

DATE IN 4/28/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 4/28/2015	TYPE NSP	APP NO PMAM 154859047
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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]

[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 _____

[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, 30-039-31107

[F] ☐ Waivers are Attached

[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.

MICHAEL H. FELDEWERT

Print or Type Name

Signature

ATTORNEY

Title

mfeldewert@hollandhart.com

Date

e-mail Address

30 day wait
instead of
20 day
check legal
description

- NSP 2030
- WFX Energy pro direction LLC
120782

RECEIVED OCD
2015 APR 28 P 4:00

POU
- Basin Fruitland
Coal (Gas)
71629
Well
- SL4A UK 32444
30-039-31107

4/28/15



April 28, 2015

VIA HAND DELIVERY

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

RECEIVED OGD
2015 APR 28 P 4:00

Re: Application of WPX Energy Production, LLC for administrative approval of a 160-acre non-standard spacing unit in the Basin Fruitland Coal Gas Pool (71629); Section 33, Township 31 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico.

Dear Mr. Catanach:

WPX Energy Production, LLC ("WPX") (OGRID No. 120782) seeks to take advantage of an existing surface location in the SE/4 SW/4 (Unit N) of Section 32, Township 31 North, Range 4 West to drill a horizontal well in the Basin Fruitland Coal Gas Pool. As reflected on **Exhibit A**, WPX proposes to drill the Schalk 32 No. 4H well from a surface location in the SE/4 SW/4 (Unit N) of Section 32 and proceed easterly into the SW/4 of adjacent Section 33. The completed interval for this well will extend into the SW/4 of Section 33 but will not extend into the SE/4 of Section 33.

Sections 32 and 33 are subject to the Special Rules and Regulations for Basin Fruitland Coal Gas Pool established under Division Order R-8768, as amended. Rule 4 of these Special Rules requires 320-acre spacing units and Rule 6 authorizes the Division Director to create non-standard spacing units when the enumerated conditions of Rule 6 are met. Since the completed interval for the proposed well will not extend into the SE/4 of Section 33, WPX seeks to create a 160-acre non-standard spacing unit comprised of the SW/4 of Section 33 to combine with the S/2 of Section 32 to create a 480-acre project area for the proposed well. Approval of this application will allow WPX to efficiently develop this acreage from an existing surface location in the SE/4 SW/4 of Section 32.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102) for the proposed **Schalk 32 No. 4H** well showing the location of the proposed well and its proposed 480-acre project area.



Exhibit B is a land plat depicting the proposed **Schalk 32 No. 4H Well** in relation to the adjoining acreage. WPX owns 100% of the Federal leases covering Sections 32 and 33. ConocoPhillips, the owner of a small fee tract in the SE/4 of Section 33, is the only party affected by the proposed 160-acre non-standard spacing unit. Pursuant to Rule 6(e) of the Special Rules for the Basin Fruitland Coal Gas Pool, a copy of this application with all attachments has been sent by certified mail to ConocoPhillips advising the company that if it has any objection, that objection must be filed in writing with the division within 30 days from the date the division receives this application. Since two federal leases are involved in the application, a courtesy copy has also been provided to the Bureau of Land Management.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert

ATTORNEY FOR

WPX ENERGY PRODUCTION, LLC.

cc. Bureau of Land Management
Farmington Field Office
6251 College Blvd, Suite A
Farmington, NM 87402

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 30-035 31107 31107		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name SCHALK 32		*Well Number 4H
*GRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 6938'

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
N	32	31N	4W		664	SOUTH	1989	WEST	RIO ARriba

