

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]

state/state

[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

Signature

Heather Riley

Regulatory Team Lead
 Title

2/11/2014
 Date

Heather.riley@wpenergy.com
 e-mail Address

Chaco 2206-02H #226H, API #30-043-21169

-NSL
 -WPX Energy
 Productions LLC
 120782

well
 -Chaco
 2206-02H
 #226H
 30-043-21169
 Pool
 -Lybrook
 Gallup
 42289

2/11/2014 2:15

RECEIVED OGD



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 2206-02H #226H
API#: 30-043-21169
Sec. 2, T22N, R6W*

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 2206-02H #226H. This is a horizontal well with a surface location of 1686' FNL and 328' FEL, Section 2, T22N, R6W and an end of lateral location of 1530' FNL & 230' FWL, Section 2, T22N, R6W. 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 N/2 of Section 2, T22N, R6W in that it is approximately 178' from the unit boundary.

The spacing for the subject well is the S/2 of the N/2 of section 2 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 N/2 of Section 2 also consisting of 4 consecutive parcels containing 160 acres. All of Section 2 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 5,722' MD to 9,990' 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 2 which correlates with approximately 5,720' MD. The top perforation is at 5,722' 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 10,091 MD. The deepest perforation would be the lower port in a RSI tool which would be set no deeper than 9,990' 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, appearing to read "Heather Riley". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

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) 476-3450 Fax: (505) 476-3452

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

*API Number 30-043-21169		*Pool Code 42289		*Pool Name LYBROOK GALLUP	
*Property Code 39908		*Property Name CHACO 2206-02H			*Well Number 226H
*OGRID No. 120782		*Operator Name WPX ENERGY PRODUCTION, LLC			*Elevation 6949'

¹⁰ Surface Location

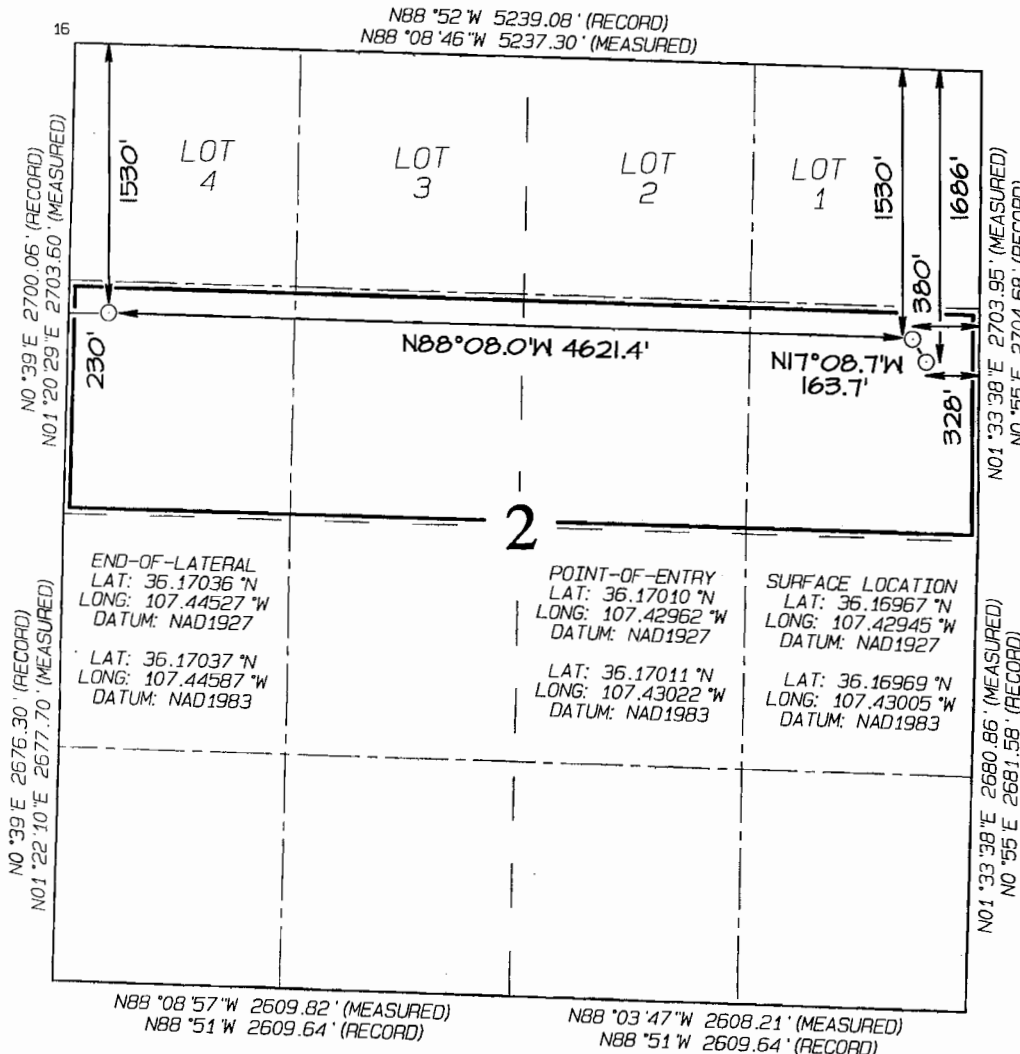
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	2	22N	6W		1686	NORTH	328	EAST	SANDOVAL

