJ Minerals
inc.; LE Opermann;
LRF Jr. LLC; Moon
Royalty LLC; Concho
Oil & Gas; Sonic Oil &
Gas LP; HM Bettis
inc.; Gulnn Family
Properties Ltd.; The
Aliar Co.; or their successors, heirs and/or
devisees.

CASE No. 15664: Application of XTO Energy line, for a nonstandard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a nonstandard, 320-acre spacing and proration unit comprised of the comprised of the

W/2 of Section 8 and the W/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Corral Canyon Federal No. 13H Well, which will be horizontally drilled from a surface location in the SE/4 SE/4 of Section 6 (Unit P) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 17. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles southeast of Malaga, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 8
Submitted by:
XTO ENERGY INC

Hearing Date: March 30, 2017

Affidavit of Publication

State of New Mexico. County of Eddy, ss.

Danny Fletcher, being first duly sworn, on oath says:

That he is the Publisher of the Current-Araus. 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 mav 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:

March 14

2017

That the cost of publication is \$162.18 and that payment thereof has been made and will be assessed as court costs

Subscribed and sworn to before me this 16 day of 11 har

My commission Expires 🚽

Notary Public



March 14, 2017 ·

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

of The State Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of tions of the Division of the following public hearing to be held at 8:15 A.M. on March 30, 2017, in the Oll 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 bility who is in need of a reader, amplifier, qualified sign lan-guage interpreter, or any other form of aux-Illary ald 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 March 20, 2017. Public documents including the agenda and minutes, can be provided in various accessible

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

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

To: ExxonMobil Corp.;
OXY USA Inc.; Stovail
Energy Ltd.; COG Operating LLC; Penroc
Oli Corp.; BAGAM
Ltd.; HMJ Minerals
Inc.; LE Opermann;
ERF Jr. LLC; Moon
Royalty LLC; Concho
Oll & Gas; Sonic Oil &
Gas LP; HM Bettis
Inc.; Guinn Family
Properties Ltd.: The To: ExxonMobil Corp.: Properties Ltd.; The Allar Co.; or their successors, heirs and/or devisees.

CASE No. 15663: Application of XTO Energy Inc. for a non-standard spacing and proration unit, compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre spacing and proration spacing and proration unit comprised of the E/2 W/2 of Section 8 and the E/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) spoiling all mineral inpooling all mineral in-terests in the Bone Spring formation, Wil-low Lake; Bone Spring, Southeast (Pool Code underlying ne. Said 96217), this acreage, Said to be dedicated to applicant's proposed Corral Canyon Federal No. 14H Well, which will be horizontally drilled from a surfac location in the SE/4 SW/4 of Section 5 SW/4 or Section 5
(Unit N) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 17. The completed interval for this well will remain unitable. well will remain within the 330-foot standard offset required by the rules. Also to be con-sidered will be the cost of drilling and completing said well and the allocation of agence can be provided accessible forms. Please contact well as actual former provided in a costs and charges for supervision, designation of XTO Energy inc. as operator of the accessible results of the accessible for supervision, designation of the accessible for supervision. well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 southeast

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

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

Case No.: 15663

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

Case No.: 15664

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 March, 2017 by Jordan L.

Kessler.

Notary Public

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 9
Submitted by:
XTO ENERGY INC
Hearing Date: March 30, 2017

poute 26 201

ExxonMobil Corporation 810 Houston Street Fort Worth, TX 76102

OXY USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 Stovall Energy, Ltd. P.O. Box 10 Graham, TX 76450

COG Operating LLC 600 West Illinois Avenue Midland, TX 79701 Penroc Oil Corporation 1515 W. Calle Sur Street Hobbs, NM 88240 BAGAM Ltd. P.O. Box 900 Graham, TX 76450

HMJ Minerals, Inc. P.O. Box 1240 Graham, TX 76450

L.E. Opermann 1505 Neely Midland, TX 79701 LRF Jr., LLC P.O. Box 11327 Midland, TX 79702

Moon Royalty L.L.C. P.O. Box 720070 Oklahoma City, OK 73172 Concho Oil & Gas 600 West Illinois Avenue Midland, TX 79701 Sonic Oil & Gas, LP 505 5th Street Graham, TX 76450

H.M. Bettis, Inc. 505 5th Street Graham, TX 76450 Guinn Family Properties, Ltd. P.O. Box 1298 Graham, TX 76450 The Allar Company 735 Elm Street Graham, TX 76450

CORRAL CANYON FEDERAL NO. 13H WELL LIST POOLING LIST



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

March 10, 2017

<u>VIA CERTIFIED MAIL</u> <u>CERTIFIED RECEIPT REQUESTED</u>

TO: POOLED PARTIES

Re: Application of XTO Energy Inc. for a non-standard spacing and

proration unit, and compulsory pooling, Eddy County, New Mexico.

