

JUN 11 2019 PM04:16

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

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

CASE NO. 20635

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 pooling all uncommitted interests in the Wolfcamp formation [WC-015 G-05 S233031K; Wolfcamp (Pool Code 98241)] underlying a standard 240-acre horizontal spacing unit comprised of the W/2 W/2 equivalent of irregular Section 19 and the W/2 NW/4 equivalent of irregular Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico. 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. Applicant proposes to dedicate the above-referenced horizontal spacing unit to the following wells: The **Remuda North 30 State No. 111H Well** (30-015-44400), the **Remuda North 30 State No. 112H Well** (30-015-44327), the **Remuda North 30 State No. 121H Well** (30-015-44402) and the **Remuda North 30 State No. 122H Well** (30-015-44401). These wells have been horizontally drilled from a surface location in the SW/4 NW/4 (Lot 3) of irregular Section 30 to bottom hole location in the NW/4 NW/4 (Lot 1) of irregular Section 19.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.

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


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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2019, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, NM 87504

505-998-4421

505-983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR XTO ENERGY INC.

CASE No. 20635: **Application of XTO Energy Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation [WC-015 G-05 S233031K; Wolfcamp (Pool Code 98241)] underlying a standard 240-acre horizontal spacing unit comprised of the W/2 W/2 equivalent of irregular Section 19 and the W/2 NW/4 equivalent of irregular Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit will be dedicated to the following proposed wells: The **Remuda North 30 State No. 111H Well** (30-015-44400), the **Remuda North 30 State No. 112H Well** (30-015-44327), the **Remuda North 30 State No. 121H Well** (30-015-44402) and the **Remuda North 30 State No. 122H Well** (30-015-44401). These wells have been horizontally drilled from a surface location in the SW/4 NW/4 (Lot 3) of irregular Section 30 to bottom hole location in the NW/4 NW/4 (Lot 1) of irregular Section 19. Also to be considered will be an extension of the timeframe to drill and complete the initial wells, the cost of drilling and completing the wells and allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells and the imposition of a 200% charge for risk involved in drilling said wells. Said area is located approximately 12 miles east of Loving, New Mexico.