

DATE IN 7/14/15	SUSPENSE	ENGINEER MAM	LOGGED IN 7/15/15	TYPE NSL	APP NO. JAG15198415 11
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ABOVE THIS LINE FOR DIVISION USE ONLY

Check at DAV 2  
B/L  
Guv Acc 200  
Part of RA

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,  
[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.

Jordan L. Kessler  
Print or Type Name

Signature

Attorney

Title

jlkessler@hollandhart.com

e-mail Address

Date

7/14/15

RECEIVED OGD  
JUL 14 P 3:16

Operator: WPX Energy Production  
well: Chaco 2408 330 113H  
API: 30-045-35602  
Pool: Basin Rancor  
# 97232

July 14, 2015

**VIA HAND DELIVERY**

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

RECEIVED OCT  
2015 JUL 14 P 3:11

**Re: Application of WPX Energy Production, LLC for administrative approval of an unorthodox well location for its Chaco 2408-33D #113H Well, San Juan County, New Mexico.**

Dear Mr. Catanach:

WPX Energy Production, LLC (OGRID 120782) owns a leasehold interest covering all of Section 33, Township 24 North, Range 8 West, N.M.P.M., San Juan County, New Mexico. WPX plans to drill the **Chaco 2408-33D #113H Well** as a transverse horizontal well to develop the Basin Mancos Pool underlying Section 33. The **Chaco 2408-33D #113H Well** will be drilled from a surface location at 1304 feet from the North line, 372 feet from the West line (Unit D) of Section 33. The completed interval will begin at approximately 2322 feet from the North line, 380 feet from the West line (Unit E), and the last perforation will be no closer than 297 feet from the South line, 859 feet from the East line (Unit P) of Section 34.

The special rules for the Basin Mancos Pool require that wells 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 **Chaco 2408-33D #113H Well** will be at a non-standard location because it is closer than 660 feet to the southern, southeastern, and western boundaries of the 960-acre project area. Accordingly, the proposed completed interval will encroach on the 320-acre spacing units to the South and to the Southeast of the project area and will also encroach on the 40-acre spacing units to the West of the project area, located in the E/2 NE/4 of Section 32. Section 32 is located within the Nageezi Gallup Pool (47540), which is subject to 40-acre oil spacing rules. Approval of the unorthodox completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.



**Exhibit A** is a land plat of Section 33 and the surrounding sections showing the location of the **Chaco 2408-33D #113H Well** and the adjoining spacing units and wells. It also reflects that WPX has plans to drill at least two additional transverse wells in the 960-acre project area. By separate application, WPX has submitted request for approval of the Chaco 2408-33D #112H and the Chaco 2408-33D #119H Well.

**Exhibit B** is a Well Location and Acreage Dedication Plat (Form C-102) showing that as a result of the 660 foot setbacks required by the special rules for the Basin Mancos Gas Pool, the proposed completed interval for the **Chaco 2408-33D #113H Well** encroaches on the spacing and proration units to the South, Southeast, and West.

**Exhibit C** is a list of the affected parties for the request for approval of the non-standard well location. 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. WPX is the sole owner of the working interest in the E/2 NE/4 of Section 32. Accordingly, there are no parties affected by the encroachment to the West. Since this acreage involves federal leases, a courtesy copy of this application has 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 "Jordan L. Kessler".

Jordan L. Kessler

**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		*Pool Code 97232	*Pool Name BASIN MANCOS
*Property Code	*Property Name MC 5 COM		*Well Number 113H
*GRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 7020