Corral Canyon Federal No. 13H Well

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 March 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 Prehearing 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,

Jordan L. Kessler

ATTORNEY FOR XTO ENERGY INC.

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

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

CASE NO. 15664

APPLICATION

XTO Energy Inc., ("XTO") through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order (1) creating a 320-acre spacing and proration unit comprised of the W/2 W/2 of Section 8 and the W/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), underlying this acreage. In support of its application, XTO states:

- 1. XTO Energy Inc. (OGRID No. 5380) is a working interest owner in the subject acreage and has the right to drill thereon.
- 2. XTO proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Corral Canyon Federal No. 13H Well, which will be horizontally drilled from a surface location in the SE/4 SE/4 of Section 6 (Unit P) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 17.
- 3. The Division's district office has placed this well in the Willow Lake; Bone Spring, Southeast (Pool Code 96217), which is subject to the general statewide

rules. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC.

- 4. XTO 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 XTO to obtain it's just and fair share of the oil and gas underlying the subject lands, all mineral interests in this non-standard spacing unit should be pooled and XTO Energy Inc. should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, XTO requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 30, 2017, and, after notice and hearing as required by law, the Division enter an order:

- A. Creating a 320-acre non-standard spacing and proration unit in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), comprised of the W/2 W/2 of Section 8 and the W/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico;
- B. Pooling all uncommitted interests in the non-standard spacing and proration unit;
- C. Designating XTO Energy Inc. operator of this non-standard spacing unit and the horizontal well to be drilled thereon;

- D. Authorizing XTO to recover its costs of drilling, equipping and completing the well;
- 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% penalty for the risk assumed by XTO in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART, LLP

Bv·

Michael H. Feldewert

Jordan L. Kessler

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

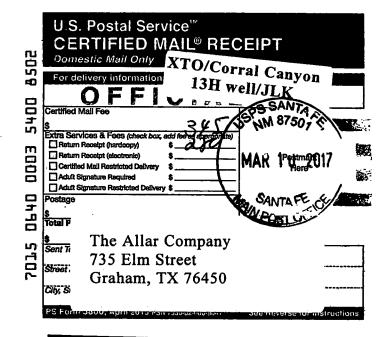
(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

jlkessler@hollandhart.com

ATTORNEYS FOR XTO ENERGY INC.

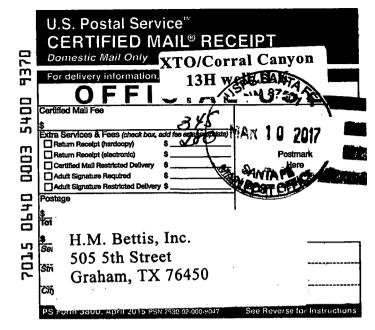


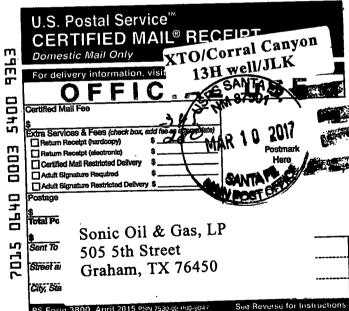
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PS Form 3811; July 2015 PSN 7530-02-000-9053

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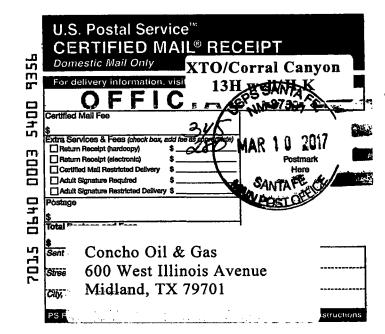




