

ABOVE THIS LINE FOR DIVISION USE ONLY

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]

*State
minerals*

[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

Regulatory Team Lead
Title

2/11/2014
Date

Heather.riley@wpenergy.com
e-mail Address

Chaco 2206-02H #272H, API #30-043-21193

*- NSL 7023
- WPX Energy
Production, LLC
120782
Well
Chaco 2206-02H
272H
30-043-21193*

2014 FEB 12 P 2:45
RECEIVED OGD
Pool
Lybrook
G-114P

*rec'd
2-12-2014*

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 2206-02H #272H
API#: 30-043-21193
Sec. 2, T22N, R6W

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 2206-02H #272H. This is a horizontal well with a surface location of 1707' FNL and 335' FEL, Section 2, T22N, R6W and an end of lateral location of 2655' FNL & 230' FWL, Section 2, T22N, R6W. 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 2, T22N, R6W in that it is approximately 49' from the unit boundary.

The spacing for the subject well is the S/2 of the N/2 of section 2 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 2 also consisting of 4 consecutive parcels containing 160 acres. All of Section 2 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 5,940' MD to 10,454' 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 2 which correlates with approximately 5,938' MD. The top perforation is at 5,940' 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 10,555 MD. The deepest perforation would be the lower port in a RSI tool which would be set no deeper than 10,454' 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) 393-6151 Fax: (575) 393-0720

District II
841 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

*API Number 30-043-21193		*Pool Code 42289	*Pool Name LYBROOK GALLUP
*Property Code 39908	*Property Name CHACO 2206-02H		*Well Number 272H
*GRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 6949'

¹⁰ Surface Location

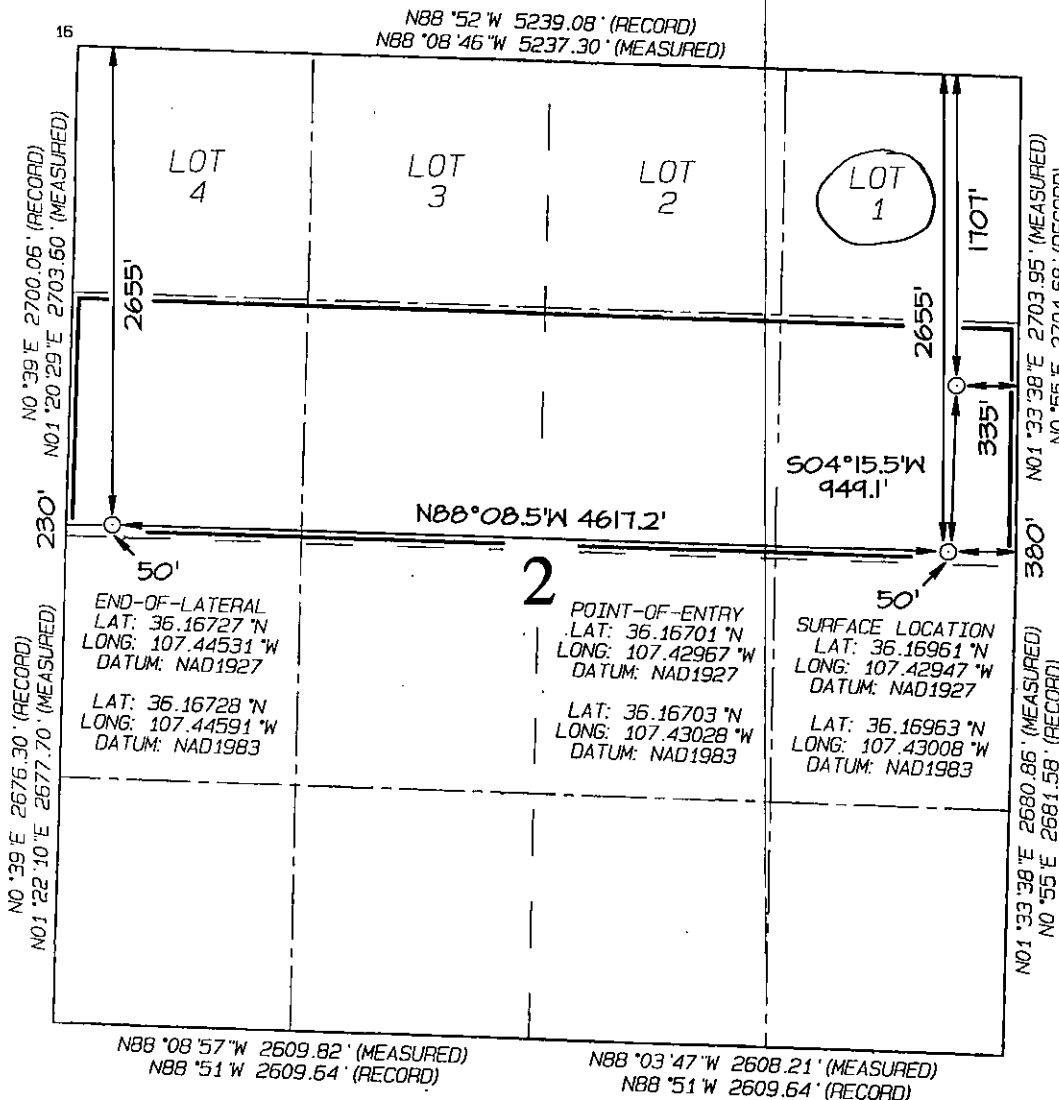
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	2	22N	6W		1707	NORTH	335	EAST	SANDOVAL

