PLC

PMAM1412133206

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -





mfeldewert@hollandhart.com

e-mail Address

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] wells [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] Ch400 2308 [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A] 16I 147H Location - Spacing Unit - Simultaneous Dedication 30-045-35420 ☐ NSL ☐ NSP ☐ SD Check One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB X PLC PC OLS OLM 30-045-35500 [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 Does Not Apply Working, Royalty or Overriding Royalty Interest Owners [A] Offset Operators, Leaseholders or Surface Owner [B][C] Application is One Which Requires Published Legal Notice Notification and/or Concurrent Approval by BLM or SLO [D] 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 SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE. **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. MICHAEL H. FELDEWERT ATTORNEY 04/29/14 Print or Type Name Title Date Signature



Michael H. Feldewert Recognized Specialist in the Area of Natural Resources - oil and gas law - New Mexico Board of Legal Specialization mfeldewert@hollandhart.com

April 29, 2014

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of WPX Energy Production, LLC for administrative approval to surface commingle (diverse ownership) production from the Basin Mancos Gas Pool (97232) and the Nageezi Gallup Oil Pool (47540) for its Chaco 2308 16I 147H and Chaco 2308 16I 148H wells, San Juan County, New Mexico.

Dear Ms. Bailey:

WPX Energy Production, LLC (OGRID 120782) proposes to surface commingle the production from two horizontal wells, the Chaco 2308 16I 147H (30-045-35439) and Chaco 2308 16I 148H (30-045-35500). The affected wells involve pool and lease commingling with diverse ownership.

The Oil Conservation Division has previously approved both the Chaco 2308 16I 147H and the Chaco 2308 16I 148H for downhole commingling of production from the Nageezi Gallup Oil Pool (47540) and the Basin Mancos Gas Pool (97232). See Orders DHC-4602 and DHC-4653. Pursuant to NMAC 19.15.12.10.C, WPX now seeks authority to surface commingle the production from each of these wells at a common surface facility. In support of this application, WPX provides the following exhibits:

Exhibit 1 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B.

Exhibit 2 is a land map identifying the two horizontal wells, the two state leases, and the two pools at issue.

Exhibit 3 is a plat of the proposed common facility area.

Exhibit 4 is a diagram of the surface facilities.

Exhibit 5 is a list of the affected parties for the request for approval for surface commingling. A copy of this application with all attachments has been sent by certified mail to

HOLLAND&HART.

each of these affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives WPX's application. Since state trust lands are involved, pursuant to NMAC 19.15.12.10(C)(4)(h) WPX is also seeking authority for surface commingling from the New Mexico State Land Office and has likewise notified the Office of this application.

Exhibit 6 is proof of the publication of this application in the Farmington Daily Times directed by name to an overriding royalty owner WPX was been unable to locate. This public notice advises the named party of an obligation to file any objection in writing with the Division within 20 days of publication.

Your attention to this matter is appreciated.

