

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 19, 2015

WPX Energy Production, LLC
Attn: Ms. Jordan Kessler

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7284
Administrative Application Reference No. pMAM1507634866

WPX Energy Production, LLC
OGRID 120782
Chaco 2308-24I Well No. 155H
API No. 30-045-35551

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1524` FSL & 255` FEL	I	24	23N	8W	San Juan
Penetration Point	1594` FSL & 380` FEL	I	24	23N	8W	San Juan
Final Penetration	2400` FSL & 331` FWL	L	24	23N	8W	San Juan
Terminus	2420` FSL & 230` FWL	L	24	23N	8W	San Juan

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 Section 24	320	Basin Mancos	97232

Reference is made to your application received on March 16, 2015.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by the Special Rules for the Basin Mancos Gas Pool, which provides for 320-acre units with wells to be located at least 660 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC, 19.15.4.12.A(2) NMAC, and 19.15.4.12.A(9) NMAC.

It is our understanding that you are seeking this location because the operator has established that oil wells located in accordance with the setbacks for gas wells for this pool will not efficiently recover all the reserves in the unit.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches. However, one affected party had signed a waiver, and the other parties did not object during the original application period.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Done at Santa Fe, New Mexico, on May 19, 2015.



DAVID R. CATANACH
Director

DRC/mam

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