

ABOVE THIS LINE FOR DIVISION USE ONLY

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S/E  
Submitted*

**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-7298  
-WPK Energy Prod. Operations LLC  
120782  
WPK  
-MCSOM #9064  
30-045-pending*

2015 AUG 12 P 14: 34  
RECEIVED OGD

[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.

Jordan L. Kessler		Attorney	8/12/15
Print or Type Name	Signature	Title	Date
		jlkessler@hollandhart.com	
		e-mail Address	

August 12, 2015

**VIA HAND DELIVERY**

David Catanach  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED OGD  
2015 AUG 12 P 4: 34

**Re: Application of WPX Energy Production, LLC for administrative approval of an unorthodox well location for its MC 5 Com #906H Well, San Juan County, New Mexico.**

Dear Mr. Catanach:

WPX Energy Production, LLC (OGRID 120782) owns a leasehold interest covering all of Section 33 and the W/2 of Section 34, Township 24 North, Range 8 West, N.M.P.M., San Juan County, New Mexico. WPX plans to drill the **MC 5 Com #906H Well** as a transverse horizontal well to develop the Basin Mancos Pool underlying Section 33 and the W/2 of Section 34. The **MC 5 Com #906H Well** will be drilled from a surface location at 1262 feet from the North line, 422 feet from the West line (Unit D) of Section 33. The completed interval will begin at approximately 380 feet from the North line, 731 feet from the West line (Unit D), and the last perforation will be no closer than 368 feet from the South line, 2272 feet from the West line (Unit N) of Section 34.

The special rules for the Basin Mancos Pool require that wells drilled within the area encompassed by these rules that is near an oil pool not listed in paragraphs (3) and (4) of Order R-12984 must conform to the special rules for the Basin-Mancos Gas Pool. See Appendix A to Order R-12984 (special rules) at Rule 1. These special rules require 320-acre spacing and that the well remains 660 feet from the outer boundary of the spacing unit. *Id.* at Rule 2. The completed interval of the **MC 5 Com #906H Well** will be at a non-standard location because it is closer than 660 feet to the northern, northwestern, southern, and southeastern boundaries of the 960-acre project area. Accordingly, the proposed completed interval will encroach on the 320-acre spacing units to the Northwest, South, and Southeast of the project area. Approval of the unorthodox completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

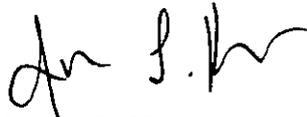
**Exhibit A** is a land plat of Sections 33 and 34 and the surrounding sections showing the location of the **MC 5 Com #906H Well**, the location of the Basin Mancos pool, and the adjoining spacing units.<sup>1</sup> Exhibit A also shows that as a result of the 660 foot setbacks required by the special rules for the Basin Mancos Gas Pool, the proposed completed interval for the **MC 5 Com #906H Well** encroaches on the spacing and proration units to the North, Northwest, South, and Southeast.

**Exhibit B** is a Well Location and Acreage Dedication Plat (Form C-102) showing the **MC 5 Com #906H Well**.

**Exhibit C** is a list of the affected parties for the request for approval of the non-standard well location. A copy of this application with all attachments has been sent by certified mail to each of these 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. Since this acreage encroaches on federal leases, a courtesy copy of this application has been provided to the Bureau of Land.

Your attention to this matter is appreciated.