Sincerely

Michael H. Feldewert

Enclosures

cc: Aztec District Office

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fc, NM
87505

TYPE OR PRINT NAME: Ken McQueen

E-MAIL ADDRESS: ken.mequeen@wpxenergy.com

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

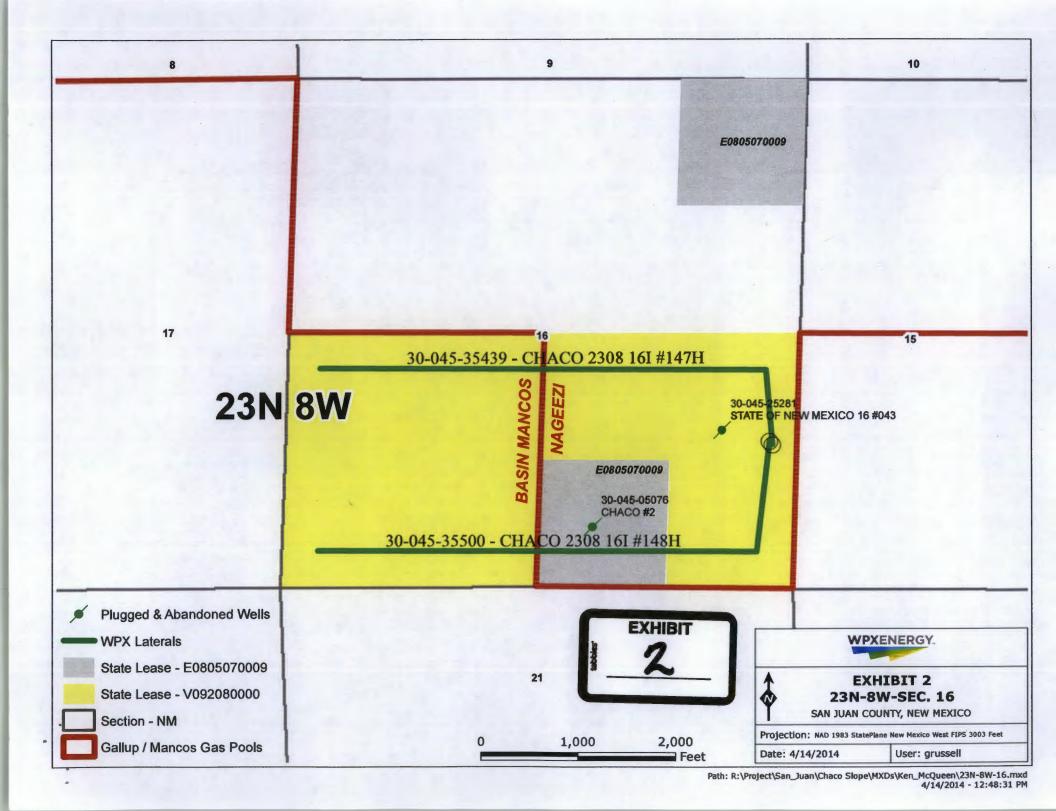
EXHIBIT

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

	TION FOR SURFACE (COMMINGLING	(DIVERSE	OWNERSHIP)	
	VPX Energy Production, LLC				
	21 South Main, Aztec, NM 87	410	· · · · · · · · · · · · · · · · · · ·		
APPLICATION TYPE:	_				
Pool Commingling Lease Co	ommingling 🔯 Pool and Lease Cor	nmingling Off-Lease	Storage and Measu	rement (Only if not Surface	Commingled)
LEASE TYPE:	X State				
Is this an Amendment to existing					
Have the Bureau of Land Mana X Yes □No	igement (BLM) and State Land	l office (SLO) been not	lified in writing	of the proposed comm	ingling
A les		L COMMINGLINGS with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Nageezi Gallup Pool (47540)	40 deg. API				50 %
Basin Mancos Gas Pool (97232)	40 deg. API			1	50 %
	3			1	
				1	
•	Please attach sheets ource of supply? Yes Notified by certified mail of the prop			do	
	• •	LEASE COMMIN			
(1) Complete Sections A and E.	r icase attach sheet	s with the following in	1101 1634(1011		*
	(D) OFF-LEASE ST Please attached shee	ORAGE and MEA ts with the following i			
(1) Is all production from same s	•••	0			
2) Include proof of notice to all	interest owners.				
	(E) ADDITIONAL INFO Please attach sheets	RMATION (for all s with the following in		pes)	
•	ity, including legal location. showing all well and facility location I Numbers, and API Numbers.	ons. Include lease numbe	rs if Federal or Sta	ate lands are involved.	
Thereby certify that the information		best of my knowledge and		DATE: April 7, 2014	., .,

TELEPHONE NO.: 539-573-2889



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

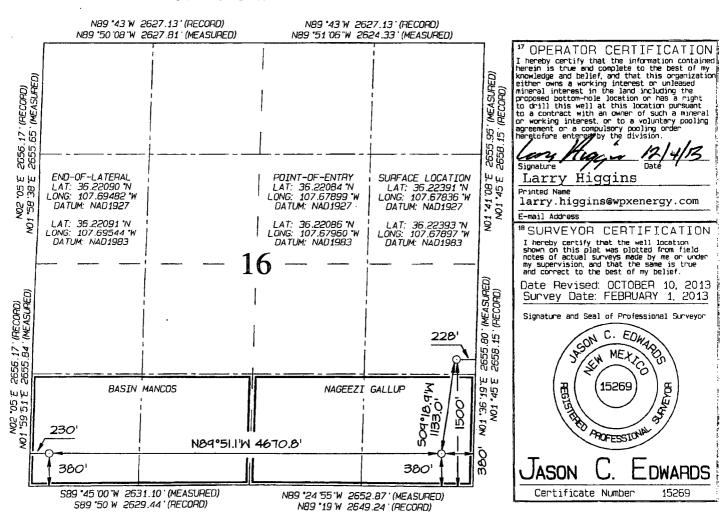
OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 'Pool Co					Je	Pool Name				
30-0	30-045-35500 97232 / 47540					BASIN MANCOS (M&N) / NAGEEZI GALLUP (O&P)				
'Property	Property Code				Property Name			* h	*Well Number	
395	81				CHACO 2308-16I				148H	
OGRID !	No.				*Operator	Name		9	*Elevation	
12078	2			WPX	ENERGY PRODUCTION, LLC				6866	
¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County	
I	16	23N	8W		1500	SOUŢH	228	EAST	SAN JUAN	
		11	Botto	m Hole	Location I	f Different F		2		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
М	16	23N	BW		380	SOUTH	230	WEST	SAN JUAN	
12 Dedicated Acres		Acres -	(5/2	? S/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Onden No.			

