

9-6-12 DATE IN	SUSPENSE NA	ENGINEER DB	LOGGED IN 9-6-12	TYPE NSL	APP NO. PDKB12250960
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1225642257

ABOVE THIS LINE FOR DIVISION USE ONLY

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



WPX
 Lehalke 32 #2A

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]

Comment
 NSL-6624

- [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 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

[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

Print or Type Name

Signature

Title

Date

Heather Riley @wpxBenergy.com
 e-mail Address

Brooks, David K., EMNRD

From: Riley, Heather <Heather.Riley@wpenergy.com>
Sent: Thursday, September 06, 2012 12:57 PM
To: Brooks, David K., EMNRD
Cc: Higgins, Larry; Mitchell, Ben; Pickup, Barbara; McQueen Jr, Ken
Subject: Schalk 32 #002A API 30-039-31108
Attachments: Schalk 32 #002A NSL Appr.pdf

Mr. Brooks,

On 5/21/12, Administrative Order NSL-6624 (see attached) was issued granting approval to drill this well to an unorthodox location. The end of lateral footages are 2600' FSL & 1150' FEL in the current proposal. We would like to extend the lateral length of this well by approximately 400'. This doesn't change the nature of our encroachment, i.e. we will still be encroaching on the N2 of Section 32. It will not make us NSL to the east.

Will the NSL Order in place cover us for this change or do you need anything additional from us?

Thank you,

Heather Riley
Regulatory Specialist, Sr.
WPX Energy
P. O. Box 640
Aztec, NM 87410
(970) 749-8747 (cell)
(505) 333-1822 (office)

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



May 21, 2012

WPX Energy Production, LLC
Attn: Ms. Heather Riley

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6624
Administrative Application Reference No. pTWG12-11643167

WPX Energy Production, LLC
OGRID 120782
Schalk 32 Well No. 2A
API No. 30-039-31108

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	2070 FSL & 660 FWL	L	32	31N	4W	Rio Arriba
Penetration Point	2132 FSL & 1056 FWL	L	32	31N	4W	Rio Arriba
Terminus	2600 FSL & 1150 FEL	I	32	31N	4W	Rio Arriba

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 of Section 32	320	Basin Fruitland Coal Gas	71629

Reference is made to your application received on April 25, 2012.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. Spacing in this pool is governed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provide generally for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is unorthodox because portions of the proposed completed interval are less than 660 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

May 21, 2012
Page 2

It is our understanding that you are seeking this location for engineering reasons, in order to maximize drainage of this project area by the wellbore lateral.

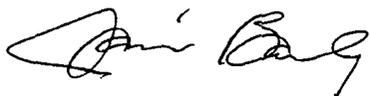
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec
United States Bureau of Land Management