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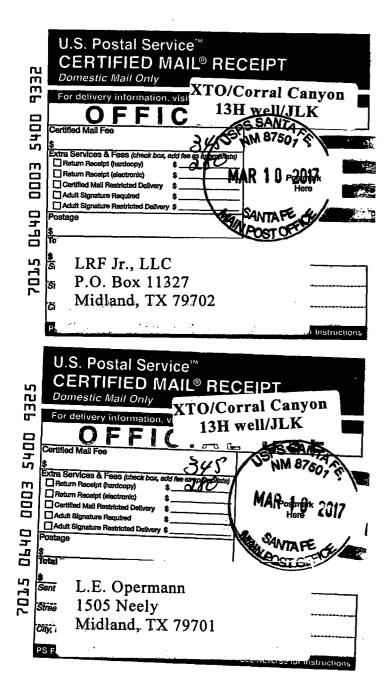
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PS Form 3811, April 2015 PSN 7530-02-900-9053

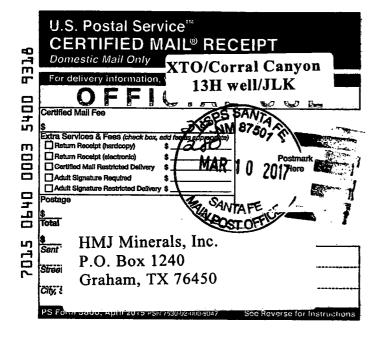


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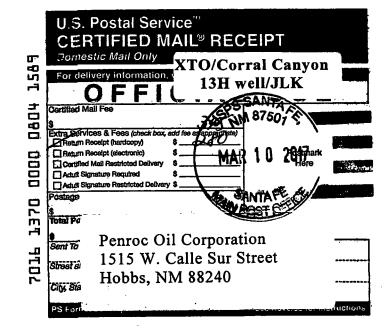


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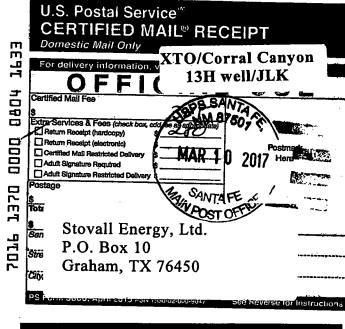


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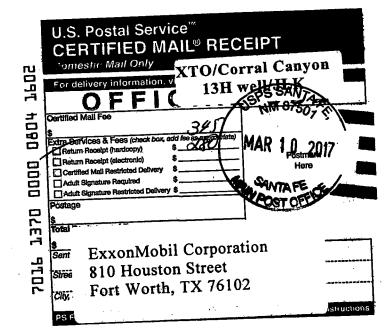




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HMJ Minerals, Inc. P.O. Box 1240 Graham, TX 76450 L.E. Opermann 1505 Neely Midland, TX 79701 LRF Jr., LLC P.O. Box 11327 Midland, TX 79702

Moon Royalty L.L.C. P.O. Box 720070 Oklahoma City, OK 73172 Concho Oil & Gas 600 West Illinois Avenue Midland, TX 79701 Sonic Oil & Gas, LP 505 5th Street Graham, TX 76450

H.M. Bettis, Inc. 505 5th Street Graham, TX 76450 Guinn Family Properties, Ltd. P.O. Box 1298
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CORRAL CANYON FEDERAL NO. 14H WELL -POOLING LIST



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

March 10, 2017

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: POOLED PARTIES

Re: Application of XTO Energy Inc. for a non-standard spacing and

proration unit, and compulsory pooling, Eddy County, New Mexico.

Corral Canyon Federal No. 14H Well

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 March 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 Prehearing 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,

Jordan L. Kessler

ATTORNEY FOR XTO ENERGY INC.

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

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

CASE NO. 15643

APPLICATION

XTO Energy Inc., ("XTO") through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order (1) creating a 320-acre spacing and proration unit comprised of the E/2 W/2 of Section 8 and the E/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), underlying this acreage. In support of its application, XTO states:

- 1. XTO Energy Inc. (OGRID No. 5380) is a working interest owner in the subject acreage and has the right to drill thereon.
- 2. XTO proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Corral Canyon Federal No. 14H Well, which will be horizontally drilled from a surface location in the SE/4 SW/4 of Section 5 (Unit N) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 17.
- 3. The Division's district office has placed this well in the Willow Lake; Bone Spring, Southeast (Pool Code 96217), which is subject to the general statewide

rules. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC.

