

ABOVE THIS LINE FOR DIVISION USE ONLY

received
10/30/2014

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 _____

-NSL 7185
-Wpx Energy
Production LLC
120782
-well
-Chaco 23086H
396H
30-045-35554

[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

pool
-Naseezi Gallup
47540

[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 Manager
Title

10/29/2014
Date

Heather.riley@wpenergy.com
e-mail Address



Sent via Overnight Delivery

October 29, 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 Nageezi Gallup Lateral
Chaco 2308-06H #396H, API: 30-045-35554*

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 Nageezi Gallup (47540) formation in the Chaco 2308-06H #396H. This is a horizontal well with a surface location of 1737' FNL and 276' FEL, Section 6, T23N R8W and an end of lateral location of 1527' FNL & 233' FWL, Section 6, T23N R8W. 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. The 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 6, T23N R8W in that the Point of Entry is approximately 250' from the unit boundary.

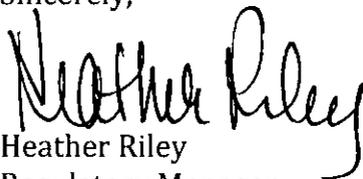
The spacing for the subject well is the S/2 of the N/2 of section 6 consisting of 4 consecutive parcels containing 40 acres more or less and totaling 160.87 acres. The spacing unit being encroached upon is the N/2 of the S/2 of Section 6 also consisting of 4 consecutive parcels containing 165.63 acres. All of Section 6 is operated by WPX and ownership is WPX and JMJ Land and Minerals Co ("JMJ"). A copy of the Notice Letter sent to JMJ is attached hereto.

Jami Bailey
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
October 29, 2014
Page 2

The 7" casing landing point is at 5913' MD (2387' FNL & 421' FEL) and the Base Perf is 10,623' MD (1543' FNL & 332' FWL). The completed interval will be inside of these distances; therefore, this lateral is not NSL to the East or West section lines. See attached Diagram.

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

Sincerely,

A handwritten signature in black ink that reads "Heather Riley". The signature is written in a cursive, flowing style.

Heather Riley
Regulatory Manager

Enc.: As Drilled C-102
Completed Interval Diagram
Notice letter to JM]

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: (505) 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

"As Drilled"

1 API Number		2 Pool Code 47540		3 Pool Name NAGEEZI GALLUP	
4 Property Code		5 Property Name CHACO 2308-06H			6 Well Number 396H
7 OGRID No. 120782		8 Operator Name WPX ENERGY PRODUCTION, LLC			9 Elevation 6927

10 Surface Location

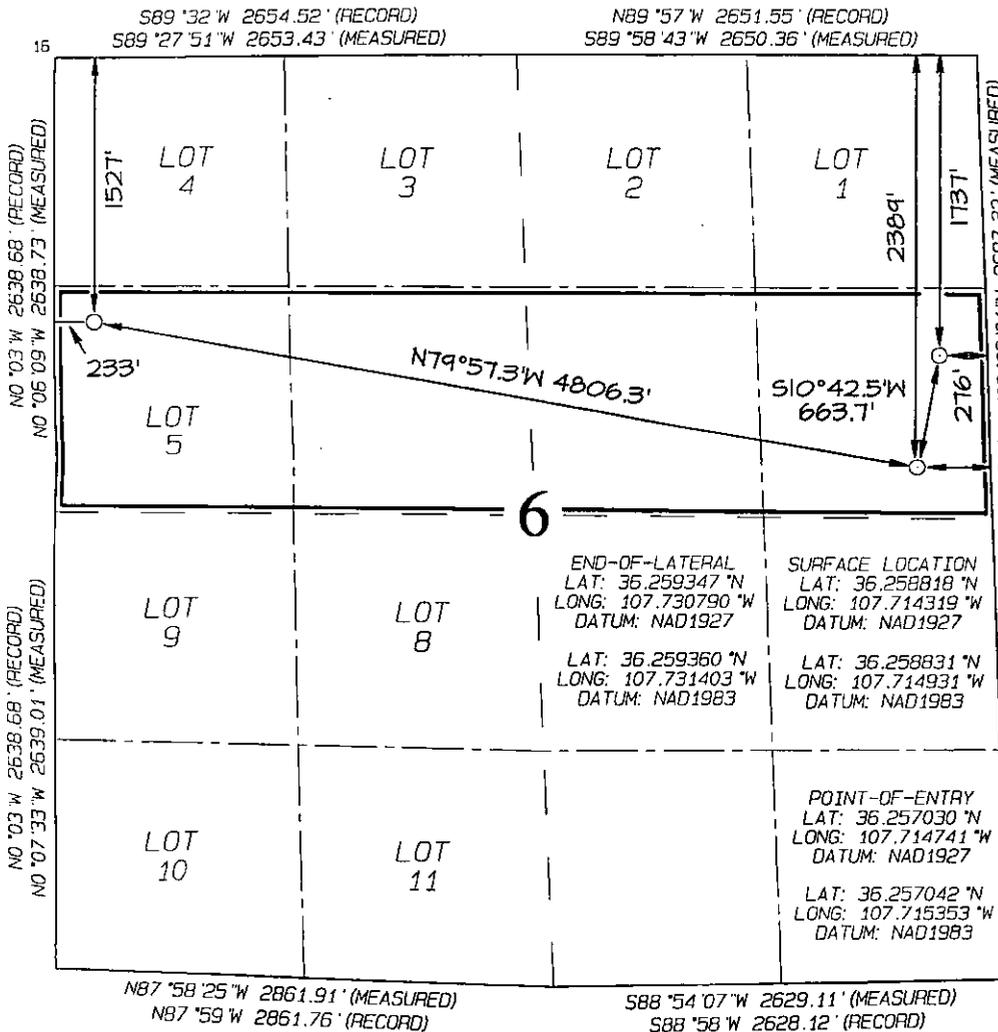
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	6	23N	8W		1737	NORTH	276	EAST	SAN JUAN

