

**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. 21161

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

CASE NO. 21162

WPX ENERGY PERMIAN, LLC'S PREHEARING STATEMENT

WPX ENERGY PERMIAN, LLC ("WPX") provides this Prehearing Statement in the above referenced proceedings, in accordance with the rules of the Division.

APPEARANCES

APPLICANT

WPX ENERGY PERMIAN, LLC

APPLICANT'S ATTORNEYS

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STATEMENT OF THE CASE

In **Case No. 21161**, WPX filed a **Second Amended Application** in **Original Case No. 20450**, to add additional interest owners entitled to notice and one additional well in the proposed horizontal spacing unit ("HSU"). In these cases, WPX seeks 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. WPX proposes to dedicate this HSU to the following 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.

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. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 5 miles southeast of Carlsbad, New Mexico.

In **Case No. 21162**, WPX filed an **Amended Application** in **Original Case No. 20451**, to add additional interest owners entitled to notice and one additional well in the proposed HSU. In these cases, WPX seeks 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 N/2 of Sections 34 and 35, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. WPX proposes to dedicate this HSU to the following wells:

- **Collie 35-34-22-27 Fee 401H** well to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 35, T22S, R27E, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 34, T22S, R27E.

- **Collie 35-34-22-27 Fee 402H** well to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 35, T22S, R27E, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34, T22S, R27E.

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. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 5 miles southeast of Carlsbad, New Mexico.

PROPOSED EVIDENCE

<u>WPX'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Brennan West – Landman	15-20	5-7
Keegan DePriest – Geologist	15-20	5-7

PROCEDURAL MATTERS

Testimony in these cases will supplement the testimony accepted into the record at the hearing on July 12, 2019 in Case Nos. 20450 and 20451. Assuming no opposition at the time of hearing, supplementation of the previous testimony will be presented by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

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