

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



May 21, 2012

WPX Energy Production, LLC
Attn: Ms. Heather Riley

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6624
Administrative Application Reference No. pTWG12-11643167

WPX Energy Production, LLC
OGRID 120782
Schalk 32 Well No. 2A
API No. 30-039-31108

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	2070 FSL & 660 FWL	L	32	31N	4W	Rio Arriba
Penetration Point	2132 FSL & 1056 FWL	L	32	31N	4W	Rio Arriba
Terminus	2600 FSL & 1150 FEL	I	32	31N	4W	Rio Arriba

Proposed Project Area:

Description	Acres	Pool	Pool Code
S/2 of Section 32	320	Basin Fruitland Coal Gas	71629

Reference is made to your application received on April 25, 2012.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. Spacing in this pool is governed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provide generally for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is unorthodox because portions of the proposed completed interval are less than 660 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for engineering reasons, in order to maximize drainage of this project area by the wellbore lateral.

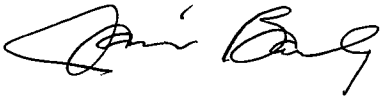
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, 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 5.9 [19.15.15.9 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/db

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