

ABOVE THIS LINE FOR DIVISION USE ONLY

ADZ only not
be issued

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 _____

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

Heather Riley
Print or Type Name

Heather Riley
Signature

Regulatory Team Lead
Title

2/11/2014
Date

Heather.riley@wpenergy.com
e-mail Address

Chaco 2307-13L #238H, API #30-039-31213

2014
NSL
- WPX Energy Production
120782
2014 FEB 12 P 2:45
PROCESSED
wey
Chaco 2307-13L
#238H
30-039-31213
Pool
- Lybrook
G-1140
842289



Sent via Overnight Delivery

February 11, 2014

Jami Bailey
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

Re: *Request for Administrative Approval for Non-Standard Lybrook Gallup Lateral
Chaco 2307-13L #238H
API#: 30-039-31213
Sec. 14, T23N, R7W*

Dear Ms. Bailey:

WPX Energy Production, LLC ("WPX"), pursuant to the provisions of Division Rule 19.15.15.13, hereby seeks administrative approval of an unorthodox location for the Lybrook Gallup (42289) formation in the Chaco 2307-13L #238H. This is a horizontal well with a surface location of 1543' FSL and 121' FWL, Section 13, T23N, R7W and an end of lateral location of 2485' FNL & 230' FWL, Section 14, T23N, R7W. See attached plat.

This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. Initially the Lybrook Gallup Pool was set up with Special Pool Rules under Order No. R-2267 but these rules were later abolished with Order No. R-2267-B. The new Special Rules for Horizontal Wells under Division Rule 19.15.16.15(B)(3) also apply and state no internal setbacks are required within a project area. Given these setback requirements, the producing interval in the lateral is encroaching the N/2 of the S/2 of Section 14, T23N R7W in that it is approximately 123' from the unit boundary.

The spacing for the subject well is the S/2 of the N/2 of section 14 consisting of 4 consecutive parcels containing 40 acres more or less and totaling 160 acres. The spacing unit being encroached upon is the N/2 of the S/2 of Section 14 also consisting of 4 consecutive parcels containing 160 acres. ~~All of Section 14 is operated by WPX and ownership is 100% WPX therefore no affected owner letters are required pursuant to NMOC rules.~~



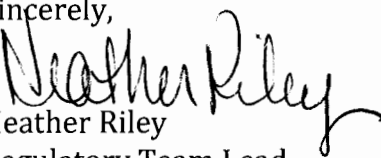
Please note that the maximum perforation range for the lateral will from 6,176' MD to 10,591' MD which are legal as to the east and west lines.

EAST LINE EXPLANATION: Referring to the plat, the Point of Entry is at 380' from the east line of Section 14 which correlates with approximately 6,174' MD. The top perforation is at 6,176' which is 2' past the Point of Entry so the distance from the east line for the perforation is 382'.

WEST LINE EXPLANATION: Our end of lateral is shown at 230' from the west line, which correlates to 10,692 MD. The deepest perforation would be the lower port in a RSI tool which would be set no deeper than 10,591' which correlates to 331' from the west line.

Should you have any questions or concerns, please don't hesitate to contact me.

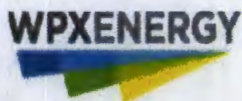
Sincerely,


Heather Riley
Regulatory Team Lead

Enc.: C-102

District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

Certificate Number 15269



WPX Energy

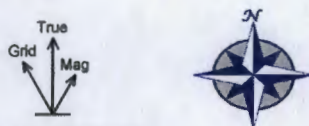
Rev 0

PATHFINDER
A Schlumberger Company

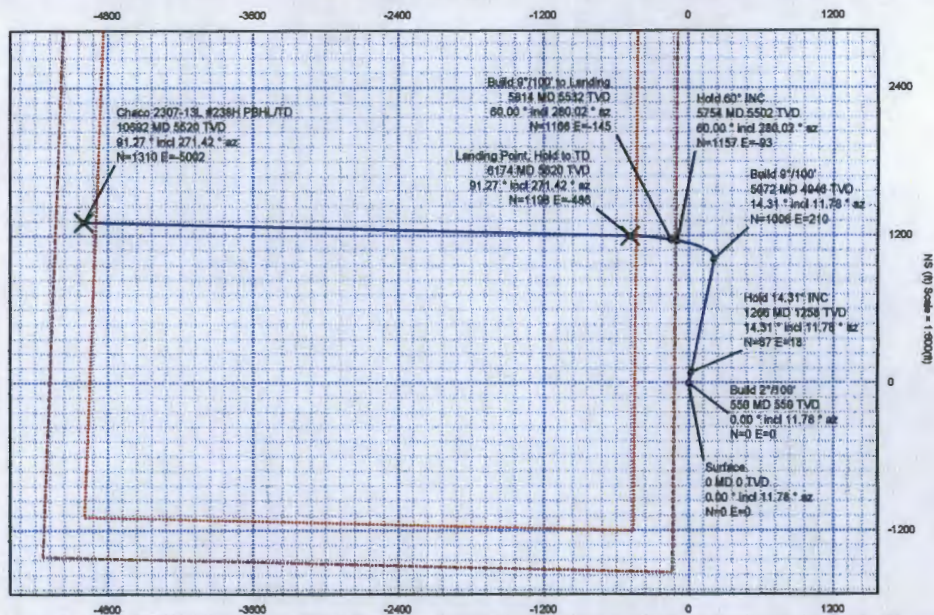
Borehole:	Well:	Field:	Structure:
Original Hole	Chaco 2307-13L #238H	NM, Rio Arriba (NAD 27 CZ)	Sec 13-23N-7W