<sup>10</sup> Surface Location

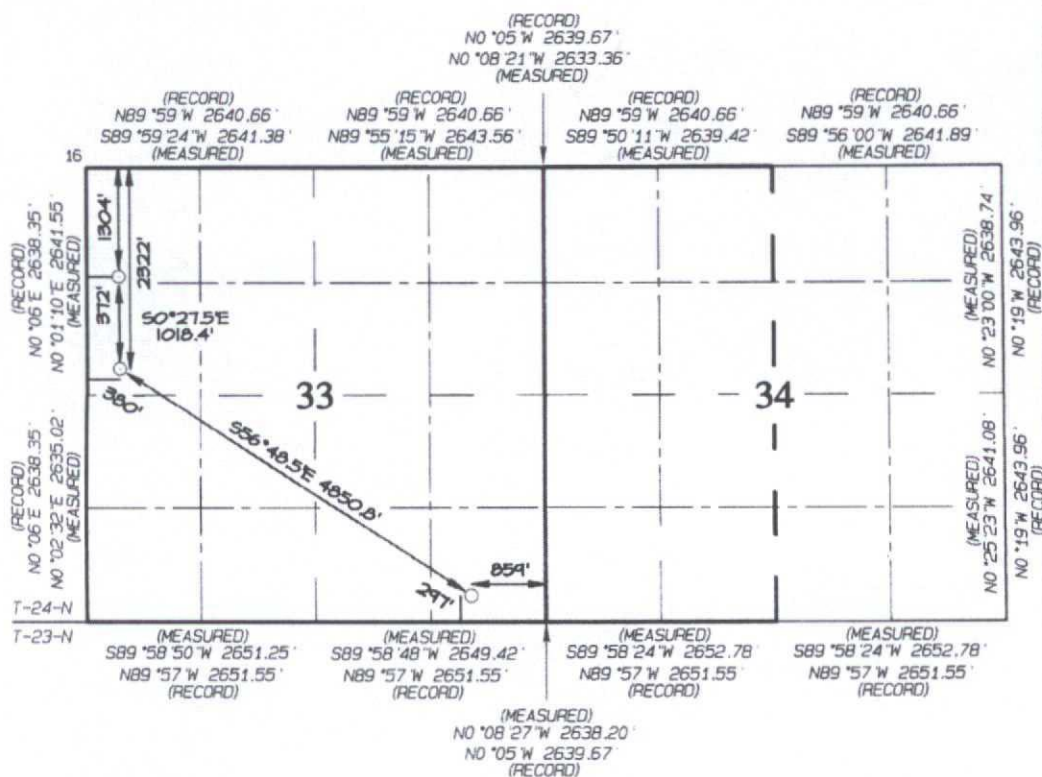
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	33	24N	8W		1304	NORTH	372	WEST	SAN JUAN

<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
P	33	24N	8W		297	SOUTH	859	EAST	SAN JUAN

<sup>12</sup> Dedicated Acres 960.0	Entire Section 33 W/2 - Section 34	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<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: JULY 28, 2015  
Survey Date: DECEMBER 12, 2013

