

DATE IN 6/29/17	SUSPENSE	ENGINEER LRL	LOGGED IN 6/29/17	TYPE NSL	APP NO. PK5C1718055767
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7/18/17

ABOVE THIS LINE FOR DIVISION USE ONLY

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



NSL-7555

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]

#120782

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A] WPX ENERGY PROD. LLC
- [A] Location - Spacing Unit - Simultaneous Dedication STATE 2207-360 NO. 193H
- NSL NSP SD WC 22N 7W36; Gallup (9823)
- 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 Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner WPX is the only offset operator/leaseholder
- [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

[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.

Thomas E. Black, Jr. Thomas E. Black, Jr. Area Land Manager 6/29/17
 Print or Type Name Signature Title Date
 tom.black@wpxenergy.com
 e-mail Address



Thomas E. Black, Jr.
Phone: 539-573-8220
Tom.Black@wpxenergy.com

June 28, 2017

VIA E-MAIL/U.S.MAIL

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Application of WPX Energy Production, LLC for administrative approval of a Non-Standard Location for its State 2207-36D #193H Well, Sec 36-T22N-R7W, Sandoval County, New Mexico.

Dear Mr. Catanach:

WPX Energy Production, LLC (OGRID 120782) owns 100% of the leasehold interest covering all of Section 36, Township 22 North, Range 7 West, N.M.P.M., Sandoval County, New Mexico. WPX plans to drill the **State 2207-36D #193H** well as a transverse horizontal well to develop the NW4 NW4 of Section 36. The **State 2207-36D #193H** well will be drilled from a surface location 725 feet from the North line, 311 feet from the West line (Unit D) of Section 36. The completed interval will begin at approximately 470 feet from the North line, 469 feet from the West line (Unit D), and the last perforation will be no closer than 1,321 feet from the North line, 1,299 feet from the West line (Unit D) of Section 36 (lateral length = 1173.9 feet). This well will be drilled pursuant to the following:

(NMAC 19.15.15.9 - OIL WELL ACREAGE AND WELL LOCATION REQUIREMENTS)

- A. A wildcat well that the operator projects to drill as an oil well to a formation and in an area that in the division's opinion may reasonably be presumed to produce oil rather than gas, and each development well for a defined oil pool unless otherwise provided in special pool orders, shall be located on a spacing unit consisting of approximately 40 contiguous surface acres, substantially in the form of a square that is a legal subdivision of the United States public land surveys and is a governmental quarter-quarter section or lot, and shall be located no closer than 330 feet to a boundary of the unit.

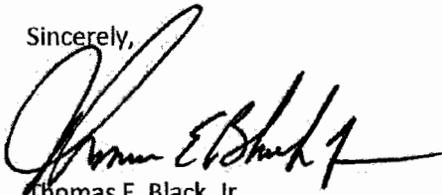
Exhibit A is the Application For Permit To Drill (C-101) and Sundry Notice And Reports On Wells (C-103) which reflect the change from a vertical well to a horizontal well pursuant to the Directional Drill plans reflected on the attached **Exhibit B** (C-102) and name change from the **State 2207-36D #193** to **State 2207-36D #193H**.

Exhibit B is a land plat of section 36 (C-102) showing the location of the **State 2207-36D #193H** well and reflects the fact that there are no other wells in the section. This Well Location And Acreage Dedication Plat shows that as a result of the 330 foot setbacks required, the proposed completed interval for the **State 2207-36D #193H** well encroaches on the offsetting acreage to the South, Southeast and East.

WPX is the sole owner of Working Interest for Section 36 (State Lease No: V092290000), and as such, there are no other affected parties to notify pursuant to this Non-Standard Location. Since this acreage involves State Land Office leasehold, a courtesy copy of this application has been provided to the State Land Office.

Your attention to this request for Non-Standard Location is appreciated.

Sincerely,



Thomas E. Black, Jr.

