

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

State
Minerals

rec'd
2-12-2014

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

- NSL 7022
 - WPX Energy
 Production, LLC
 120782

RECEIVED OGD
 JAN FEB 12 PM 2:15

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or \exists Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

Well
 - Chaco 220616A
 # 222H
 30-043-21168
 Pool
 Lybrook

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Heather Riley
 Print or Type Name

Heather Riley
 Signature

Regulatory Team Lead
 Title

2/11/2014
 Date

Heather.riley@wpenergy.com
 e-mail Address

Sent via Overnight Delivery

February 11, 2014

Jami Bailey
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

*Re: Request for Administrative Approval for Non-Standard Lybrook Gallup Lateral
Chaco 2206-16A #222H
API#: 30-043-21168
Sec. 16, T22N, R6W*

Dear Ms. Bailey:

WPX Energy Production, LLC ("WPX"), pursuant to the provisions of Division Rule 19.15.15.13, hereby seeks administrative approval of an unorthodox location for the Lybrook Gallup (42289) formation in the Chaco 2206-16A #222H. This is a horizontal well with a surface location of 754' FNL and 287' FEL, Section 16, T22N, R6W and an end of lateral location of 1530' FNL & 280' FWL, Section 16, T22N, R6W. See attached plat.

This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. Initially the Lybrook Gallup Pool was set up with Special Pool Rules under Order No. R-2267 but these rules were later abolished with Order No. R-2267-B. The new Special Rules for Horizontal Wells under Division Rule 19.15.16.15(B)(3) also apply and state no internal setbacks are required within a project area. Given these setback requirements, the producing interval in the lateral is encroaching the N/2 of the N/2 of Section 16, T22N, R6W in that it is approximately 195' from the unit boundary.

The spacing for the subject well is the S/2 of the N/2 of section 16 consisting of 4 consecutive parcels containing 40 acres more or less and totaling 160 acres. The spacing unit being encroached upon is the N/2 of the N/2 of Section 16 also consisting of 4 consecutive parcels containing 160 acres. ~~All of Section 16 is operated by WPX and ownership is 100% WPX therefore no affected owner letters are required pursuant to NMOCD rules.~~





WPXENERGY

Please note that the maximum perforation range for the lateral will from 5,767' MD to 10,091 MD which are legal as to the east and west lines.

EAST LINE EXPLANATION: Referring to the plat, the Point of Entry is at 580' from the east line of Section 16 which correlates with approximately 5,765' MD. The top perforation is at 5,767' which is 2' past the Point of Entry so the distance from the east line for the perforation is 582'.

WEST LINE EXPLANATION: Our end of lateral is shown at 280' from the west line, which correlates to 10,142 MD. The deepest perforation would be the lower port in a RSI tool which would be set no deeper than 10,091' which correlates to 331' from the west line.

Should you have any questions or concerns, please don't hesitate to contact me.

Sincerely,

Heather Riley
Regulatory Team Lead

Enc.: C-102

District I
1525 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First Street, 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 Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-043-21168	² Pool Code 42289	³ Pool Name LYBROOK GALLUP
⁴ Property Code	⁵ Property Name CHACO 2206-16A	⁶ Well Number 222H
⁷ GRID No. 120782	⁸ Operator Name WPX ENERGY PRODUCTION, LLC	⁹ Elevation 7142'

