

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]

[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 7276
 - WPX Energy Production LLC
 120782
 - well
 Chaco 2408-33M #121H
 30-045- pending 35677

2015 APR 20 P 2:12
 RECEIVED OCD

[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
 - Basin Mancos
 97232

[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

Heather Riley
 Signature

Regulatory Manager
 Title

4/16/15
 Date

Heather.riley@wpxenergy.com
 e-mail Address

Chaco 2408-33M #121H; API# is pending & has not been assigned.



Sent via Overnight Delivery

April 16, 2015

David Catanach
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

*Re: Request for Administrative Approval for non-standard Basin Mancos Lateral
Chaco 2408-33M #121: API# is pending & has not been assigned*

Dear Mr. Catanach:

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 Basin Mancos (97232) formation in the Chaco 2408-33M #121H. This is a horizontal well with a surface location of 1086' FSL and 450' FWL, Section 33, T24N R8W and an end of lateral location of 1573' FSL & 230' FEL, Section 33, T24N R8W. See attached plat.

The S/2 of Section 33 is located in the Basin Mancos Gas Pool (97232) and subject to the Special Rules and Regulations created under Order R-12984. These special Rules require 320-acre spacing units and 660 foot setbacks from the outer boundary of the spacing unit. The completed interval is closer than 660 feet from the N/2 & S/2 of Section 32, N/2 of Section 33, S/2 & W/2 of Section 34. Accordingly, the proposed wellbore is non-standard under the Basin Mancos Special pool Rules and approval from the NMOCD is required.

The reason we need a non-standard location is to efficiently develop the acreage and prevent waste.

As support for this application, the following exhibits are included:

EXHIBIT A is the Well Location and Acreage Dedication Plat (Form C-102), which shows the non-standard project area for the subject well.

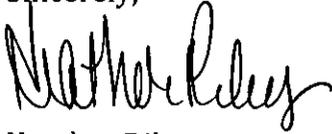
EXHIBIT B is a land plat depicting the proposed subject well in relation to adjoining units and further identifies the owners in the affected leases.

David Catanach
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
April 16, 2015
Page 2

EXHIBIT C is a list of the affected parties for the request for approval of a non-standard spacing unit in the Basin Mancos Gas Pool. A copy of the application with all attachments has been sent to the affected parties advising them that if they have an objection they must file it in writing with the Division within 20 days from the date the Division receives this application.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Heather Riley". The signature is fluid and cursive, with the first name being more prominent.

Heather Riley
Regulatory Manager

Enc.: As Stated

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

Exhibit "A"

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 97232	*Pool Name BASIN MANCOS
*Property Code	*Property Name CHACO 2408-33M		*Well Number 121H
*GRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 7031'

¹⁰ Surface Location

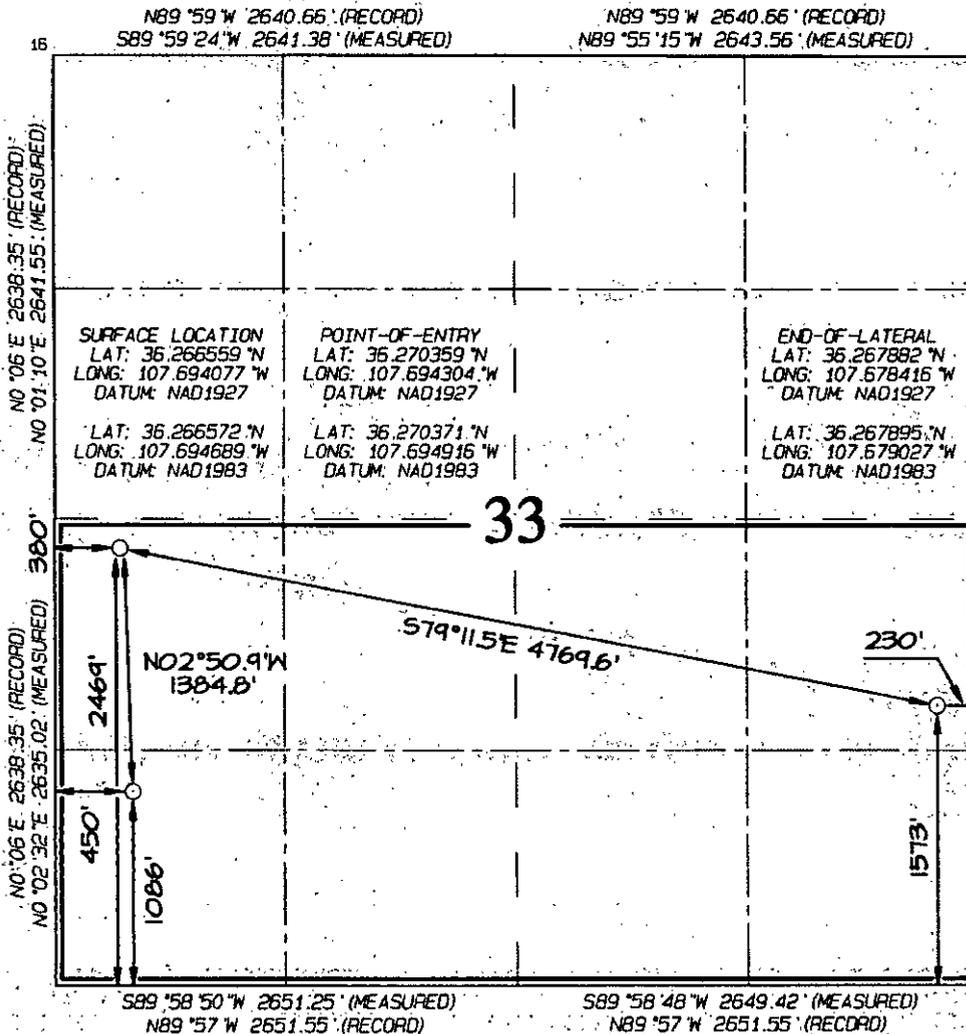
UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
M	33	24N	8W		1086	SOUTH	450	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
I	33	24N	8W		1573	SOUTH	230	EAST	SAN JUAN