Area Land Manager

WPX Energy Production, LLC

Cc: State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504
Attention: Kenda Montoya

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 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 Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

EXHIBIT A

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised July 18, 2013

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

OIL CONS. DIV DIST. 3 AMENDED REPORT

MAY 10 2017

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address WPX Energy Production, I.L.C. PO Box 640 Aztec NM 87410		OGRID Number 120782
Property Code 317199		API Number 30.043-21508
Property Name STATE 2207-36D		Well No. 1937

Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	36	22N	7W		725	N	311	W	SANDOVAL

Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	36	22N	7W		727	N	714	W	SANDOVAL

Pool Information

Pool Name WILDCAT GALLUP	WC SAN7W36, Gallup (G)	Pool Code 98231
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Additional Well Information

11. Work Type N	12. Well Type O	13. Cable/Rotary R	14. Lease Type S	15. Ground Level Elevation 6942
16. Multiple NO	17. Proposed Depth 5838' MD- 5800' TVD	18. Formation GALLUP	19. Contractor TBD	20. Spud Date 6/1/17
Depth to Ground water NA	Distance from nearest Fresh water well NA	Distance to nearest surface water NA		

We will be using a closed-loop system in lieu of lined pits

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/lb	Setting Depth	Sacks of Cement	Estimated TOC
Surface	12.25"	9.625"	36#	320'	100	Surface
Production	8.75"	5-1/2"	17#	0'-5838'	1175	Surface

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
11" 3M	3000#	1500#	Schafer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.
Signature:

Printed name: Lacey Granillo
Title: Permit Tech III
E-mail Address: lacey.granillo@wpxenergy.com
Date: 5/9/17
Phone: 333-1816

OIL CONSERVATION DIVISION	
Approved By:	5-17-2017
Title:	
Approved Date:	Expiration Date:
Conditions:	

SEE ATTACHED NMOCD
CONDITIONS OF APPROVAL

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-043-21308
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V092291
7. Lease Name or Unit Agreement Name State 2207 36D
8. Well Number 193H
9. OGRID Number 120782
10. Pool name or Wildcat WC 22N7W36; Gallup(O)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6942'

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
WPX Energy Production, LLC

3. Address of Operator
PO Box 640 Aztec, NM 87410

4. Well Location
Unit Letter D : 725' feet from the FNL line and 311' feet from the FWL line
Section | 36 Township 22N Range 7W NMPM County Sandoval, NM

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER: <u>Change in Plans</u> <input checked="" type="checkbox"/>	
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <u>Change in Plans</u> <input checked="" type="checkbox"/>			

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

WPX Energy request a change from a vertical to a horizontal well per the attached OPS, Directional Drill plans and C102 Plat Package with a name change from State 2207-36D 193 to State 2207-36D 193H.

OIL CONS. DIV DIST. 3

JUN 06 2017

COA added C-104 for NSL / as drilled C-102 + Directional Survey

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Maria Jaramila TITLE Permit Tech DATE 6/6/17

Type or print name _____ E-mail address: _____ PHONE: _____

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE 6/6/2017

Conditions of Approval (if any): AV

Lowe, Leonard, EMNRD

From: Catanach, David, EMNRD
Sent: Thursday, June 29, 2017 6:39 AM
To: McMillan, Michael, EMNRD; Lowe, Leonard, EMNRD
Subject: FW: WPX application for Non-Standard Location
Attachments: Non-Standard Location Application for State 2207-36D #193H, Sandoval Co., NM.pdf

Michael/Leonard,

Please make sure this application gets processed.

Thanks,
David

From: Lamberson, Twyla [mailto:Twyla.Lamberson@wpxenergy.com]
Sent: Wednesday, June 28, 2017 3:17 PM
To: Catanach, David, EMNRD <David.Catanach@state.nm.us>
Cc: khalama@slo.state.nm.us; Silvestri, Delio <Delio.Silvestri@wpxenergy.com>; Riley, Heather <Heather.Riley@wpxenergy.com>; Felix, Andrea <Andrea.Felix@wpxenergy.com>; Black, Tom <Tom.Black@wpxenergy.com>
Subject: WPX application for Non-Standard Location

Mr. Catanach,

WPX Energy Production, LLC is submitting for your approval a Non-Standard location for our proposed State 2207-36D #193 Well located in Sandoval County, New Mexico.

The attachment includes a letter with detail of the proposed work, our Application for Permit to Drill (Exhibit A), Well Location and Dedication Plat (Exhibit B), and finally our Administrative Application Checklist.

All documents that are attached to this e-mail will be mailed to your office for review.

Should you have any questions, you may reach out to Tom Black, Area Land Manager for WPX Energy. His contact information is on the attached letter.

Thank you,

Twyla Lamberson
Sr. Land Data Technician
Ph: 539-573-4995
Fax: 539-573-4177

WPXENERGY.