- 4. XTO 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 XTO to obtain it's just and fair share of the oil and gas underlying the subject lands, all mineral interests in this non-standard spacing unit should be pooled and XTO Energy Inc. should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, XTO requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 30, 2017, and, after notice and hearing as required by law, the Division enter an order:

- A. Creating a 320-acre non-standard spacing and proration unit in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), comprised of the E/2 W/2 of Section 8 and the E/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico;
- B. Pooling all uncommitted interests in the non-standard spacing and proration unit;
- C. Designating XTO Energy Inc. operator of this non-standard spacing unit and the horizontal well to be drilled thereon;

- D. Authorizing XTO to recover its costs of drilling, equipping and completing the well;
- 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% penalty for the risk assumed by XTO in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART, LLP

Bv:

Michael H. Feldewert

Jordan L. Kessler

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

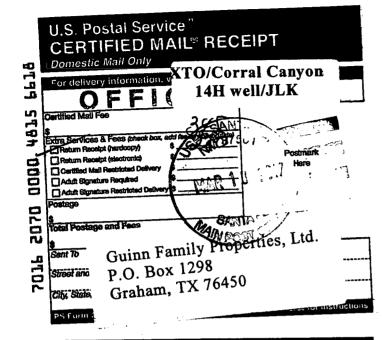
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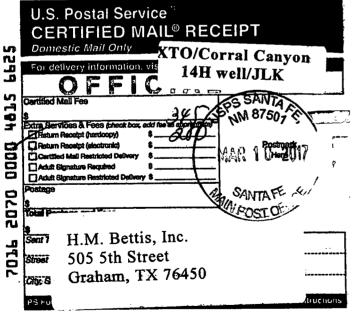
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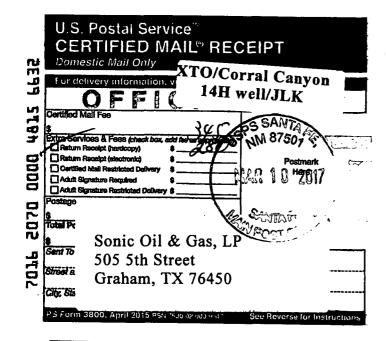
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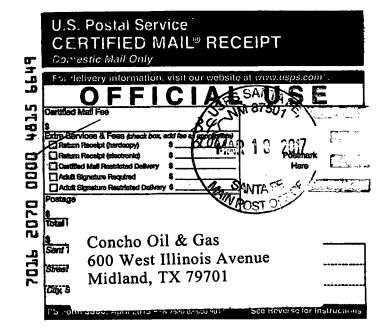
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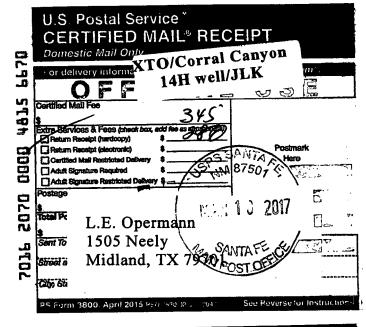
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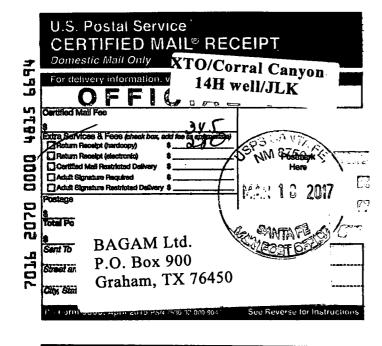
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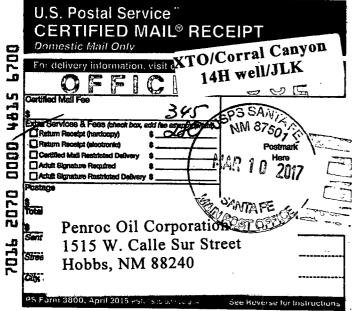
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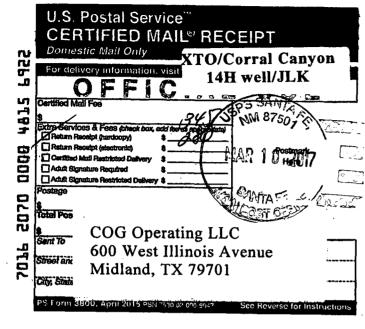
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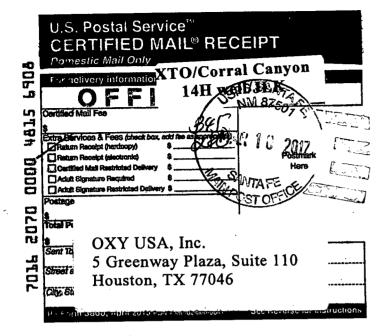
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PS Form 3811, July 2015 PSN 7530-02-000-9053

