

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

APPLICATION OF WPX ENERGY PRODUCTION, LLC
FOR APPROVAL OF THE RODEO UNIT AND FOR
ALLOWANCE OF 330 FOOT SETBACKS FROM
THE EXTERIOR OF THE PROPOSED UNIT,
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 15618

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by WPX Energy Production, LLC (WPX) as required by the Oil Conservation Division.

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APPEARANCES

APPLICANT

WPX Energy Production, LLC
One Williams Center
Tulsa, OK 74172

ATTORNEY

Michael H. Feldewert
Jordan L. Kessler
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF THE CASE

WPX seeks an order (1) approving its Rodeo Unit; and (2) allowing for 330 foot setbacks from the exterior of the proposed Unit. The proposed Unit Area for the Rodeo Unit consists of approximately 7,208.63 acres, more or less, of Federal, State, and Allotted Indian lands situated in:

Township 22 North, Range 8 West, NMPM

Section 6: Lots 3-5, SE/4NW/4

Township 22 North, Range 9 West, NMPM

Section 1: Lots 1-4, S/2N/2, S/2
Section 2: Lots 1-4, S/2N/2, S/2
Section 3: S/2
Section 10: All
Section 11: All
Section 12: All

Township 23 North, Range 8 West, NMPM

Section 20: All
Section 29: N/2
Section 30: Lots 1-4, E/2W/2, E/2
Section 31: Lots 1-4, E/2W/2, E/2
Section 32: All

Township 23 North, Range 9 West, NMPM

Section 36: All

The acreage that WPX seeks to unitize is currently within the Basin Mancos Gas Pool (97232), which is subject to the Special Rules and Regulations adopted in 2008 under Division Order R-12984. Rule C of the Special Rules for the Basin Mancos Gas Pool requires wells to be located no closer than 660 feet to the outer boundary of a spacing unit, or in this case the outer boundary of the Unit Area. To allow for the most efficient horizontal well development pattern, WPX requests that the allow horizontal wells to be located anywhere within the Unit Area so long as the completed interval remains at least 330 feet from the outer boundary of the Rodeo Unit.

APPLICANT'S PROPOSED EVIDENCE

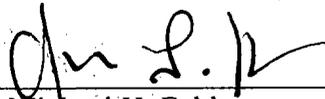
| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Brennan West, Landman | Approx. 15 minutes | Approx. 7 |
| Trevor Gates, Geologist | Approx. 15 minutes | Approx. 5 |

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Jordan L. Kessler
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
jlkessler@hollandhart.com

ATTORNEYS FOR WPX ENERGY PRODUCTION, LLC