¹⁰ Surface Location

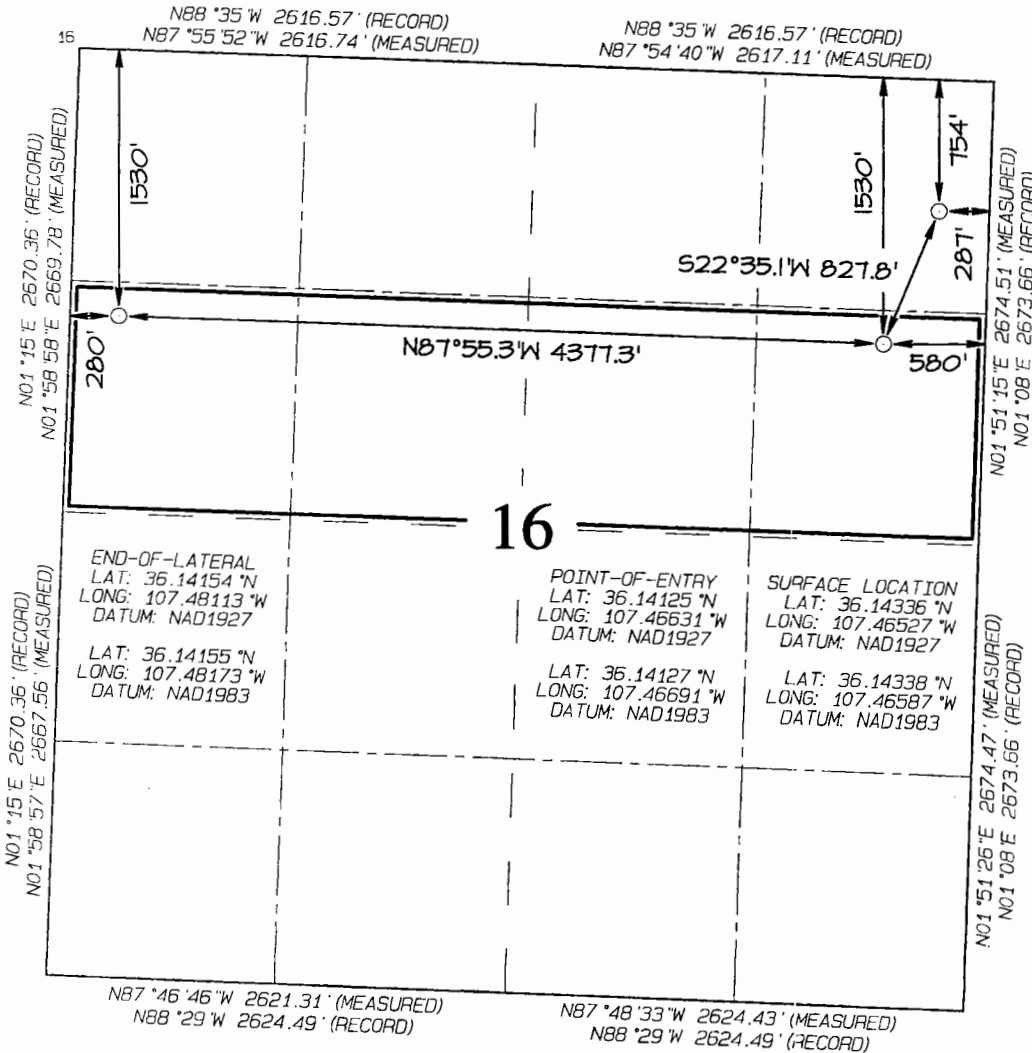
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	22N	6W		754	NORTH	287	EAST	SANDOVAL

¹¹ 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
E	16	22N	6W		1530	NORTH	280	WEST	SANDOVAL

¹² Dedicated Acres 160.0 Acres - (S/2 N/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



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

Signature: Larry Higgins Date: _____
Printed Name: Larry Higgins
E-mail Address: larry.higgins@wpxenergy.com

18 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 supervision, and that the same is true and correct to the best of my belief.