ExxonMobil Corporation 810 Houston Street Fort Worth, TX 76102 OXY USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 COG Operating LLC 600 West Illinois Avenue Midland, TX 79701

Concho Oil & Gas 600 West Illinois Avenue Midland, TX 79701 Nadel & Gussman Permian, LLC 4000 North Big Spring, Suite 310 Midland, TX 79705

Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland, TX 79706

Devon Energy Corporation 333 West Sheridan Avenue Oklahoma City, OK 73102 Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210

EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702

ABO Petroleum 105 S. Fourth Street Artesia, NM 88210 Myco Industries Inc. 105 S. Fourth Street Artesia, NM 88210

CORRAL CANYON FEDERAL NO. 13H WELL LIST OFFSET OPERATORS LIST



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

March 10, 2017

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

RE: Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.

<u>Corral Canyon Federal No. 13H Well</u>

This letter is to advise you that XTO Energy Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. Your interests are not being pooled under this application. You are receiving notice of this application because of the request for the proposed non-standard spacing and proration unit and due to the proposed unorthodox well location.

This application has been set for hearing before a Division Examiner at 8:15 AM on March 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 with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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,

Jordan L. Kessler

ATTORNEY FOR XTO ENERGY INC.

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

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

CASE NO. <u>15664</u>

APPLICATION

XTO Energy Inc., ("XTO") through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order (1) creating a 320-acre spacing and proration unit comprised of the W/2 W/2 of Section 8 and the W/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), underlying this acreage. In support of its application, XTO states:

- 1. XTO Energy Inc. (OGRID No. 5380) is a working interest owner in the subject acreage and has the right to drill thereon.
- 2. XTO proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Corral Canyon Federal No. 13H Well, which will be horizontally drilled from a surface location in the SE/4 SE/4 of Section 6 (Unit P) to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 17.
- 3. The Division's district office has placed this well in the Willow Lake; Bone Spring, Southeast (Pool Code 96217), which is subject to the general statewide

rules. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC.

- 4. XTO 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 XTO to obtain it's just and fair share of the oil and gas underlying the subject lands, all mineral interests in this non-standard spacing unit should be pooled and XTO Energy Inc. should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, XTO requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 30, 2017, and, after notice and hearing as required by law, the Division enter an order:

- A. Creating a 320-acre non-standard spacing and proration unit in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), comprised of the W/2 W/2 of Section 8 and the W/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico;
- B. Pooling all uncommitted interests in the non-standard spacing and proration unit;
- C. Designating XTO Energy Inc. operator of this non-standard spacing unit and the horizontal well to be drilled thereon;

- D. Authorizing XTO to recover its costs of drilling, equipping and completing the well;
- 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% penalty for the risk assumed by XTO in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART, LLP

Bv:

Michael H. Feldewert

Jordan L. Kessler

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

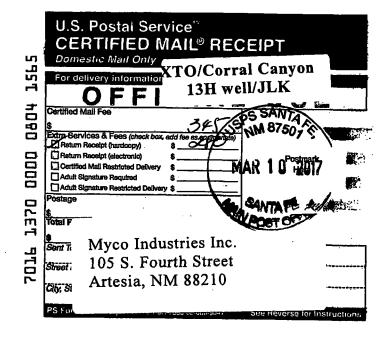
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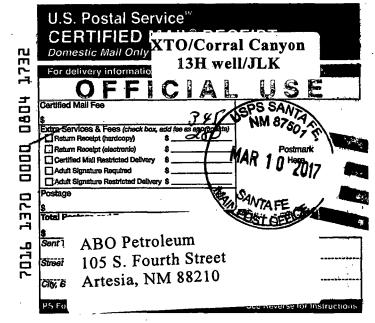
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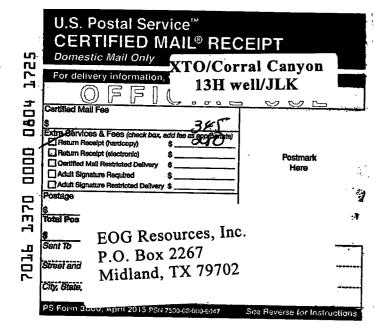
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ATTORNEYS FOR XTO ENERGY INC.



