

1/09/2014	SUSPENSE	MAM	1/10/2014	NSP	PMAM 1401038859
DATE IN		ENGINEER	LOGGED IN	TYPE DHC	APP NO PMAM 1401041063

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]

NSL  
 NSP  
 DHC  
 W P X

- [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 \_\_\_\_\_

Chaco 2308-16Z  
 30-045-35500  
 - BASIN  
 MANCOS  
 - WAGGERS  
 GALLUP

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or 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

Continued from  
 Jan. 9 hearing  
 Case No 15070

- [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.

Adam G. Rankin

Print or Type Name

Signature

Attorney

Title

01/09/14

Date

agrarkin@hollandhart.com  
 e-mail Address



January 24, 2014

**VIA HAND DELIVERY**

Jami Bailey  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: Amended Application of WPX Energy Production, LLC for administrative approval of an 80-acre non-standard spacing unit in the Basin-Mancos Gas Pool (97232) and approval of an unorthodox well location in the spacing unit; and approval to downhole commingle production from the Nageezi Gallup Pool (47540) and the Basin Mancos Gas Pool (97232), San Juan County, New Mexico.**

Dear Ms. Bailey:

WPX Energy Production, LLC (OGRID 120782) seeks to amend the above-referenced application filed on January 9, 2014. *See* WPX Administrative Application, attached hereto as **Exhibit A**. Specifically, WPX seeks to change the bottom hole location and the location of the completed interval as described below. Therefore, WPX is including with this amended application a copy of the amended C-102 filed with the Division amending those locations, attached hereto as **Exhibit B**, identified below. Exhibit B also depicts the location of the well bore's completed interval, as discussed below. In all other respects, the amended application is the same as the original application.

WPX owns a leasehold interest in the S/2 S/2 of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. WPX plans to drill the Chaco 2308 16I 148H well as a horizontal well in the S/2 S/2 of Section 16 at a surface location 1531 feet from the South line and 281 feet from the East line (Unit I) and a bottom hole location 380 feet from the South line and 230 feet from the West line (Unit M). The completed interval for this well bore will be between the first perforation at 380 feet from the East line and 380 feet from the South line and the last perforation at 330 from the West line and 380 feet from the South line of said Section 16.

The SW/4 of said Section 16 is located in the Basin-Mancos Gas Pool (97232) and subject to the special rules for that pool created under Order R-12984. The SE/4 of said Section 16 is located in the Nageezi-Gallup Pool (47540), an oil pool that is not listed in paragraphs (3) and (4) of Order R-12984.

The special rules for the Basin-Mancos Gas Pool require that an oil well drilled within the area encompassed by these rules that is near an oil pool not listed in paragraphs (3) and (4) of Order R-12984 must conform to the special rules for the Basin-Mancos Gas Pool. *See* Appendix A to Order R-12984 (special rules) at Rule 1. These special rules require 320-acre spacing and that the well remains 660 feet from the outer boundary of the spacing unit. *Id.* at Rule 2.

The completed interval of the segment of WPX's proposed horizontal well located in the Nageezi-Gallup Pool in the S/2 SE/4 of Section 16 will be at a standard location and will have dedicated to it standard spacing units for oil pools comprised of Units P and O. However, the remaining portion of the wellbore located in the Basin-Mancos Gas Pool in the S/2 SW/4 of Section 16 will have dedicated to it a non-standard 80-acre spacing unit comprised of Units N and M instead of the 320-acre spacing unit required by the special pool rules. In addition, the portion of the wellbore in the S/2 SW/4 will be at a non-standard location 330 feet from the West line and 380 feet from the South line of the proposed unit instead of the 660 feet required by the special rules.

Accordingly, to allow WPX an opportunity to efficiently and economically recover the reserves in these adjacent pools underlying the S/2 S/2 of Section 16, WPX respectfully requests that the Division issue administrative orders granting the following relief:

- (1) Pursuant to NMAC 19.15.15.13.C, approve a non-standard horizontal well location 380 feet from the South line and 330 feet from the West line in the S/2 SW/4 of Section 16;
- (2) Pursuant to NMAC 19.15.15.11.B(2), approve an 80-acre non-standard spacing and proration unit in the Basin-Mancos Gas Pool comprised of the S/2 SW/4 (Units M and N); and
- (3) Pursuant to NMAC 19.15.12.11.C(1), approve the commingling of production from the Nageezi-Gallup Pool and the Basin-Mancos Gas Pool in WPX's proposed horizontal well to be located in the S/2 S/2 of said Section 16.

