

ABOVE THIS LINE FOR DIVISION USE ONLY

*ADZ may not be issued*

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  $\Xi$  Does Not Apply

[A]  Working, Royalty or Overriding Royalty Interest Owners

[B]  Offset Operators, Leaseholders or Surface Owner

[C]  Application is One Which Requires Published Legal Notice

[D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E]  For all of the above, Proof of Notification or Publication is Attached, and/or,

[F]  Waivers are Attached

*7014*  
 NSL  
 - WPX Energy Production  
 120782

2/11/2014 12:29:45  
 PRODUCTION  
 WEL

*Chaco 2307-13L  
 #238H  
 30-039-31213*

*Pool  
 - Lybrook  
 G-1140  
 842289*

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Heather Riley \_\_\_\_\_ *Heather Riley* \_\_\_\_\_ Regulatory Team Lead \_\_\_\_\_ 2/11/2014  
 Print or Type Name Signature Title Date

Heather.riley@wpenergy.com  
 e-mail Address

***Sent via Overnight Delivery***

February 11, 2014

Jami Bailey  
Division Director  
NEW MEXICO OIL CONSERVATION DIVISION  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

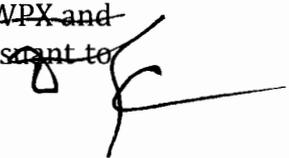
*Re: Request for Administrative Approval for Non-Standard Lybrook Gallup Lateral  
Chaco 2307-13L #238H  
API#: 30-039-31213  
Sec. 14, T23N, R7W*

Dear Ms. Bailey:

WPX Energy Production, LLC ("WPX"), pursuant to the provisions of Division Rule 19.15.15.13, hereby seeks administrative approval of an unorthodox location for the Lybrook Gallup (42289) formation in the Chaco 2307-13L #238H. This is a horizontal well with a surface location of 1543' FSL and 121' FWL, Section 13, T23N, R7W and an end of lateral location of 2485' FNL & 230' FWL, Section 14, T23N, R7W. See attached plat.

This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. Initially the Lybrook Gallup Pool was set up with Special Pool Rules under Order No. R-2267 but these rules were later abolished with Order No. R-2267-B. The new Special Rules for Horizontal Wells under Division Rule 19.15.16.15(B)(3) also apply and state no internal setbacks are required within a project area. Given these setback requirements, the producing interval in the lateral is encroaching the N/2 of the S/2 of Section 14, T23N R7W in that it is approximately 123' from the unit boundary.

The spacing for the subject well is the S/2 of the N/2 of section 14 consisting of 4 consecutive parcels containing 40 acres more or less and totaling 160 acres. The spacing unit being encroached upon is the N/2 of the S/2 of Section 14 also consisting of 4 consecutive parcels containing 160 acres. ~~All of Section 14 is operated by WPX and ownership is 100% WPX therefore no affected owner letters are required pursuant to NMOCD rules.~~





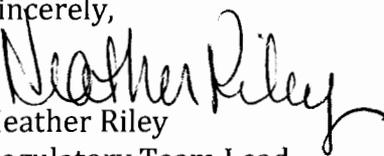
Please note that the maximum perforation range for the lateral will from 6,176' MD to 10,591' MD which are legal as to the east and west lines.

**EAST LINE EXPLANATION:** Referring to the plat, the Point of Entry is at 380' from the east line of Section 14 which correlates with approximately 6,174' MD. The top perforation is at 6,176' which is 2' past the Point of Entry so the distance from the east line for the perforation is 382'.

**WEST LINE EXPLANATION:** Our end of lateral is shown at 230' from the west line, which correlates to 10,692 MD. The deepest perforation would be the lower port in a RSI tool which would be set no deeper than 10,591' which correlates to 331' from the west line.

Should you have any questions or concerns, please don't hesitate to contact me.

Sincerely,

  
Heather Riley  
Regulatory Team Lead

Enc.: C-102

District I  
1625 N. French Drive, Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

District II  
811 S. First Street, Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV  
1220 S. St. Francis Drive, Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to  
Appropriate District Office

OIL CONSERVATION DIVISION  
1220 South St. Francis Drive  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-039-31213</b>		<sup>2</sup> Pool Code 42289	<sup>3</sup> Pool Name LYBROOK GALLUP
<sup>4</sup> Property Code	<sup>5</sup> Property Name CHACO 2307-13L		<sup>6</sup> Well Number 238H
<sup>7</sup> OGRID No. 120782	<sup>8</sup> Operator Name WPX ENERGY PRODUCTION, LLC		<sup>9</sup> Elevation 7046'