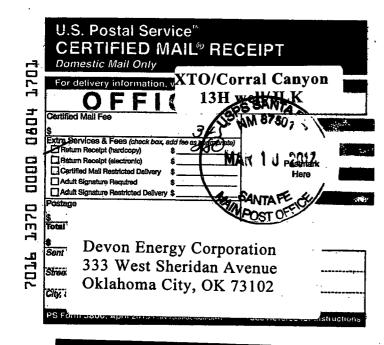


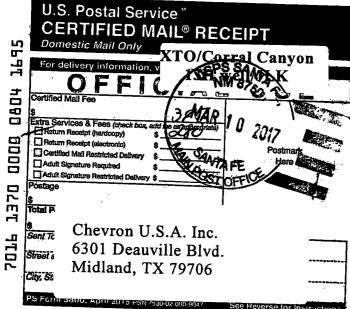
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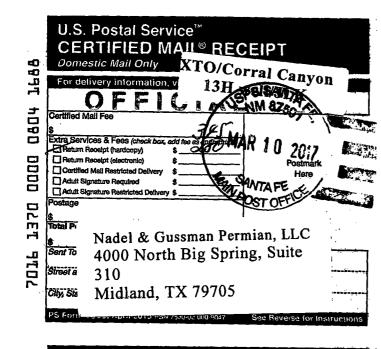
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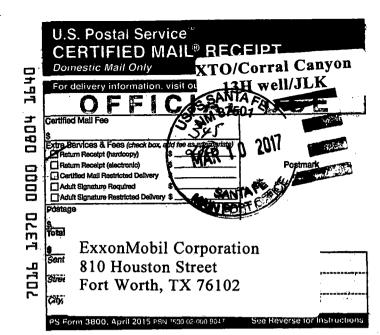
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Concho Oil & Gas 600 West Illinois Avenue Midland, TX 79701 Nadel & Gussman Perm, LLC 4000 North Big Spring, Ste 310 Midland, TXX 79705 Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland, TX 79706

Devon Energy Corporation 333 West Sheridan Avenue Oklahoma City, OK 73102 Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210 EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702

ABO Petroleum 105 S. Fourth Street Artesia, NM 88210 Myco Industries Inc. 105 S. Fourth Street Artesia, NM 88210 CORRAL CANYON FEDERAL NO. 14H WELL OFFSET LIST



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

March 10, 2017

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO: OFFSETTING LESSEES AND OPERATORS

RE: Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico.

Corral Canyon Federal No. 14H Well

This letter is to advise you that XTO Energy Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. Your interests are not being pooled under this application. You are receiving notice of this application because of the request for the proposed non-standard spacing and proration unit and due to the proposed unorthodox well location.

This application has been set for hearing before a Division Examiner at 8:15 AM on March 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.

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If you have any questions about this matter please contact Angie Repka, at (817) 885-2746 or Angie Repka@xtoenergy.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR XTO ENERGY INC.

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

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

CASE NO. 15643

APPLICATION

XTO Energy Inc., ("XTO") through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order (1) creating a 320-acre spacing and proration unit comprised of the E/2 W/2 of Section 8 and the E/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), underlying this acreage. In support of its application, XTO states:

- 1. XTO Energy Inc. (OGRID No. 5380) is a working interest owner in the subject acreage and has the right to drill thereon.
- 2. XTO proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Corral Canyon Federal No. 14H Well, which will be horizontally drilled from a surface location in the SE/4 SW/4 of Section 5 (Unit N) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 17.
- 3. The Division's district office has placed this well in the Willow Lake;
 Bone Spring, Southeast (Pool Code 96217), which is subject to the general statewide

rules. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC.

- 4. XTO 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 XTO to obtain it's just and fair share of the oil and gas underlying the subject lands, all mineral interests in this non-standard spacing unit should be pooled and XTO Energy Inc. should be designated the operator of this proposed horizontal well and spacing unit.