¹¹ 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	2	22N	6W		2655	NORTH	230	WEST	SANDOVAL

¹² Dedicated Acres 160.0 Acres - (S/2 N/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



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.

01/28/14

Signature _____ Date _____

Larry Higgins

Printed Name _____

larry.higgins@wpxenergy.com

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: JANUARY 27, 2014

Survey Date: JANUARY 10, 2014

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269



WPX Energy

Rev 1

PATHFINDER
A Schlumberger Company

Borehole:	Well:	Field:	Structure:
Original Hole	Chaco 2206-02H #272H	NM Sandoval County NAD27	Sec 2-22N-6W

Gravity & Magnetic Parameters		Surface Location	NAD27 New Mexico State Plane, Central Zone, US Feet		Miscellaneous
Model: BGGM 2013 Dip: 62.978°	Date: 27-Jan-2014	Lat: N 36 10 10.60	Northings: 1883062.624ft	Grid Conv: -0.6962"	Slot: Chaco 2206-02H #272H
MagDec: 9.412°	FS: 50126.334nT	Lon: W 107 25 46.09	Easting: 151866.202ft	Scale Fact: 1.00003869	TVD Ref: RKB(6963ft above MSL)
Gravity FS: 998.485mgm (9.80665 Based)		Plan: Chaco 2206-02H #272H R1 mdy 27Jan14			

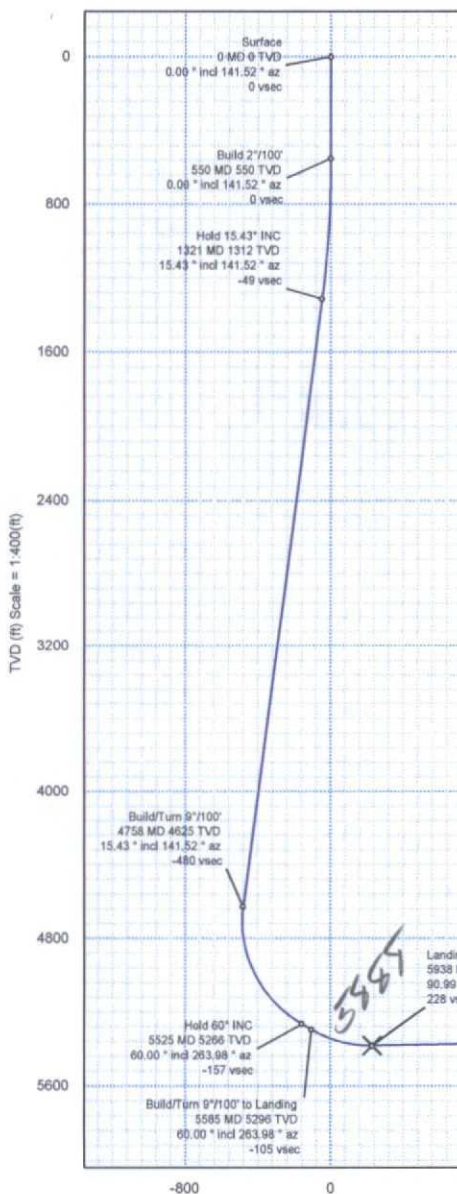
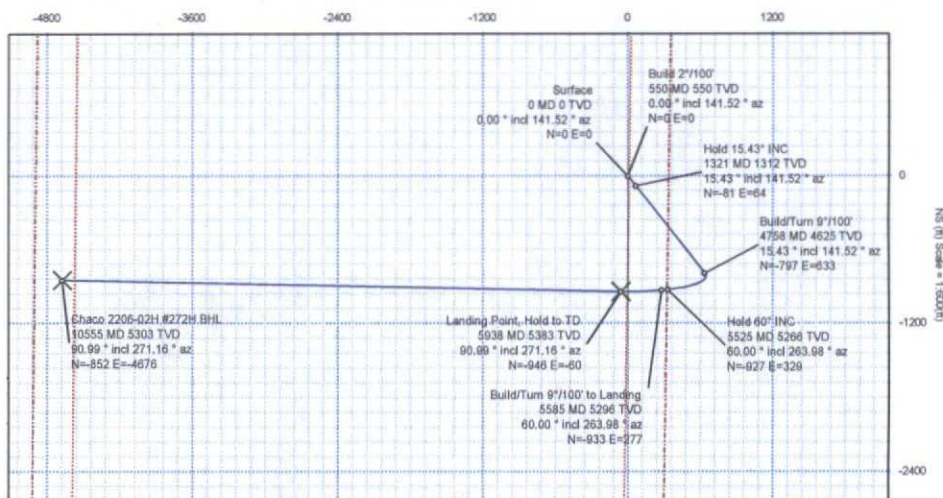
Proposal