As further support for this application, WPX has provided the following exhibits with this letter:

**Exhibit A** is the original administrative application with all exhibits. The only changes included in this amended application are the bottom hole location and location of the completed interval. In all other respects, the amended application remains the same.

**Exhibit B** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that as a result of the 660 foot setbacks required by the special rules for the Basin-Mancos Gas Pool, the proposed completed interval of the Chaco 2308 16I 148H well, to be located between



the first perforation at 380 feet from the East line and 380 feet from the South line and the last perforation at 330 feet from the West line and 380 feet from the South line of Section 16, encroaches on the spacing and proration units to the South and West of the SW/4 of Section 16.

A copy of this amended application with all attachments has been sent by certified mail, return-receipt requested, to each of the affected parties identified in Exhibit D to the original application, advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives this application.

Your attention to this application is appreciated.

Sincerely,

Adam G. Rankin

**ATTORNEY FOR**

**WPX ENERGY PRODUCTION LLC**

cc: Michael McMillan, Oil Conservation Division via e-mail



January 9, 2014

**VIA HAND DELIVERY**

Jami Bailey  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: Application of WPX Energy Production, LLC for administrative approval of an 80-acre non-standard spacing unit in the Basin-Mancos Gas Pool (97232) and approval of an unorthodox well location in the spacing unit; and approval to downhole commingle production from the Nageezi Gallup Pool (47540) and the Basin Mancos Gas Pool (97232), San Juan County, New Mexico.**

Dear Ms. Bailey:

WPX Energy Production, LLC (OGRID 120782) owns a leasehold interest in the S/2 S/2 of Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico. WPX plans to drill the Chaco 2308 16I 148H well as a horizontal well in the S/2 S/2 of Section 16 at a surface location 1500 feet from the South line and 228 feet from the East line (Unit I) and a bottom hole location 380 feet from the South line and 380 feet from the West line (Unit M).

The SW/4 of said Section 16 is located in the Basin-Mancos Gas Pool (97232) and subject to the special rules for that pool created under Order R-12984. The SE/4 of said Section 16 is located in the Nageezi-Gallup Pool (47540), an oil pool that is not listed in paragraphs (3) and (4) of Order R-12984.

The special rules for the Basin-Mancos Gas Pool require that an oil well drilled within the area encompassed by these rules that is near an oil pool not listed in paragraphs (3) and (4) of Order R-12984 must conform to the special rules for the Basin-Mancos Gas Pool. *See* Appendix A to Order R-12984 (special rules) at Rule 1. These special rules require 320-acre spacing and that the well remains 660 feet from the outer boundary of the spacing unit. *Id.* at Rule 2.

The completed interval of the segment of WPX's proposed horizontal well located in the Nageezi-Gallup Pool in the S/2 SE/4 of Section 16 will be at a standard location and will have dedicated to it standard spacing units for oil pools comprised of Units P and O. However, the remaining portion of the wellbore located in the Basin-Mancos Gas Pool in the S/2 SW/4 of Section 16 will have dedicated to it a non-standard 80-acre spacing unit comprised of Units N



and M instead of the 320-acre spacing unit required by the special pool rules. In addition, the portion of the wellbore in the S/2 SW/4 will be at a non-standard location 380 feet from the outer boundary of the proposed unit instead of 660 feet required by the special rules.

Accordingly, to allow WPX an opportunity to efficiently and economically recover the reserves in these adjacent pools underlying the S/2 S/2 of Section 16, WPX respectfully requests that the Division issue administrative orders granting the following relief:

- (1) Pursuant to NMAC 19.15.15.13.C, the Division approve a non-standard horizontal well location 380 feet from the South line and 380 feet from the West line in the S/2 SW/4 of Section 16;
- (2) Pursuant to NMAC 19.15.15.11.B(2), the Division approve an 80-acre non-standard spacing and proration unit in the Basin-Mancos Gas Pool comprised of the S/2 SW/4 (Units M and N); and
- (3) Pursuant to NMAC 19.15.12.11.C(1), the Division approve the commingling of production from the Nageezi-Gallup Pool and the Basin-Mancos Gas Pool in WPX's proposed horizontal well to be located in the S/2 S/2 of said Section 16.