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- A. Creating a 320-acre non-standard spacing and proration unit in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), comprised of the E/2 W/2 of Section 8 and the E/2 W/2 of Section 17, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico;
- B. Pooling all uncommitted interests in the non-standard spacing and proration unit;
- C. Designating XTO Energy Inc. operator of this non-standard spacing unit and the horizontal well to be drilled thereon;

- D. Authorizing XTO to recover its costs of drilling, equipping and completing the well;
- 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% penalty for the risk assumed by XTO in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART, LLP

Bv:

Michael H. Feldewert

Jordan L. Kessler

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

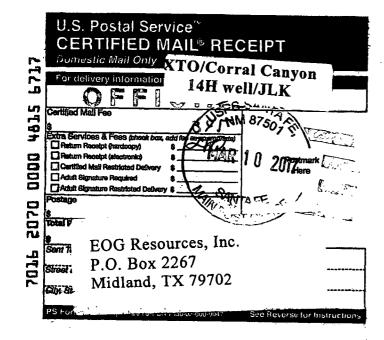
jlkessler@hollandhart.com

ATTORNEYS FOR XTO ENERGY INC.

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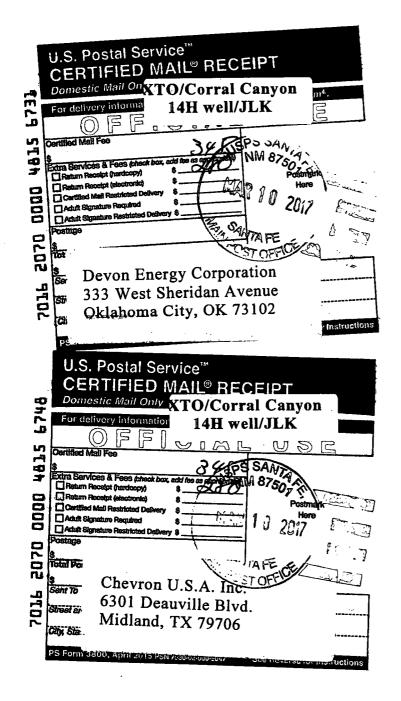
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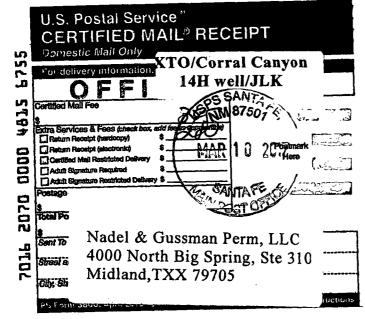
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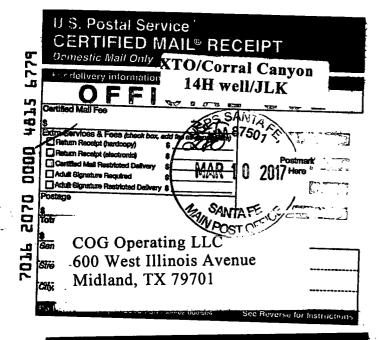
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PS Form 3811, July 2015 PSN 7530-02-000-9053



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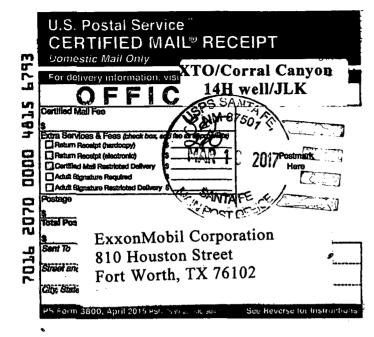
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PS Form 3811, July 2015 PSN 7530-02-000-9053



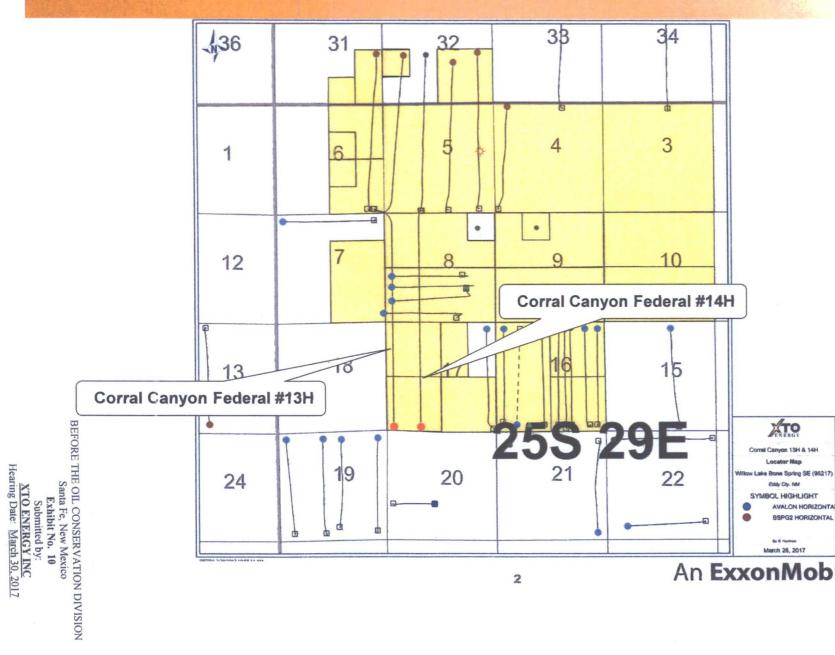
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PS Form 3811, July 2015 PSN 7530-02-000-9053

