

DATE IN 7/30/2014	SUSPENSE	ENGINEER M A M	LOGGED IN 7/30/2014	TYPE NSL	APP NO PMAM142115966
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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 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.

GABRIELLE A. GERHOLT

Print or Type Name

Gabrielle A. Gerholt

Signature

ATTORNEY

Title

gagerholt@hollandhart.com

7/30/14

Date

e-mail Address

- NSL
w/ PR BENCH
120782
weh

- CHA 2306
206
30-043-2119

2011 JUL 30 PM 2:30
[Stamp]

Pool
- Lybrook
G 114P
42289

July 30, 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 of an unorthodox well location in the Lybrook Gallup Pool for its Chaco 2306-20L 207H well in the N/2S/2 of Section 19, Township 23 North, Range 6 West, N.M.P.M., Sandoval County, New Mexico.

Dear Ms. Bailey:

WPX Energy Production, LLC (OGRID No. 120782) seeks administrative approval of an unorthodox well location for its **Chaco 2306 20L 207H** (API 30-043-21191) well to be completed within the Lybrook Gallup Pool (Pool Code 42289). This well has been drilled from a surface location 2115 feet from the South line and 170 feet from the West line (Unit L) of Section 20, Township 23 North, Range 6 West with a bottom hole location 1580 feet from the South line and 64 feet from the East line (Unit I) of Section 24, Township 23 North, Range 7 West. The first perforation will be located 1584 feet from the South line and 28 feet from the West line (Unit L) and the last perforation will be located 1516 feet from the South line and 484 feet from the East line (Unit I) of Section 19, Township 23 North, Range 6 West. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, this well will be unorthodox because the completed interval will be closer than 330 feet to the South, Southwest and West boundaries of the project area.

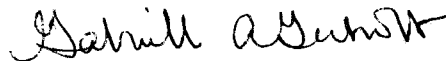
Enclosed as **Exhibit A** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Chaco 2306-20L 207H** well encroaches on the spacing and proration units to the South, Southwest, and West.

Enclosed as **Exhibit B** is a land map depicting the proposed **Chaco 2306-20L 207H** well in relation to adjoining spacing units which reflects that WPX owns 100% of the working interest in the Federal leases to the South, Southwest and West. As a result, there are no parties

affected by the encroachment. A courtesy copy of this application with all attachments has been sent by certified mail to the Bureau of Land Management.

Your attention to this matter is appreciated.

Sincerely,



Gabrielle A. Gerholt
ATTORNEY FOR WPX ENERGY PRODUCTION

cc: Bureau of Land Management
Farmington Field Office
6251 College Blvd. Suite A
Farmington, NM 87402

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
RECEIVED

JUN 11 2014

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-043-21191		*Pool Code 42289	*Pool Name LYBROOK GALLUP
*Property Code 313123	*Property Name CHACO 2306-20L		*Well Number 207H
*GRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 7038'

¹⁰ Surface Location

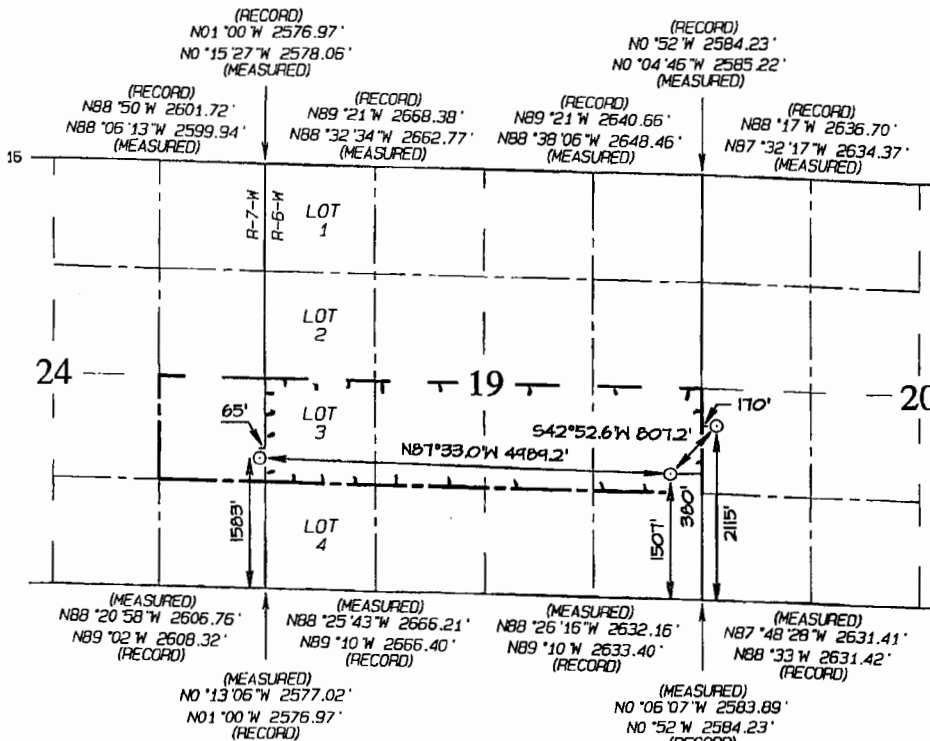
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	23N	6W		2115	SOUTH	170	WEST	SANDOVAL

