

DATE IN 10-29-13	SUSPENSE	ENGINEER DB	LOGGED IN 11-4-13	TYPE NSL	APP NO. PDK0133085988-7
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



WPX
Check 2206-02P

ADMINISTRATIVE APPLICATION CHECKLIST

2274

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]**

6877

[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 X 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.

<u>Heather Riley</u>	_____	<u>Regulatory Specialist, Sr</u>	_____
Print or Type Name	Signature	Title	Date
		<u>Heather.riley@wpenergy.com</u>	_____
		e-mail Address	

WPXENERGY

**P. O. Box 640
Aztec, NM 87410
(505) 333-1822
(505) 333-1805 (fax)
Heather.riley@wpxenergy.com**

Sent via Overnight Delivery

October 29, 2013

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 2206-02P #227H
API # 30-043-21167
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 2206-02P #227H. This is a horizontal well with a surface location of 614' FSL and 817' FEL and an end of lateral location of 1531' FSL & 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, this location is encroaching the S2 of the S2 of Section 2, T22N R6W in that it is 190' from the unit boundary. Even though the end of lateral is at 230' FWL, the final perforation will be within the 330' setback requirement.

The spacing for the subject well is the N/2 of the S/2 of section 2 consisting of 4 consecutive 40 acres parcels. The spacing unit being encroached upon is the S/2 of the S/2 of Section 2 also consisting of 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.

Jami Bailey
October 29, 2013
Page 2 of 2

Should you have any questions or concerns, please don't hesitate to contact me at the phone numbers listed above.

Sincerely,

Heather Riley
Regulatory Specialist, Sr.

Enc.: C-102

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

¹ API Number 30-043-21167		² Pool Code 42289	³ Pool Name LYBROOK GALLUP
⁴ Property Code 21167	⁵ Property Name CHACO 2206-02P		⁶ Well Number 227H
⁷ OGRID No. 120782	⁸ Operator Name WPX ENERGY PRODUCTION, LLC		⁹ Elevation 6944'

¹⁰Surface Location

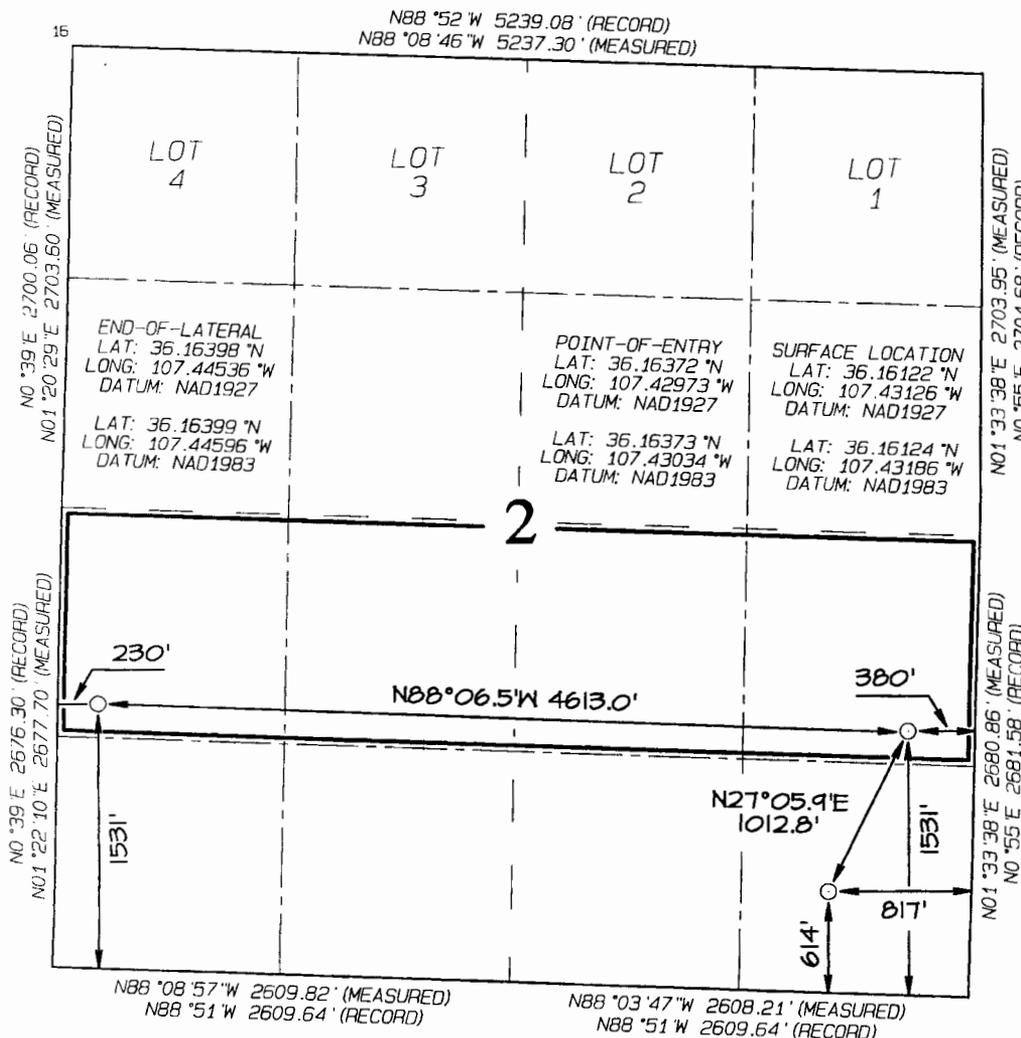
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	22N	6W		614	SOUTH	817	EAST	SANDOVAL

¹¹Bottom 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
L	2	22N	6W		1531	SOUTH	230	WEST	SANDOVAL

¹² Dedicated Acres 160.0 Acres - (N/2 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.

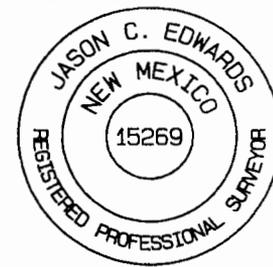
Signature _____ Date _____
Printed Name _____
E-mail Address _____

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: OCTOBER 25, 2013
Date of Survey: JUNE 8, 2012

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269