Sincerely,



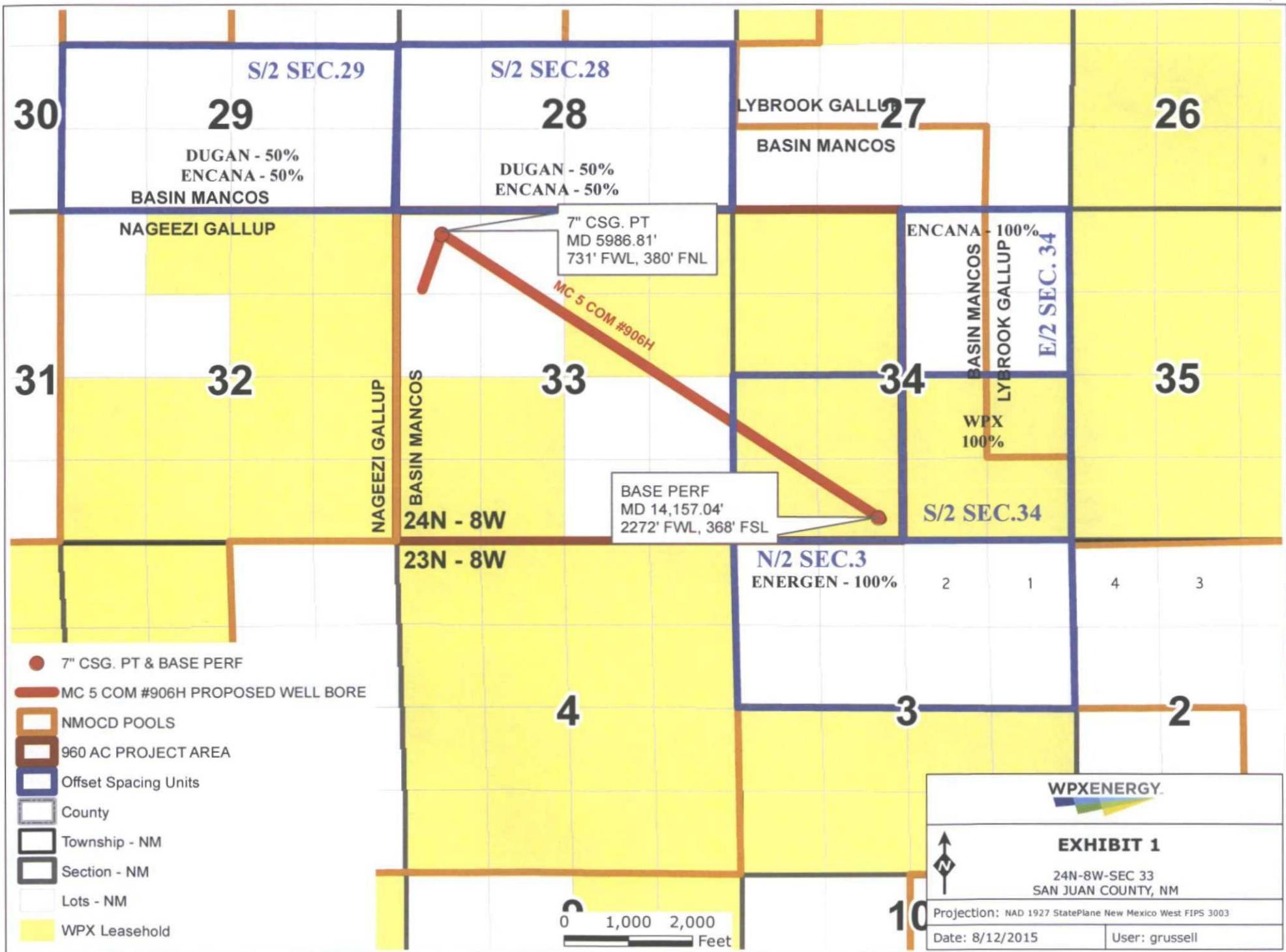
Jordan L. Kessler

**ATTORNEY FOR  
WPX ENERGY PRODUCTION, LLC**

cc: Bureau of Land Management  
Farmington Field Office  
6251 College Blvd. Suite A  
Farmington, NM 87402

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<sup>1</sup> WPX also has permits to drill and approval for non-standard locations for three additional transverse wells within this acreage. See NSL 7275A (Chaco 2408-33D No. 119H Well), NSL 7333 (Chaco 2408-33D No. 113H Well), and NSL 7329 (Chaco 2408-33d No. 112H Well).



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

*API Number		*Pool Code	*Pool Name
		97232	BASIN MANCOS
*Property Code	*Property Name		*Well Number
	MC 5 COM		906H
*GRID No.	*Operator Name		*Elevation
120782	WPX ENERGY PRODUCTION, LLC		7020'