As further support for this application, WPX has provided the following exhibits with this letter:

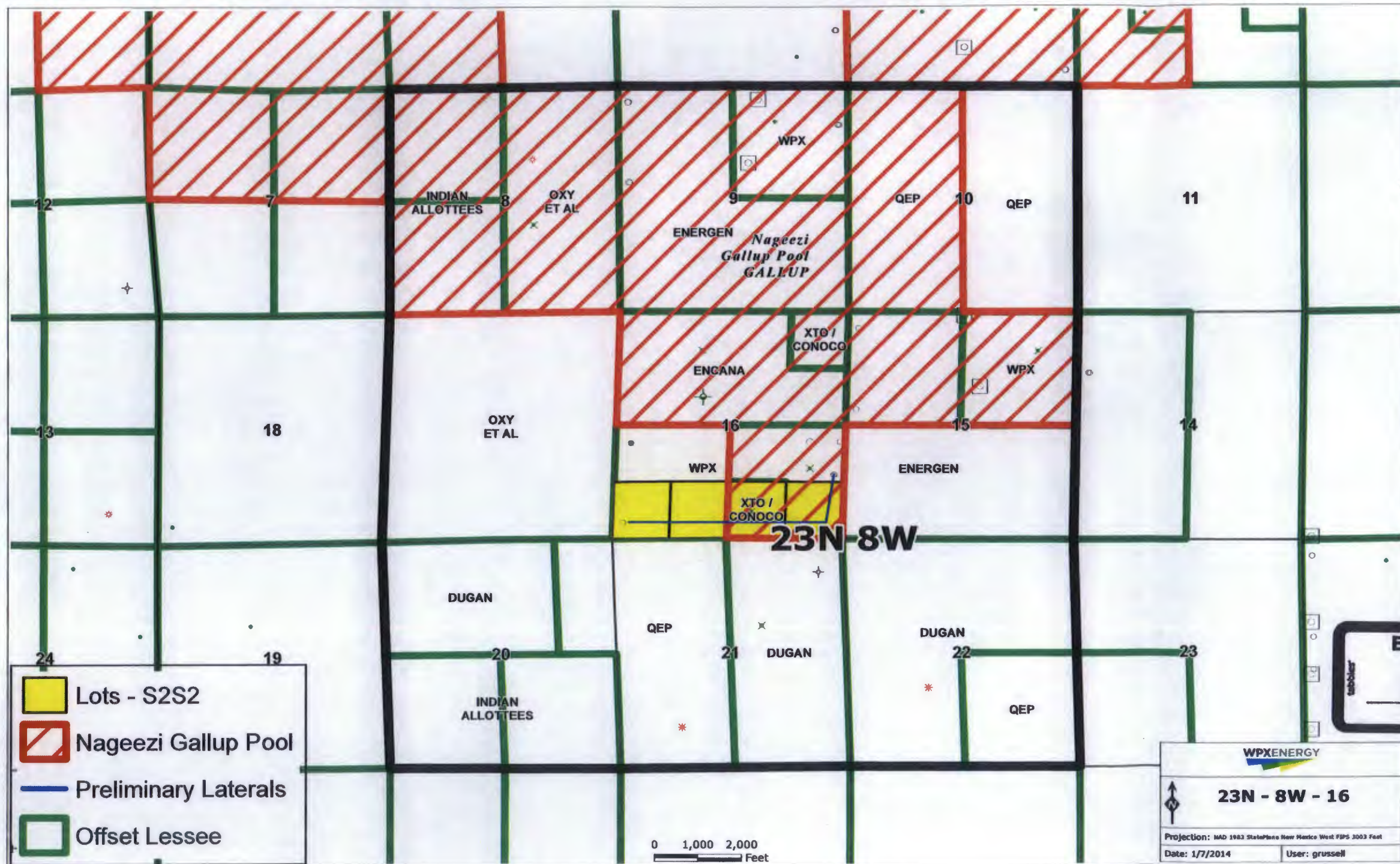
**Exhibit A** is a land plat of Section 16 and the surrounding sections showing the location of the Chaco 2308 16I 148H in the S/2 S/2 of Section 16 and the adjoining spacing units and wells.