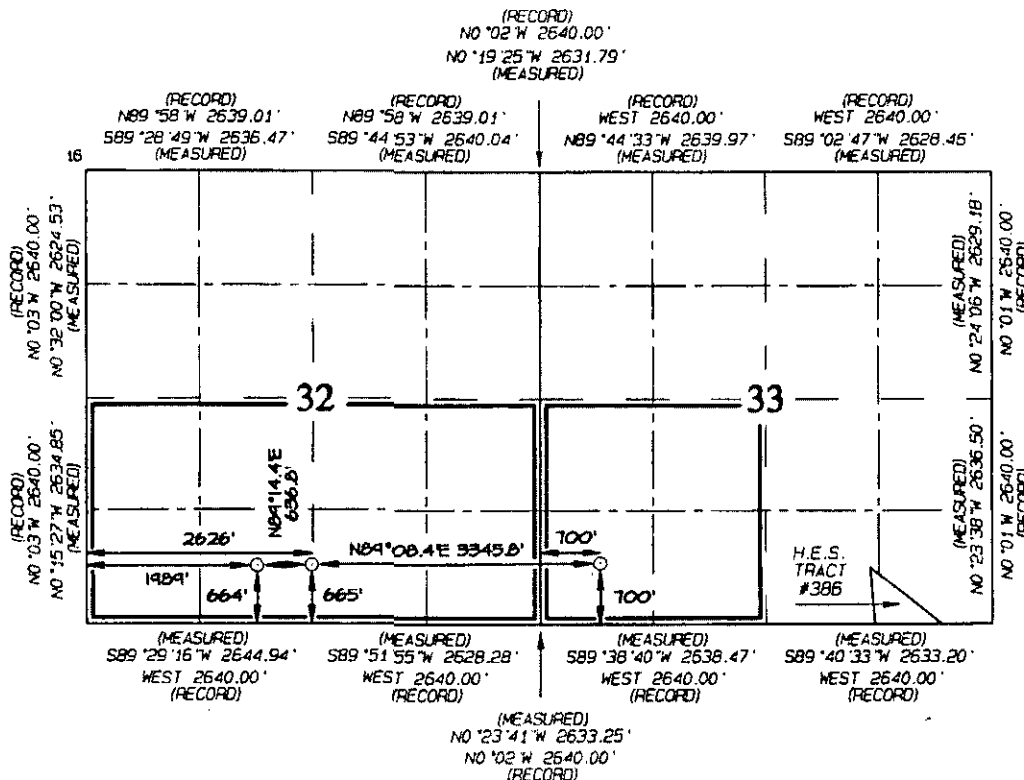
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	33	31N	4W		700	SOUTH	700	WEST	RIO ARriba

*Dedicated Acres	320.0 - (S/2 Section 32) 480.0 - (SW/4 Section 33)	*Joint or Infill	*Consolidation Code	*Order No.
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64363424 480

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



SURFACE LOCATION
LAT: 36.850733 N
LONG: 107.279871 W
DATUM: NAD1927

POINT-OF-ENTRY
LAT: 36.850746 N
LONG: 107.277694 W
DATUM: NAD1927

END-OF-LATERAL
LAT: 36.850830 N
LONG: 107.266260 W
DATUM: NAD1927

LAT: 36.850740 N
LONG: 107.280471 W
DATUM: NAD1983

LAT: 36.850753 N
LONG: 107.278294 W
DATUM: NAD1983

LAT: 36.850837 N
LONG: 107.266859 W
DATUM: NAD1983

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 _____ Date _____

Printed Name _____

E-mail Address _____

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: APRIL 24, 2015
Survey Date: SEPTEMBER 23, 2011

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269

EXHIBIT

A

30

29

28

NMNM 23044

NMNM 23045

31

32

33

PROJECT AREA

SCHALK 32 #4H

FEE LEASE
CONOCO

T31N R4W

T30N R4W

6

5

4

EXHIBIT

B

HOLLAND & HART



Michael H. Feldewert
Recognized Specialist in the Area of Natural
Resources - oil and gas law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ConocoPhillips Company
Attn: Patrick Noah, Land Manager
3401 East 30th Street
Farmington, New Mexico 87402

Re: Application of WPX Energy Production, LLC for administrative approval of a 160-acre non-standard spacing unit in the Basin Fruitland Coal Gas Pool (71629); Section 33, Township 31 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico.

Patrick:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Pursuant to Rule 6(e) of the Special Rules for the Basin Fruitland Coal Gas Pool, any objection to this application must be filed in writing within thirty (30) days with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this thirty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Brennan West, WPX Landman
539-573-2878 (office)
918-691-3111 (cell)
Brennan.West@wpxenergy.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR
WPX ENERGY PRODUCTION, LLC.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

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

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐



May 13, 2015

Paul Brindle
ConocoPhillips
3401 East 30th Street
Farmington, NM 87402

Re: NOTICE TO INTERESTED PARTY AND INTEREST OWNERS
Application for Non-Standard Basin Fruitland Coal Gas Pool Proration Unit
Schalk 32 #4H
Section 33 T31N, R4W
Rio Arriba County, New Mexico

Dear Interested Party or Interest Owner:

You have been identified as an Interested Party or Interest Owner having a right to notification of an application for a Non-Standard Proration Unit. Please find enclosed a complete copy of the application that was submitted to the New Mexico Oil Conservation Division April 28, 2015. Please be advised that you have thirty (30) days from the date that the NMOCD receives the application in their Santa Fe office to submit any objections. The objections must be submitted in writing to:

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

It would be greatly appreciated, if you do not have any objections, if you would sign the waiver below and send to my email address listed below. Please feel free to contact me should you have any questions or concerns.

Sincerely,

Brennan West
Landman
WPX Energy Production, LLC

I DO NOT HAVE ANY OBJECTIONS AND HEREBY WAIVE THE 30 DAY PERIOD.

5/13/15
DATED