<sup>10</sup> Surface Location

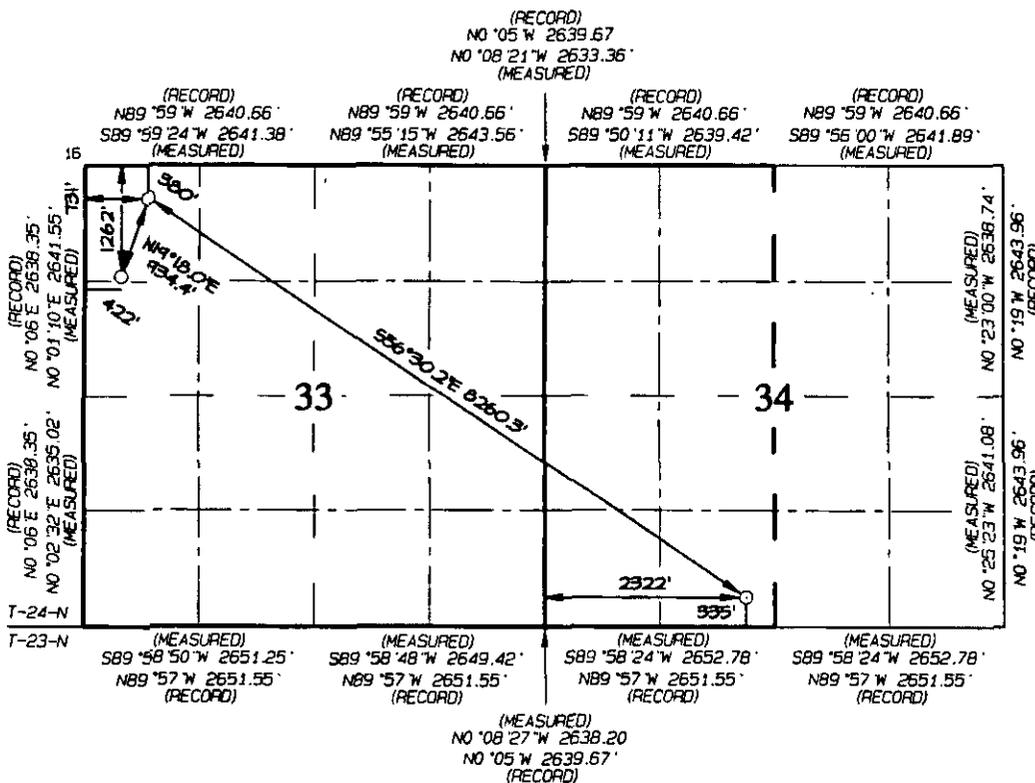
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
D	33	24N	8W		1262	NORTH	422	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
N	34	24N	8W		335	SOUTH	2322	WEST	SAN JUAN

<sup>12</sup> Dedicated Acres	Entire Section 33 W/2 - Section 34	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
960.0				

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



**SURFACE LOCATION**  
1262' FNL 422' FWL  
SECTION 33, T24N, R8W  
LAT: 36.274606°N  
LONG: 107.694152°W  
DATUM: NAD1927

LAT: 36.274618°N  
LONG: 107.694763°W  
DATUM: NAD1983

**POINT-OF-ENTRY**  
380' FNL 731' FWL  
SECTION 33, T24N, R8W  
LAT: 36.277027°N  
LONG: 107.693100°W  
DATUM: NAD1927

LAT: 36.277039°N  
LONG: 107.693711°W  
DATUM: NAD1983

**END-OF-LATERAL**  
335' FSL 2322' FWL  
SECTION 34, T24N, R8W  
LAT: 36.264474°N  
LONG: 107.669756°W  
DATUM: NAD1927

LAT: 36.264486°N  
LONG: 107.670357°W  
DATUM: NAD1983

**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: AUGUST 4, 2015  
Survey Date: DECEMBER 12, 2013

Signature and Seal of Professional Surveyor

**JASON C. EDWARDS**  
NEW MEXICO  
REGISTERED PROFESSIONAL SURVEYOR  
15269

**JASON C. EDWARDS**  
Certificate Number 15269

## **EXHIBIT C**

Energen Resources Corporation  
2010 Afton Place  
Farmington, NM 87401

Dugan Production Corp.  
P.O. Box 420  
Farmington, NM 87499

Encana Oil & Gas (USA) Inc.  
Attn: Land Department  
370 17th Street, Suite 1700  
Denver, CO 80202

HOLLAND & HART<sup>LLP</sup>



**Jordan L. Kessler**  
**Associate**  
Phone (505) 988-4421  
Fax (505) 983-6043  
jlkessler@hollandhart.com

August 12, 2015

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: AFFECTED PARTIES**

**Re: Application of WPX Energy Production, LLC for administrative approval of an unorthodox well location for its MC 5 Com #906H Well, San Juan County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Brennan West  
Landman  
WPX Energy, Inc.  
P.O. Box 3102 MD: 44  
Tulsa, OK 74101-3102  
(539)-573-2878 (Office)  
Brennan.West@wpxenergy.com

