

ABOVE THIS LINE FOR DIVISION USE ONLY

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 \exists 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

Signature

Regulatory Team Lead
 Title

2/11/2014
 Date

Heather.riley@wpenergy.com
 e-mail Address

Chaco 2307-13L #174H

-NSL
 -WPX Energy
 Production, LLC
 120782

2014 FEB 12 09:21 AM

PRODUCTION LOG

well
 Chaco 2307-
 13L #174
 30-a39
 31197

Pool
 -Lybrook
 Gallup
 42289



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 #174H
API#: Not yet assigned
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 #174H. This is a horizontal well with a surface location of 1504' FSL and 80' FWL, Section 13, T23N, R7W and an end of lateral location of 1506' FSL & 280' 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 S/2 of the S/2 of Section 14, T23N R7W in that it is approximately 202' from the unit boundary.

The spacing for the subject well is the N/2 of the S/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 S/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 NMOCD rules.



Please note that the maximum perforation range for the lateral will from 5,999' MD to 10,496' 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 5,997' MD. The top perforation is at 5,999' 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 280' from the west line, which correlates to 10,497' MD. The deepest perforation would be the lower port in a RSI tool which would be set no deeper than 10,496' which correlates to 331' from the west line.

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

Sincerely,

A handwritten signature in black ink that reads "Heather Riley".

Heather Riley
Regulatory Team Lead

Enc.: C-102

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 42289	³ Pool Name LYBROOK GALLUP
⁴ Property Code	⁵ Property Name CHACO 2307-13L	⁶ Well Number 174H
⁷ GRID No. 120782	⁸ Operator Name WPX ENERGY PRODUCTION, LLC	⁹ Elevation 7046'

¹⁰ Surface Location

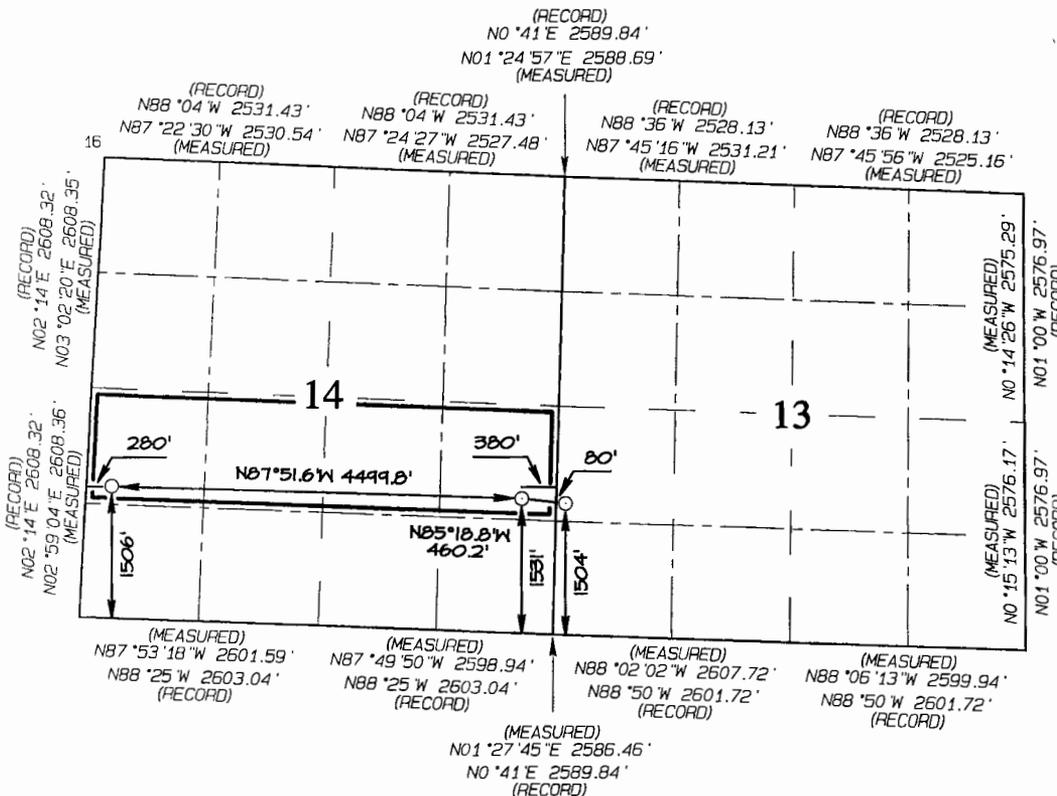
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	13	23N	7W		1504	SOUTH	80	WEST	RIO ARRIBA

¹¹ Bottom 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
L	14	23N	7W		1506	SOUTH	280	WEST	RIO ARRIBA

¹² Dedicated Acres 160.0 Acres N/2 S/2 - Section 14	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



