

11/17/2014 DATE IN	SUSPENSE	MAM ENGINEER	11/19/2014 LOGGED IN	NSL TYPE	PMAM1432357234 APP NO.
-----------------------	----------	-----------------	-------------------------	-------------	---------------------------

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 _____

- NSL 7203
 - WPX Energy Productions LLC
 120782
 Well
 - Chaco 2308 11A #408H
 30-045-35563
 Pool
 - Basin Manager
 97232

[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

2014 NOV 17 P 1:56
 RECEIVED OOD

[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

11/17/2014
 Date

Heather.riley@wpenergy.com
 e-mail Address

Chaco 2308-11A #408H; API 30-045-35563



Sent via Overnight Delivery

November 17, 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 Basin Mancos Lateral
Chaco 2308-11A #408H, API: 30-045-35563*

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 Basin Mancos (97232) formation in the Chaco 2308-11A #408H. This is a horizontal well with a surface location of 386' FNL and 1062' FEL, Section 11, T23N R8W and an end of lateral location of 2465' FNL & 230' FEL, Section 12, T23N R8W. See attached plat.

The N/2 of Section 12 is located in the Basin Mancos Gas Pool (97232) and subject to the Special Rules and Regulations created under Order R-12984. These special Rules require 320-acre spacing units and 660 foot setbacks from the outer boundary of the spacing unit. The completed interval is closer than 660 feet from the West, South, East and Southeast lines of the proposed non-standard spacing unit. Accordingly, the proposed wellbore is non-standard under the Basin Mancos Special pool Rules and approval from the NMOCD is required.

As support for this application, the following exhibits are included:

EXHIBIT A is the Well Location and Acreage Dedication Plat (Form C-102), which shows the non-standard project area for the subject well.

EXHIBIT B is a land plat depicting the proposed subject well in relation to adjoining units and further identifies the owners in the affected leases.

EXHIBIT C is a list of the affected parties for the request for approval of a non-standard spacing unit in the Basin Mancos Gas Pool. A copy of the application with all attachments has been sent to the affected parties advising them that if they have an

Jami Bailey
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
November 17, 2014
Page 2

objection they must file it in writing with the Division within 20 days from the date the Division receives this application.

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 fluid and cursive, with the first name "Heather" and last name "Riley" clearly distinguishable.

Heather Riley
Regulatory Manager

Enc.: As Stated

District II
B11 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

OIL CONSERVATION DIVISION

1220 South St. Francis Drive
Santa Fe, NM 87505

Submit one copy to
Appropriate District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-35563		*Pool Code 97232	*Pool Name BASIN MANCOS
*Property Code 313863	*Property Name CHACO 2308-11A		*Well Number 408H
*OGRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 7011'

¹⁰ Surface Location

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	11	23N	8W		386	NORTH	1062	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	12	23N	8W	.	2465	NORTH	230	EAST	SAN JUAN

¹² Dedicated Acres 320 ac	N/2 - Section 12	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