Sincerely,

Jordan L. Kessler  
**ATTORNEY FOR**  
**WPX ENERGY PRODUCTION, LLC**

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐

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Phone: (575) 748-1283 Fax: (575) 748-9720

District III  
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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 30-048-35605		*Pool Code 97232	*Pool Name BASIN MANCOS
*Property Code 315059	*Property Name MC 5 COM		*Well Number 112H
*OGRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 7020'

<sup>10</sup> Surface Location

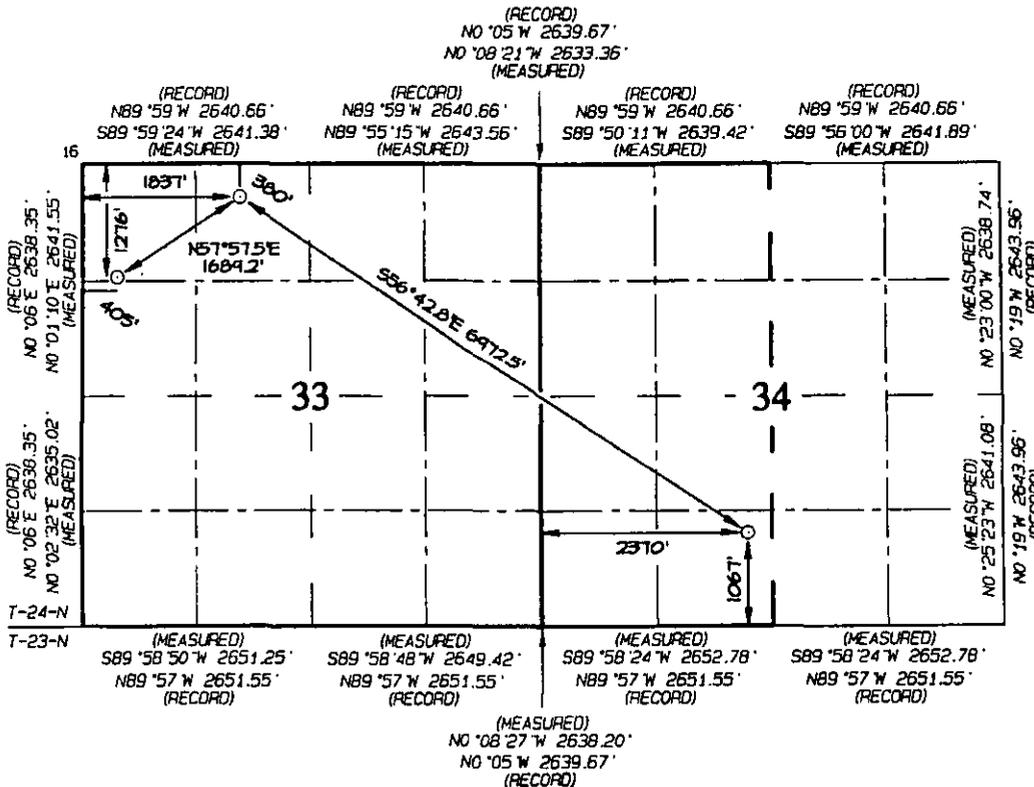
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
D	33	24N	8W		1276	NORTH	405	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
N	34	24N	8W		1067	SOUTH	2370	WEST	SAN JUAN

<sup>12</sup> Dedicated Acres 960.0	Entire Section 33 W/2 - Section 34	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> 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: 7/28/2015  
Printed Name: Heather Riley  
E-mail Address: heather.riley@wpxenergy.com

<sup>18</sup> 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: JULY 20, 2015  
Survey Date: DECEMBER 12, 2013  
Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269

SURFACE LOCATION  
1276' FNL 405' FWL  
SECTION 33, T24N, R8W  
LAT: 36.274567°N  
LONG: 107.694209°W  
DATUM: NAD1927

POINT-OF-ENTRY  
380' FNL 1837' FWL  
SECTION 33, T24N, R8W  
LAT: 36.277023°N  
LONG: 107.689347°W  
DATUM: NAD1927

END-OF-LATERAL  
1067' FSL 2370' FWL  
SECTION 34, T24N, R8W  
LAT: 36.266485°N  
LONG: 107.689595°W  
DATUM: NAD1927

LAT: 36.274579°N  
LONG: 107.694821°W  
DATUM: NAD1983

LAT: 36.277035°N  
LONG: 107.689959°W  
DATUM: NAD1983

LAT: 36.266498°N  
LONG: 107.670206°W  
DATUM: NAD1983

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State of New Mexico  
Energy, Minerals & Natural Resources Department