**Exhibit B** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that as a result of the 660 foot setbacks required by the special rules for the Basin-Mancos Gas Pool, the proposed Chaco 2308 16I 148H well encroaches on the spacing and proration units to the South and West of the SW/4 of Section 16.

**Exhibit C** is a copy of a completed form C-107-A (application for downhole commingling).

**Exhibit D** is a list of the affected parties for both the request for approval of the non-standard well location and for the request for the creation of a non-standard spacing unit in the Basin-Mancos Gas Pool. A copy of this application with all attachments has been sent by certified mail to each of these affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives this application.





EXHIBIT

A

District I  
1625 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

*API Number	*Pool Code	*Pool Name
	97232 / 47540	BASIN MANCOS (M&N) / NAGEEZI GALLUP (O&P)
*Property Code	*Property Name	*Well Number
	CHACO 2308-16I	148H
*GRID No.	*Operator Name	*Elevation
120782	WPX ENERGY PRODUCTION, LLC	6866'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	16	23N	8W		1531	SOUTH	281	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

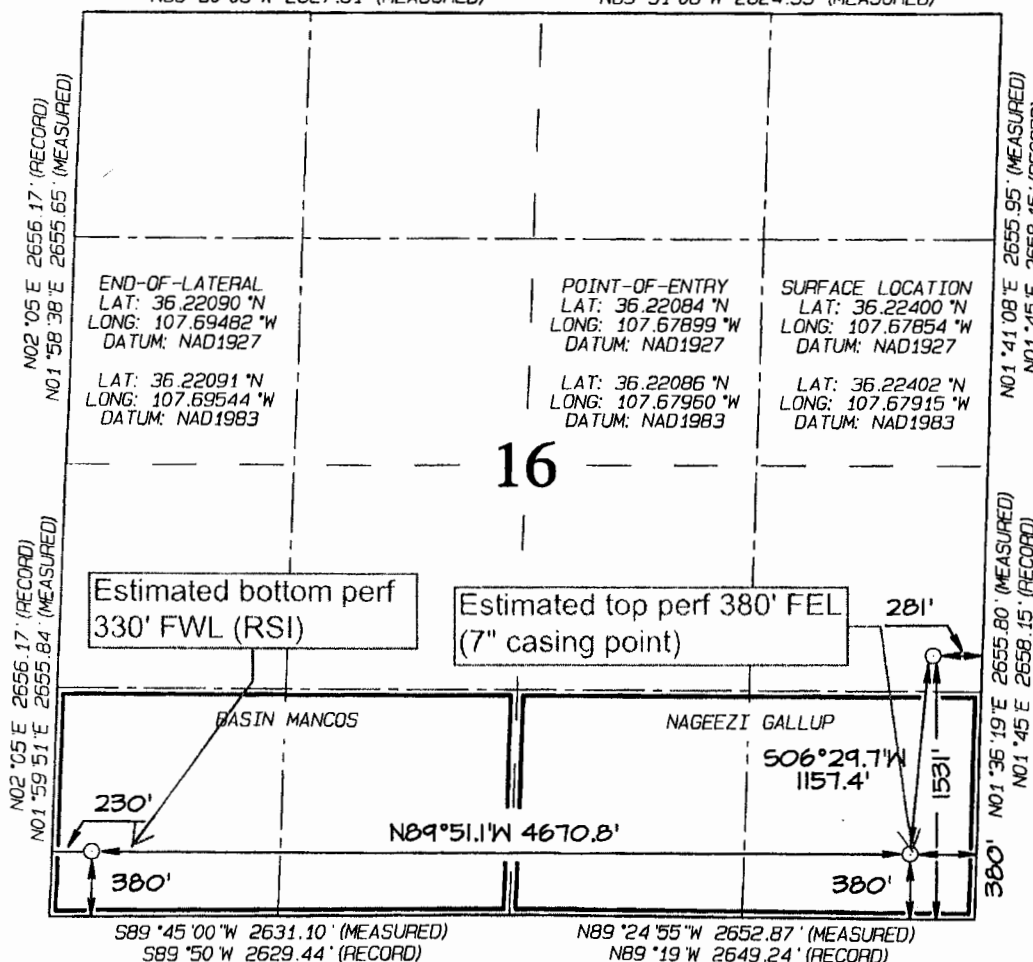
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	23N	8W		380	SOUTH	230	WEST	SAN JUAN