SURFACE LOCATION
386' FML 1062' FEL
SECTION 11, T23N, R8W
LAT: 36.247807°N
LONG: 107.645140°W
DATUM: NAD1927

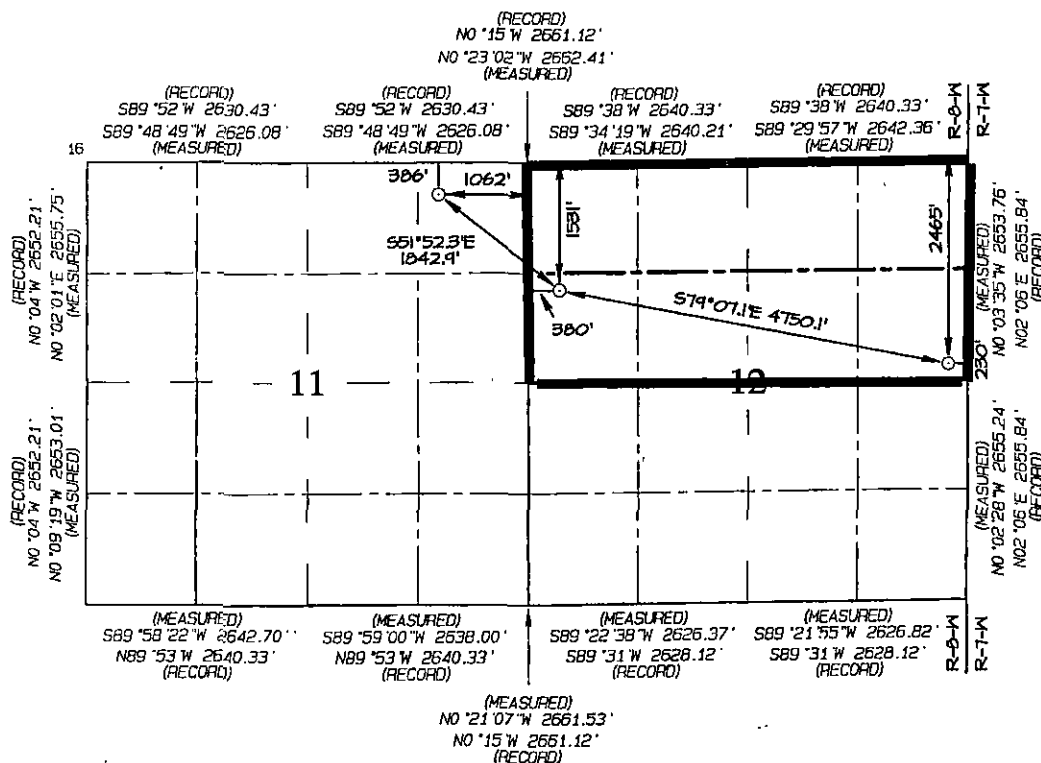
POINT-OF-ENTRY
1531' FNL 380' FWL
SECTION 12, T23N, R8W
LAT: 36.244573°N
LONG: 107.640231°W
DATUM: NAD1927

END-OF-LATERAL
2465' FNL 230' FEL
SECTION 12, T23N, R8W
LAT: 36.242184°N
LONG: 107.624419°W
DATUM: NAD1927

LAT: 36.247820°N
LONG: 107.645750°W
DATUM: NAD1983

LAT: 36.244686°N
LONG: 107.640841°W
DATUM: NAD1983

LAT: 35.242197°N
LONG: 107.625028°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 a lease, pooling agreement or compulsory pooling order heretofore entered by the division.

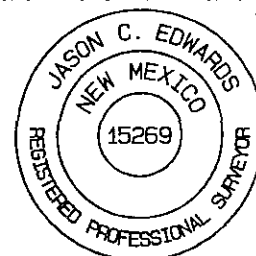
Signature Heather Riley Date 11/11/14
Printed name Heather Riley
E-mail Address heather.riley@wpenergy.com

1B 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: SEPTEMBER 8, 2014
Survey Date: SEPTEMBER 4, 2014

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

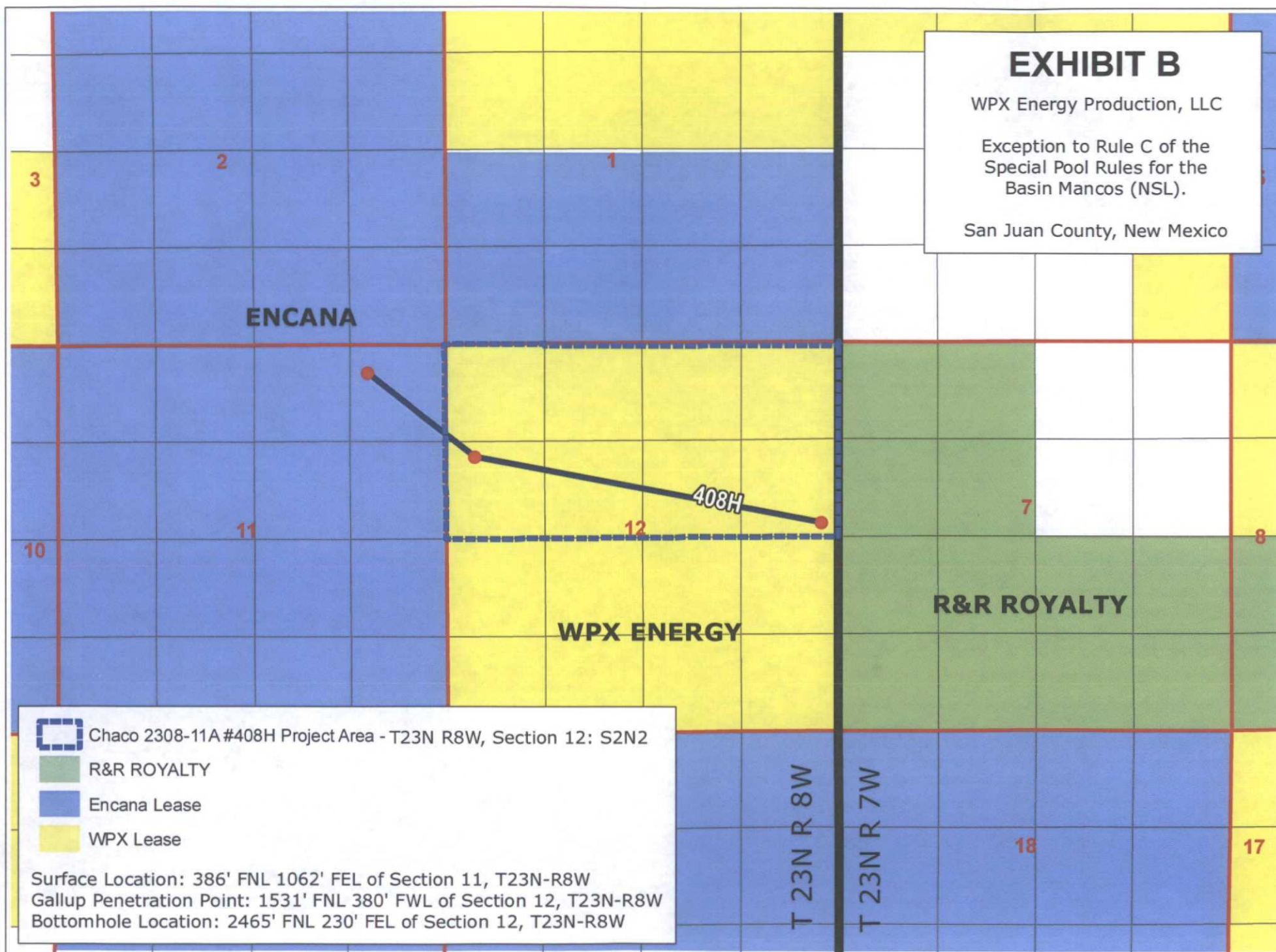
Exhibit "A"

