		ABO	VE THIS LINE FOR DIVISION USE ONLY			
		NEW MEXICO OIL CO - Engineer 1220 South St. Francis I	ring Bureau -			
		ADMINISTRATIVE	E APPLICATI	ON CHECI	KLIST	
TH	IIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRAT WHICH REQUIRE PROC	IVE APPLICATIONS FOR E ESSING AT THE DIVISION) REGULATIONS
Applic	[DHC-Down [PC-Po	ndard Location] [NSP-Non-S nhole Commingling] [CTB	-Lease Commingling)ff-Lease Storage] 1] [PMX-Pressure psal] [IPI-Injection	g] [PLC-Pool/L [OLM-Off-Lease Maintenance Ex Pressure Increa PR-Positive Pro-	ease Commin Measuremen (pansion) (ase) duction Resp	ngling] nt]
[1]	TYPE OF AF [A]	PLICATION - Check Those Location - Spacing Unit - S NSL NSP	Simultaneous Dedica	A] tion	PLC 411 NPX En 1207	very production
	Check [B]	One Only for [B] or [C] Commingling - Storage - M DHC CTB		🗌 ols 🗌	OLM - C	MALOZ3084P# 0-045-35587 50-045-35587 50-045-35887 30-045-3546 30-045-3546 30-045-3546
	[C]	Injection - Disposal - Press] SWD 🗌 IPI	EOR	y - C PPR	hALO 23084P 30-045-3546
	[D]	Other: Specify Surta	at lonnin	gling		= TTI 04 Pt
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Ch			lot Apply	NOV 12
	[B]	Offset Operators, Leas	seholders or Surface	Owner		
	[C]	Application is One W	hich Requires Publis	hed Legal Notice	è	
	[D]	Notification and/or Co U.S. Bureau of Land Management	oncurrent Approval b	by BLM or SLO Is, State Land Office		ω ·
	[E]	For all of the above, P	roof of Notification	or Publication is	Attached, and	/or, $P_{o ul}$
	[F]	Waivers are Attached				- B-sin mAn 97232
[3]		CURATE AND COMPLET ATION INDICATED ABOY		N REQUIRED 1	FO PROCES	S THE TYPE -149e G ~ 114 4 754
	al is accurate a	TION: I hereby certify that t nd complete to the best of m quired information and notifi	y knowledge. I also	understand that n	no action will	administrative
	Note	Statement must be completed by	y an individual with man	age ri al and/or super	rvisory capacity.	11
<u> </u>	AEL H. FELDEWE	Signayaye		ATTORNEY Title		//_

Print or Type Name

Signatur

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Title mfeldewert@hollandhart.com

c-mail Address



Michael H. Feldewert Recognized Specialist in the Area of Natural Resources - Oil and Gas Law -New Mexico Board of Legal Specialization mfeldewert@hollandhart.com

November 12, 2014

VIA HAND DELIVERY

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

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Re: Application of WPX Energy Production, LLC for administrative approval to surface commingle (diverse ownership) production from the Basin Mancos Gas Pool (97232) and the Nageezi Gallup Oil Pool (47540) from two federal leases in Sections 3 and 4 of Township 23 North, Range 8 West, San Juan County, New Mexico.

Dear Ms. Bailey:

WPX Energy Production, LLC (OGRID 120782) seeks approval to surface commingle the production from two federal leases containing three current wells: the **Chaco 2308 04P 149H** (30-045-35495) dedicated to the N/2S/2 of Section 3, the **Chaco 2308 04P 150H** (30-045-35497) dedicated to the S/2S/2 of Section 3, and the **Chaco 2308 04P 406H** (30-045-35587) dedicated to the S/2 of Section 4, Township 23 North, Range 8 West, San Juan County, New Mexico. The affected acreage involves production from two pools: The **Nageezi Gallup Oil Pool (47540)** in the S/2 of Section 3 and the **Basin Mancos Gas Pool (97232)** in the S/2 of Section 4. The Oil Conservation Division has previously approved the acreage dedicated to the Chaco 2308 16I 147H and the Chaco 2308 16I 148H for surface lease commingling of production from the Nageezi Gallup Oil Pool (47540) and the Basin Mancos Gas Pool (97232). See PLC-397.