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



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.

Heather Riley
Signature Date
Heather Riley
Printed Name
heather.riley@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: FEBRUARY 25, 2015
Survey Date: NOVEMBER 1, 2013

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

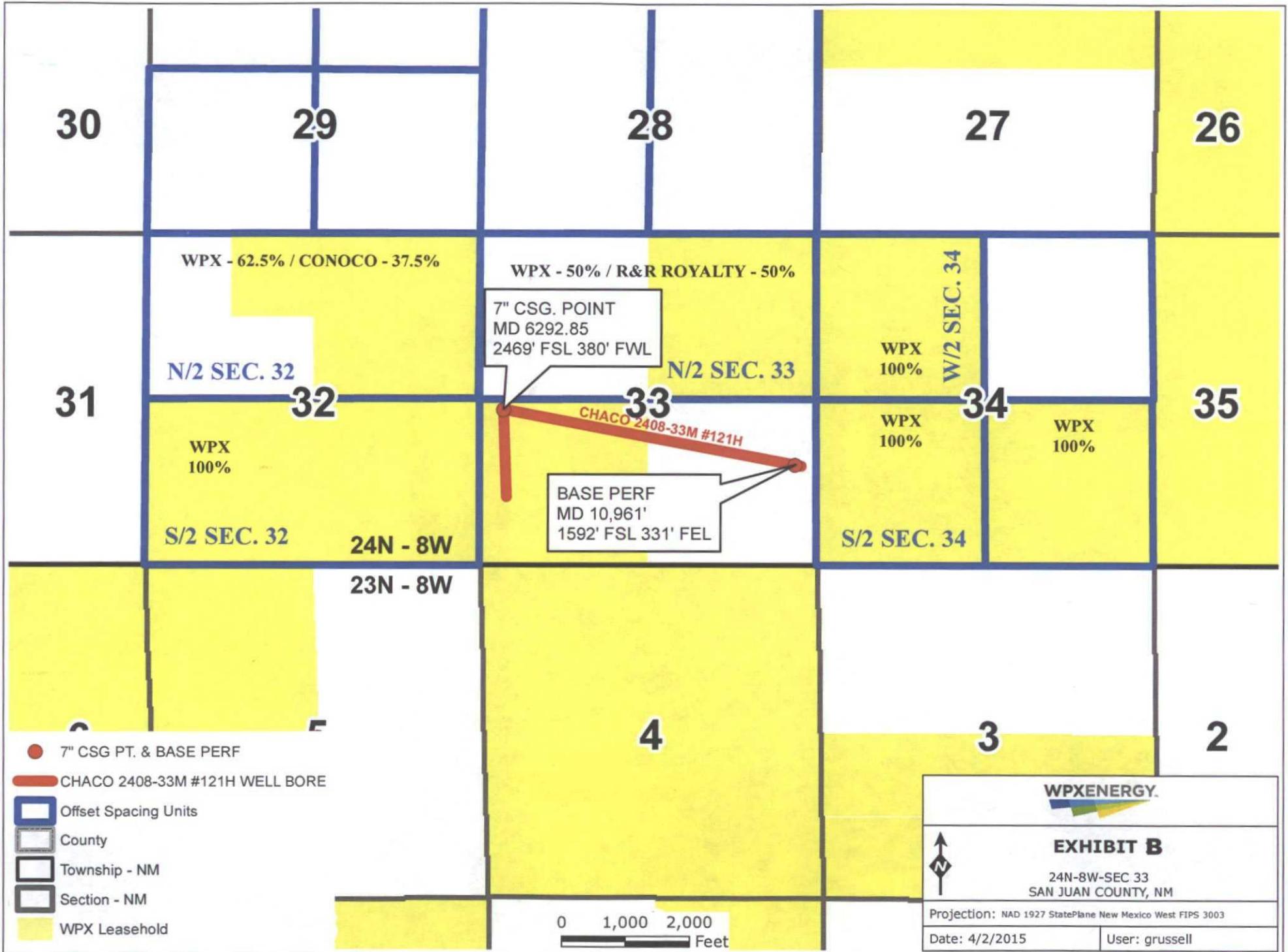


EXHIBIT C
Chaco 2408-33M #121H NSL Application

Paul Brindle
ConocoPhillips
P.O. Box 2197
Houston, TX 77252-2197

R & R Royalty, LTD.
Attn: Rajan Ahuja
500 N. Shoreline Blvd Suite 322
Corpus, Christi, Texas 78401



April 16, 2015

Paul Brindle
ConocoPhillips
P.O. Box 2197
Houston, TX 77252-2197

Re: NOTICE TO INTERESTED PARTY AND INTEREST OWNERS
Application for Non-Standard Basin Mancos Gas Pool Location
Chaco 2408 33M #121H
Section 33 T24N, R8W
San Juan County, New Mexico

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 a Non-Standard Location. Please find enclosed a complete copy of the application that was submitted to the New Mexico Oil Conservation Division April 16, 2015. 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 send to my email address listed below. Please feel free to contact me should you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Heather Riley".

Heather Riley
Regulatory Manager

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

DATED



April 16, 2015

R & R Royalty, Ltd.
ATTN: Rajan Ahuja
500 N. Shoreline Blvd Suite 322
Corpus, Christi, Texas 78401

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Heather Riley
Regulatory Manager

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DATED

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:

ConocoPhillips
 Attn: Paul Brindle
 P.O. Box 2197
 Houston, TX
 7752-2197

2. Article Number

(Transfer from service label)

7013 1090 0001 7317 3665

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 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**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:

R&R Royalty, LTD.
 Attn: Rajan Anuja
