

ABOVE THIS LINE FOR DIVISION USE ONLY

*received  
10/30/2014*

**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 \_\_\_\_\_

*-NSL 7185  
-WPX Energy  
Production LLC  
120782  
-well  
-Chaco 23086H  
396H  
30-045-35554*

[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

*pool  
-Naseezi Gallup  
47540*

[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 Manager  
Title

10/29/2014  
Date

Heather.riley@wpenergy.com  
e-mail Address

Chaco 2308-06H #396H; API 30-045-35554



***Sent via Overnight Delivery***

October 29, 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 Nageezi Gallup Lateral  
Chaco 2308-06H #396H, API: 30-045-35554*

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 Nageezi Gallup (47540) formation in the Chaco 2308-06H #396H. This is a horizontal well with a surface location of 1737' FNL and 276' FEL, Section 6, T23N R8W and an end of lateral location of 1527' FNL & 233' FWL, Section 6, T23N R8W. 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. The 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 6, T23N R8W in that the Point of Entry is approximately 250' from the unit boundary.

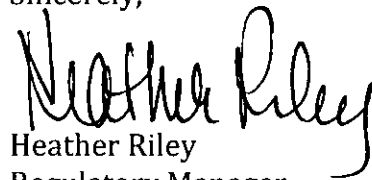
The spacing for the subject well is the S/2 of the N/2 of section 6 consisting of 4 consecutive parcels containing 40 acres more or less and totaling 160.87 acres. The spacing unit being encroached upon is the N/2 of the S/2 of Section 6 also consisting of 4 consecutive parcels containing 165.63 acres. All of Section 6 is operated by WPX and ownership is WPX and JMJ Land and Minerals Co ("JMJ"). A copy of the Notice Letter sent to JMJ is attached hereto.

Jami Bailey  
Division Director  
NEW MEXICO OIL CONSERVATION DIVISION  
October 29, 2014  
Page 2

The 7" casing landing point is at 5913' MD (2387' FNL & 421' FEL) and the Base Perf is 10,623' MD (1543' FNL & 332' FWL). The completed interval will be inside of these distances; therefore, this lateral is not NSL to the East or West section lines. See attached Diagram.

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

Sincerely,

A handwritten signature in black ink that reads "Heather Riley". The signature is written in a cursive, flowing style.

Heather Riley  
Regulatory Manager

Enc.: As Drilled C-102  
Completed Interval Diagram  
Notice letter to JM]

District IV  
1220 S. St. Francis Drive, Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

Certificate Number 15269





Scientific Drilling

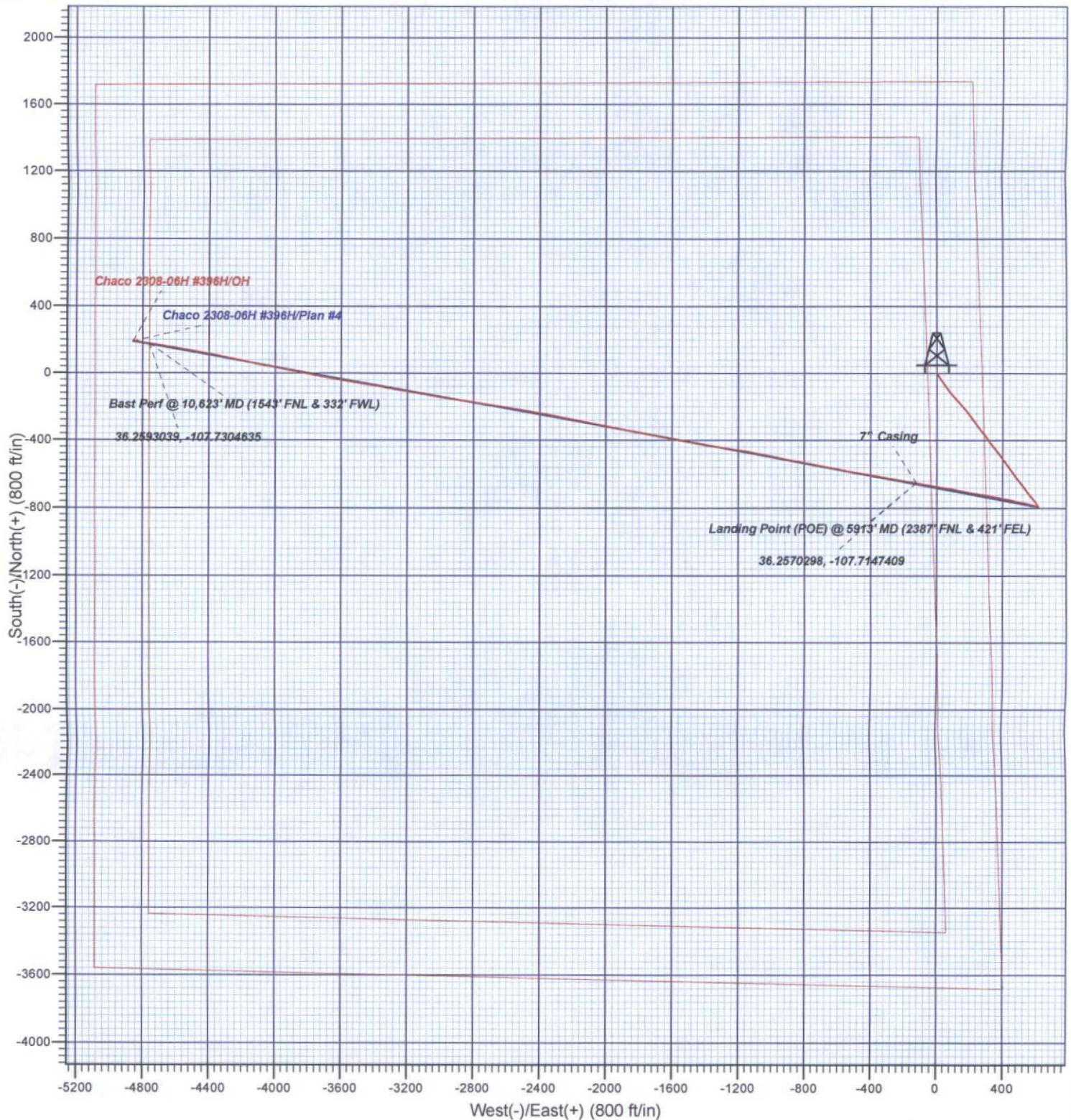
Company: WPX Energy Rocky Mountain, LLC  
Project: San Juan County, NM NAD27  
Site: Chaco 2308-06H



