

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



March 5, 2014

WPX Energy Production, LLC  
Attn: Ms. Heather Riley

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7008**  
**Administrative Application Reference No. pMAM1403855785**

**WPX Energy Production, LLC**  
OGRID 120782  
**Chaco 2306-06L Well No. 178H**  
**API No. 30-039-31200**

**Proposed Location:**

	<u>Footages</u>	<u>Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1691 FSL & 572 FWL	6	6	23N	6W	Rio Arriba
Penetration Point	1481 FSL & 364 FEL	13	1	23N	7W	Rio Arriba
Terminus	1496 FSL & 250 FWL	16	1	23N	7W	Rio Arriba

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 S/2 of Section 1	151.4	Lybrook Gallup	42289

Reference is made to your application received on February 7, 2014.

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 statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area. 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.

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

It is our understanding that you are seeking this location for engineering reasons, in order to maximize production of hydrocarbons underlying this project area and prevent waste.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", written in a cursive style.

Jami Bailey  
Director

JB/mam

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