True North
Tot Corr (M->T 9.412°)
Mag Dec (9.412°)
Grid Conv (-0.696°)



EW (ft) Scale = 1:600(ft)



Surface Location									
Northing: 1883062.624		Easting: 151866.202		Latitude: N 36 10 10.60		Longitude: W 107 25 46.09		VSec Azimuth: 259.673	
Target Description		Grid Coord					Local Coord		
Target Name	Latitude	Longitude	Northing	Easting	TVD	VSec	N(+)/S(-)	E(+)/W(-)	
Chaco 2206-02H #272H BHL	N 36 10 2.17	W 107 25 43.11	1882267.43	147180.28	5303.00	4752.74	-852.04	-4675.74	
Chaco 2206-02H #272H PP	N 36 10 1.24	W 107 25 46.82	1882117.72	151794.91	5383.00	228.36	-945.67	-59.81	
Chaco 2206-02H #272H 330' Setback	N 36 10 10.60	W 107 25 46.09	1883062.62	151866.20	6963.00	0.00	0.00	0.00	
Chaco 2206-02H #272H Section Line	N 36 10 10.60	W 107 25 46.09	1883062.62	151866.20	6963.00	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	141.52	0.00	0.00	0.00	0.00		
Build 2°/100'	550.00	0.00	141.52	550.00	0.00	0.00	0.00	0.00	
Hold 15.43° INC	1321.47	15.43	141.52	1312.18	-48.72	-80.82	64.25	2.00	
Build/Turn 9°/100'	4758.21	15.43	141.52	4625.06	-480.16	-796.58	633.22	0.00	
Hold 60° INC	5524.92	60.00	263.98	5265.64	-157.21	-927.45	328.81	9.00	
Build/Turn 9°/100' to Landing	5584.92	60.00	263.98	5295.64	-105.40	-932.90	277.13	0.00	
Landing Point, Hold to TD	5937.61	90.99	271.16	5383.00	228.25	-945.66	-59.69	9.00	
Chaco 2206-02H #272H BHL	10555.31	90.99	271.16	5303.00	4752.74	-852.04	-4675.74	0.00	

Vertical Section (ft) Azim = 259.673° Scale = 1:400(ft) Origin = 0N/-S, 0E/-W



Chaco 2206-02H #272H R1 mdy 27Jan14 Proposal Geodetic Report

(Def Plan)