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269

SURFACE LOCATION  
1304' FNL 372' FNL  
SECTION 33, T24N, R8W  
LAT: 36.274490°N  
LONG: 107.694324°W  
DATUM: NAD1927

LAT: 36.274502°N  
LONG: 107.694935°W  
DATUM: NAD1983

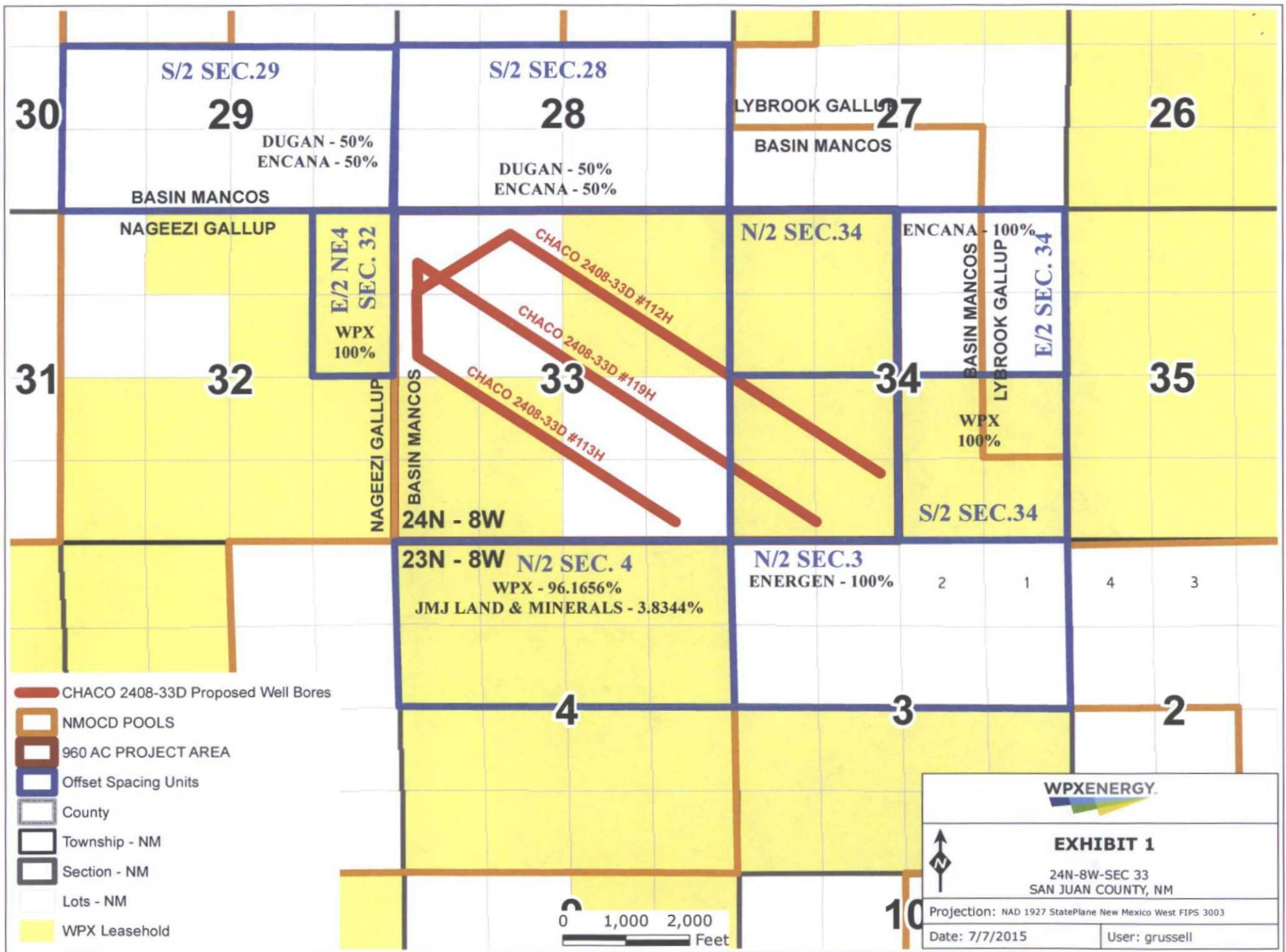
POINT-OF-ENTRY  
2322' FNL 380' FNL  
SECTION 33, T24N, R8W  
LAT: 36.271692°N  
LONG: 107.694301°W  
DATUM: NAD1927

LAT: 36.271705°N  
LONG: 107.694913°W  
DATUM: NAD1983

END-OF-LATERAL  
297' FSL 859' FEL  
SECTION 33, T24N, R8W  
LAT: 36.264380°N  
LONG: 107.680544°W  
DATUM: NAD1927

LAT: 36.264393°N  
LONG: 107.681156°W  
DATUM: NAD1983





## **EXHIBIT C**

JMJ Land and Minerals Company  
Attn: James Strickler  
2005 N. Santiago Ave.  
Farmington, NM 87401

Energen Resources Corporation  
2010 Afton Place  
Farmington, NM 87401

**HOLLAND & HART**



**Jordan L. Kessler**  
**Associate**

**Phone** (505) 988-4421

**Fax** (505) 983-6043

[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

July 14, 2015

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: AFFECTED PARTIES**

**Re: Application of WPX Energy Production, LLC for administrative approval of an unorthodox well location for its Chaco 2408-33D #113H Well, San Juan County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-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  
Landman  
WPX Energy, Inc.  
P.O. Box 3102 MD: 44  
Tulsa, OK 74101-3102  
(539)-573-2878 (Office)  
[Brennan.West@wpxenergy.com](mailto:Brennan.West@wpxenergy.com)

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR**  
**WPX ENERGY PRODUCTION, LLC**

**Holland & Hart**

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