EXHIBIT B

WPX Energy Production, LLC

Exception to Rule C of the
Special Pool Rules for the
Basin Mancos (NSL).

San Juan County, New Mexico



Chaco 2308-11A #408H Project Area - T23N R8W, Section 12: S2N2



R&R ROYALTY



Encana Lease



WPX Lease

Surface Location: 386' FNL 1062' FEL of Section 11, T23N-R8W

Gallup Penetration Point: 1531' FNL 380' FWL of Section 12, T23N-R8W

Bottomhole Location: 2465' FNL 230' FEL of Section 12, T23N-R8W

EXHIBIT C

R & R Royalty, Ltd.
ATTN: Rajan Ahuja
500 N. Shoreline Blvd Suite 322
Corpus, Christi, Texas 78401

Mona Binion
Encana Oil & Gas (USA) Inc.
370 17th St., Suite 1700
Denver, CO 80202



November 17, 2014

Mona Binion
Encana Oil & Gas (USA) Inc.
370 17th St., Suite 1700
Denver, CO 80202

Re: NOTICE TO INTERESTED PARTY AND INTEREST OWNERS
Application for Non-Standard Basin Mancos Gas Pool Location
Section 12 T23N, R8W
San Juan County, New Mexico

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 a Non-Standard Location. Please find enclosed a complete copy of the application that was submitted to the New Mexico Oil Conservation Division November 17, 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 send to my email 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.

DATED

WPXENERGY

November 17, 2014

R & R Royalty, Ltd.
ATTN: Rajan Ahuja
500 N. Shoreline Blvd Suite 322
Corpus, Christi, Texas 78401

Re: NOTICE TO INTERESTED PARTY AND INTEREST OWNERS
Application for Non-Standard Basin Mancos Gas Pool Location
Section 12 T23N, R8W
San Juan County, New Mexico

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 a Non-Standard Location. Please find enclosed a complete copy of the application that was submitted to the New Mexico Oil Conservation Division November 17, 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 send to my email 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.