Exhibit 1 identifies the three current horizontal wells, the two Federal leases, and the associated pools at issue. Pursuant to NMAC 19.15.12.10.C, WPX seeks authority to surface commingle production from these two separate leases and pools at a common surface facility located in the S/2 of Section 4. As with the wells approved under Administrative Order PLC-397, oil and gas production from each of these leases will be separately metered using an orifice meter for gas, a Coriolis meter for oil, and a Vortex meter for water. None of the production from these separate leases will be transported off lease or otherwise comingled prior to being measured.

Holland & Hart up

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com 110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208 Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. 🗘

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Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B.

Exhibit 3 is a plat of the proposed common facility area.

Exhibit 4 is a diagram of the surface facilities.

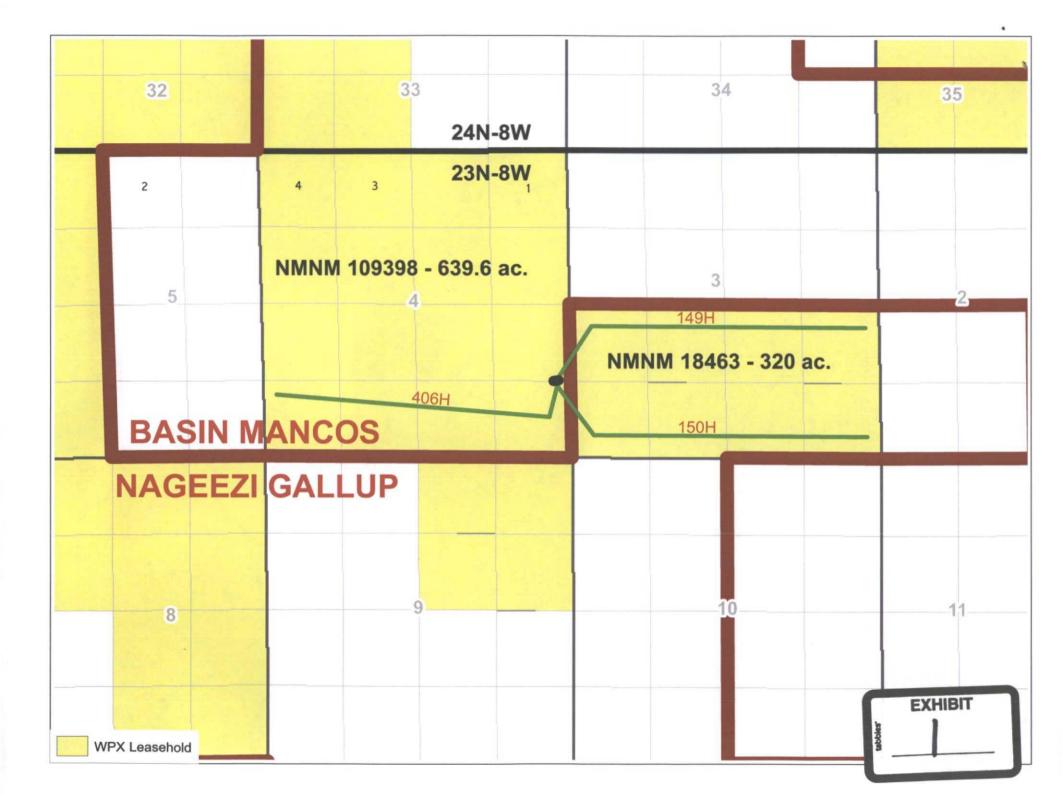
Exhibit 5 is a list of the affected parties for the request for approval for surface commingling. A copy of this application with all attachments has been sent by certified mail to each of these affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives WPX's application. Since federal lands are involved, pursuant to NMAC 19.15.12.10(C)(4)(h) WPX is also seeking authority for surface commingling from the Bureau of Land Management—Farmington Office and has likewise notified the agency of this application.

Your attention to this matter is appreciated.

Sincerely,

Michael H. Feldewert

Enclosures cc: Bureau of Land Management—Farmington Office



District 1 1625 N. French Drive, Hobbs, NM 88240 District 11 811 S. First St., Artesia, NM 88210 District 111 1000 Rio Brazos Road, Aztec, NM 87410 District 1V 1220 S. St Francis Dr, Santa Fe, NM 87505 State of New Mexico Energy, Minerals and Natural Resources Department Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION 1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office,