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
E	2	22N	6W		1530	NORTH	230	WEST	SANDOVAL

¹² Dedicated Acres 160.0 Acres - (S/2 N/2)	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



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.

01/28/14
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: JANUARY 27, 2014
Date of Survey: JUNE 8, 2012

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

WELL	Chaco 2206-02H #226H	FIELD	NM Sandoval County NAD27	STRUCTURE	Sec 2-22N-6W
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Magnetic Parameters	Dip: 62.991°	Date: August 07, 2013	Surface Location	NAD27 New Mexico State Plane, Central Zone, US Feet	Miscellaneous	TVD Ref: Fk31(983ft above MSL)
Model: BGGM 2013	Mag Dec: 9.463°	FS: 50162.5mT	Lat: N 38 10 10.778	Northing: 1893080.11 BUS	Plan: Chaco 2206-02H #226H	Srv Date: August 07, 2013
			Long: W 107 25 45.372	Easting: 151925.46 BUS		
				Grid Conv: -0.696'		
				Scale Fact: 1.00033864		

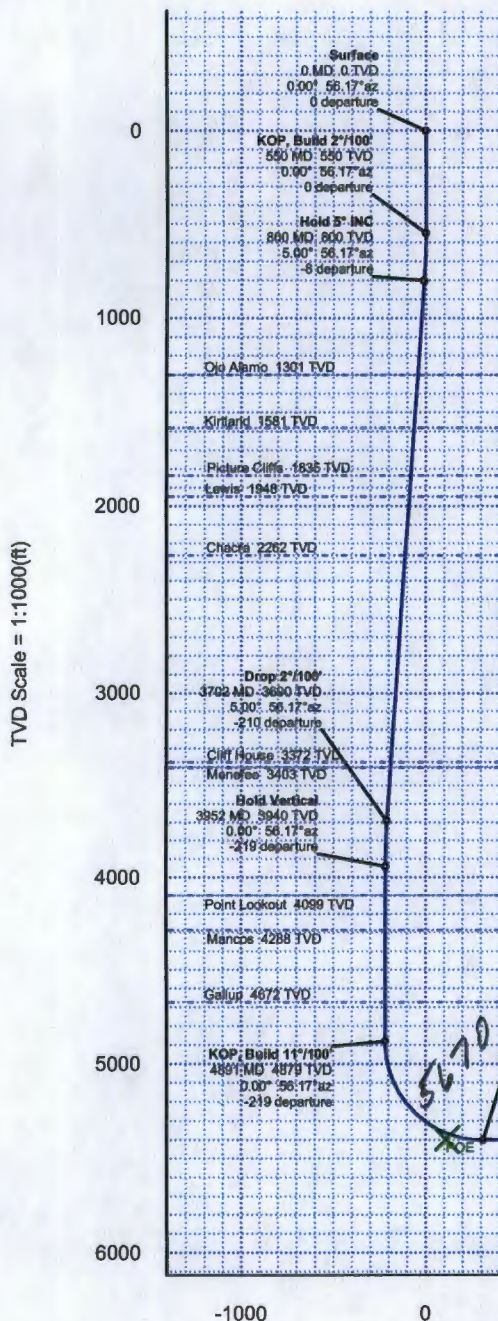