DATED

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> ■ 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. 		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
		B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: Mona Binion Encore 370 17th St, Ste 1700 Denver, CO 80202		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label) 7013 1090 0001 7321 1121		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

7013 1090 0001 7321 1121
PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL™

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

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

Postmark Here

Sent To
Mona Binion, Encore
Street, Apt. No.,
or PO Box No. **370 17th St, Ste 1700**
City, State, ZIP+4 **Denver, CO 80202**

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:

R&R Royalty, Ltd
Attn: Rajan Ahuja
500 N. Shoreline Blvd, Ste 322
Corpus Christi, TX 78401

2. Article Number

(Transfer from service label)

7013 1090 0001 7321 1138

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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

7013 1090 0001 7321 1138

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL™

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

Postmark
Here

Sent To

Rajan Ahuja, R&R Royalty, Ltd

Street, Apt. No.,

or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

McMillan, Michael, EMNRD

From: Riley, Heather <Heather.Riley@wpenergy.com>
Sent: Thursday, November 20, 2014 10:35 AM
To: McMillan, Michael, EMNRD
Cc: Granillo, Lacey
Subject: RE: Chaco 2308-11A 407H and Chaco 2308-11A 408H final perforations
Attachments: 407H_408H_COMPLETED_INTERVAL_PLAT.PDF

The reason we need a non-standard location is to efficiently develop the acreage and prevent waste under the circumstances.

Please see attaché drawing of the completed intervals.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Wednesday, November 19, 2014 4:04 PM
To: Riley, Heather
Subject: RE: Chaco 2308-11A 407H and Chaco 2308-11A 408H final perforations

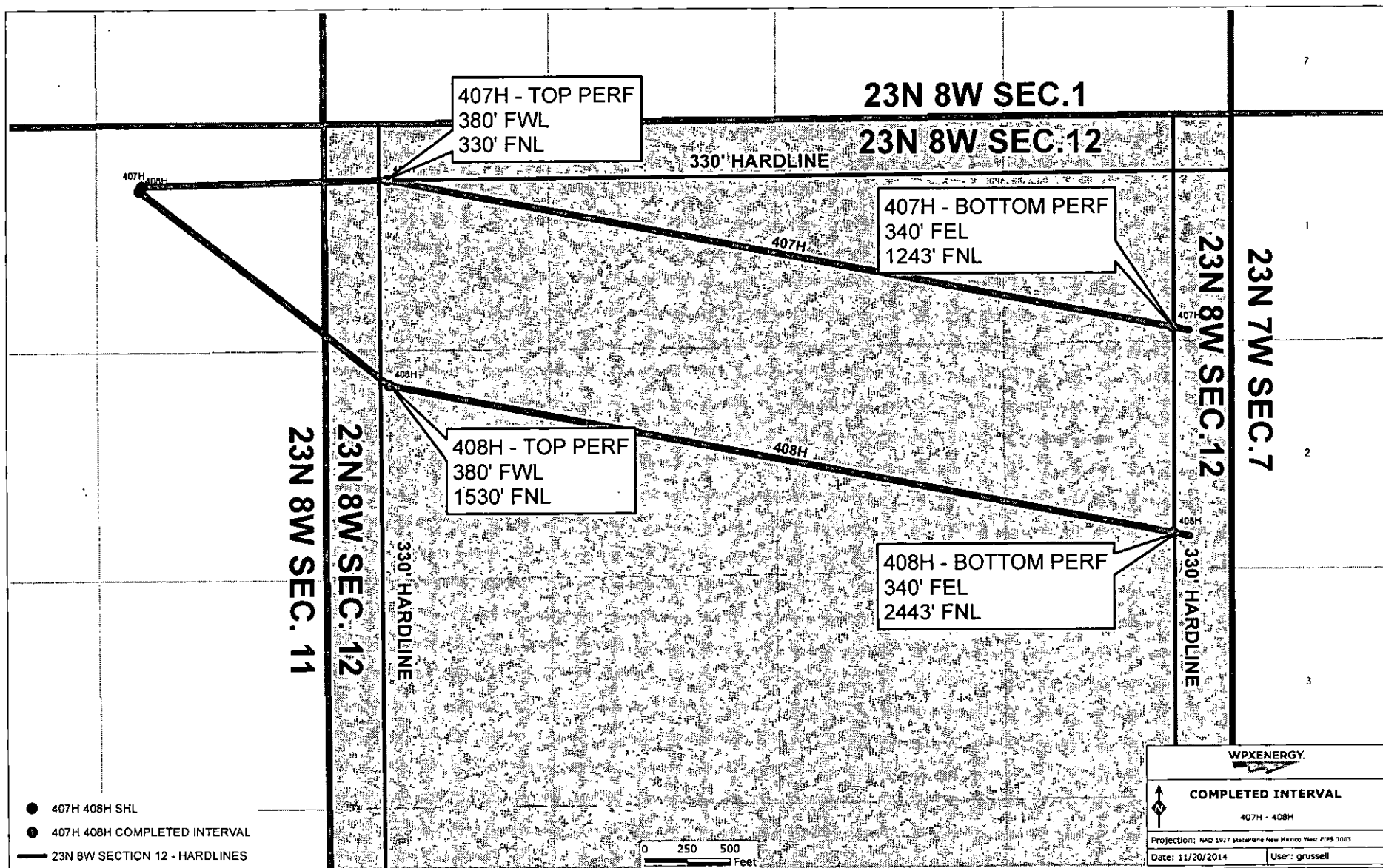
Ms. riley
Can you also provide a reason for the NSL application?
Michael McMillan

