

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.

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 2307-12L #171H

RECEIVED OGD
 2014 FEB 12 P 2:41

well

Chaco 2307-12L
 30-043-Pending

Poul
 - Lybrook
 GALLUP
 42289

- NSL
 - WPX Energy
 Production, LLC
 120782

BLM



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 2307-12L #171H
API#: Not yet assigned
Sec. 12, 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 2307-12L #171H. This is a horizontal well with a surface location of 1987' FSL and 331' FWL and an end of lateral location of 1044' FSL & 230' FWL, Section 11, 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 N/2 of the S/2 of Section 11, T23N R7W in that it is approximately 226' from the unit boundary.

The spacing for the subject well is the S/2 of the S/2 of section 11 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 S/2 of Section 11 also consisting of 4 consecutive parcels containing 160 acres. All of Section 11 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 6105' MD to 10,461' 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 11 which correlates with approximately 6103' MD. The top perforation is at 6105' 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 10,562 MD. The deepest perforation would be the lower port in a RSI tool which would be set no deeper than 10461' which correlates to 331' from the west line.

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

Sincerely,


Heather Riley
Regulatory Team Lead

Enc.: C-102

JASON C. EDWARDS
Certificate Number 15269



WPX Energy

Rev 0



Borehole:	Well:	Field:	Structure:
Original Hole	Chaco 2307-12L #171H	NM, Rio Arriba (NAD 27 CZ)	Sec 12-23N-7W

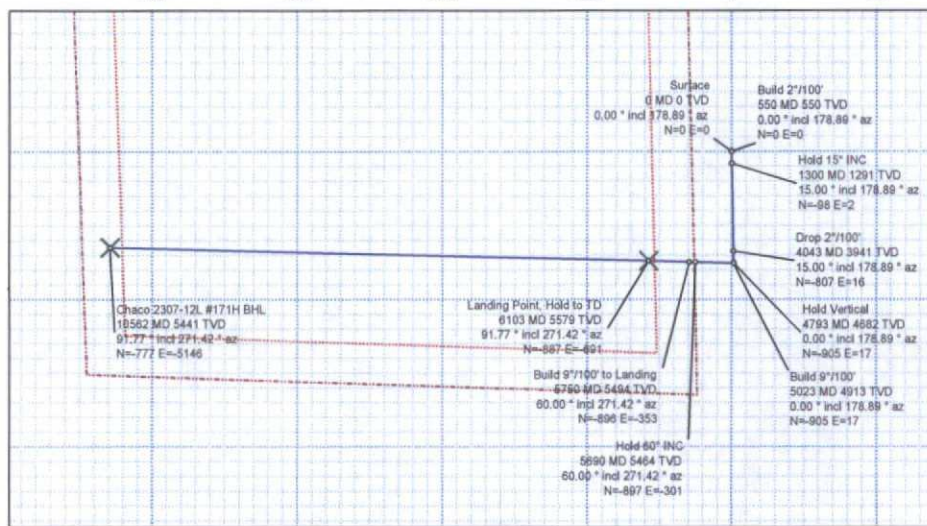
Gravity & Magnetic Parameters		Surface Location	NAD27 New Mexico State Plane, Central Zone, US Feet		Miscellaneous
Model: BGGM 2013 Dip: 63.018°	Date: 29-Jan-2014	Lat: N 36 14 17.27	Northings: 1908399.051ft	Grid Conv: -0.7593°	Slot: Chaco 2307-12L #171H
MagDec: 9.462°	FS: 50150.648mT Gravity FS: 986.491mgn (9.80665 Based)	Lon: W 107 32 3.66	Eastings: 121238.487ft	Scale Fact: 1.00006417	TVD Ref: RKB(7016ft above MSL)
				Plan: Chaco 2307-12L #171H R0 mdy 29Jan14	