Gravity & Magnetic Parameters	Surface Location	Miscellaneous
Model: BQGM 2013 Dip: 63.005° Date: 08-Jan-2014	NAD27 New Mexico State Plane, Central Zone, US Feet	Slot: Chaco 2307-13L #238H
MagDec: 9.467° FS: 50148.332nT Gravity FS: 986.485mgm (9.80665 Based)	Lat: N 36 13 21.77 Northing: 1902790.054ft Grid Conv: -0.7895°	TVD Ref: RKB(7060ft above MSL)
	Lon: W 107 32 6.17 Easting: 120958.576m Scale Fact: 1.00006441	Plan: Chaco 2307-13L #238H R0 mdv 08Jan14

Proposal



True North
Tot Corr (M→T 9.467°)
Mag Dec (9.467°)
Grid Conv (-0.759°)



Surface Location								
Northing: 1902790.054		Easting: 120958.576		Latitude: N 36 13 21.77		Longitude: W 107 32 6.17		VSec Azimuth: 284.674
Target Description		Grid Coord					Local Coord	
Target Name	Latitude	Longitude	Northing	Easting	TVD	VSec	N(+)/B(-)	E(+)/W(-)
Chaco 2307-13L #238H PBHL/TD	N 36 13 34.72	W 107 33 7.22	1904166.22	115973.81	5520.00	5170.82	1309.89	-5002.26
Chaco 2307-13L #238H PP	N 36 13 33.62	W 107 32 12.10	1903994.60	120488.13	5620.00	773.99	1198.13	-486.34
Chaco 2307-13L #238H Section Line	N 36 13 21.77	W 107 32 6.17	1902790.05	120958.58	7060.00	0.00	0.00	0.00
Chaco 2307-13L #238H 330' Setback	N 36 13 21.77	W 107 32 6.17	1902790.05	120958.58	7060.00	0.00	0.00	0.00
Critical Points								
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/B(-)	E(+)/W(-)	DLS
Surface	0.00	0.00	11.78	0.00	0.00	0.00	0.00	
Build 2°/100'	550.00	0.00	11.78	550.00	0.00	0.00	0.00	0.00
Hold 14.31° INC	1265.64	14.31	11.78	1258.22	4.49	67.05	18.15	2.00
Build 9°/100'	5071.55	14.31	11.78	4946.00	52.02	1008.12	210.21	0.00
Hold 60° INC	5754.34	60.00	280.02	5501.83	383.36	1156.71	-93.39	9.00
Build 9°/100' to Landing	5814.34	60.00	280.02	5531.83	435.15	1166.75	-144.56	0.00
Landing Point, Hold to TD	6173.55	91.27	271.42	5620.00	773.99	1198.12	-486.34	8.00
Chaco 2307-13L #238H PBHL/TD	10691.95	91.27	271.42	5520.00	5170.92	1309.89	-5002.26	0.00

Vertical Section (ft) Azim = 284.674° Scale = 1:400(ft) Origin = 0N/-S, 0E/-W

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JAN 23 2014

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

Farmington Field Office

Bureau of Land Management

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF-078360	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator WPX Energy Production, LLC		7. If Unit or CA Agreement, Name and No.	
3a. Address P.O. Box 640 Aztec, NM 87410		8. Lease Name and Well No. Chaco 2307-13L #238H	
3b. Phone No. (include area code) (505) 333-1808		9. API Well No. 30-039-31213	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1543' FSL & 121' FWL, sec 13, T23N, R7W At proposed prod. zone 2485' FNL & 230' FWL, sec 14, T23N, R7W		10. Field and Pool, or Exploratory Lybrook Gallup	
11. Sec., T., R., M., or Blk. and Survey or Area BHL Section 14 T23N R7W SHL Section 13, T23N, R7W		12. County or Parish Rio Arriba County	
13. State NM		14. Distance in miles and direction from nearest town or post office* approximately 2 miles southeast of Lybrook, New Mexico	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 121'		16. No. of Acres in lease 2565.24	
17. Spacing Unit dedicated to this well 160 acres		RCVD FEB 10 '14	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 40'		19. Proposed Depth 10,692' MD / 5,520' TVD	
20. BLM/BIA Bond No. on file UTB000178		OIL CONS. DIV.	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7046' GR		22. Approximate date work will start* April 1, 2014	
23. Estimated duration 1 month		DIST. 3	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Larry Higgins</i>		Name (Printed/Typed) Larry Higgins	Date 01/23/2014
Title Regulatory Specialist			
Approved by (Signature) <i>[Signature]</i>		Name (Printed/Typed) AFM	Date 2/7/14
Title AFM		Office FFO	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

WPX Energy Production, LLC, proposes to develop the Lybrook Gallup formation at the above described location in accordance with the attached drilling and surface use plans.

The well pad surface is on lease under jurisdiction of the BLM.

This location has been archaeologically surveyed by BLM and approved by the BLM. Copies of their report have been submitted directly to the BLM.

This well shares this pad with The Chaco #174H and #175H. No additional disturbance or access road is needed.

**DRILLING OPERATIONS
AUTHORIZED ARE SUBJECT TO
COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"**

**THIS APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS**

**This action is subject to technical
and procedural review pursuant to
43 CFR 3165.3 and appeal
pursuant to 43 CFR 3165.4**

NMCCD
AV