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



District I 1625 N. French Orive, 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

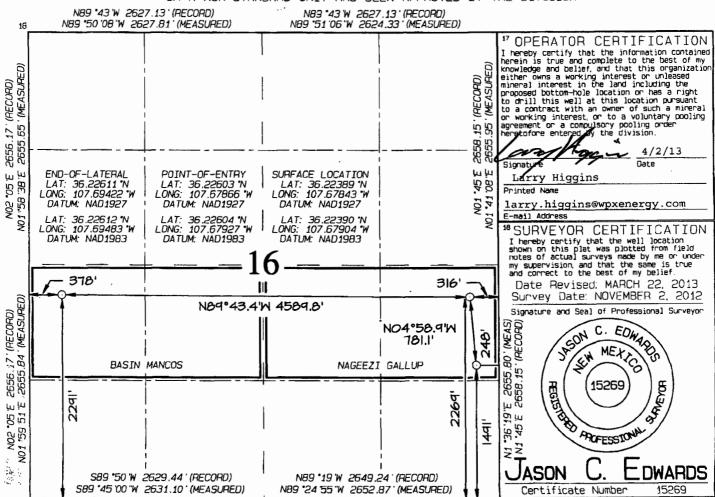
X AMENDED REPORT "As Drilled"

WELL LOCATION AND ACREAGE DEDICATION PLAT

	TILLE LOCATION AND	ACHEAGE DEDICAT	TON I LA	
'API Number	*Pool Code	*Pool Code *Pool Name		
30-45-35439	47540 / 97232	NAGEEZI GALLUP	(I&J) / BASIN	MANCOS (K&L)
*Property Code	³Pro	*Well Number		
	CHAC	147H		
'OGRID No.	"Ope	erator Name		*Elevation
120782		WPX ENERGY PRODUCTION, LLC		
	10 0			

	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
	I	16	23N	8₩		1491	S O UTH	248	EAST	SAN JUAN
_	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	16	23N	8W		2291	SOUTH	378	WEST	SAN JUAN
12	Dedicated Acres		Acres	- (N/2	S/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

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



McMillan, Michael, EMNRD

From: Michael Feldewert <MFeldewert@hollandhart.com>

Sent: Friday, May 02, 2014 2:59 PM **To:** McMillan, Michael, EMNRD

Subject: WPX 2308 16I #147H and WPX 2308 16I 148H surface commingling application

Each well will be metered individually, with the gas metered using an orifice meter, the oil using a Coriolis meter, and the water using a Vortex meter. None of the individual well's production streams will be comingled prior to being measured.

Currently, only the 147H is producing and that information is available on OCD's website. As a result, there currently is no surface commingling production to report. In regards to an estimate of production, we are not sure how to estimate the production except using the production from the currently producing 147H.

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

Sent: Thursday, May 01, 2014 9:37 AM

To: Michael Feldewert

Subject: WPX 2308 16I #147H and WPX 2308 16I 148H surface commingling application

Michael:

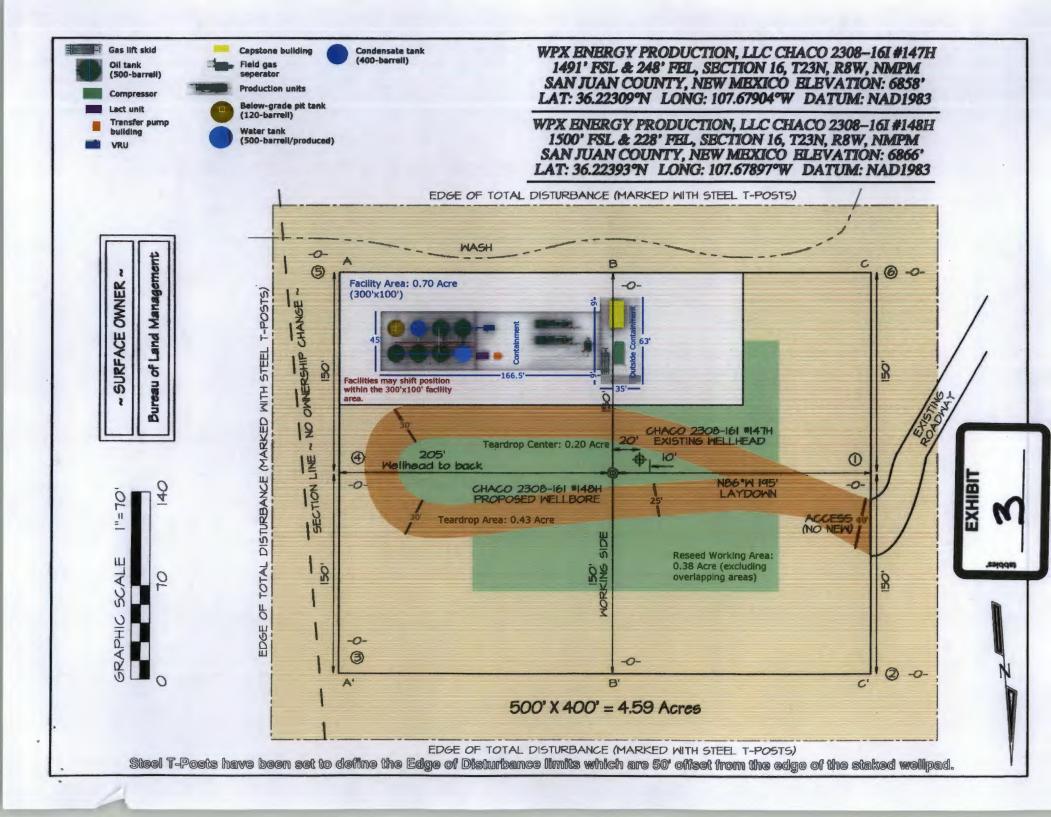
Can you get Heather Riley in the Aztec office to e-mail me a description of how the wells will be metered? Will the well be metered individually?

I will also need the last 6 month's production, and cum production. If the wells have not produce for that period, then I will need what production exists. If they do not have any production, then I will need an estimate of production of the wells.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division 1220 South St. Francis Dr., Santa Fe NM 87505 O: 505.476.3448 F. 505.476.3462



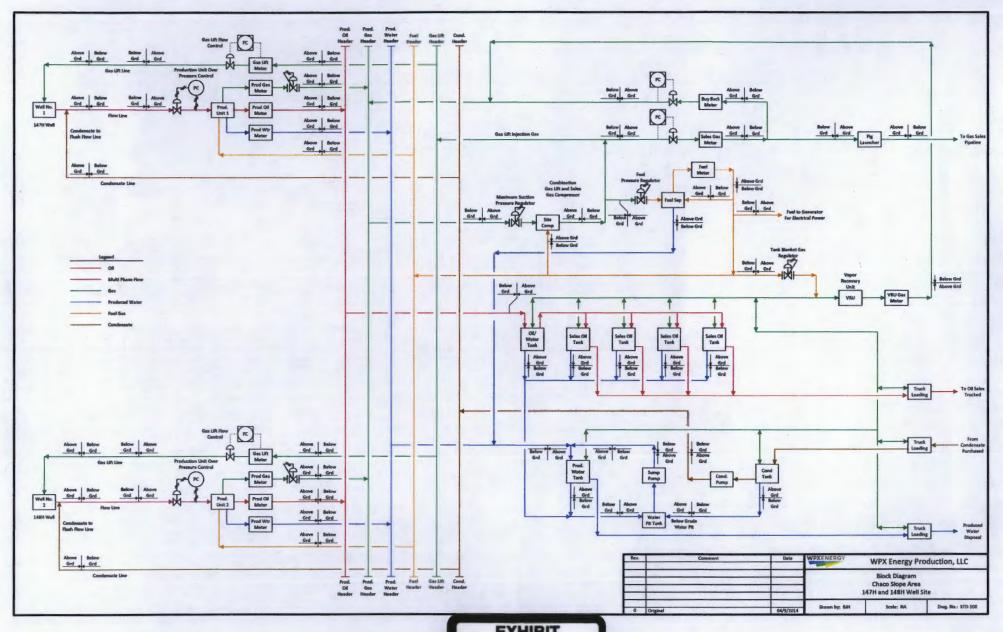


EXHIBIT 4

EXHIBIT 5

Affected Parties for the Request to Surface Commingle

Working Interest Owners:

XTO Energy Inc. ATTN: Jackson Dean 810 Houston Street Fort Worth, TX 76102

ConocoPhillips Company ATTN: Paul Brindle 3401 E. 30th Street Farmington, NM 87402

Royalty Owners:

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

Overriding Royalty Interest Owners

Jimski, Inc. 1015 Pen Road Santa Fe, NM 87505

Charles B. Gonsales (or Gonzales) unknown

AFFIDAVIT OF PUBLICATION

Ad No. 70195

STATE OF NEW MEXICO County of San Juan:

JOHN ELCHERT, being duly sworn says: That HE is the PUBLISHER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Monday, April 21, 2014

And the cost of the publication is \$77.71

ON 4/3/17 JOHN ELCHERT appeared before me, whom I know personally to be the person who signed the above document.

OFFISIAL SEAL
OF

COPY OF PUBLICATION

Legal Notice

To: Charles B. Gonsales (or Charles B. Gonzales) his successors, heirs and devisees; and any unknown person who has an interest in Lease No. E-8057-9 located in the SW/4SE/4 of Section 16, Township 23 North, Range 8 West, San Juan County, NM.

WPX Energy Production has filed an application with the New Mexico Oil Conservation Division for authority to surface commingle production from its Chaco 2308-16I 147H and Chaco 2308-16I 148H wells at a common surface facility. These wells will produce from the Basin Mancos Gas Pool and the Nageezi Gallup Oil Pool under State of New Mexico leases E0805070009 V092080000. and The wells, leases and proposed surface commingling facility are located in the S/2 of Section 16, Town-ship 23 North, Range 8 West, NMPM, San Juan County. Any objection to this applica-tion must be filed in writing within twenty days from date of publication with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, about this application, please contact Chuck Bassett, P.O. Box 3102 MD:44, Tulsa, OK 74101-3102, (539) 5 7 3 - 6 5 7 6, Chuck Bassett@wpxe nergy.com.

Legal No. 70195 published in The Daily Times on Apr 21, 2014





Michael H. Feldewert Recognized Specialist in the Area of Natural Resources - oil and gas law - New Mexico Board of Legal Specialization mfeldewert@hollandhart.com

April 29, 2014

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of WPX Energy Production, LLC for administrative approval to surface commingle (diverse ownership) production from the Basin Mancos Gas Pool (97232) and the Nageezi Gallup Oil Pool (47540) for its Chaco 2308 16I 147H and Chaco 2308 16I 148H wells, San Juan County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Chuck Bassett

Landman WPX Energy, Inc. P.O. Box 3102 MD: 44 Tulsa, OK 74101-3102 (539)-573-6575 (Office) Chuck.Bassett@wpxenergy.com

Sincerely,

Michael H. Feldewert

ATTORNEY FOR

WPX Energy Production, LLC

MHF

Well_Name: Location:

CHACO 2308 16I # 147H

API: I-16-23.0N-08W 1491 FSL 248 FEL

Operator Name:

WPX ENERGY PRODUCTION

LLC County: San Juan

Year:	2013 AND 2014
Pool Name:	BASIN MANCOS
Month	Oil(BBLS)
January	

Water(BBLS) Days Produced Gas(MCF) **February** March April May June July August September October November December Jan-14 CUM

Year: 2013 AND 2014 **Pool Name: NAGEEZI GALLUP**

Month	Oil(BBLS)		Gas(MCF)	Water(BBLS)	Days Produced
January		0	0	0	0
February		0	0	0	19
March		0	0	0	0
April		1636	0	23	30
May		6206	0	4	31
June		5614	0	1113	30
July		4570	0	1850	31
August		4046	4161	1841	31
September		2893	4865	1236	30
October		3357	3894	2106	31
November		2323	4191	706	30
December		2951	3165	425	31
Ja	n-14	2329	4223	400	31
		35925	20276		

TOTAL CUM BOTH POOLS