<sup>10</sup>Surface Location

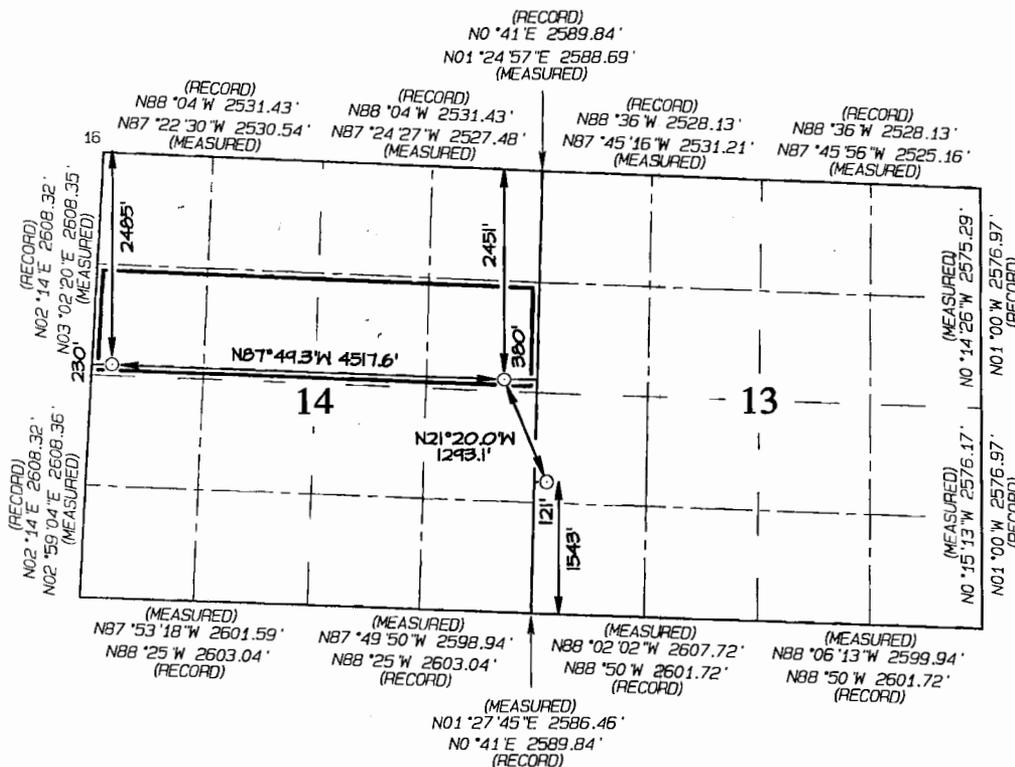
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	13	23N	7W		1543	SOUTH	121	WEST	RIO ARRIBA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	23N	7W		2485	NORTH	230	WEST	RIO ARRIBA

<sup>12</sup> Dedicated Acres 160.0 Acres S/2 N/2 - Section 14	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



END-OF-LATERAL  
2485' FNL 230' FWL  
SECTION 14, T23N, R7W  
LAT: 36.22631°N  
LONG: 107.55201°W  
DATUM: NAD1927  
  
LAT: 36.22633°N  
LONG: 107.55261°W  
DATUM: NAD1983

POINT-OF-ENTRY  
2451' FNL 380' FEL  
SECTION 14, T23N, R7W  
LAT: 36.22601°N  
LONG: 107.53670°W  
DATUM: NAD1927  
  
LAT: 36.22602°N  
LONG: 107.53730°W  
DATUM: NAD1983

SURFACE LOCATION  
1543' FSL 121' FWL  
SECTION 13, T23N, R7W  
LAT: 36.22271°N  
LONG: 107.53505°W  
DATUM: NAD1927  
  
LAT: 36.22273°N  
LONG: 107.53565°W  
DATUM: NAD1983

<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

1/23/14

Signature  
**Larry Higgins**  
Date  
Printed Name  
**larry.higgins@wpxenergy.com**  
E-mail Address

<sup>18</sup> SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Revised: JANUARY 14, 2014  
Date of Survey: JULY 5, 2012