Report Date:	January 27, 2014 - 09:16 AM
Client:	WFX Energy
Field:	NM Sandoval County NAD27
Structure / Stick:	WFX Sec 2-22N-6W (Chaco 2206-02H #272H) / Chaco 2206-02H #272H
Well:	
Borehole:	Chaco 2206-02H #272H
Original Hole	
Survey Name:	Chaco 2206-02H #272H R1 mdy 27Jan14
UWV / API#:	Unknown / Unknown
Survey Dates:	January 27, 2014
Ton / AHD / DDI / ERD Ratio:	116.101 / 0.939,354 ft / 4.165 / 1.166
Coordinate Reference System:	NAD20 New Mexico State Plane, Central Zone, US Feet
Location Lat / Long:	N 30° 10' 10.59600", W 107° 25' 46.99200"
Location GID NE VIX:	N 1683062 824 RUS, E 1518902 202 RUS
CRS GID Convergence Angle:	-0.9862°
GID Scale Factor:	1.00003689
Version / Patch:	2.7.1043.0
North:	
Local Coord Referenced To:	Well Head
EW	NS
DLS	NS
Nothing	Nothing
Eastng	Eastng
Latitude	Latitude
Longitude	Longitude

[illegible]

Comments	MD (ft)	Incl (°)	Azim True (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/100ft)	Northing (ft)	Easting (ft)	Latitude (N/S ° ' '')	Longitude (E/W ° ' '')
	6700.00	90.99	271.16	5369.77	975.25	-930.19	-921.80	0.00	1882142.47	151033.13	N 36 10	1.40 W 107 25 56.11
	6800.00	90.99	271.16	5368.04	1073.23	-928.15	-921.77	0.00	1882145.71	150933.19	N 36 10	1.42 W 107 25 57.33
	6900.00	90.99	271.16	5366.31	1171.21	-926.12	-1021.73	0.00	1882148.96	150833.26	N 36 10	1.44 W 107 25 58.55
	7000.00	90.99	271.16	5364.57	1269.19	-924.09	-1121.70	0.00	1882152.20	150733.32	N 36 10	1.46 W 107 25 59.77
	7100.00	90.99	271.16	5362.84	1367.17	-922.06	-1221.66	0.00	1882155.45	150633.38	N 36 10	1.48 W 107 26 0.99
	7200.00	90.99	271.16	5361.11	1465.15	-920.03	-1321.62	0.00	1882158.69	150533.45	N 36 10	1.50 W 107 26 2.21
	7300.00	90.99	271.16	5359.37	1563.13	-918.00	-1421.59	0.00	1882161.93	150433.51	N 36 10	1.52 W 107 26 3.43
	7400.00	90.99	271.16	5357.64	1661.11	-915.97	-1521.55	0.00	1882165.18	150333.58	N 36 10	1.54 W 107 26 4.65
	7500.00	90.99	271.16	5355.91	1759.09	-913.94	-1621.52	0.00	1882168.42	150233.64	N 36 10	1.56 W 107 26 5.87
	7600.00	90.99	271.16	5354.17	1857.07	-911.91	-1721.48	0.00	1882171.67	150133.70	N 36 10	1.58 W 107 26 7.09
	7700.00	90.99	271.16	5352.44	1955.06	-909.88	-1821.45	0.00	1882174.91	150033.77	N 36 10	1.60 W 107 26 8.31
	7800.00	90.99	271.16	5350.71	2053.04	-907.85	-1921.41	0.00	1882178.15	149933.83	N 36 10	1.62 W 107 26 9.52
	7900.00	90.99	271.16	5348.97	2151.02	-905.82	-2021.38	0.00	1882181.39	149833.90	N 36 10	1.64 W 107 26 10.74
	8000.00	90.99	271.16	5347.24	2249.00	-903.80	-2121.34	0.00	1882184.64	149733.96	N 36 10	1.66 W 107 26 11.96
	8100.00	90.99	271.16	5345.51	2346.98	-901.77	-2221.30	0.00	1882187.88	149634.02	N 36 10	1.68 W 107 26 13.18
	8200.00	90.99	271.16	5343.78	2444.96	-899.74	-2321.27	0.00	1882191.12	149534.09	N 36 10	1.70 W 107 26 14.40
	8300.00	90.99	271.16	5342.04	2542.94	-897.71	-2421.23	0.00	1882194.36	149434.15	N 36 10	1.72 W 107 26 15.62