Date Revised: AUGUST 21, 2013
Date of Survey: JULY 31, 2013

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
15269

JASON C. EDWARDS
Certificate Number 15269

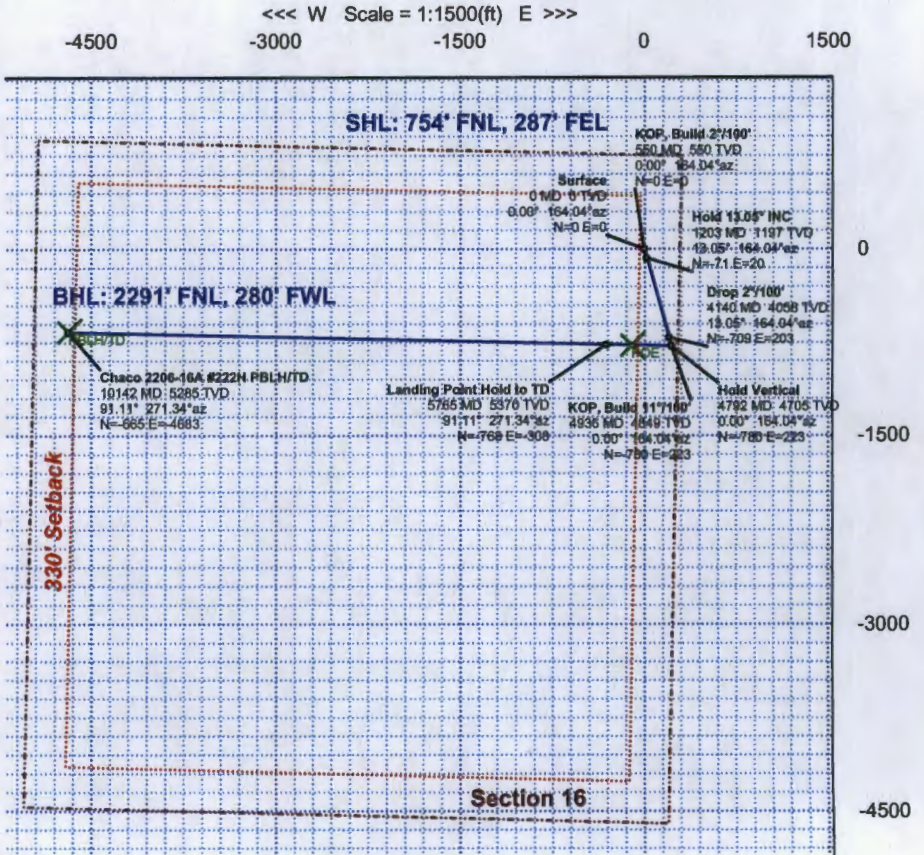
WELL Chaco 2206-16A #222H	FIELD NM Sandoval County NAD27	STRUCTURE Sec 16-22N-6W
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Magnetic Parameters Model: BOGMA 2013 Dip: 82.962° Mag Dec: 9.475°	Date: August 05, 2013 FS: 50162.2mT	Surface Location Lat: N 36 836.096 Lon: W 107 27 54.972	NAD27 New Mexico State Plane, Central Zone, US Feet Northing: 1872637.25 NUS Easting: 141179.35 NUS Grid Conv: -0.717° Scale Fact: 1.00004734	Miscellaneous Sct: Chaco 2206-16A #222H Plan: RD mdr 5/8/13	TVD Ref: FGS(7198 above MSL) Srv Date: August 05, 2013
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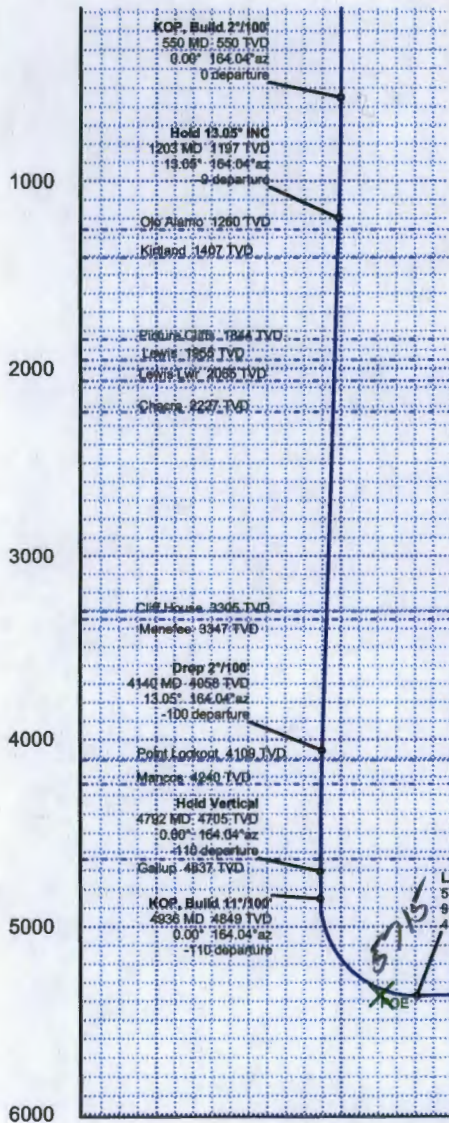
Proposal