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

	TION FOR BUILT ACE	commutating (DITINOL	O TITLE ACOUNTY	
OPERATOR NAME:	WPX Energy Production, LLC				
OPERATOR ADDRESS:	P.O. Box 3102 Tulsa, OK 7410	1 			
APPLICATION TYPE:					
Pool Commingling DLease	Commingling 🛛 🖾 Pool and Lease Co	mmingling 🛛 🗍 Off-Lease Sto	rage and Measure	ement (Only if not Surfac	e Commingled)
LEASE TYPE: 🔲 Fee					
	ting Order? 🗌 Yes 🖾 No If				
Have the Bureau of Land Ma	nagement (BLM) and State Land	office (SLO) been notific	ed in writing o	f the proposed comm	ingling
		DL COMMINGLING s with the following info	rmation		
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Nagcezi Gallup Pool (47540)	40 deg API				66.6%
Basin Mancos (97232)	40 deg API]			33.3%
 (3) Has all interest owners been (4) Measurement type: MM 	top allownbles? Tyes XNo n notified by certified mail of the pro etering Other (Specify) the value of production? Yes		¶Yes ∏No. why comminglia	ig should be approved	1
······································		SE COMMINGLING			

	Please attack sneets while the tonowing	mormation		
(İ)	Pool Name and Code.			
(2)	Is all production from same source of supply? Yes No			
(3)	Has all interest owners been notified by certified mail of the proposed commingling?	🗌 Yes	∐No	
(4)	Measurement type: Metering Other (Specify)			

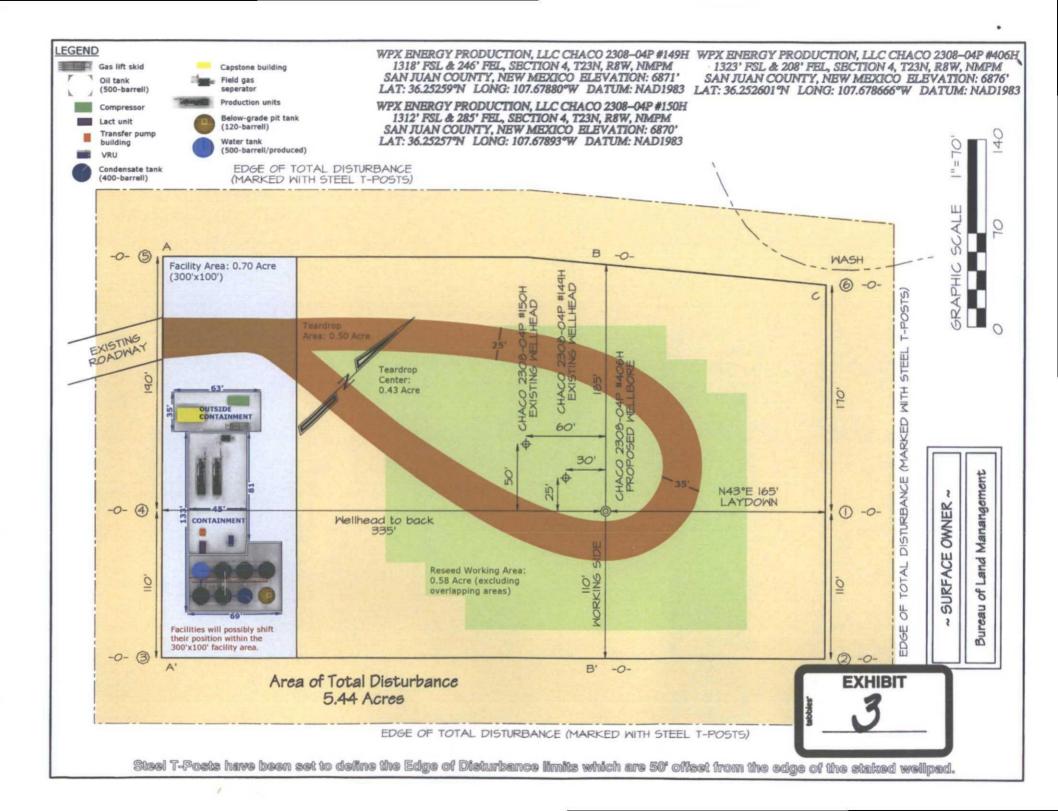
(C) POOL and LEASE COMMINGLING Please attach sheets with the following information

(1) Complete Sections A and E.

	(D) OFF-LEASE STORAGE and MEASUREMENT	
	Please attached sheets with the following information	
(1)	Is all production from same source of supply? Yes No	
(2)	Include proof of notice to all interest owners.	
	(E) ADDITIONAL INFORMATION (for all application types)	
	Please attach sheets with the following information	
(1)	A schematic diagram of facility, including legal location.	
(2)	A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.	
	Please attach sheets with the following information A schematic diagram of facility, including legal location.	