Proposal

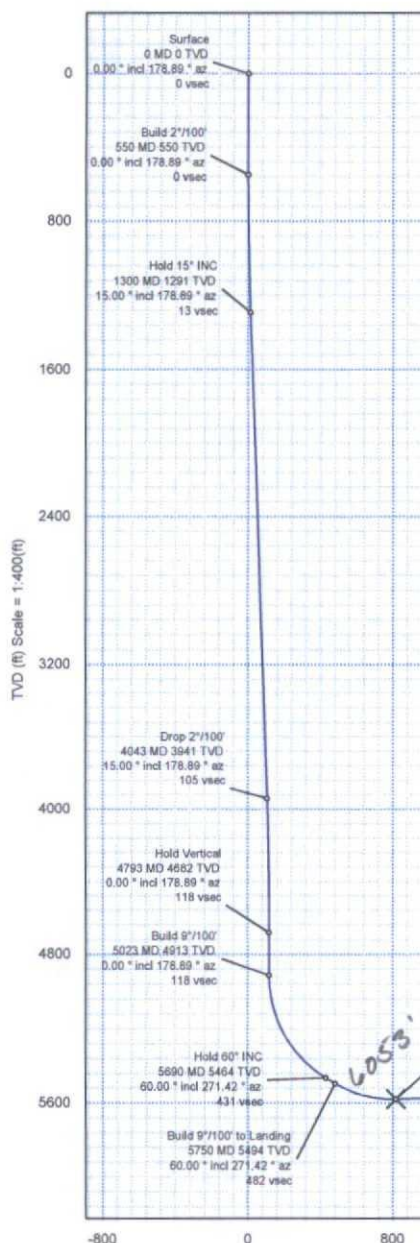
EW (ft) Scale = 1:600(ft)



True North
Tot Corr (M-T 9.462°)
Mag Dec (9.462°)
Grid Conv (-0.759°)



NS (ft) Scale = 1:600(ft)



Surface Location								
Northing: 1908399.051			Easting: 121238.487		Latitude: N 36 14 17.27		Longitude: W 107 32 3.66	
					VSec Azimuth: 261.412			
Target Description		Grid Coord					Local Coord	
Target Name	Latitude	Longitude	Northing	Easting	TVD	VSec	N(+)/S(-)	E(+)/W(-)
Chaco 2307-12L #171H BHL	N 36 14 9.58	W 107 33 6.47	1907690.14	116082.60	5441.00	5204.07	-777.12	-5145.72
Chaco 2307-12L #171H PP	N 36 14 8.49	W 107 32 12.09	1907520.83	120536.15	5579.00	815.36	-887.40	-690.60
Chaco 2307-12L #170H & 171H 330' Setback Line	N 36 14 17.45	W 107 32 3.80	1908417.41	121226.93	7016.00	8.95	18.20	-11.80
Chaco 2307-12L #170H & 171H Section Line	N 36 14 17.45	W 107 32 3.80	1908417.41	121226.93	7016.00	8.95	18.20	-11.80
Critical Points								
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/S(-)	E(+)/W(-)	DLS
Surface	0.00	0.00	178.89	0.00	0.00	0.00	0.00	
Build 2"/100'	550.00	0.00	178.89	550.00	0.00	0.00	0.00	0.00
Hold 15' INC	1300.01	15.00	178.89	1291.47	12.71	-87.60	1.89	2.00
Drop 2"/100'	4042.52	15.00	178.89	3940.53	105.13	-807.29	15.59	0.00
Hold Vertical	4792.53	0.00	178.89	4682.00	117.84	-904.89	17.48	2.00
Build 9"/100'	5023.22	0.00	178.89	4912.69	117.84	-904.89	17.48	0.00
Hold 60' INC	5689.88	60.00	271.42	5464.02	431.31	-897.03	-300.73	9.00
Build 9"/100' to Landing	5749.88	60.00	271.42	5494.02	482.49	-895.75	-352.68	0.00
Landing Point, Hold to TD	6102.93	91.77	271.42	5579.00	815.37	-887.40	-690.59	9.00
Chaco 2307-12L #171H BHL	10561.56	91.77	271.42	5441.00	5204.07	-777.12	-5145.72	0.00

Vertical Section (ft) Azim = 261.412° Scale = 1:400(ft) Origin = 0N-S, 0E-W