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Under No.
160.0 Acres - (S/2 S/2)			

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

N89°43'W 2627.13' (RECORD)  
N89°50'08"W 2627.81' (MEASURED)

N89°43'W 2627.13' (RECORD)  
N89°51'06"W 2624.33' (MEASURED)



<sup>17</sup> 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 \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E-mail Address \_\_\_\_\_

<sup>18</sup> 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: JANUARY 10, 2014  
Survey Date: FEBRUARY 1, 2013

Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269



District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 S. First St., Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: WPX Energy Production, LLC

Address: P.O. Box 640, Aztec, NM 87410

Lease: Chaco 2308-161 Well No.: 148H Unit Letter-Section-Township-Range: Surface: 1-16-23N-8W County: San Juan  
BHL: P, O, N, M -16-23N-8W  
OGRID No. 120782 Property Code 39581 API No. Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UNITS P & O	UNITS N & M	
Pool Name	Nageezi Gallup	Basin Mancos	
Pool Code	47450	97232	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5438' - 5538'	5438' - 5538'	
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	1635 psi	1635psi	
Oil Gravity or Gas BTU (Degree API or Gas BTU)	40 degrees API	40 degrees API	
Producing, Shut-In or New Zone	New Zone	New Zone	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: May 1, 2014  Rates: 205 BOPD - based on Chaco 2308-161 #147H Prod'n	Date: May 1, 2014  Rates: 205 BOPD - based on Chaco 2308-161 #147H Prod'n	Date:  Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 50% 50%	Oil Gas 50% 50%	Oil Gas % %

Note: This  
Commingling  
application is to  
commingle two  
pools in the same  
formation. This  
will be a horizontal  
well bore and the  
entire producing  
lateral will be 5438'  
- 5538' TVD

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes \_\_\_\_\_ No ☒  
Yes ☒ No \_\_\_\_\_

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No \_\_\_\_\_

Will commingling decrease the value of production?

Yes \_\_\_\_\_ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands  
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No \_\_\_\_\_

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ken McQueen TITLE: Director, San Juan Region DATE: November 20, 2013

TYPE OR PRINT NAME: Ken McQueen

TELEPHONE NO: (539) 573-2889

E-MAIL ADDRESS: ken.mcqueen@wpxenergy.com

EXHIBIT

C

**EXHIBIT D**  
**WPX ENERGY PRODUCTION, LLC**

Mulberry Partners II LLP  
105 S. 4th St.  
Artesia, NM 88210

OXY Y-1 Company  
5 Greenway Plaza  
Houston, TX. 77046-0506  
P.O. Box 27570  
Houston, TX. 77227-7570

XTO Energy Inc.  
810 Houston St.  
Fort Worth, Texas 76102-6298

ConocoPhillips  
P.O. Box 2197  
Houston, TX. 77252-2197

QEP Energy Co.  
1050 17<sup>th</sup> St., Ste 500  
Denver, CO 80265

Encana Oil & Gas (USA) Inc.  
370 - 17 Street, Suite 1700  
Denver, CO 80202

Dugan Production Corporation  
P.O. Box 420  
Farmington, NM 87499-0420

**Downhole Commingling**

NM State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87504

7006 0100 0005 5770 9021

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Postage	\$ 1.66	Postmark NOV 27 2013
Certified Fee	3.10	
Return Receipt Fee (Endorsement Required)	2.55	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.31	

Energen Resources Corporation  
 2010 Afton place  
 Farmington, NM 87401

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Energen Resources Corporation  
 2010 Afton place  
 Farmington, NM 87401

2. Article Number

(Transfer from service label)

7006 0100 0005 5770 9021

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SECTION ON DELIVERY

A. Signature X <i>B. Velarde</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>B. Velarde</i>		C. Date of Delivery
D. Is delivery address different from item 1? If YES, enter delivery address below:		<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee)		<input type="checkbox"/> Yes

7006 0100 0005 5770 9045

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Postage	\$ 1.66	Postmark NOV 27 2013
Certified Fee	3.10	
Return Receipt Fee (Endorsement Required)	2.55	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.31	

Mulberry Partners II LLP  
 105 S. 4th St.  
 Artesia, NM 88210

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mulberry Partners II LLP  
 105 S. 4th St.  
 Artesia, NM 88210

2. Article Number

(Transfer from service label)