Signature and Seal of Professional Surveyor



**JASON C. EDWARDS**  
Certificate Number 15269



# WPX Energy

Rev 0



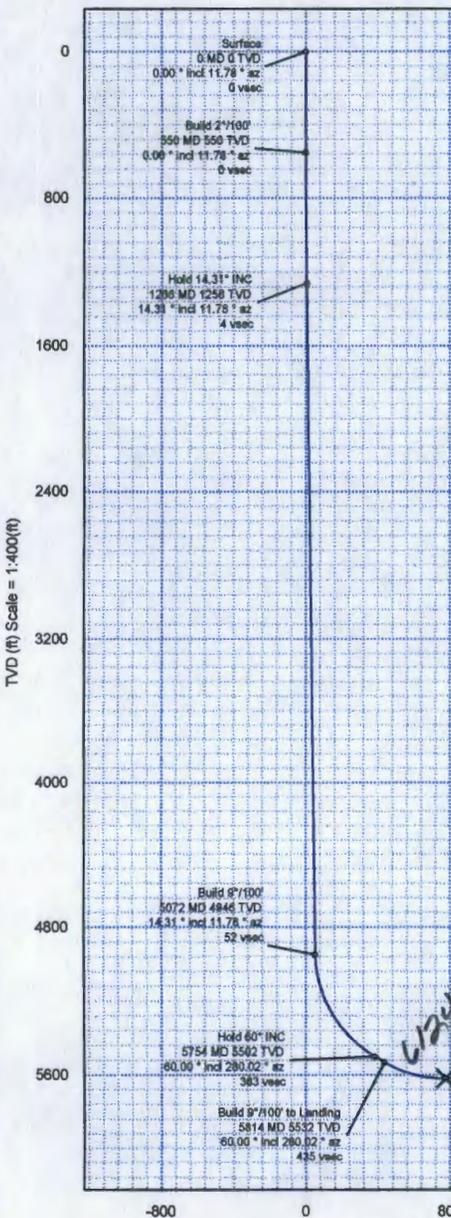
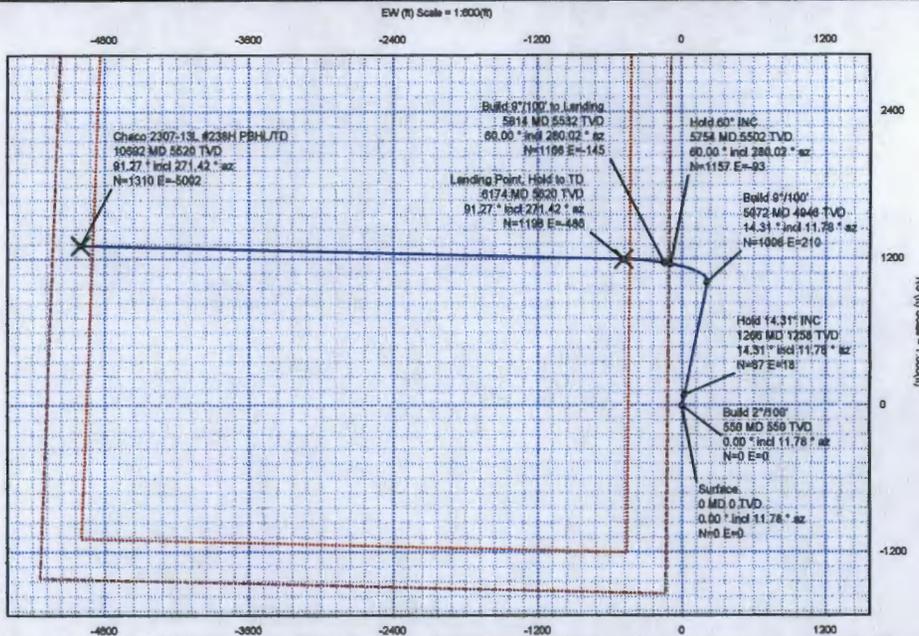
<b>Borehole:</b> Original Hole	<b>Well:</b> Chaco 2307-13L #238H	<b>Field:</b> NM, Rio Arriba (NAD 27 CZ)	<b>Structure:</b> Sec 13-23N-7W
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<b>Gravity &amp; Magnetic Parameters</b>		<b>Surface Location</b> NAD27 New Mexico State Plane, Central Zone, US Feet		<b>Miscellaneous</b>	
Model: BGM 2013 Dip: 63.005°	Date: 08-Jan-2014	Lat: N 36 13 21.77	Northing: 1902790.054ft	Grid Conv: -0.7895°	Slot: Chaco 2307-13L #238H
MagDec: 9.467°	FB: 50148.332nT Gravity FB: 956.485mgm (9.80665 Based)	Lon: W 107 32 6.17	Easting: 120958.678ft	Scale Fact: 1.00006441	Plan: Chaco 2307-13L #238H R0 mdy 08Jan14

## Proposal



True North  
Tot Corr (M->T 9.467°)  
Mag Dec (9.467°)  
Grid Conv (-0.759°)