Area Locator Map

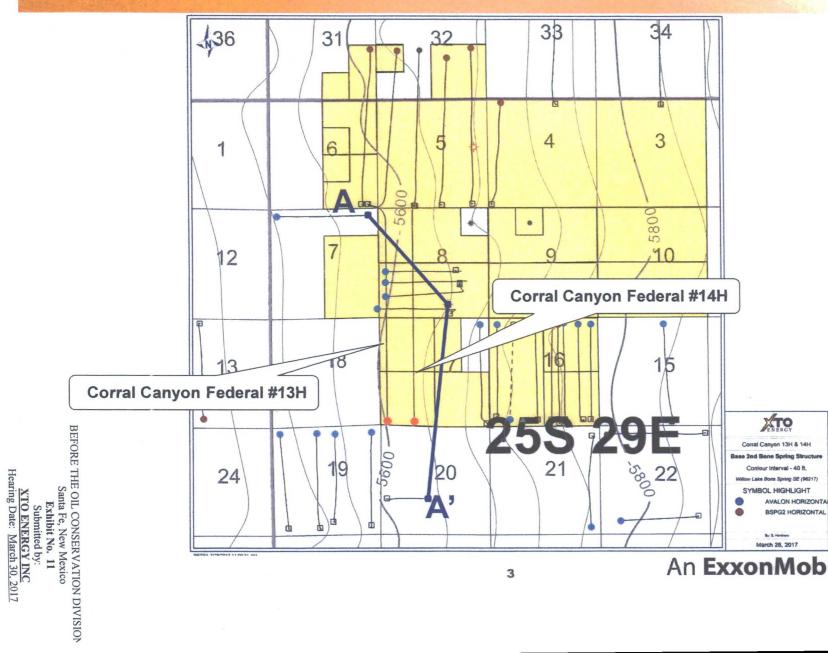




An ExxonMobil Subsidiary

2nd Bone Spring Base Structure





An **ExxonMobil** Subsidiary

Stratigraphic Cross Section

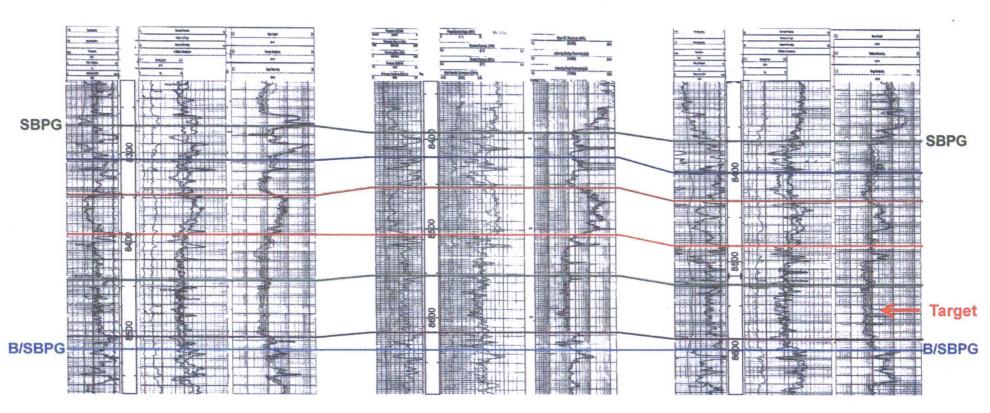


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An ExxonMobil Subsidiary

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 12
Submitted by:
XTO ENERGY INC

Harring Date: March 20 2017