

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

APPLICATION OF WPX ENERGY PRODUCTION, LLC FOR APPROVAL OF THE SOUTH CHACO FEDERAL EXPLORATORY UNIT; AND FOR AN EXCEPTION TO THE WELL LOCATION REQUIREMENTS SET FORTH IN THE SPECIAL RULES FOR THE BASIN MANCOS GAS POOL, SANDOVAL COUNTY, NEW MEXICO.

CASE NO. 15173

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by WPX Energy Production LLC ("WPX") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

WPX Energy Production LLC
One Williams Center
Tulsa, OK 74172

ATTORNEY

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OPPONENT

None

ATTORNEY

None

STATEMENT OF THE CASE

WPX seeks an order (1) approving its South Chaco Federal Exploratory Unit pursuant to 19.15.20.14 NMAC; and (2) for an exception to the well location requirements in the Special Rules for the Basin Mancos Gas Pool to allow WPX to locate wells anywhere within the Unit so long as the completed interval is no closer than 330 feet to the outer boundary of the Unit Area. This proposed federal exploratory unit consists of approximately 1,282 acres of Indian allotted

lands located in approximately 3 miles Southeast of Lybrook, New Mexico, and the unitized interval includes all formations from the top of the Mancos Shale (base of Mesa Verde Group) at a measured depth of 4,571 feet to the base of the Greenhorn Limestone formation (top of the Graneros Shale) at a measured depth of 6,456 feet as shown in the Quinella #1 well (API No. 30043200770000).

APPLICANT'S PROPOSED EVIDENCE

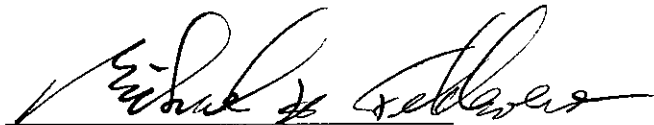
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chuck Bassett, Landman	Approx. 15 minutes	Approx. 7
Amy Richardson, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

None.

Respectfully submitted,

HOLLAND & HART, LLP



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