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
I	24	23N	7W		1583	SOUTH	65	EAST	SANDOVAL

¹² Dedicated Acres 200.94	N/2 S/2 - Section 19 NE/4 SE/4 - Section 24	¹³ Joint or Infill 160.94	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
1583' FSL 65' FEL
SECTION 24, T23N, R6W
LAT: 36.20839°N
LONG: 107.51788°W
DATUM: NAD1927

LAT: 36.20840°N
LONG: 107.51849°W
DATUM: NAD1983

POINT-OF-ENTRY
1507' FSL 390' FEL
SECTION 19, T23N, R6W
LAT: 36.20798°N
LONG: 107.50098°W
DATUM: NAD1927

LAT: 36.20799°N
LONG: 107.50159°W
DATUM: NAD1983

SURFACE LOCATION
2115' FSL 170' FWL
SECTION 20, T23N, R6W
LAT: 36.20962°N
LONG: 107.49914°W
DATUM: NAD1927

LAT: 36.20964°N
LONG: 107.49975°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: *Larry Higgins* Date: 6/11/14

Printed Name: Larry Higgins
E-mail Address: larry.higgins@wpxenergy.com

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: JUNE 11, 2014
Date of Survey: AUGUST 21, 2013

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269

EXHIBIT B

WPX Energy Production, LLC

Application for Exception to Rule 4 (NSL)
Lybrook Gallup Oil Pool Order R- 2267B
Sandoval County, New Mexico

13

23N-7W

23N-6W

18

24

19

3

207H

20

21

1

29

28

WPX Lease

Chaco 2306-20L #207H Project Area -
T23N-R6W Section 19: N2S2

Surface Location: 2115' FSL 170' FWL of Section 20, T23N-R6W
Gallup Penetration Point: 1515' FSL 386' FEL of Section 19, T23N-R6W
Bottomhole Location: 1580' FSL 64' FEL of Section 24, T23N-R7W

*Ownership reflected represents 100% leasehold working interest
in the Mancos / Gallup Formation underlying each tract which
is the subject of this application

EXHIBIT

B

McMillan, Michael, EMNRD


From: Michael Feldewert <MFeldewert@hollandhart.com>
Sent: Friday, July 25, 2014 9:58 AM
To: McMillan, Michael, EMNRD
Cc: McQueen Jr, Ken
Subject: WPX Chaco 2306-20L 206H NSL application
Attachments: 206H-ad_Chaco 2306-20L #206H As-Drilled C-102.pdf

Michael: As we discussed this morning, WPX filed for approval of an NSL for the Chaco 2306-20L No. 206H well, and will be filing for approval of an NSL for the Chaco 2306-20L No. 207H well, because the Division order approving the Northeast Chaco Project Area is not yet effective. See Order R-13817, at p. 8, ¶(9). WPX hopes to have shortly final approval of the Communitization Agreement from the NMSLO and the corresponding pool for the CA area in place.

As to your second question, we have confirmed that the portion of the wellbore in the SE/4 NE/4 of Section 24 will be perforated. Therefore, please proceed as if the BHL will be the final perforation.

Let me know if you need anything further, and have good weekend.

Michael H. Feldewert
Santa Fe Office
505-988-4421
505-983-6043 (fax)
mfeldewert@hollandhart.com

HOLLAND&HART 

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From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, July 25, 2014 9:04 AM
To: Michael Feldewert
Subject: WPX Chaco 2306-20L NSL application

Michael:

- Can you explain the reason for the Chaco 2306-20L NSL application?
- Also is BHL is the final perforation?

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

McMillan, Michael, EMNRD

From: Gabrielle Gerholt <GAGerholt@hollandhart.com>
Sent: Wednesday, July 30, 2014 4:25 PM
To: McMillan, Michael, EMNRD
Subject: RE: WPX Chaco 2306-20L 207H NSL application

Dear Mr. McMillan,

WPX will be "reverse" fracking this well. That is they start their frac job closer to the toe and then move towards the heel of the well. This is noted on the C-102 which states that the first perf will be located 1584 FSL and 28 FWL. Please let me know if you have additional questions and thank you for your prompt attention to this application. I'm impressed since we just filed it a few minutes ago!

In addition, I look forward to meeting you. I plan on stopping by the OCD next week since my one year moratorium has been lifted.

Best Regards,

Gabrielle A Gerholt

Holland & Hart LLP
110 North Guadalupe Suite 1
Santa Fe, NM 87501
Phone (505) 988-4421
Fax (505) 983-6043
E-mail: gagerholt@hollandhart.com



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From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Wednesday, July 30, 2014 4:20 PM
To: Gabrielle Gerholt
Subject: WPX Chaco 2306-20L 207H NSL application

Ms. Gerholt

I received your NSL application for the WPX Chaco 2306-20L 207H, Sandoval County.

Can you clarify the first and last perforation, you may have had those switched in your letter. I also assume that the final perforation will be in Lot L.

Therefore, the producing interval is within Sec. 1923N6W, is that correct?

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