

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



September 16, 2014

WPX ENERGY PRODUCTION, LLC
Attn: Ms. Heather Riley

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7084-A
Administrative Application Reference No. pMAM1425952733

WPX ENERGY PRODUCTION, LLC
OGRID 120782
Heros Well No. 3H
API No. 30-045-355538

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2216 FSL & 74 FWL	L	3	23N	8W	San Juan
Penetration Point	1889 FSL & 346 FEL	I	4	23N	8W	San Juan
Terminus	2254 FSL & 250 FWL	L	4	23N	8W	San Juan

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 S/2 of Section 4	160	Basin Mancos	97232

Reference is made to your application received on September 16, 2014.

You have requested to drill this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by the Special Rules for the Basin Mancos Gas Pool, which provides for 320-acre units with wells to be located at least 660 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area. This location is unorthodox because portions of the proposed completed interval are closer to outside

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boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

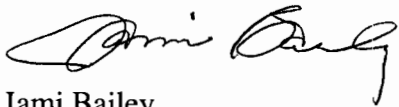
It is our understanding that you are seeking this location because this is the as drilled location.

It is also understood that notice of this application to offsetting operators or owners is unnecessary, because the actual completed interval encroaches less than the proposed interval.

Pursuant to the authority conferred by Division Rule 19.15.15.13.B NMAC, the above-described unorthodox location is hereby approved.

This Order supersedes Division Order No. NSL-7084, issued on May 21, 2014.

DONE at Santa Fe, New Mexico, on September 16, 2014

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management – Farmington