

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-039-31109
 Schalk 32 #2A
 WPX Energy

ADMINISTRATIVE APPLICATION CHECKLIST

Amending existing
 NSL-6624-A

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 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

2013 APR 17 P 2:41
 RECEIVED OGD

[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	Attached e-mail	Sr. Regulatory Specialist	04/16/2013
Print or Type Name	Signature	Title	Date
		heather.riley@wpenergy.com	
		e-mail Address	

Brooks, David K., EMNRD

From: Riley, Heather <Heather.Riley@wpxenergy.com>
Sent: Tuesday, April 16, 2013 3:16 PM
To: Brooks, David K., EMNRD
Cc: Higgins, Larry; Mitchell, Ben; Granillo, Lacey; Pickup, Barbara; McQueen Jr, Ken
Subject: RE: Schalk 32 #002A API 30-039-31108
Attachments: NSL-6624-A_ WPX Energy Production LLC - Schalk #2A.pdf; Schalk 32 #2A.3 C-102.pdf

Good afternoon Mr. Brooks,

As you will recall, you and I corresponded last September about our plans to extend the lateral length of our wellbore by approximately 400'. We have submitted our official plans to do so using the footages as described in the attached plat which results in a BHL footage of 2070' FSL and 700' FEL.

Order NSL-6624-A, which was entered 9/12/12, gives the terminus as 2600' FSL & 750' FEL. I was contacted by Bill Hoppe at the Aztec Field Office and he indicated that I would need to get another approval for the difference in footages. Will this email suffice as a request for an amendment to the NSL Orders 6624 and 6624-A?

Please advise. Thank you.

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

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Thursday, September 06, 2012 2:00 PM
To: Riley, Heather
Subject: RE: Schalk 32 #002A API 30-039-31108

Dear Ms. Riley

To make sure we are both covered on this, I will treat your email as an application for an amended order not requiring notice, and prepare an order accordingly.

Sincerely

David K. Brooks

From: Riley, Heather [<mailto:Heather.Riley@wpxenergy.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

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,

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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

1 API Number		2 Pool Code 71629		3 Pool Name BASIN FRUITLAND COAL	
4 Property Code		5 Property Name SCHALK 32		6 Well Number 2A	
7 OGRID No. 120782		8 Operator Name WILLIAMS PRODUCTION COMPANY		9 Elevation 6955'	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
L	32	31N	4W		2070	SOUTH	660	WEST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

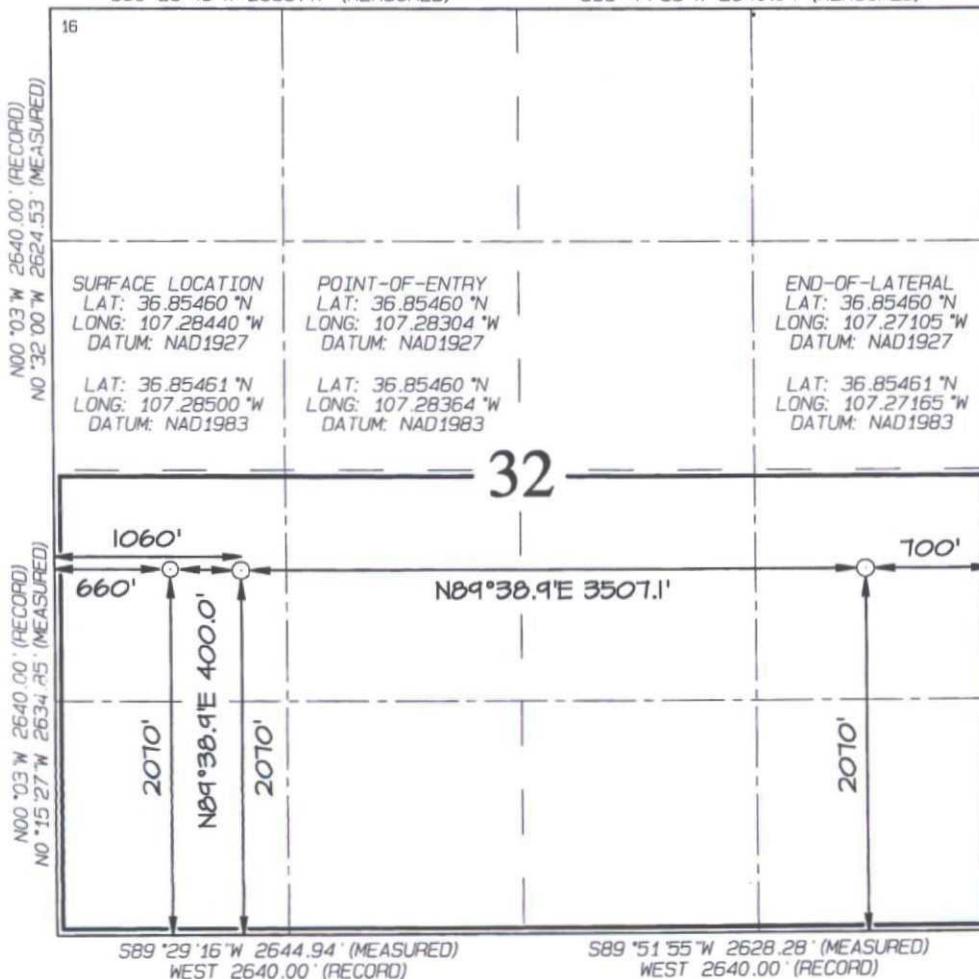
UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
I	32	31N	4W		2070	SOUTH	700	EAST	RIO ARRIBA

12 Dedicated Acres 320.0 Acres - (S/2)	13 Joint or Infill	14 Consolidation Code	15 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

N89°58'W 2639.01' (RECORD)
S89°28'49"W 2636.47' (MEASURED)

N89°58'W 2639.01' (RECORD)
S89°44'53"W 2640.04' (MEASURED)



17 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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 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: MARCH 12, 2013
Date of Survey: AUGUST 9, 2011

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
15269

JASON C. EDWARDS
Certificate Number 15269

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, April 17, 2013 9:11 AM
To: 'Riley, Heather'
Subject: RE: Schalk 32 #002A API 30-039-31108

Dear Ms. Riley

I will consider your letter an application for an amended order. Since the encroachment is to the North and unchanged, there are no notice issues.

Thanks
David

From: Riley, Heather [<mailto:Heather.Riley@wpenergy.com>]
Sent: Tuesday, April 16, 2013 3:16 PM
To: Brooks, David K., EMNRD
Cc: Higgins, Larry; Mitchell, Ben; Granillo, Lacey; Pickup, Barbara; McQueen Jr, Ken
Subject: RE: Schalk 32 #002A API 30-039-31108

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Subject: Schalk 32 #002A API 30-039-31108

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Heather Riley
Regulatory Specialist, Sr.
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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



September 12, 2012

WPX Energy Production, LLC
Attn: Ms. Heather Riley

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6624-A
Administrative Application Reference No. pDKB1225642257

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

This Order supersedes Order NSL-6624, issued on May 21, 2012.

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 & 750 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 oil 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.

September 12, 2012
Page 2

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].

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.

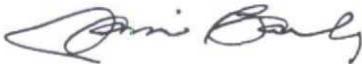
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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 cursive script, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/db

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