

ABOVE THIS LINE FOR DIVISION USE ONLY

Check w/ Dave
B/L
Guv Acc 2/20
Part of R.A.
960

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



ADMINISTRATIVE APPLICATION CHECKLIST

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]

[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 _____

Operator: WPX Energy Production
 well: Chaco 2408 330 113H
 API: 30-045-35602
 Pool: Basin Nance
 #: 97232
 RECEIVED OGD
 JUL 14 P 3:16

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or 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.

Jordan L. Kessler
 Print or Type Name

JL Kessler
 Signature

Attorney
 Title

jlkessler@hollandhart.com
 e-mail Address

7/14/15
 Date

July 14, 2015

VIA HAND DELIVERY

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

RECEIVED OFFICE
2015 JUL 14 P 3:11

Re: Application of WPX Energy Production, LLC for administrative approval of an unorthodox well location for its Chaco 2408-33D #113H Well, San Juan County, New Mexico.

Dear Mr. Catanach:

WPX Energy Production, LLC (OGRID 120782) owns a leasehold interest covering all of Section 33, Township 24 North, Range 8 West, N.M.P.M., San Juan County, New Mexico. WPX plans to drill the **Chaco 2408-33D #113H Well** as a transverse horizontal well to develop the Basin Mancos Pool underlying Section 33. The **Chaco 2408-33D #113H Well** will be drilled from a surface location at 1304 feet from the North line, 372 feet from the West line (Unit D) of Section 33. The completed interval will begin at approximately 2322 feet from the North line, 380 feet from the West line (Unit E), and the last perforation will be no closer than 297 feet from the South line, 859 feet from the East line (Unit P) of Section 34.

The special rules for the Basin Mancos Pool require that wells drilled within the area encompassed by these rules that is near an oil pool not listed in paragraphs (3) and (4) of Order R-12984 must conform to the special rules for the Basin-Mancos Gas Pool. *See* Appendix A to Order R-12984 (special rules) at Rule 1. These special rules require 320-acre spacing and that the well remains 660 feet from the outer boundary of the spacing unit. *Id.* at Rule 2. The completed interval of the **Chaco 2408-33D #113H Well** will be at a non-standard location because it is closer than 660 feet to the southern, southeastern, and western boundaries of the 960-acre project area. Accordingly, the proposed completed interval will encroach on the 320-acre spacing units to the South and to the Southeast of the project area and will also encroach on the 40-acre spacing units to the West of the project area, located in the E/2 NE/4 of Section 32. Section 32 is located within the Nageezi Gallup Pool (47540), which is subject to 40-acre oil spacing rules. Approval of the unorthodox completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

HOLLAND & HART

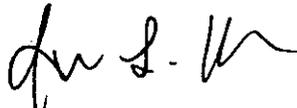
Exhibit A is a land plat of Section 33 and the surrounding sections showing the location of the **Chaco 2408-33D #113H Well** and the adjoining spacing units and wells. It also reflects that WPX has plans to drill at least two additional transverse wells in the 960-acre project area. By separate application, WPX has submitted request for approval of the Chaco 2408-33D #112H and the Chaco 2408-33D #119H Well.

Exhibit B is a Well Location and Acreage Dedication Plat (Form C-102) showing that as a result of the 660 foot setbacks required by the special rules for the Basin Mancos Gas Pool, the proposed completed interval for the **Chaco 2408-33D #113H Well** encroaches on the spacing and proration units to the South, Southeast, and West.

Exhibit C is a list of the affected parties for the request for approval of the non-standard well location. 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 this application. WPX is the sole owner of the working interest in the E/2 NE/4 of Section 32. Accordingly, there are no parties affected by the encroachment to the West. Since this acreage involves federal leases, a courtesy copy of this application has been provided to the Bureau of Land Management.

Your attention to this matter is appreciated.