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.			
SIGNATURE: NO HOY KILLY TITLE: KQUDANY MUNOPA DAT	E:_ \\\	12/14	
TYPE OR PRINT NAME HOHDER KIPI			
E-MAIL ADDRESS: WOHWY. rieyotopx energy com	T	EXHIBIT	
	2 Sec	7	
	1 X		





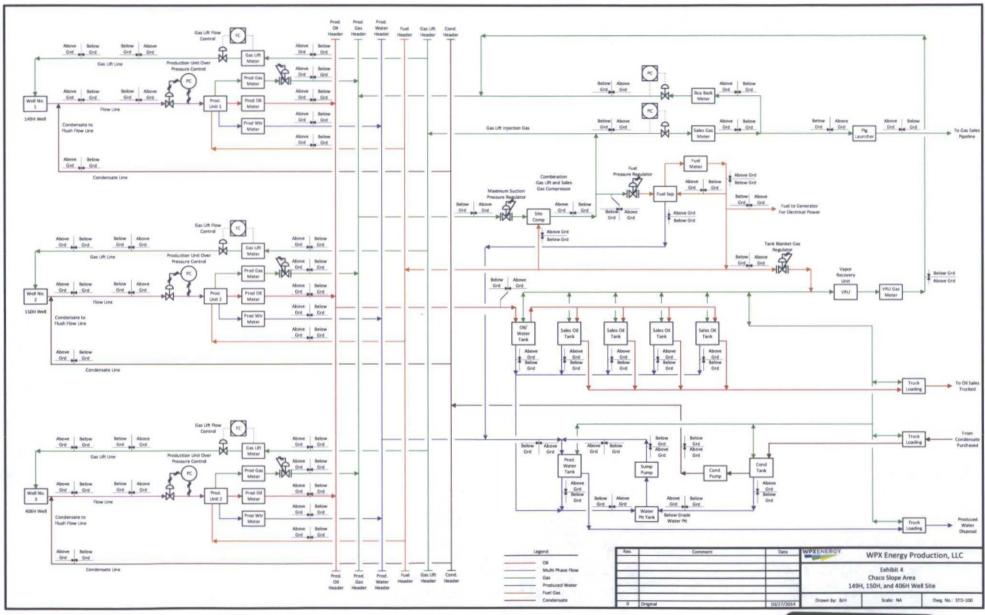


EXHIBIT 5

Affected Parties for the Request to Surface Commingle

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Working Interest Owners:

JMJ Land and Minerals Company ATTN: James Strickler 2204 N. Santiago Ave Farmington, NM 87401-9063

Royalty Owners:

Yates Petroleum Corporation Attn: Nick McClelland C/O ABO Petroleum and MYCO Petroleum 105 South Fourth Street Artesia, NM 88210

Overriding Royalty Interest Owners

Harris D. Butler III 1500 Confederate Ave. Richmond, VA 23227

Mazzola & Co. 14624 Fenton St. Bloomfield, CO 80020



Michael H. Feldewert Recognized Specialist in the Area of Natural Resources - Oil and Gas Law -New Mexico Board of Legal Specialization mfeldewert@hollandhart.com

November 12, 2014

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

- TO: AFFECTED PARTIES
- Re: Application of WPX Energy Production, LLC for administrative approval to surface commingle (diverse ownership) production from the Basin Mancos Gas Pool (97232) and the Nageezi Gallup Oil Pool (47540) from two federal leases in Sections 3 and 4 of Township 23 North, Range 8 West, San Juan County, New Mexico.

Ladies and Gentlemen:

A)

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:

Chuck Bassett

Landman WPX Energy, Inc. P.O. Box 3102 MD: 44 Tulsa, OK 74101-3102 (539)-573-6575 (Office) Chuck.Bassett@wpxenergy.com