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	6	23N	8W	5	1527	NORTH	233	WEST	SAN JUAN

12 Dedicated Acres 160.87 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.

Signature: *Heather Riley* Date: 10/27/14
Printed Name: Heather Riley
E-mail Address: heather.riley@wpenergy.com

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: OCTOBER 20, 2014
Date of Survey: AUGUST 25, 2014

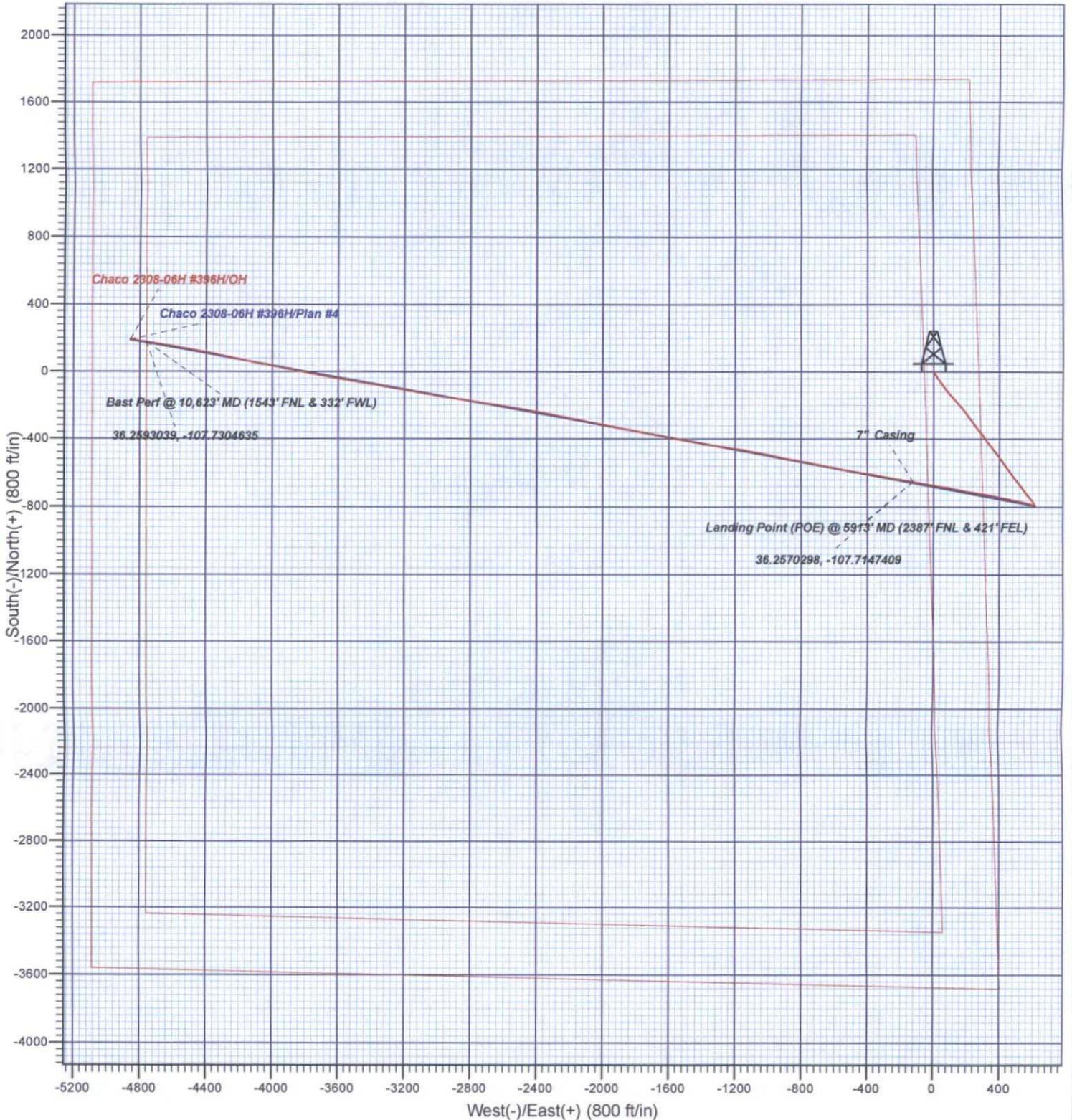
Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