Sincerely,



Jordan L. Kessler
ATTORNEY FOR
WPX ENERGY PRODUCTION, LLC

cc: Bureau of Land Management
Farmington Field Office
6251 College Blvd. Suite A
Farmington, NM 87402

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 | | ² Pool Code 97232 | ³ Pool Name BASIN MANCOS |
| ⁴ Property Code | ⁵ Property Name MC 5 COM | | ⁶ Well Number 113H |
| ⁷ GRID No. 120782 | ⁸ Operator Name WPX ENERGY PRODUCTION, LLC | | ⁹ Elevation 7020 |

¹⁰Surface Location

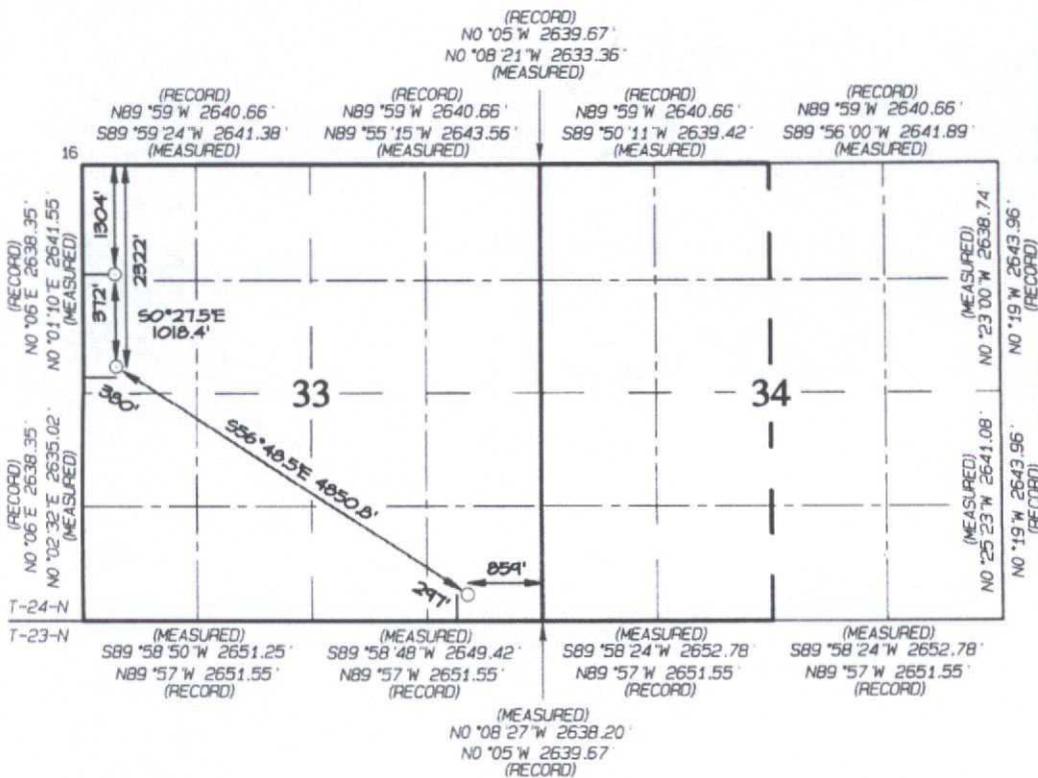
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| D | 33 | 24N | 8W | | 1304 | NORTH | 372 | WEST | SAN JUAN |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| P | 33 | 24N | 8W | | 297 | SOUTH | 859 | EAST | SAN JUAN |

| | | | | |
|--|---------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 960.0 | Entire Section 33 W/2 - Section 34 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|---------------------------------------|-------------------------------|----------------------------------|-------------------------|

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: JULY 28, 2015
Survey Date: DECEMBER 12, 2013
Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

