

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

APPLICATION OF WPX ENERGY PRODUCTION, LLC FOR
APPROVAL OF AN UNORTHODOX LOCATION,
RIO ARriba COUNTY, NEW MEXICO.

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CASE NO. 15355

APPLICATION

WPX ENERGY PRODUCTION, LLC, ("WPX") through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order authorizing an unorthodox well location for its **NE Chaco Com Well No. 255H** (API No. 30-039-31291). In support of its application, WPX states:

1. WPX (OGRID No. 120782) is the operator of the Northeast Chaco Horizontal Well Project Area ("NE Chaco Project Area") comprised of 9,238 acres and approved under Division Order R-13817.

2. The NE Chaco Project Area is subject to the Northeast Chaco Unit HZ Oil Pool (Pool Code 98088) created under Division Order R-13817-A. Ordering paragraph (3) of states: "Horizontal oil wells shall be located where no portion of the completed interval is closer than 330 feet to the outer boundary of the Project Area."

3. WPX has drilled its **NE Chaco Com Well No. 255H** within the boundaries of the NE Chaco Project Area from a surface location 1305 from the south line and 240 feet from the west line in Section 5 to a bottom hole location 325 feet from the north line and 231 feet from the east line of Section 8 in Township 23 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

4. During the completion of this well, the end or toe of the horizontal wellbore was mistakenly perforated in Unit A of Section 8 at a point 293 feet from the eastern

boundary of the NE Chaco Project Area, thereby encroaching on the spacing unit to the east by 37 feet.

5. WPX owns 100% of the spacing unit in the NW/4 of Section 9 directly east of the non-standard location. Coleman Operating and JMJ Mineral own an interest in the spacing unit to the northeast of the non-standard location in SW/4 of Section 4 and have expressed concerns about the non-standard location.

6. To avoid the risks associated with plugging the wellbore to a point where the completed interval complies with the 330 foot setbacks required by Division Order R-13817-A, WPX requests that the Division approve the unorthodox location.

WHEREFORE, WPX Energy Production, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 6, 2015, and, after notice and hearing, the Division enter an order approving an unorthodox location for the **NE Chaco Com Well No. 255H** (API No. 30-039-31291).

Respectfully submitted,

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**ATTORNEYS FOR
WPX ENERGY PRODUCTION, LLC**

CASE 15355

APPLICATION OF WPX ENERGY PRODUCTION, LLC FOR APPROVAL OF AN UNORTHODOX LOCATION, RIO ARriba COUNTY, NEW MEXICO. Applicant seek an order authorizing an unorthodox well location for its **NE Chaco Com Well No. 255H** (API No. 30-039-31291), a horizontal well drilled within the Northeast Chaco Horizontal Well Project Area approved under Division Order R-13817. This area is subject to the Northeast Chaco Unit HZ Oil Pool (Pool Code 98088) created under Division Order R-13817-A which requires the completed interval to be at least 330 feet from the outer boundary of the Project Area. The subject well has been drilled from a surface location 1305 from the south line and 240 feet from the west line of Section 5 to a bottom hole location 325 feet from the north line and 231 feet from the east line of Section 8 in Township 23 North, Range 6 West, NMPM. The completed interval for this well was mistakenly perforated in Unit A of Section 8 at a point 293 feet from the eastern boundary of the Northeast Chaco Horizontal Well Project Area, thereby encroaching on the spacing unit to the east by 37 feet. This area is located approximately 41miles southeast of Bloomfield, New Mexico.