

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 15, 2015

WPX Energy Production, LLC
Attn: Mr. Michael Feldewert

ADMINISTRATIVE NON-STANDARD PRORATION UNIT

Administrative Order NSP-2030
Administrative Application Reference No. pMAM1511859047

WPX Energy Production, LLC
OGRID 120782

Schalk 32 Well No. 4H
API No. 30-039-31107

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	664` FSL & 1989` FWL	N	32	31N	4W	Rio Arriba
Penetration Point	665` FSL & 2626` FWL	N	32	31N	4W	Rio Arriba
Terminus	700` FSL & 700` FWL	M	33	31N	4W	Rio Arriba

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 of Section 33, and	160	Basin Fruitland Coal (Gas)	71629
S/2 of Section 32	320		

Reference is made to your application received on April 28, 2015.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed, by the Special Rules for the Basin Fruitland Coal (Gas), which provides for 320-acre units, comprised of a governmental half-section. Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas is also applicable, making setback requirements apply to the distance from the outer boundary of the designated project area.

Units Comprising this Project Area

Unit	Acres	Pool	Code
SW/4 of Section 33, and	160	Basin Fruitland Coal (Gas)	71629
S/2 of Section 32	320	Basin Fruitland Coal (Gas)	71629

Your application has been duly filed under the provisions of Rule 6 of the Special Pool Rules for the Basin Fruitland Coal (Gas).

You have requested an exception pursuant to Rule 4 Special Pool Rules for the Basin Fruitland Coal (Gas), to approve a non-standard gas spacing and proration unit comprising 480-acres, consisting of the entire area described above as the Subject Unit or Project Area.

It is our understanding that you are seeking this location to efficiently develop this acreage from an existing surface location.

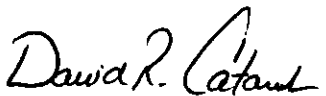
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 6 of the Special Pool Rules for the Basin Fruitland Coal (Gas), including ConocoPhillips Company, as interest owner the SE/4 of Section 33. As per your application, it is our understanding that ConocoPhillips Company has signed a waiver of objection for this application.

Pursuant to the authority conferred by Rule 6 of the Special Pool Rules for the Basin Fruitland Coal (Gas), the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on May 15, 2015



DAVID R. CATANACH
Director

DC/mam

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