

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

**APPLICATION OF WPX ENERGY PRODUCTION, LLC TO AMEND ORDER R-14100  
TO EXPAND THE WEST ESCAVADA UNIT AND THE CORRESPONDING WEST  
ESCAVADA UNIT; MANCOS POOL, SANDOVAL AND SAN JUAN COUNTIES, NEW  
MEXICO.**

**CASE NO. 15348 (re-opened)**

**APPLICATION**

WPX Energy Production, LLC ("WPX"), through its undersigned attorneys, files this application to amend Order R-14100 to (1) expand the geographic area of the West Escavada Unit by 960 acres of land, and (2) expand the corresponding West Escavada Unit; Mancos Pool created by that Order to allow horizontal wells to be located anywhere within the Unit so long as the completed interval is no closer than 330 feet from the outer boundary of the expanded West Escavada Unit area. In support of this application, WPX states:

1. Under Division Order R-14100, issued on December 21, 2015 in Case No. 15348, the Division approved the West Escavada Unit in the Mancos formation consisting of approximately 1,926.42 acres of federal, and allotted Indian lands in Sandoval County, comprised of the following acreage:

**TOWNSHIP 22 NORTH, RANGE 7 WEST, SANDOVAL COUNTY**

Section 7:	S/2
Section 8:	S/2
Section 17:	All
Section 18:	All

2. Division Order R-14100 also created a new oil pool for horizontal wells within the Unit Area designated the West Escavada Unit; Mancos Pool.

3. WPX has met with the Bureau of Land Management about expanding the West Escavada Unit to include an additional 960 acres of Federal and allotted Indian lands.

4. The proposed Unit Area for the expanded West Escavada Unit now consists of approximately 2,886.42 acres comprised of the following Federal and Indian Allotted lands in San Juan County and Sandoval Counties, New Mexico (\*denotes the added sections):

**TOWNSHIP 22 NORTH, RANGE 7 WEST, SANDOVAL COUNTY**

Section 7: S/2  
Section 8: S/2  
Section 17: All  
Section 18: All

**TOWNSHIP 22 NORTH, RANGE 8 WEST, SAN JUAN COUNTY**

Section 12: S/2\*  
Section 13: All\*

5. The unitized interval for the expanded West Escavada Unit remains the same as that identified in Division Order R-14100.

6. WPX will remain the designated operator under the revised Unit Agreement and the effective date of the expanded West Escavada Unit will remain the same as designated in Order R-14100.

7. The revised Unit Agreement for the expanded West Escavada Unit has been approved by a sufficient percentage of the interest owners within the proposed expanded Unit Area to provide effective control of unit operations.

8. WPX has received preliminary approval of the Unit Agreement for the expanded West Escavada Unit from the Bureau of Land Management and the Federal Indian Minerals Office.

9. The entire expanded West Escavada Unit area will be developed and operated as a single Participating Area.

10. The additional acreage WPX seeks to add to the unitized area is currently within a wildcat pool.

11. To remain consistent with the existing unitized area, and to allow for the most efficient horizontal well development pattern, WPX requests that the Division expand the West Escavada Unit; Mancos Pool to include the additional unitized acreage and thereby allow horizontal wells to be located anywhere within the expanded Unit Area so long as the completed interval remains at least 330 feet from the outer boundary of the West Escavada Unit.

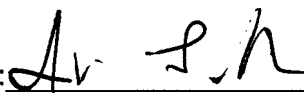
12. Notice of this Application has been provided to the affected parties in the spacing units offsetting the acreage to be added to the West Escavada Unit, as well as the Indian Allottee owners, working interest owners, and overriding royalty interest owners within the Unit Area.

13. Approval of this Application will be in the best interests 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 August 17, 2017, and that after notice and hearing this Application be approved.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR WPX ENERGY PRODUCTION, LLC**

**CASE NO. 15348 (re-opened): Application Of WPX Energy Production, LLC To Amend Order R-14100 To Expand The West Escavada Unit And The Corresponding West Escavada Unit; Mancos Pool, Sandoval Counties and San Juan, New Mexico.** Applicant seeks to amend Order R-14100 to (1) expand the geographic area of the West Escavada Unit by 960 acres of Federal and Indian allotted land, and (2) expand the corresponding West Escavada Unit; Mancos Pool created by that Order to allow horizontal wells to be located anywhere within the Unit so long as the completed interval is no closer than 330 feet from the outer boundary of the expanded West Escavada Unit area. The proposed expanded Unit Area will consist of approximately 2,886.42 acres of Federal and Indian Allotted lands located in in all or parts of the following sections in San Juan and Sandoval Counties, New Mexico:

**TOWNSHIP 22 NORTH, RANGE 7 WEST, SANDOVAL COUNTY**

Section 7: S/2  
Section 8: S/2  
Section 17: All  
Section 18: All

**TOWNSHIP 22 NORTH, RANGE 8 WEST, SAN JUAN COUNTY**

Section 12: S/2\*  
Section 13: All\*

The unitized interval includes the Mancos formation at a depth of 3,858 feet down to the stratigraphic equivalent of the base of the Greenhorn formation at a depth of 5,695 feet as encountered in the Fulton well in Section 31, Township 23 North, Range 7 West, N.M.P.M (API No. 30-043-05164). The subject acreage is located approximately 6.5 miles Southwest of Counselor, New Mexico.