

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR
A NOMENCLATURE HEARING TO FORM A NEW MANCOS OIL POOL FOR
HORIZONTAL WELL DEVELOPMENT WITHIN THE WPX PROJECT AREA
AS DEFINED IN CASE No. 15102, ORDER R-12817, IN SANDOVAL AND RIO
ARRIBA COUNTIES, NEW MEXICO.**

CASE NO. 15172

Affidavit of William Hoppe

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, William Hoppe, being first duly sworn on oath, upon information and belief, states as follows:

1. I am employed as the District Geologist at the Aztec, New Mexico office of the Oil Conservation Division ("OCD").
2. My duties include assigning and maintaining pools for wells in the San Juan Basin of Northwest New Mexico.
3. The OCD's information on wells comes from reports filed by operators.
4. I have utilized RBDMS (Risk Based Data Management System) which is a database that contains wells and well information
5. I have reviewed testimony and exhibits from WPX Case #15102 and R-13817 that approved a 9,238-acre Project Area for horizontal development in the Mancos formation coinciding with the area of the proposed pool. The OCD approved the Communization Agreement on May 2nd, 2014, subject to certain conditions.
6. The three Gallup pools; Lybrook Gallup Pool, Counselors-Gallup-Dakota Oil Pool, and Escrito Gallup Associated Pool within the approved Project Area are laterally continuous across the entire project area. Reservoir data indicates that reservoir pressures and fluids are consistent and compatible for all three pools. This indicates that the three pools are essentially one pool and have a common source of supply.



SCANNED

7. There are no fluid sensitivity issues, no loss of reserves due to cross flow, and the value of the total remaining reserves will not be reduced by combining the three pools into one horizontal oil pool.

8. Vertical limits of this pool would be from the base of the Point Lookout Sandstone to the base of the Greenhorn Member (or Bridge Creek Limestone) of the Mancos Formation.

9. Horizontal Oil wells can be located anywhere in the new pool so long as no portion of the completed interval is closer than 330 feet to the outer boundary of the pool.

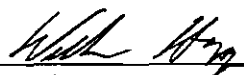
10. To afford to the owner(s) of each property in the pool the opportunity to produce their just and equitable share of the oil in the pool, to prevent reduced recovery which might result from the drilling of too few wells and to otherwise prevent waste and protect correlative rights, the new horizontal oil pool shall be developed on 320-acre spacing units.

11. Pre-approval of two 160 acre non-standard proration units in section 16, T23N, R6W and in section 15, T23N, R7W should be allowed for ease of permitting and development of the resource.

12. Creation of this new Mancos oil pool for horizontal wells in the approved Project Area will enable more orderly development of this resource with less waste and continued protection of correlative rights.

13. Creation of this new Mancos oil pool for horizontal wells in the approved Project Area will allow for regulatory ease in reporting production.

14. The new Mancos oil pool for horizontal well development should be named the "Northeast Chaco Horizontal Well Oil Pool".



William Hoppe

SUBSCRIBED AND SWORN before me this 31 day of July, 2014.



OFFICIAL SEAL
AMY H. VERMERSCH
NOTARY PUBLIC
STATE OF NEW MEXICO

My commission expires 2/25/16

Amy H. Vermersch
Notary Public

My Commission Expires:

February 25, 2016