END-OF-LATERAL
1506' FSL 280' FWL
SECTION 14, T23N, R7W
LAT: 36.22301°N
LONG: 107.55199°W
DATUM: NAD1927

LAT: 36.22302°N
LONG: 107.55260°W
DATUM: NAD1983

POINT-OF-ENTRY
1531' FSL 380' FEL
SECTION 14, T23N, R7W
LAT: 36.22271°N
LONG: 107.53675°W
DATUM: NAD1927

LAT: 36.22273°N
LONG: 107.53735°W
DATUM: NAD1983

SURFACE LOCATION
1504' FSL 80' FWL
SECTION 13, T23N, R7W
LAT: 36.22261°N
LONG: 107.53519°W
DATUM: NAD1927

LAT: 36.22262°N
LONG: 107.53579°W
DATUM: NAD1983

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 _____

Larry Higgins

Printed Name

larry.higgins@wpxenergy.com

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: AUGUST 27, 2013

Date of Survey: JULY 5, 2012

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269



WPX Energy

Rev 2



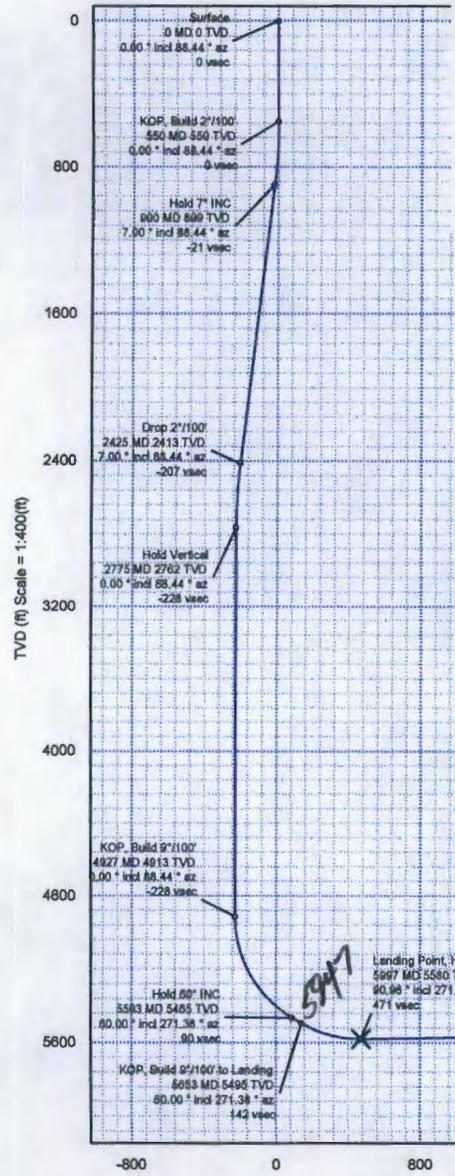
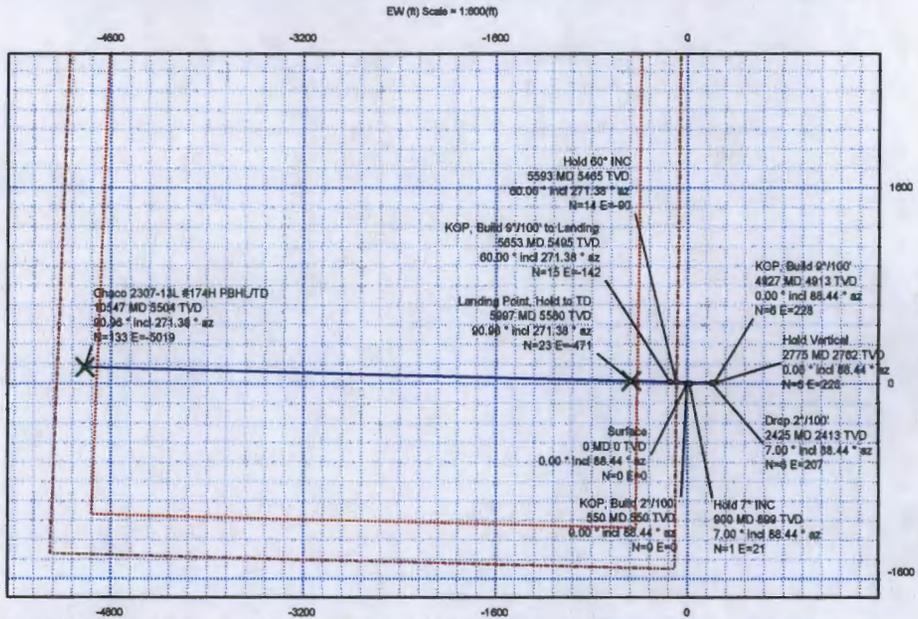
Borehole: Original Hole	Well: Chaco 2307-13L #174H	Field: NM, Rio Arriba (NAD 27 CZ)	Structure: Sec 13-23N-7W
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Gravity & Magnetic Parameters		Surface Location NAD27 New Mexico State Plane, Central Zone, US Feet		Miscellaneous	
Model: BGGM 2013 Dip: 63.017° Date: 14-Aug-2013	MagDec: 8.511° FB: 50198.939mT Gravity FB: 968.914mgm (8.00665 Based)	Lat: N 36 13 21.54 Northing: 1902766.927r	Grid Conv: -0.7895°	Slot: Chaco 2307-13L #174H	TVD Ref: RKB(7060ft above MSL)
		Lon: W 107 32 6.54 Easting: 120927.832rU	Scale Fact: 1.00006444	Plan: Chaco 2307-13L #174H R2 mdy 03Jan14	