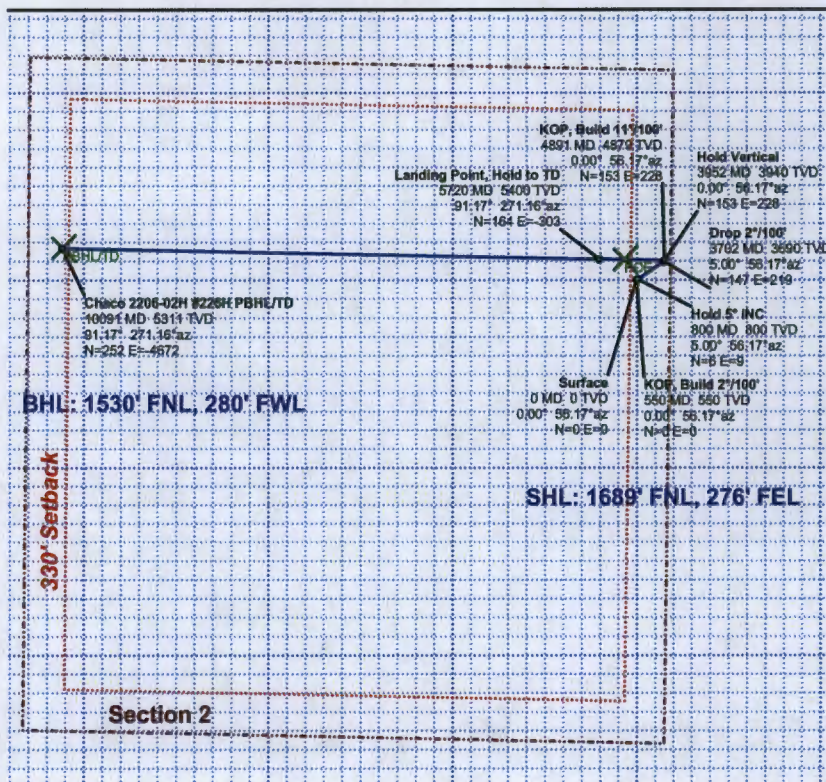
Proposal

<<< W Scale = 1:1500(ft) E >>>

-4500 -3000 -1500 0 1500



True North
Tot Corr (M>T) 9.4630°
Mag Dec (9.463°)
Grid Conv (-0.696°)



Critical Point	MD	INCL	AZIM	TVD	YSEC	N(+) / S(-)	E(+) / W(-)	DLS
Surface	0.00	0.00	56.17	0.00	0.00	0.00	0.00	0.00
KOP, Build 2°/100'	550.00	0.00	56.17	550.00	0.00	0.00	0.00	0.00
Hold 5° INC	800.14	5.00	56.17	799.82	-8.73	6.08	9.07	2.00
Drop 2°/100'	3701.55	5.00	56.17	3690.18	-211.02	146.92	219.25	0.00
Hold Vertical	3951.69	0.00	56.17	3940.00	-219.75	153.00	228.32	2.00
KOP, Build 11°/100'	4890.92	0.00	56.17	4879.23	-219.75	153.00	228.32	0.00
Landing Point, Hold to TD	5719.70	91.17	271.16	5399.99	311.43	163.74	-303.05	11.00
Chaco 2206-02H #226H PBHL/TD	10090.61	91.17	271.16	5311.00	4678.94	252.01	-4672.15	0.00

Quality Control
Date Drawn: August 07, 2013
04:15:47 PM
Drawn by: Matt VanderSchaaf
Checked by:
Client OK:

Vertical Section (ft) Azim = 273.09° Scale = 1:1000(ft) Origin = 0 N/-S, 0 E/-W