7006 0100 0005 5770 9045

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SECTION ON DELIVERY

A. Signature X <i>J. Delgado</i>		<input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>J. Delgado</i>		C. Date of Delivery <i>12-2-13</i>
D. Is delivery address different from item 1? If YES, enter delivery address below:		<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee)		<input type="checkbox"/> Yes

7006 0100 0005 5770 7607

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OFFICIAL WPX/138H

Postage	\$ 1.66
Certified Fee	3.10
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.31

Postmark  
 NOV 27 2013

OXY Y-1 Company  
 P.O. Box 27570  
 Houston, TX. 77227-7570

for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OXY Y-1 Company  
 P.O. Box 27570  
 Houston, TX. 77227-7570

2. Article Number

(Transfer from service label)

7006 0100 0005 5770 7607

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SECTION ON DELIVERY

A. Signature

*[Signature]* ☒ Agent ☐ Addressee

B. Received by (Printed Name)

*[Signature]* C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

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Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.31

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 NOV 27 2013

Encana Oil & Gas (USA) Inc.  
 370 - 17 Street, Suite 1700  
 Denver, CO 80202

for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Encana Oil & Gas (USA) Inc.  
 370 - 17 Street, Suite 1700  
 Denver, CO 80202

2. Article Number

(Transfer from service label)

7006 0100 0005 5770 9052

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

*[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

DEC 02 2013

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7006 0100 0005 5770 9083

U.S. Postal Service™  
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For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL MAIL RECEIPT**

Postage	\$ 1.66
Certified Fee	3.10
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	6.31
<b>Total Postage &amp; Fees</b>	<b>\$ 13.62</b>

Postmark Here

QEP Energy Co.  
 1050 17th St., Ste 500  
 Denver, CO 80265

for instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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1. Article Addressed to:

QEP Energy Co.  
 1050 17th St., Ste 500  
 Denver, CO 80265

2. Article Number

(Transfer from)

7006 0100 0005 5770 9083

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SECTION ON DELIVERY

A. Signature

X

☐ Agent  
☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☒ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7006 0100 0005 5770 9038

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**OFFICIAL MAIL RECEIPT**

Postage	\$ 1.66
Certified Fee	3.10
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	6.31
<b>Total Postage &amp; Fees</b>	<b>\$ 13.62</b>

Postmark Here  
 NOV 27 2013

Dugan Production Corporation  
 P.O. Box 420  
 Farmington, NM 87499-0420

for instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dugan Production Corporation  
 P.O. Box 420  
 Farmington, NM 87499-0420

2. Article Number

(Transfer from)

7006 0100 0005 5770 9038

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SECTION ON DELIVERY

A. Signature

X

☐ Agent  
☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



7006 0100 0005 5770 9069

U.S. Postal Service™  
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OFFICIAL WRX/4874

Postage	\$ 1.66	Postmark Here DEC 27 2013
Certified Fee	3.10	
Return Receipt Fee (Endorsement Required)	2.55	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	6.31	

XTO Energy Inc.  
 810 Houston St.  
 Fort Worth, Texas 76102-6298

for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

XTO Energy Inc.  
 810 Houston St.  
 Fort Worth, Texas 76102-6298

A. Signature

X

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery  
 12/27/2013

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. A

(Transfer from)

PS Form 3811, February 2004

102595-02-M-1540

7006 0100 0005 5770 9472

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For delivery information visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL WRX/3874

Postage	\$ 1.66	Postmark Here DEC 27 2013
Certified Fee	3.10	
Return Receipt Fee (Endorsement Required)	2.55	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	6.31	

ConocoPhillips  
 P.O. Box 2197  
 Houston, TX. 77252-2197

for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ConocoPhillips  
 P.O. Box 2197  
 Houston, TX. 77252-2197

A. Signature

X

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery  
 12/27/13

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article

(Transfer from)

7006 0100 0005 5770 9472

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**AFFIDAVIT OF PUBLICATION**