True North
Tot Corr (M->T 9.4751°)
Mag Dec (9.475°)
Grid Conv (-0.717°)



TVD Scale = 1:1000(ft)



Critical Point	MD	INCL	AZIM	TVD	YSEC	N(+)/S(-)	E(+)/W(-)	DLS
Surface	0.00	0.00	164.04	0.00	0.00	0.00	0.00	
KOP, Build 2°/100'	550.00	0.00	164.04	550.00	0.00	0.00	0.00	0.00
Hold 13.05° INC	1202.57	13.05	164.04	1196.94	-10.13	-71.15	20.34	2.00
Drop 2°/100'	4139.56	13.05	164.04	4058.06	-100.96	-708.85	202.66	0.00
Hold Vertical	4792.13	0.00	164.04	4705.00	-111.10	-780.00	223.00	2.00
KOP, Build 11°/100'	4936.35	0.00	164.04	4849.22	-111.10	-780.00	223.00	0.00
Landing Point Hold to TD	5764.65	91.11	271.34	5370.00	412.72	-767.57	-307.84	11.00
Chaco 2206-16A #222H PBLH/TD	10141.61	91.11	271.34	5285.00	4729.78	-665.11	-4682.78	0.00

Quality Control
Date Drawn: August 05, 2013
09:29:46 PM
Drawn by: Matt VanderSchaff
Checked by:
Client OK:

Scale = 1:1500(ft) N >>> S <<<

Comments	MD (ft)	Incl (°)	Azim True (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
	7100.00	91.11	271.34	5344.07	1729.79	-738.31	-1842.57	0.00	1872921.53	139527.62	N 36 8 28.81	W 107 28 15.00
	7200.00	91.11	271.34	5342.12	1828.43	-733.97	-1742.53	0.00	1872925.12	139427.70	N 36 8 28.84	W 107 28 16.22
	7300.00	91.11	271.34	5340.18	1927.06	-731.63	-1842.48	0.00	1872928.71	139327.78	N 36 8 28.86	W 107 28 17.43
	7400.00	91.11	271.34	5338.24	2025.69	-729.29	-1942.44	0.00	1872932.30	139227.86	N 36 8 28.88	W 107 28 18.65
	7500.00	91.11	271.34	5336.30	2124.32	-728.95	-2042.39	0.00	1872935.90	139127.94	N 36 8 28.91	W 107 28 19.87
	7600.00	91.11	271.34	5334.36	2222.95	-728.60	-2142.34	0.00	1872939.49	139028.01	N 36 8 28.93	W 107 28 21.09
	7700.00	91.11	271.34	5332.41	2321.58	-728.26	-2242.30	0.00	1872943.08	138928.09	N 36 8 28.95	W 107 28 22.31
	7800.00	91.11	271.34	5330.47	2420.21	-719.92	-2342.25	0.00	1872946.67	138828.17	N 36 8 28.98	W 107 28 23.53
	7900.00	91.11	271.34	5328.53	2518.84	-717.58	-2442.20	0.00	1872950.26	138728.25	N 36 8 29.00	W 107 28 24.75
	8000.00	91.11	271.34	5326.59	2617.48	-715.24	-2542.18	0.00	1872953.85	138628.33	N 36 8 29.02	W 107 28 25.96
	8100.00	91.11	271.34	5324.65	2716.11	-712.90	-2642.11	0.00	1872957.44	138528.41	N 36 8 29.04	W 107 28 27.18
	8200.00	91.11	271.34	5322.70	2814.74	-710.56	-2742.07	0.00	1872961.04	138428.49	N 36 8 29.07	W 107 28 28.40
	8300.00	91.11	271.34	5320.76	2913.37	-708.22	-2842.02	0.00	1872964.63	138328.57	N 36 8 29.09	W 107 28 29.62
	8400.00	91.11	271.34	5318.82	3012.00	-705.88	-2941.97	0.00	1872968.22	138228.65	N 36 8 29.11	W 107 28 30.84
	8500.00	91.11	271.34	5316.88	3110.63	-703.54	-3041.93	0.00	1872971.81	138128.72	N 36 8 29.14	W 107 28 32.06
	8600.00	91.11	271.34	5314.94	3209.26	-701.20	-3141.88	0.00	1872975.40	138028.80	N 36 8 29.16	W 107 28 33.28
	8700.00	91.11	271.34	5312.99	3307.90	-698.85	-3241.83	0.00	1872978.99	137928.88	N 36 8 29.18	W 107 28 34.49
	8800.00	91.11	271.34	5311.05	3406.53	-696.51	-3341.79	0.00	1872982.58	137828.96	N 36 8 29.21	W 107 28 35.71
	8900.00	91.11	271.34	5309.11	3505.16	-694.17	-3441.74	0.00	1872986.18	137729.04	N 36 8 29.23	W 107 28 36.93
	9000.00	91.11	271.34	5307.17	3603.79	-691.83	-3541.70	0.00	1872989.77	137629.12	N 36 8 29.25	W 107 28 38.15
	9100.00	91.11	271.34	5305.23	3702.42	-689.49	-3641.65	0.00	1872993.36	137529.20	N 36 8 29.28	W 107 28 39.37
	9200.00	91.11	271.34	5303.29	3801.05	-687.15	-3741.60	0.00	1872996.95	137429.28	N 36 8 29.30	W 107 28 40.59
	9300.00	91.11	271.34	5301.34	3899.68	-684.81	-3841.56	0.00	1873000.54	137329.36	N 36 8 29.32	W 107 28 41.81
	9400.00	91.11	271.34	5299.40	3998.32	-682.47	-3941.51	0.00	1873004.13	137229.43	N 36 8 29.34	W 107 28 43.02
	9500.00	91.11	271.34	5297.46	4096.95	-680.13	-4041.46	0.00	1873007.72	137129.51	N 36 8 29.37	W 107 28 44.24
	9600.00	91.11	271.34	5295.52	4195.58	-677.79	-4141.42	0.00	1873011.32	137029.59	N 36 8 29.39	W 107 28 45.46
	9700.00	91.11	271.34	5293.58	4294.21	-675.45	-4241.37	0.00	1873014.91	136929.67	N 36 8 29.41	W 107 28 46.68
	9800.00	91.11	271.34	5291.63	4392.84	-673.10	-4341.33	0.00	1873018.50	136829.75	N 36 8 29.44	W 107 28 47.90
	9900.00	91.11	271.34	5289.69	4491.47	-670.76	-4441.28	0.00	1873022.09	136729.83	N 36 8 29.48	W 107 28 49.12
	10000.00	91.11	271.34	5287.75	4590.10	-668.42	-4541.23	0.00	1873025.68	136629.91	N 36 8 29.48	W 107 28 50.34
	10100.00	91.11	271.34	5285.81	4688.73	-666.08	-4641.19	0.00	1873029.27	136529.99	N 36 8 29.51	W 107 28 51.55
Chaco 2206-16A #222H PBLH/TD	10141.61	91.11	271.34	5285.00	4726.78	-665.11	-4682.78	0.00	1873030.77	136466.41	N 36 8 29.51	W 107 28 52.06

Survey Type: Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma
 Survey Program:

Description	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Survey Tool Type	Borehole / Survey
	0.000	14.000	1/100.000	30.000	30.000	SLB_MWD-STD-Depth Only	Original Hole / Chaco 2206-16A #222H R0 mdv 5Aug13
	14.000	10141.812	1/100.000	30.000	30.000	SLB_MWD-STD	Original Hole / Chaco 2206-16A #222H R0 mdv 5Aug13