STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

7813 CES 12 P 2: 22

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF WPX ENERGY PRODUCTION
LLC FOR A FOR A NON-STANDARD SPACING
AND PRORATION UNIT, COMPULSORY
POOLING, AND UNORTHODOX WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO

CASE NO. 15067

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Encana Oil & Gas (USA), Inc. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT APPLICANT'S ATTORNEY
WPX Energy Production, LLC Michael H. Feldewert
Adam G. Rankin

OPPONENT OPPONENT'S ATTORNEY
Encana Oil & Gas (USA), Inc.
Stephen M. Domas
Will Reese

STATEMENT OF THE CASE

APPLICANT

OPPONENT

WPX Energy Production, LLC ("WPX") seeks an order authorizing an unorthodox well location in Unit A of Section 9, Township 23 North, Range 8 West, N.M.P.M. for its proposed Chaco 2308-09A 146H Well that will have a surface location 222 feet from the East line of Section 9, potentially encroaching on the acreage to the East in Section 10, T23N, R8W. WPX's application does not describe a point of penetration of its proposed well into the Mancos formation,

Nageezi Gallup Oil Pool. Encana Oil & Gas (USA), Inc. ("Encana") owns 100% of the working interest in Section 10, T23N, R8W and Encana opposes WPX's application for the following reasons:

1. If WPX's proposed Chaco 2308-09A 146H Well penetrates the Mancos formation, Nageezi Gallup Oil Pool within 330 feet of the East line of Section 9, it will encroach on and drain from Encana's acreage in Section 10, Township 23 North, Range 8 West, infringing on Encana's correlative rights.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

OPPONENT

WITNESSES EST. TIME EXHIBITS

Wade McCool 10 min. Approx. 1

(landman)

Respectfully submitted,

Beatty & Wozniak, P. C.

Stephen M. Domas

Will Reese

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-4328

sdomas@bwenergylaw.com wreese@bwenergylaw.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 12th day of December, 2013 by facsimile transmission:

Michael H. Feldewert Adam G. Rankin Holland & Hart, LLP P. O. Box 2208 Santa Fe, New Mexico 87504 (505) 983-6043

Stephen M. Domas