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OIL CONSERVATION DIVISION  
1220 South St. Francis Drive  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30.045.85300		*Pool Code 97232	*Pool Name BASIN MANCOS
*Property Code 315059	*Property Name MC 5 COM		*Well Number 119H
*OGRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 7020'

10 Surface Location

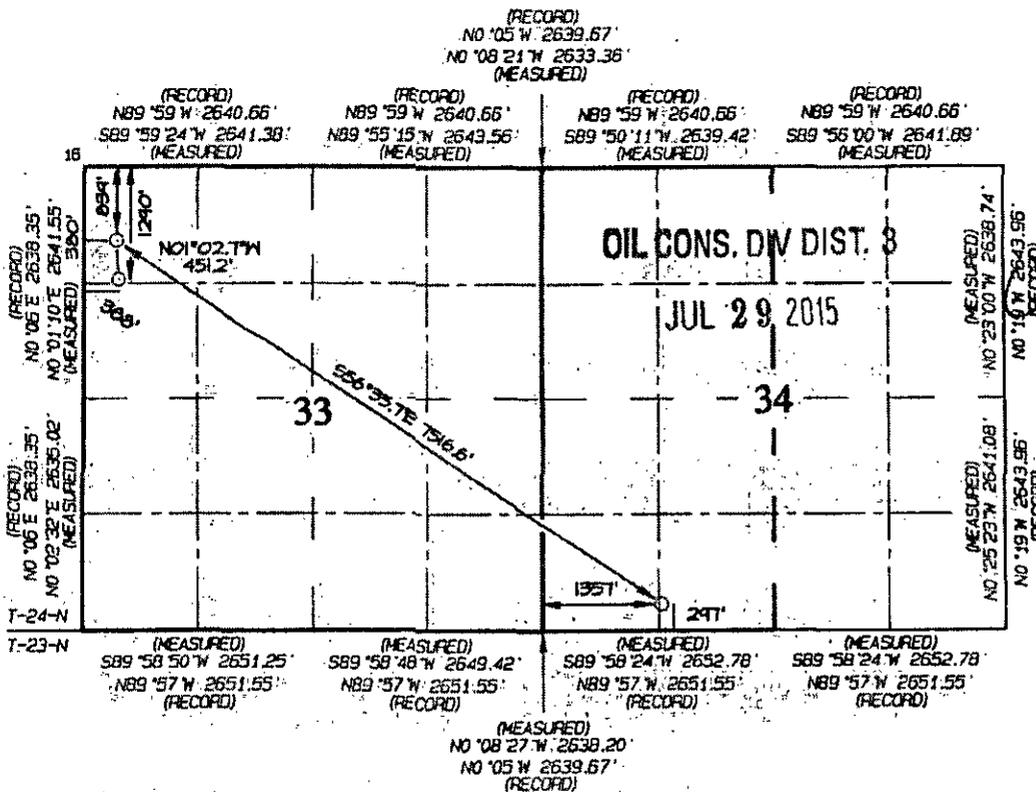
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
D	33	24N	8W		1290	NORTH	388	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
N	34	24N	8W		297	SOUTH	1357	WEST	SAN JUAN

*Dedicated Acres 960.0	Entire Section 33 W/2 - Section 34	*Joint or Infill	*Consolidation Code	*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: *Andrea Felix*  
Date: 7/21/2015  
Printed Name: Andrea Felix  
E-mail Address: andrea.felix@wpxenergy.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: JULY 20, 2015  
Survey Date: DECEMBER 12, 2013  
Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269

SURFACE LOCATION  
1290' FNL 388' FWL  
SECTION 33, T24N, R8W  
LAT: 36.274528°N  
LONG: 107.694266°W  
DATUM: NAD1927

POINT-OF-ENTRY  
839' FNL 380' FWL  
SECTION 33, T24N, R8W  
LAT: 36.275768°N  
LONG: 107.694292°W  
DATUM: NAD1927

END-OF-LATERAL  
297' FSL 1357' FWL  
SECTION 34, T24N, R8W  
LAT: 36.264373°N  
LONG: 107.673028°W  
DATUM: NAD1927

LAT: 36.274941°N  
LONG: 107.694878°W  
DATUM: NAD1983

LAT: 36.275780°N  
LONG: 107.694904°W  
DATUM: NAD1983

LAT: 36.264385°N  
LONG: 107.673639°W  
DATUM: NAD1983