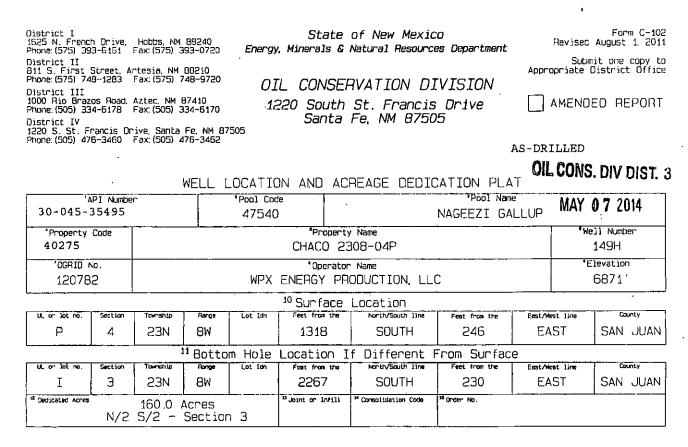
Sincerely,

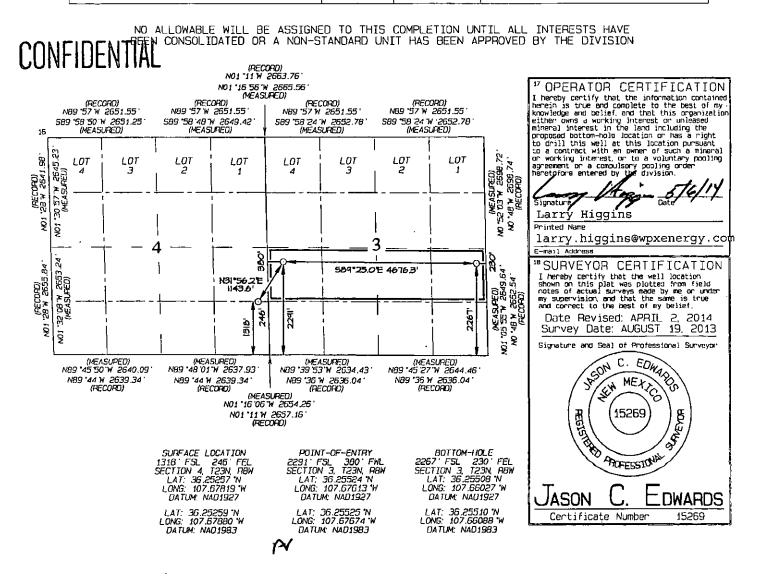
Michael H. Feldewert ATTORNEY FOR WPX ENERGY PRODUCTION, LLC

Enclosures

Holland & Hart LLP Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com 110 North Guadalupe Sulte 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Läke City Santa Fe Washington, D.C. 🔿





•	District I 1625 N. French Drive, Hobbs, NM 6 Phone: (575) 393-6161 Fax: (575) 39	8240	ate of New Mexico Is & Natural Resources	Department	Form C-102 Revised August 1, 2011
	District II 811 S. First Street, Artesia, NM B Phone: (575) 748-1283 Fax: (575) 74	8210			Submit one copy to Appropriate District Office
	District III	oil con	ISERVATION DIV	ISIUN	
	1000 Rio Brazos Road, Aztec, NM 87 Phone: (505) 334-6178 Fax: (505) 33	4-6170 1220 300	uth St. Francis		AMENDED REPORT
	District IV		nta Fe, NM 87505		
	1220 S. St. Francis Drive, Santa F Phone: (505) 475–3460 Fax: (505) 47			AS	DRILLED
	W	ELL LOCATION AND	ACREAGE DEDICA	TION PLA	L CONS. DIV DIST. 3
	API Number	*Pool Code	· · · · · · · · · · · · · · · · · · ·	'Pool Name	NIN 07 7014
	30-045-35497	47540	N	AGEEZI GAL	LUPMAY 07 2014
	Property Code	Pr	operty Name		Well Number
	40275	CHAC	D 2308-04P		150H
	OGRID No.	'0o	erator Name		Elevation