Well Details: Chaco 2308-06H #396H

TVD Reference: GL 6927' & RKB 13' @ 6940.00ft (Aztec 222)

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	1913473.34	535088.40	36.2588180	-107.7143190	



Plan: OH

13:33, October 15 2014  
Created By: Janie Collins



*Sent via E-mail and Certified Letter*

October 29, 2014

JMJ Land and Minerals Co.  
2204 N. Santiago Ave.  
Farmington, NM 87401

Re: NOTICE TO INTERESTED PARTY AND INTEREST OWNERS  
*Request for Administrative Approval for non-standard Nageezi Gallup Lateral  
Chaco 2308-06H #396H, API: 30-045-35554*

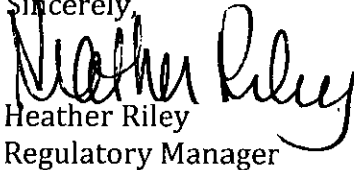
Dear Interested Party or Interest Owner:

You have been identified as an Interested Party or Interest Owner having a right to notification of an application for Administrative Approval for non-standard Nageezi Gallup Lateral. Please find enclosed a complete copy of the application that was submitted to the New Mexico Oil Conservation Division on October 29, 2014. Please be advised that you have twenty (20) days from the date that the NMOCD receives the application in their Santa Fe office to submit any objections. The objections must be submitted in writing to:

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

It would be greatly appreciated, if you do not have any objections, if you would sign the waiver below and return to our office in the enclosed envelope or via email at the address listed below. Please feel free to contact me should you have any questions or concerns.

Sincerely,

  
Heather Riley  
Regulatory Manager

I DO NOT HAVE ANY OBJECTIONS AND HEREBY WAIVE THE 20 DAY PERIOD.

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DATED



7013 1090 0001 7317 2675  
7013 1090 0001 7317 2675

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To Jim Land & Minerals  
Street, Apt. No.,  
or PO Box No.  
City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Jim Land & Minerals Co.  
2204 N. Santiago Ave.  
Farmington NM 87401

2. Article Number  
(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
**X** ☐ Agent  
☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



**WPXENERGY**

*Sent via E-mail and Certified Letter*

October 29, 2014

JMJ Land and Minerals Co.  
2204 N. Santiago Ave.  
Farmington, NM 87401

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Sincerely,

Heather Riley  
Regulatory Manager

I DO NOT HAVE ANY OBJECTIONS AND HEREBY WAIVE THE 20 DAY PERIOD.

  
10-31-14  
DATED



November 3, 2014



*Via Email*

Engineering and Geological Services Bureau, Oil Conservation Division  
ATTN: Michael A. McMillan  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RE: T23N-R8W – Section 5, San Juan County, New Mexico  
CHACO 2308-06H #395H  
CHACO 2308-06H #396H

Mr. McMillan:

WPX owns 100% interest in the W/2 of T23N-R8W-Section 5, San Juan County, New Mexico, therefore, WPX is the only affected party concerning the above referenced wells. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "CB", followed by a long, horizontal, slightly wavy line that extends to the right.

Chuck Bassett  
Staff Landman