Surface Location								
Northing: 1902790.054		Easting: 120958.678		Latitude: N 36 13 21.77	Longitude: W 107 32 6.17	VSec Azimuth: 284.674		
Target Description	Grid Coord				Local Coord			
Target Name	Latitude	Longitude	Northing	Easting	TVD	VSec	N(+)/S(-)	E(+)/W(-)
Chaco 2307-13L #238H PBH/TD	N 36 13 34.72	W 107 33 7.22	1904166.22	115973.81	5520.00	5170.82	1309.89	-5002.26
Chaco 2307-13L #238H PP	N 36 13 33.62	W 107 32 12.10	1903994.60	120488.13	5620.00	773.99	1198.13	-486.34
Chaco 2307-13L #238H Section Line	N 36 13 21.77	W 107 32 6.17	1902790.05	120958.58	7060.00	0.00	0.00	0.00
Chaco 2307-13L #238H 330' Setback	N 36 13 21.77	W 107 32 6.17	1902790.05	120958.58	7060.00	0.00	0.00	0.00
Critical Points								
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/S(-)	E(+)/W(-)	DLS
Surface	0.00	0.00	11.78	0.00	0.00	0.00	0.00	
Build 2°/100'	550.00	0.00	11.78	550.00	0.00	0.00	0.00	0.00
Hold 14.31° INC	1265.64	14.31	11.78	1258.22	4.49	67.05	18.15	2.00
Build 9°/100'	5071.55	14.31	11.78	4946.00	52.02	1008.12	210.21	0.00
Hold 60° INC	5754.34	60.00	280.02	5501.83	383.36	1156.71	-63.39	9.00
Build 9°/100' to Landing	5814.34	60.00	280.02	5531.83	435.15	1165.75	-144.56	0.00
Landing Point, Hold to TD	8173.55	91.27	271.42	5620.00	773.99	1198.12	-486.34	8.00
Chaco 2307-13L #238H PBH/TD	10691.95	91.27	271.42	5520.00	5170.92	1309.89	-5002.26	0.00

Vertical Section (ft) Azim = 284.674° Scale = 1:400(ft) Origin = 0N/-S, 0E/-W

RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JAN 23 2014

APPLICATION FOR PERMIT TO DRILL OR REENTER  
Fairington Field Office  
Bureau of Land Management

5. Lease Serial No.  
NMSF-078360

6. If Indian, Allottee or Tribe Name

1a. Type of Work:  DRILL  REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

8. Lease Name and Well No.  
Chaco 2307-13L #238H

2. Name of Operator  
WPX Energy Production, LLC

9. API Well No.  
30-039-31213

3a. Address  
P.O. Box 640 Aztec, NM 87410

3b. Phone No. (include area code)  
(505) 333-1808

10. Field and Pool, or Exploratory  
Lybrook Gallup

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface 1543' FSL & 121' FWL, sec 13, T23N, R7W

11. Sec., T., R., M., or Blk. and Survey or Area  
Section 14 T23N R7W

At proposed prod. zone 2485' FNL & 230' FWL, sec 14, T23N, R7W

Section 13, T23N, R7W

14. Distance in miles and direction from nearest town or post office\*  
approximately 2 miles southeast of Lybrook, New Mexico

12. County or Parish  
Rio Arriba County

13. State  
NM

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 121'

16. No. of Acres in lease  
2565.24

17. Spacing Unit dedicated to this well  
160 acres RCVD FEB 10 '14

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. 40'

19. Proposed Depth  
10,692' MD / 5,520' TVD

20. BLM/BIA Bond No. on file  
UTB000178  
OIL CONS. DIV.

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
7046' GR

22. Approximate date work will start\*  
April 1, 2014

23. Estimated duration  
1 month DIST. 3

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Larry Higgins* Name (Printed/Typed) Larry Higgins Date 01/23/2014

Regulatory Specialist Approved by (Signature) *[Signature]* Name (Printed/Typed) AFM Office FFO Date 2/7/14

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

WPX Energy Production, LLC, proposes to develop the Lybrook Gallup formation at the above described location in accordance with the attached drilling and surface use plans.

The well pad surface is on lease under jurisdiction of the BLM.

This location has been archaeologically surveyed by *[Signature]* and *[Signature]*. Copies of their reports have been submitted directly to the BLM.

This well shares this pad with The Chaco #174H and #175H. No additional disturbance or access road is needed.

**DRILLING OPERATIONS  
AUTHORIZED ARE SUBJECT TO  
COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"**

**NO APPROVAL OR ACCEPTANCE OF THIS  
ACTION DOES NOT RELIEVE THE LESSEE  
OPERATOR FROM OBTAINING ANY OTHER  
AUTHORIZATION REQUIRED FOR OPERATIONS  
ON FEDERAL AND INDIAN LANDS**

**This action is subject to technical  
and procedural review pursuant to  
43 CFR 3165.3 and appeal  
pursuant to 43 CFR 3165.4**

NMCCD  
AV