Proposal



True North
Tot Corr (M→T 9.511°)
Mag Dec (9.511°)
Grid Conv (-0.780°)



Surface Location								
Northing: 1902766.927		Easting: 120927.832		Latitude: N 36 13 21.54	Longitude: W 107 32 6.54	VSec Azimuth: 271.514		
Target Description	Grid Coord			Local Coord				
Target Name	Latitude	Longitude	Northing	Easting	TVD	VSec	N(+)/B(-)	E(+)/W(-)
Chaco 2307-13L #174H PBHLTD	N 36 13 22.85	W 107 33 7.79	1902866.14	115911.01	5504.00	5020.46	132.69	-5018.71
Chaco 2307-13L #174H POE	N 36 13 21.77	W 107 32 12.28	1902796.21	120457.65	5580.00	470.95	23.05	-470.50
Chaco 2307-13L #174H Section Line	N 36 13 21.40	W 107 32 6.68	1902752.52	120915.84	7060.00	11.41	-14.56	-11.80
Chaco 2307-13L #174H 330' Setback	N 36 13 21.40	W 107 32 6.68	1902752.52	120915.84	7060.00	11.41	-14.56	-11.80
Critical Points								
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/B(-)	E(+)/W(-)	DLS
Surface	0.00	0.00	88.44	0.00	0.00	0.00	0.00	
KOP, Build 2'/100'	550.00	0.00	88.44	550.00	0.00	0.00	0.00	0.00
Hold 7' INC	609.99	7.00	88.44	609.12	-21.32	0.56	21.35	2.00
Drop 2'/100'	2425.11	7.00	88.44	2412.88	-206.92	5.63	207.14	0.00
Hold Vertical	2775.11	0.00	88.44	2762.00	-228.24	6.21	228.48	2.00
KOP, Build 2'/100'	4828.56	0.00	88.44	4913.47	-228.24	6.21	228.48	0.00
Hold 60' INC	5593.24	60.00	271.38	5494.80	90.07	13.68	-89.73	9.00
KOP, Build 9'/100' to Landing	5853.24	60.00	271.38	5494.80	142.03	15.13	-141.68	0.00
Landing Point, Hold to TD	5897.19	90.96	271.38	5580.00	470.95	23.05	-470.51	9.00
Chaco 2307-13L #174H PBHLTD	10547.35	90.96	271.38	5504.00	5020.46	132.69	-5018.71	0.00

Vertical Section (ft) Azim = 271.514° Scale = 1:400(ft) Origin = ON/S, OE/W

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 28 2013

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. Spacing 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 #174H
3b. Phone No. (include area code) (505) 333-1808		9. API Well No. 3003931197
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1504' FSL & 80' FWL, sec 13, T23N, R7W At proposed prod. zone 1506' FSL & 280' FWL, sec 14, T23N, R7W		10. Field and Pool, or Exploratory Lybrook Gallup
14. Distance in miles and direction from nearest town or post office* approximately 2 miles southeast of Lybrook, New Mexico		11. Sec., T., R., M., or Bk. and Survey or Area Section 13, T23N, R7W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 80'	16. No. of Acres in lease 2565.24	12. County or Parish Rio Arriba County
17. Spacing Unit dedicated to this well 160 acres	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 25'	13. State NM
19. Proposed Depth 10,398' MD / 5,504' TVD	20. BLM/BIA Bond No. on file UTB000178	OIL CONS. DIV DIST. 3 OCT 02 2013
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7045' GR	22. Approximate date work will start* October 1, 2013	23. Estimated duration 1 month

24. Attachments

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

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. 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 08/28/13
Title		
Permit Supervisor Approved by (Signature) <i>D. Manheim</i>	Name (Printed/Typed) AFM	Date 10/1/13
Title	Office FEO	

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 under jurisdiction of the BLM.

This location has been archaeologically surveyed by La Plata Archaeological Consultants. Copies of their report have been submitted directly to the BLM.

No new access road is needed.

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

**BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
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**

NMOCDF