SURFACE LOCATION
1304' FNL 372' FWL
SECTION 33, T24N, R8W
LAT: 36.274490°N
LONG: 107.694324°W
DATUM: NAD1927

LAT: 36.274502°N
LONG: 107.694935°W
DATUM: NAD1983

POINT-OF-ENTRY
2322' FNL 380' FWL
SECTION 33, T24N, R8W
LAT: 36.271692°N
LONG: 107.694301°W
DATUM: NAD1927

LAT: 36.271705°N
LONG: 107.694913°W
DATUM: NAD1983

END-OF-LATERAL
297' FSL 859' FEL
SECTION 33, T24N, R8W
LAT: 36.264380°N
LONG: 107.680544°W
DATUM: NAD1927

LAT: 36.264393°N
LONG: 107.681156°W
DATUM: NAD1983

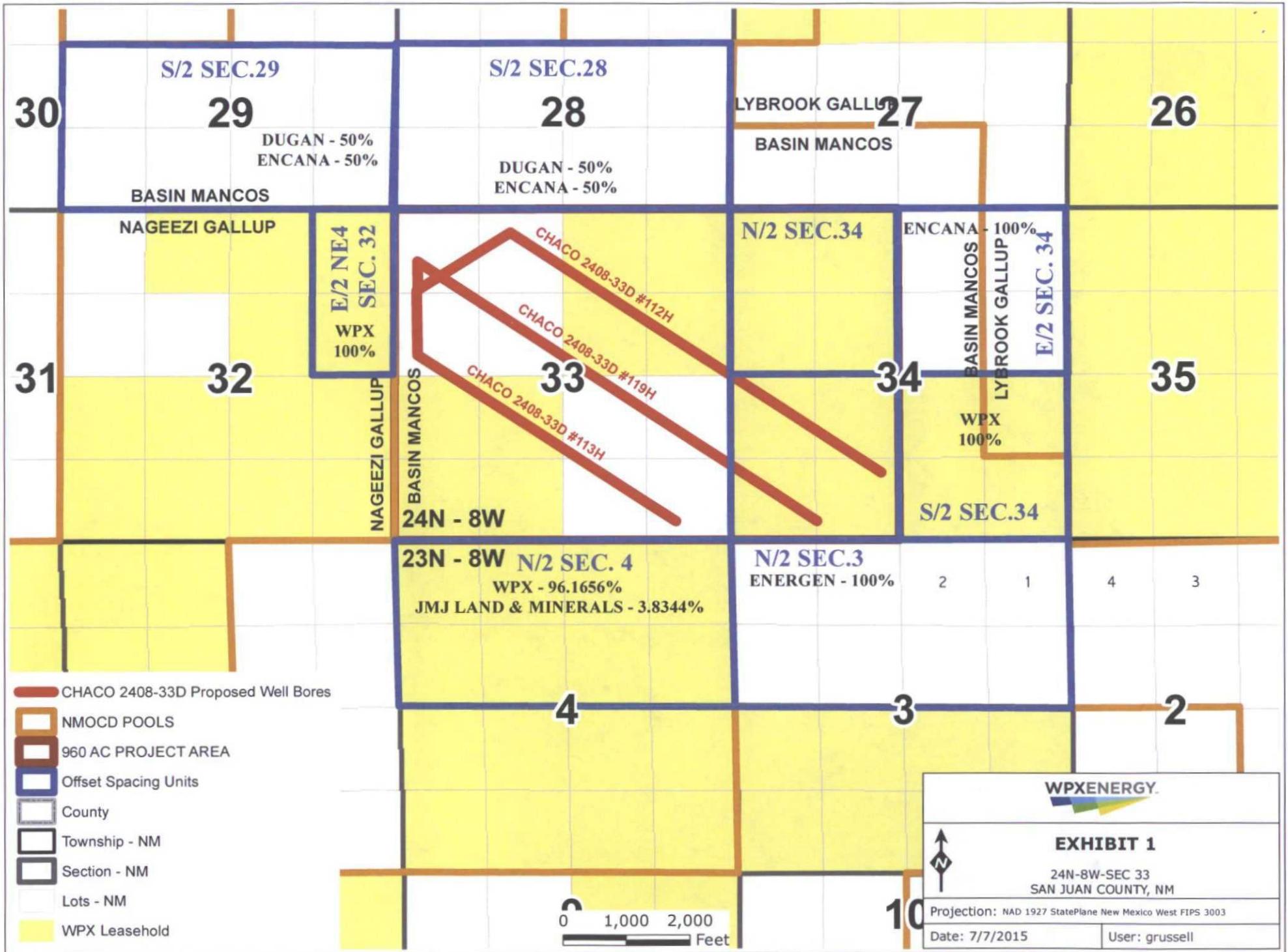


EXHIBIT C

JMJ Land and Minerals Company
Attn: James Strickler
2005 N. Santiago Ave.
Farmington, NM 87401

Energen Resources Corporation
2010 Afton Place
Farmington, NM 87401

HOLLAND & HART 

Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jkessler@hollandhart.com

July 14, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of WPX Energy Production, LLC for administrative approval of an unorthodox well location for its Chaco 2408-33D #113H Well, San Juan County, New Mexico.

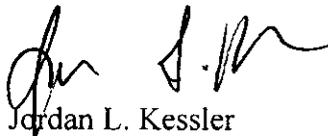
Ladies and Gentlemen:

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:

Brennan West
Landman
WPX Energy, Inc.
P.O. Box 3102 MD: 44
Tulsa, OK 74101-3102
(539)-573-2878 (Office)
Brennan.West@wpxenergy.com

Sincerely,



Jordan L. Kessler
ATTORNEY FOR
WPX ENERGY PRODUCTION, LLC

Holland & Hart 

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