

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

IN THE MATTER OF THE REQUEST BY WPX ENERGY PRODUCTION, LLC,
FOR ADMINISTRATIVE APPROVAL OF A NON-STANDARD LOCATION FOR
ITS NE CHACO COM #255H HORIZONTAL OIL WELL, API NO. 30-039-31291.

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MOTION FOR AN EXPEDITED DECISION ON
THE LEGAL ISSUE OF STANDING

COMES NOW, WPX Energy Production, LLC ("WPX") and moves the Division for an *expedited decision* that Coleman Oil & Gas and JMJ Lands & Minerals do not have legal standing to receive notice and potentially object to WPX's June 6, 2015, administrative application for approval of a non-standard location for its **NE Chaco Com Well No. 255H** (API No. 30-039-31291) located in Sections 5 and 8 of the Northeast Chaco Horizontal Well Project Area ("NE Chaco Project Area") approved under Division Order R-13817. In support of this Motion, 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 (4) of this Order 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 in Unit A of Section 8 was mistakenly left open to the formation 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. WPX owns 100% of the spacing unit in the NW/4 of Section 9 directly to the east of the non-standard location.

5. On July 6, 2015, WPX filed an administrative application with the Division for approval of the non-standard location. WPX mistakenly provided notice of its application to Coleman Oil & Gas and JMJ Land & Minerals, interest owners in the spacing unit to the northeast of the non-standard location in SW/4 of Section 4. As reflected on Attachment A, the acreage in the SW/4 of Section 4 is at least 430 feet from the completed interval of the subject well.

6. Under Division Order R-13817-A, Coleman and JMJ are not entitled to notice of WPX's application and have no standing to potentially object to the non-standard location. Ordering paragraph (4) on page 4 of Order R-13817-A requires the completed interval for horizontal oil wells within the unitized area to remain at least "330 feet to the outer boundary of the Project Area." With respect to the acreage owned by Coleman and JMJ, the completed interval of the subject well not only meets this requirement, but exceeds it by over 100 feet. The only acreage to which the subject well does not meet the 330 foot setback requirement is the acreage owned by WPX in the NW/4 of Section 9.

7. WPX has a completions crew at the site of the proposed well currently engaged in completion efforts on two wells drilled from the same well pad. They are expected to commence completion of the subject well on or before next Tuesday, July

14th. In the event the crew is unable to commence completion on or before July 14th, they will be forced to move to another location.

8. An *expedited decision* on the legal issue of standing is required before next Tuesday, July 14th, in order to avoid the inefficiencies and potential waste resulting from the inability of the completions crew to immediately move to the subject well upon completion of the other two wells on the same well pad.

9. A copy of this Motion has been provided to Coleman and JMJ by email and by hand delivery on July 9, 2015.

WHEREFORE, WPX respectfully requests that the Director of the Division schedule a hearing on or before next Tuesday, July 14th, for the purpose of determining whether Coleman Oil & Gas and JMJ Land Minerals have legal standing to receive notice and potentially object to WPX's June 6, 2015, administrative application for approval of a non-standard location for its **NE Chaco Com Well No. 255H** (API No. 30-039-31291).

Respectfully submitted,

HOLLAND & HART, LLP



Michael H. Feldewert
Jordan L. Kessler
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
jlkessler@hollandhart.com

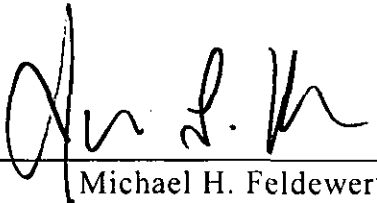
**ATTORNEYS FOR
WPX ENERGY PRODUCTION COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that on July 9th, 2015, I served a copy of the foregoing document to the following counsel of record via Electronic Mail and by Hand Delivery to:

Mile Palmer
COLEMAN OIL & GAS
6540 E. Main Street
Farmington, New Mexico 87402
ccoleman@cog-fmn.com

James Strickler
JMJ LAND & MINERALS
2005 North Santiago Ave.
Farmington, New Mexico 87401
aventinelle@gmail.com



Michael H. Feldewert
Jordan L. Kessler