From: McMillan, Michael, EMNRD
Sent: Wednesday, November 19, 2014 3:46 PM
To: 'Riley, Heather'
Subject: Chaco 2308-11A 407H and Chaco 2308-11A 408H final perforations

Ms. Riley:
I received your NSL applications Monday November 17.
I want to clarify the BHL for the Chaco 2308-11A 407H and Chaco 2308-11A 408H will be the final perforations?
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: West, Brennan <Brennan.West@wpxenergy.com>
Sent: Friday, November 21, 2014 12:47 PM
To: Riley, Heather; Bassett, Chuck; McMillan, Michael, EMNRD
Cc: Granillo, Lacey
Subject: RE: Chaco 2308-11A 407H and Chaco 2308-11A 408H final perforations

Hi Michael,

The N2 and the S2 of Section 12, T23N-R8W have identical working interest ownership. Let me know if you need anything further.

Thanks,

Brennan West
Landman
O: 539-573-2878
C: 918-691-3111

From: Riley, Heather
Sent: Thursday, November 20, 2014 12:19 PM
To: West, Brennan; Bassett, Chuck
Cc: Granillo, Lacey
Subject: Fwd: Chaco 2308-11A 407H and Chaco 2308-11A 408H final perforations

Chuck and Brennan. Can one of you reply to this request please?

Sent from my iPhone

Heather Riley
WPX Energy

Begin forwarded message:

From: "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>
Date: November 20, 2014 at 10:51:06 AM MST
To: "Riley, Heather" <Heather.Riley@wpxenergy.com>
Subject: RE: Chaco 2308-11A 407H and Chaco 2308-11A 408H final perforations

Ms. Riley

Can you get a landman to state that the S/2 Section 12 is leased by WPX? Use the same format as in the past.

Thank You
Michael McMillan

From: McMillan, Michael, EMNRD
Sent: Thursday, November 20, 2014 10:36 AM
To: 'Riley, Heather'
Subject: RE: Chaco 2308-11A 407H and Chaco 2308-11A 408H final perforations

WPXENERGY.

November 17, 2014

Mona Binion
Encana Oil & Gas (USA) Inc.
370 17th St., Suite 1700
Denver, CO 80202

Re: NOTICE TO INTERESTED PARTY AND INTEREST OWNERS
Application for Non-Standard Basin Mancos Gas Pool Location
Section 12 T23N, R8W
San Juan County, New Mexico

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 a Non-Standard Location. Please find enclosed a complete copy of the application that was submitted to the New Mexico Oil Conservation Division November 17, 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 send to my email 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.

 Skylar Fast Landman

11/26/2014

DATED

McMillan, Michael, EMNRD

From: Riley, Heather <Heather.Riley@wpxenergy.com>
Sent: Friday, December 05, 2014 8:28 AM
To: McMillan, Michael, EMNRD
Cc: Granillo, Lacey; West, Brennan; Riley, Heather
Subject: RE: Chaco 2308-11A #407H and #408H NSL Applications

The reason we need a non-standard location is to efficiently develop the acreage and prevent waste under the circumstances.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, December 05, 2014 8:21 AM
To: Riley, Heather
Cc: Granillo, Lacey; West, Brennan
Subject: RE: Chaco 2308-11A #407H and #408H NSL Applications

Ms. Riley:

Can you state a reason for the NSL application?

I am working on the application today, and will submit to the Deputy Director on Monday.

Michael McMillan

From: Riley, Heather [<mailto:Heather.Riley@wpxenergy.com>]
Sent: Wednesday, November 26, 2014 11:41 AM
To: McMillan, Michael, EMNRD
Cc: Granillo, Lacey; West, Brennan
Subject: Chaco 2308-11A #407H and #408H NSL Applications

Mr. McMillan,

Attached are signed waivers from Encana for the NSL application that we have pending with your office for the above referenced wells. We are still awaiting waivers from R&R.

Thank you,

Heather Riley
Regulatory Manager, San Juan Asset Team
WPX Energy
P. O. Box 640
Aztec, NM 87410
(970) 749-8747 (cell)
(505) 333-1822 (office)
heather.riley@wpxenergy.com