Well Details: Chaco 2308-06H #396H

TVD Reference: GL 6927' & RKB 13' @ 6940.00ft (Aztec 222)

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	1913473.34	535088.40	36.2588180	-107.7143190	





Sent via E-mail and Certified Letter

October 29, 2014

JMJ Land and Minerals Co.
2204 N. Santiago Ave.
Farmington, NM 87401

Re: NOTICE TO INTERESTED PARTY AND INTEREST OWNERS
*Request for Administrative Approval for non-standard Nageezi Gallup Lateral
Chaco 2308-06H #396H, API: 30-045-35554*

Dear Interested Party or Interest Owner:

You have been identified as an Interested Party or Interest Owner having a right to notification of an application for Administrative Approval for non-standard Nageezi Gallup Lateral. Please find enclosed a complete copy of the application that was submitted to the New Mexico Oil Conservation Division on October 29, 2014. Please be advised that you have twenty (20) days from the date that the NMOCD receives the application in their Santa Fe office to submit any objections. The objections must be submitted in writing to:

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

It would be greatly appreciated, if you do not have any objections, if you would sign the waiver below and return to our office in the enclosed envelope or via email at the address listed below. Please feel free to contact me should you have any questions or concerns.

Sincerely,


Heather Riley
Regulatory Manager

I DO NOT HAVE ANY OBJECTIONS AND HEREBY WAIVE THE 20 DAY PERIOD.

DATED

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL™



7013 1090 0001 7317 2675
 7013 1090 0001 7317 2675

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To JMJ Land & Minerals
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
JMJ Land & Minerals Co.
2204 N. Santiago Ave.
Farmington NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7013 1090 0001 7317 2675

WPXENERGY

Sent via E-mail and Certified Letter

October 29, 2014

JMJ Land and Minerals Co.
2204 N. Santiago Ave.
Farmington, NM 87401

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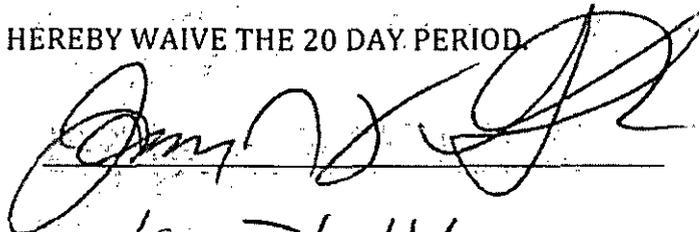
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

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Sincerely,

Heather Riley
Regulatory Manager

I DO NOT HAVE ANY OBJECTIONS AND HEREBY WAIVE THE 20 DAY PERIOD.


10-31-14

DATED

November 3, 2014



Via Email

Engineering and Geological Services Bureau, Oil Conservation Division
ATTN: Michael A. McMillan
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: T23N-R8W – Section 5, San Juan County, New Mexico
CHACO 2308-06H #395H
CHACO 2308-06H #396H

Mr. McMillan:

WPX owns 100% interest in the W/2 of T23N-R8W-Section 5, San Juan County, New Mexico, therefore, WPX is the only affected party concerning the above referenced wells. Please contact me if you have any questions.

Sincerely,



Chuck Bassett
Staff Landman