

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



March 28, 2018

WPX Energy Production, LLC
Attn: Andrea Felix
PO Box 640
Aztec, NM 87410

RE: Approved Application for Permit to Drill

Wells: W Escavada Unit #305H API# 30-043-21309
W Escavada Unit #306H API #30-043-21313

Attn: Ms. Felix,

The forms 3160-3 Application for Permit to Drill (APD) for the above-mentioned wells were approved by the Oil Conservation Division (OCD) on January 26, 2018. Upon further review and discussions with the Bureau of Land Management (BLM), it was discovered that the Original Unit had been approved by the BLM. The BLM also informed us after the approval, WPX requested a unit expansion. Because of the expansion request the BLM withdrew their original approval pending approval of the Unit expansion.

OCD Order R-14100 states:

(2) This order shall be effective on the first day of the month following the later of (i) the entry date of this order or (ii) the date on which final approval of the West Escavada Unit is obtained by Applicant from the Federal Indian Minerals Office ("FIMO") and the Bureau of Land Management ("BLM"). The final approval letter by the BLM and the FIMO shall be provided to the Division.

These wells shall not be drilled until compliance with Order R-14100 is achieved.

If you have any questions regarding this matter, please feel free to contact me at 505-334-6178 Ext. 111

Thank you,

Charlie Perrin
District supervisor

CC Well file