

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

**APPLICATION OF WPX ENERGY PRODUCTION, LLC FOR APPROVAL OF THE WEST ALAMITO UNIT; CREATION OF A NEW POOL WITHIN THE UNIT AREA, AND FOR ALLOWANCE OF 330 FOOT SETBACKS FROM THE EXTERIOR OF THE UNIT AREA, SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 15300

**APPLICATION**

WPX ENERGY PRODUCTION, LLC, ("WPX") through its undersigned attorneys, files this application with the Oil Conservation Division for an order (1) approving it's West Alamito Exploratory Unit pursuant to 19.15.2014 NMAC; (2) creating a new pool for horizontal wells within the Unit Area; and (3) allowing for 330 foot setbacks from the exterior of the proposed Unit. In support of its application, WPX states:

1. The proposed Unit Area for the West Alamito Unit consists of approximately 1922.40 acres of Federal and Allotted Indian lands situated in:

**TOWNSHIP 22 NORTH, RANGE 8 WEST, N.M.P.M.**

Section 1: All  
Section 12: All  
Section 13: All

2. WPX (OGRID No. 120782) is the designated operator under the Unit Agreement. The unitized interval includes the Mancos formation, measured at a depth of 3,858' down to the stratigraphic equivalent of the top of the Greenhorn formation at

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a depth of 5,695' as encountered in the Fulton 1 well in Section 31, Township 23 North, Range 7 West, N.M.P.M. (API No. 30-043-05164).

3. WPX is the 100% working interest owner in the acreage.
4. Applicant expects to receive preliminary approval of the Unit Agreement from the Bureau of Land Management and the Federal Indian Minerals Office.
5. The entire Unit Area will be developed and operated as a single Participating Area.
6. Pursuant to 19.15.20.14 NMAC, after notice and hearing, the Division may approve the combining of contiguous developed proration units into a unitized area.
7. The Unit Area is currently subject to the Special Rules and Regulations for the Basin Mancos Gas Pool (97232) adopted under Order R-12984 and the Alamito Gallup Pool (1039).
8. The Alamito Gallup Pool requires wells to be located no closer than 330 feet to the outer boundary of a spacing unit.
9. Rule C of the Special Rules for the Basin Mancos Gas Pool require wells to be located no closer than 660 feet to the outer boundary of a spacing unit.
10. In order to allow for the most efficient horizontal well development pattern, and to effectively drain the reserves in the unitized formation underlying the Unit Area, WPX requests that the Division provide for wells within the unitized area to be located 330 feet from the outer boundary of the proposed West Alamito Unit.
11. Approval of a new pool for horizontal wells within the unitized area will resolve administrative and reporting issues for the state.

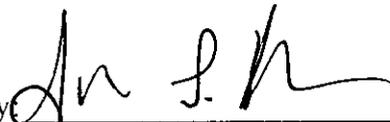
12. WPX will provide notice of this application to the affected persons in the spacing units that adjoin the proposed Unit Area and the affected persons within the unitized area. WPX will also cause notice of this application to be published in local newspapers of general circulation in San Juan County, New Mexico.

13. Approval of this Application and the creation of a new pool for horizontal development in the unitized area will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, WPX Energy Production, LLC requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on May 14, 2015, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

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By 

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**ATTORNEYS FOR  
WPX ENERGY PRODUCTION, LLC**

CASE 15300

**Application Of WPX Energy Production, LLC For Approval Of The West Alamito Unit; Creation Of A New Pool For Horizontal Development Within The Unit Area, And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Unit, San Juan County, New Mexico.** Applicant seeks approval of its West Alamito Unit consisting of approximately 1922.40 acres of Federal and Allotted Indian lands situated in all of Sections 1, 12 and 13, Township 22 North, Range 8 West, San Juan County, New Mexico. The unitized interval includes the Mancos formation measured at a depth of 3,858' down to the stratigraphic equivalent of the top of the Greenhorn formation at a depth of 5,695' as encountered in the Fulton 1 well in Section 31, Township 23 North, Range 7 West, N.M.P.M. (API No. 30-043-05164). In addition, Applicant seeks an order creating a new pool within the unitized interval for horizontal well development that will allow for wells to be located anywhere within the proposed Unit Area so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 4.5 miles southwest of Lybrook, New Mexico.