Lowe, Leonard, EMNRD

From: Silvestri, Delio <Delio.Silvestri@wpxenergy.com>
Sent: Monday, July 17, 2017 3:59 PM
To: Lowe, Leonard, EMNRD
Subject: RE: [EXTERNAL] NSL request - State 2207 - 36D No. 193H

Mr. Lowe -

The reason for the Non-standard-Location is that we wanted to develop as much of the applicable 40 acre spacing for oil with our horizontal lateral as possible and therefore drilled the lateral to approximately the SE corner of NWNW of section 36 (vs stopping 330' away from the SE corner of the NWNW of section 36) and since WPX was the only effected party that offset the SE corner of the NWNW of section 36 and that there would be no protest of same we decided to take advantage of the opportunity to drill a longer lateral and develop/drain as much of the 40 acres as possible.

Should you have other questions please advise – your assistance with this matter is appreciated – thanks.....

Delio A. (Tony) Silvestri, Sr. Staff Landman Delio.Silvestri@wpxenergy.com

Desk: 539-573-4834 • Cell: 918-629-6862 • Fax: 539.573.1855

P.O. Box 3102, MD 25, Tulsa, OK 74101 • 3500 One Williams Center, 74172

WPXENERGY.

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Monday, July 17, 2017 2:53 PM
To: Silvestri, Delio <Delio.Silvestri@wpxenergy.com>
Subject: RE: [EXTERNAL] NSL request - State 2207 - 36D No. 193H
Importance: High

Delio Silvestri,

Good afternoon.

What is your reason for this NON STANDARD LOCATION request? It is not clearly stated within your application.

llowe

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, July 17, 2017 1:53 PM
To: 'Silvestri, Delio'
Subject: RE: [EXTERNAL] NSL request - State 2207 - 36D No. 193H

Importance: High

Delio Silvestri,

Good afternoon.

What is your reason for this NON STANDARD LOCATION request? It is not clearly stated within your application.

llowe

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>

From: Silvestri, Delio [mailto:Delio.Silvestri@wpxenergy.com]
Sent: Friday, July 14, 2017 4:08 PM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Subject: FW: [EXTERNAL] NSL request - State 2207 - 36D No. 193H

Mr. Lowe -

Answers to your questions on your email below are as follows:

SHL is correct per the attached C101 and C102 (725' FNL and 311' FWL)
Actual BHL is 1321 FNL & 1299 FWL

First perforation point 5325' 521 FNL & 496 FWL
Last perforation point 6359' 1269 FNL & 1217 FWL

Should you have other questions/comments please advise – your assistance with this NSL request is appreciated
- thanks.....

Delio A. (Tony) Silvestri, Sr. Staff Landman Delio.Silvestri@wpxenergy.com

Lowe, Leonard, EMNRD

From: Silvestri, Delio <Delio.Silvestri@wpenergy.com>
Sent: Friday, July 14, 2017 4:08 PM
To: Lowe, Leonard, EMNRD
Subject: FW: [EXTERNAL] NSL request - State 2207 - 36D No. 193H
Attachments: Non-Standard Location Application for State 2207-36D #193H, Sandoval Co.....pdf

Mr. Lowe -

Answers to your questions on your email below are as follows:

SHL is correct per the attached C101 and C102 (725' FNL and 311' FWL)
Actual BHL is 1321 FNL & 1299 FWL

First perforation point 5325' 521 FNL & 496 FWL
Last perforation point 6359' 1269 FNL & 1217 FWL

Should you have other questions/comments please advise – your assistance with this NSL request is appreciated
- thanks.....

Delio A. (Tony) Silvestri, Sr. Staff Landman Delio.Silvestri@wpenergy.com

*Desk: 539-573-4834 • Cell: 918-629-6862 • Fax: 539-573-1855
P.O. Box 101 MD 35, Tulsa, OK 74101 • 3500 One Williams Center, 74172*



From: "Lowe, Leonard, EMNRD" <Leonard.Lowe@state.nm.us>
Date: July 13, 2017 at 5:54:12 PM CDT
To: "tom.black@wpenergy.com" <tom.black@wpenergy.com>
Subject: [EXTERNAL] NSL State 2207 - 36D No. 193H

CAUTION: This email was sent from an EXTERNAL source. Use caution when clicking links or opening attachments.

Mr. Thomas Black,

NSL request.

What are your

Surface Location
First perforation point
Last perforation point

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, July 13, 2017 4:54 PM
To: 'tom.black@wpenergy.com'
Subject: NSL State 2207 - 36D No. 193H

Importance: High

Mr. Thomas Black,

NSL request.

What are your

Surface Location
First perforation point
Last perforation point
Bottom Hole location

For the above subject well. Your letter is not clear in your perforation area. "the last perforation will be no closer than 1321 from the north line", that makes it fall into unit E.

Please clarify.

Thank you,

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>