

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

**APPLICATION OF WPX ENERGY PRODUCTION LLC FOR AN
EXCEPTION TO NMAC 19.15.34.13(C), RIO ARRIBA COUNTY,
NEW MEXICO.**

2017 MAR -9 PM 1:18
RECEIVED OOD
CASE NO. 15644

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

Michael H. Feldewert
Jordan L. Kessler
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF THE CASE

WPX seeks an order granting an exception to NMAC 19.15.34.13(C) by extending the Division District Office's determination of cessation of operations for an additional six months. Permit Number 3RF-3 authorized a produced water Recycling Containment Facility located in Section 30, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, on June 4, 2015 ("Facility"). To accommodate repairs to the bird netting and liner, the Facility was drained in 2016 and is currently in the process of refilling and being tested for the recycling and reuse of produced water for WPX's drilling and completion program in the San Juan Basin. As a

result of the necessary repairs, the fluid capacity use required by NMAC 19.15.34.13(C) has not been met for this Facility since March 31, 2016. WPX received a six month extension pursuant to NMAC 19.15.34.13(C) from the Division's district office postponing the date of cessation of operations to March 31, 2017. However, WPX is still in the process of refilling and testing the Facility for structural integrity under the oversight of the Division. WPX hopes to have those tests completed soon and anticipates utilizing the fluids contained within the Facility for completion operations on various wells over the next six months. These anticipated completion operations will easily meet the fluid capacity use required by NMAC 19.15.34.13(C). WPX therefore requests an Order authorizing an additional six months extension through September 30, 2017, to meet fluid capacity use required by NMAC 19.15.34.13(C) and avoid a determination of cessation of operations for this Facility.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Donald Russell Knight Senior Production Foreman	Approx. 20 minutes	Approx. 3

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

Michael H. Feldewert

Jordan L. Kessler

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

jlkessler@hollandhart.com

ATTORNEYS FOR WPX ENERGY PRODUCTION, LLC

9640508 1