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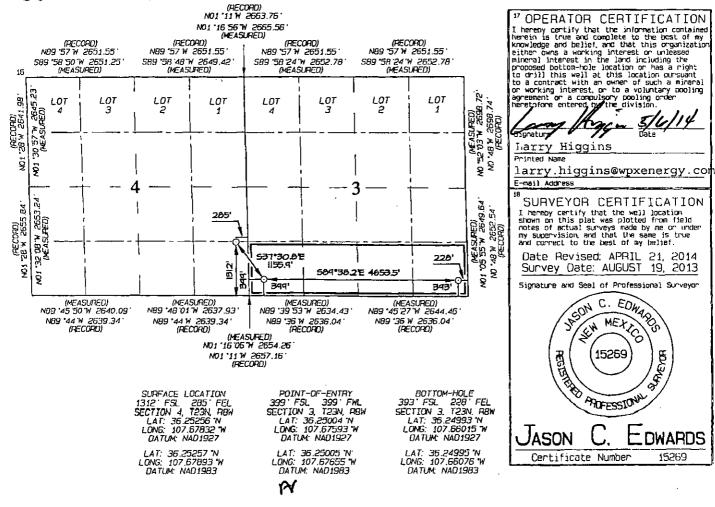
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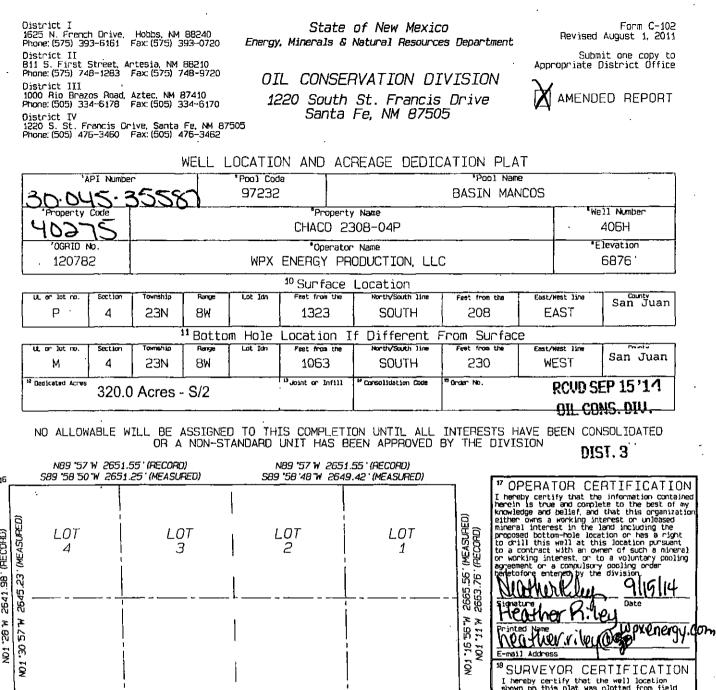
							· · · · · · · · · · · · · · · · · · ·		
					¹⁰ Surface	Location			
UL of lot no.	Section	Township	Hange	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	4	23N	8W		1312	SOUTH	285	EAST	SAN JUAN
		·	¹¹ Botto	n Hole	Location I	f Different	From Surfac	e	
UL, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	З	23N	8W		393	SOUTH	258	EAST	SAN JUAN
Dedicated Acres		160.0			¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Ondan No.		
	5/2	S/2 -	Section	าง]				

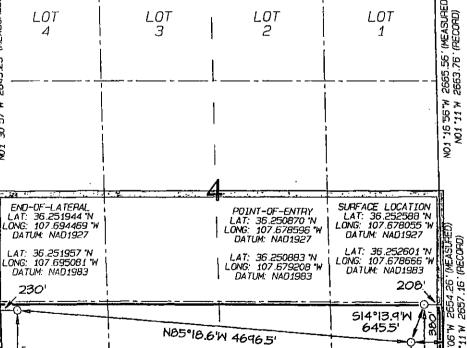
WPX ENERGY PRODUCTION, LLC

CONFIDENT ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE

120782







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 und my supervision, and that the same is true and correct to the best of my belief. nder Date Revised: AUGUST 26, 2014 Survey Date: AUGUST 15, 2014 Signature and Seal of Professional Surveyor SON C. EDWARDS MEXICO JEW . FEELEN PROFESSION ĝ States 97 19 ASON DWARDS 15269 Certificate Number

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323 697'

N89 '45 '50 W 2640.09' (MEASURED) NB9 *44 W 2639.34 (RECORD)

(RECORD)

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2641

· (RECORD) · (MEASURED)

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N89 *48 '01'W 2637.93' (MEASURED) N89 '44 W 2639.34 (RECORD)

		API: 3	Summary R 0-045-35495 day, Novem	•	L	
		T		Production	on	
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2014	[47540] NAGEEZI GALLUP	Jul	10132	26382	880	31
2014	[47540] NAGEEZI GALLUP	Aug	7323	21585	160	31
CUM			17455	47967		

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	Production Summary Report								
		API: 30	0-045-35497	,					
	ſ	CHACO 2	308 04P #15	50H					
				Productio	on				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I			
2014	[47540] NAGEEZI GALLUP	Jul	8636	41974	1845	31			
2014	[47540] NAGEEZI GALLUP	Aug	6215	28735	2506	31			
CUM			14851	70709					

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