	8400.00	90.99	271.16	5340.31	2640.93	-895.69	-2521.20	0.00	1882197.61	149334.21	N 36 10	1.74 W 107 26 16.84
	8500.00	90.99	271.16	5338.58	2738.91	-893.66	-2621.16	0.00	1882200.85	149234.28	N 36 10	1.76 W 107 26 18.06
	8600.00	90.99	271.16	5336.85	2836.89	-891.63	-2721.13	0.00	1882204.09	149134.34	N 36 10	1.78 W 107 26 19.28
	8700.00	90.99	271.16	5335.12	2934.87	-889.61	-2821.09	0.00	1882207.33	149034.41	N 36 10	1.80 W 107 26 20.50
	8800.00	90.99	271.16	5333.38	3032.85	-887.58	-2921.06	0.00	1882210.57	148934.47	N 36 10	1.82 W 107 26 21.72
	8900.00	90.99	271.16	5331.65	3130.83	-885.55	-3021.02	0.00	1882213.81	148834.53	N 36 10	1.84 W 107 26 22.93
	9000.00	90.99	271.16	5329.92	3228.82	-883.53	-3120.98	0.00	1882217.05	148734.60	N 36 10	1.86 W 107 26 24.15
	9100.00	90.99	271.16	5328.19	3326.80	-881.50	-3220.95	0.00	1882220.29	148634.66	N 36 10	1.88 W 107 26 25.37
	9200.00	90.99	271.16	5326.46	3424.78	-879.48	-3320.91	0.00	1882223.53	148534.73	N 36 10	1.90 W 107 26 26.59
	9300.00	90.99	271.16	5324.73	3522.76	-877.45	-3420.88	0.00	1882226.77	148434.79	N 36 10	1.92 W 107 26 27.81
	9400.00	90.99	271.16	5322.99	3620.74	-875.42	-3520.84	0.00	1882230.01	148334.85	N 36 10	1.94 W 107 26 29.03
	9500.00	90.99	271.16	5321.26	3718.72	-873.40	-3620.81	0.00	1882233.25	148234.92	N 36 10	1.96 W 107 26 30.25
	9600.00	90.99	271.16	5319.53	3816.71	-871.37	-3720.77	0.00	1882236.49	148134.98	N 36 10	1.98 W 107 26 31.47
	9700.00	90.99	271.16	5317.80	3914.69	-869.35	-3820.74	0.00	1882239.73	148035.04	N 36 10	2.00 W 107 26 32.69
	9800.00	90.99	271.16	5316.07	4012.67	-867.33	-3920.70	0.00	1882242.97	147935.11	N 36 10	2.02 W 107 26 33.91
	9900.00	90.99	271.16	5314.34	4110.65	-865.30	-4020.68	0.00	1882246.21	147835.17	N 36 10	2.04 W 107 26 35.13
	10000.00	90.99	271.16	5312.61	4208.63	-863.28	-4120.63	0.00	1882249.45	147735.24	N 36 10	2.06 W 107 26 36.34
	10100.00	90.99	271.16	5310.88	4306.62	-861.25	-4220.59	0.00	1882252.69	147635.30	N 36 10	2.08 W 107 26 37.56
	10200.00	90.99	271.16	5309.15	4404.60	-859.23	-4320.56	0.00	1882255.92	147535.36	N 36 10	2.10 W 107 26 38.78
	10300.00	90.99	271.16	5307.42	4502.58	-857.21	-4420.52	0.00	1882259.16	147435.43	N 36 10	2.12 W 107 26 40.00
	10400.00	90.99	271.16	5305.69	4600.56	-855.18	-4520.49	0.00	1882262.40	147335.49	N 36 10	2.14 W 107 26 41.22
	10500.00	90.99	271.16	5303.96	4698.55	-853.16	-4620.45	0.00	1882265.64	147235.55	N 36 10	2.16 W 107 26 42.44
Chaco 2206-02H #272H BHL	10555.31	90.99	271.16	5303.00	4752.74	-852.04	-4675.74	0.00	1882267.43	147180.28	N 36 10	2.17 W 107 26 43.11

Survey Type: Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma
Survey Program:

Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Survey Tool Type	Borehole / Survey
	1	0.000	14.000	1/100.000	30.000	30.000	SLB_MWD-STD-Depth Only	Original Hole / Chaco 2206-02H #272H R1 mdv 27Jan14
	1	14.000	10555.307	1/100.000	30.000	30.000	SLB_MWD-STD	Original Hole / Chaco 2206-02H #272H R1 mdv 27Jan14