

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

**APPLICATION OF WPX ENERGY
PERMIAN, LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

CASE NO. _____

SECOND AMENDED APPLICATION IN ORIGINAL CASE NO. 20450

WPX Energy Permian, LLC, formerly known as RKI Exploration & Production, LLC (“WPX”) files this amended application in Case No. 20450 with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage Wolfcamp Gas Pool (Pool Code 98220), underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Sections 34 and 35, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of its amended application, WPX states:

1. WPX (OGRID No. 246289) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. WPX seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:
 - **Beagle 35-34-22-27 Fee 401H** well to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 35, T22S, R27E, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 34, T22S, R27E.

- **Beagle 35-34-22-27 Fee 402H** well to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 35, T22S, R27E, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 34, T22S, R27E.

3. The completed intervals for the proposed wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage Wolfcamp Gas Pool.

4. WPX has sought and been unable to obtain a voluntary agreement governing the development of these lands from all 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 WPX 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 WPX should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, WPX requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on **April 2, 2020**, 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 proposed wells;

B. Designating applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;

C. Authorizing applicant to recover its costs of drilling, equipping, and completing the well;

D. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

E. Imposing a 200% charge for the risk assumed by applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

Sharon T. Shaheen

John McIntyre

P.O. Box 2307

Santa Fe, New Mexico 87504-2307

(505) 982-3873

sshaheen@montand.com

jmcintyre@montand.com

*Attorneys for Applicant WPX Energy Permian, LLC
formerly known as RKI Exploration & Production,
LLC*