**COPY OF PUBLICATION**

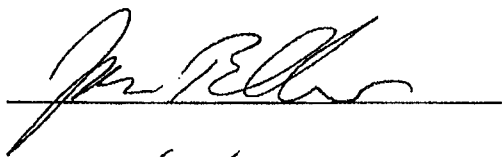
**Ad No. 69748**

**STATE OF NEW MEXICO  
County of San Juan:**

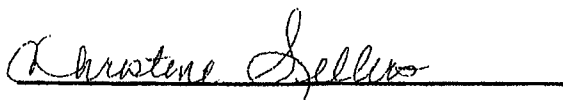
JOHN ELCHERT, being duly sworn says:  
That HE is the PUBLISHER of THE DAILY  
TIMES, a daily newspaper of general  
circulation published in English at Farmington,  
said county and state, and that the hereto  
attached Legal Notice was published in a  
regular and entire issue of the said DAILY  
TIMES, a daily newspaper duly qualified for  
the purpose within the meaning of Chapter  
167 of the 1937 Session Laws of the State of  
New Mexico for publication and appeared in  
the Internet at The Daily Times web site on  
the following day(s):

Saturday, December 21, 2013

And the cost of the publication is \$87.31



ON 12/23/13 JOHN ELCHERT  
appeared before me, whom I know personally  
to be the person who signed the above  
document.





HOLLAND & HART<sup>LLP</sup>



**Adam G. Rankin**  
**Associate**  
**Phone** (505) 988-4421  
**Fax** (505) 983-6043  
AGRankin@hollandhart.com

January 9, 2014

Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

**Re: Application of WPX Energy Production, LLC for downhole commingling**

Dear Commissioner Powell:

Attached is the administrative application of WPX Energy Production, LLC ("WPX") for, among other things, a request to downhole commingle. This administrative application will be filed later today with the New Mexico Oil Conservation Division. Thank-you for your attention to this matter.

Sincerely,

Adam G. Rankin

AGR

**Holland & Hart<sup>LLP</sup>**

Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

## McMillan, Michael, EMNRD

---

**From:** Adam Rankin <AGRankin@hollandhart.com>  
**Sent:** Friday, January 17, 2014 9:23 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Lisamarie Ortiz  
**Subject:** RE: WPX Chaco 2308-16I San Juan County, New Mexico

Mike,

We did; in fact just this morning we had a call with WPX to discuss this issue.

After discussing with them the location of their perfs, they have decided to amend their application and request a NSL 330 feet off the west line. That is 50 feet closer to the outer-boundary of the proposed spacing unit that we had originally requested and provided notice for. Therefore, we are going to file an amended application and re-notice the offsets indicating that WPX is seeking a location 330 off the west line. We hope to get the amended application filed and the notice sent today. That will restart our 20-day clock.

---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Friday, January 17, 2014 9:19 AM  
**To:** Adam Rankin  
**Subject:** RE: WPX Chaco 2308-16I San Juan County, New Mexico

Adam:

Did you receive any information from WPX for the following information:

Location of perforated interval: Footage description

Bottom hole location: Footage description

The bottom hole location in your letter does not match the C-102 on file. The BHL on the C-102 On OCD website says 230 FWL. Your letter states 380 FWL.

Mike

---

**From:** Adam Rankin [<mailto:AGRankin@hollandhart.com>]  
**Sent:** Friday, January 10, 2014 11:18 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Goetze, Phillip, EMNRD  
**Subject:** RE: WPX Chaco 2308-16I San Juan County, New Mexico


Michael,

Thanks for the email. I will check in with WPX, but I believe we need to update the C-102 on file. If that is the case, we will make sure that happens promptly.

Best,  
Adam

**Adam G. Rankin**  
Holland & Hart LLP  
110 North Guadalupe Suite 1  
P.O. Box 2208  
Santa Fe, NM 87504  
Office: (505) 988-4421

Direct: (505) 954-7294  
Cell: (505) 570-0377  
Fax (505) 983-6043  
E-mail: [agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)  
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---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Friday, January 10, 2014 10:42 AM  
**To:** Adam Rankin  
**Cc:** Goetze, Phillip, EMNRD  
**Subject:** WPX Chaco 2308-16I San Juan County, New Mexico

Adam:

I need clarification on the WPX Chaco 2308 16I San Juan County, New Mexico well

Please provide the following information:

Location of perforated interval: Footage description

Bottom hole location: Footage description

The bottom hole location in your letter does not match the C-102 on file. The BHL on the C-102 On OCD website says 230 FWL. Your letter states 380 FWL.

Thank You

## **Michael A. McMillan**

Engineering and Geological Services Bureau, Oil Conservation Division  
1220 South St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448 F. 505.476.3462