 500 N. Shoreline Blvd Suite 322
 Corpus Christi TX
 78401

2. Article Number

(Transfer from service label)

7013 1090 0001 7317 3672

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 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

McMillan, Michael, EMNRD

From: West, Brennan <Brennan.West@wpxenergy.com>
Sent: Wednesday, April 22, 2015 1:43 PM
To: McMillan, Michael, EMNRD
Cc: Riley, Heather; Jaramillo, Marie
Subject: FW: WPX Chaco 2408 33M Well No. 121H

Hi Michael,

WPX owns 100% of the S/2 of 32, 24N-8W. In the N/2 of 32, 24N-8W, ConocoPhillips owns 37.5% WI and we sent them notice, WPX owns the other 62.5% WI. Let us know if you have any further questions or need anything additional.

Thanks,

Brennan West
Landman
O: 539-573-2878
C: 918-691-3111

From: Jaramillo, Marie
Sent: Wednesday, April 22, 2015 11:51 AM
To: West, Brennan
Cc: Riley, Heather
Subject: FW: WPX Chaco 2408 33M Well No. 121H

Brennan,
Per the email trail below, can you send a statement to Michael McMillan identifying WPX has ownership of the S/2 Section of 32?
Otherwise, we did notify ConocoPhillips for part of N/2 section of 32.

Thanks,

Marie Jaramillo

marie.jaramillo@wpxenergy.com

WPXENERGY



"If you have received this message in error, please reply to advise the sender of the error and then immediately delete this message".

From: Riley, Heather
Sent: Wednesday, April 22, 2015 9:50 AM
To: Jaramillo, Marie
Subject: FW: WPX Chaco 2408 33M Well No. 121H

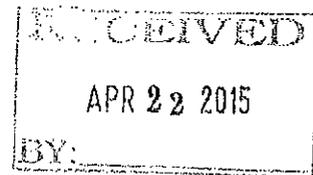
From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Wednesday, April 22, 2015 9:49 AM

WPXENERGY.

April 16, 2015

R & R Royalty, Ltd.
ATTN: Rajan Ahuja
500 N. Shoreline Blvd Suite 322
Corpus, Christi, Texas 78401

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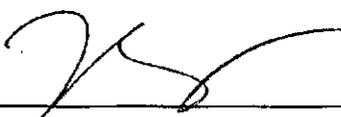
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Sincerely,


Heather Riley
Regulatory Manager

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Rajan D. Ahuja
VP - Land of Magnum O&G, Inc.
General Partner of R&R Royalty, Ltd

DATED 4-24-2015