

DATE IN 1/29/2016	SUSPENSE	ENGINEER LCI	LOGGED IN 1/29/2016	TYPE NSC	APP NO. PMAm 160295454
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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.

Jordan L. Kessler  
 Print or Type Name

Signature

Attorney  
 Title

Date

jlkessler@hollandhart.com  
 e-mail Address

NSC-7405  
 - WFX EOR and production  
 LLC  
 120782  
 LCI  
 - Lybbook  
 2309-243 #765  
 30-045-Ready  
 2016 JAN 29 P. 1:30  
 RECEIVED OGD  
 P. 1  
 - B. SIN  
 MANCO  
 97232

January 29, 2016

**VIA HAND DELIVERY**

David Catanach  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED OCD  
2016 JAN 29 PM 1:30

**Re: Application of WPX Energy Production, LLC for administrative approval of an unorthodox well location for its Lybrook 2309-34B No. 765 Well, San Juan County, New Mexico.**

Dear Mr. Catanach:

WPX Energy Production, LLC (OGRID 120782) owns a leasehold interest covering the N/2 of Section 34, Township 23 North, Range 9 West, N.M.P.M., San Juan County, New Mexico. WPX plans to drill the **Lybrook 2309-34B No. 765 Well** as a vertical pilot hole to test the Basin Mancos Gas Pool (97232) in the N/2 of Section 34. The **Lybrook 2309-34B No. 765 Well** will be drilled from a non-standard surface location at 550 feet from the North line, 1,508 feet from the East line (Unit B) of Section 34. The pilot hole will be drilled vertically to a bottom hole location at 399 feet from the North line, 1,516 feet from the East line.

The special rules for the Basin Mancos Pool require that wells drilled within the area encompassed by these rules that is near an oil pool not listed in paragraphs (3) and (4) of Order R-12984 must conform to the special rules for the Basin-Mancos Gas Pool. See Appendix A to Order R-12984 (special rules) at Rule 1. These special rules require 320-acre spacing and that the well remains 660 feet from the outer boundary of the spacing unit. *Id.* at Rule 2. The surface and bottom hole locations for **Lybrook 2309-34B No. 765 Well** will be at a non-standard location because they are closer than 660 feet to the northern boundary of the spacing unit. Accordingly, the proposed pilot hole will encroach on the 320-acre spacing unit to the North. Approval of the unorthodox location for the vertical pilot hole will allow for efficient well spacing and testing of the Basin Mancos formation in the area.



**Exhibit A** is a land plat of Section 34 and the surrounding sections showing the location of the **Lybrook 2309-34B No. 765 Well** and the adjoining spacing units and wells.

**Exhibit B** is a Well Location and Acreage Dedication Plat (Form C-102) showing that as a result of the 660 foot setbacks required by the special rules for the Basin Mancos Gas Pool, the proposed **Lybrook 2309-34B No. 765 Well** encroaches on the spacing and proration unit to the North.

**Exhibit C** is a list of the affected parties for the request for approval of the non-standard well location. A copy of this application with all attachments has been sent by certified mail to each of these affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives this application. Since this acreage involves federal leases, a courtesy copy of this application has been provided to the Bureau of Land Management.

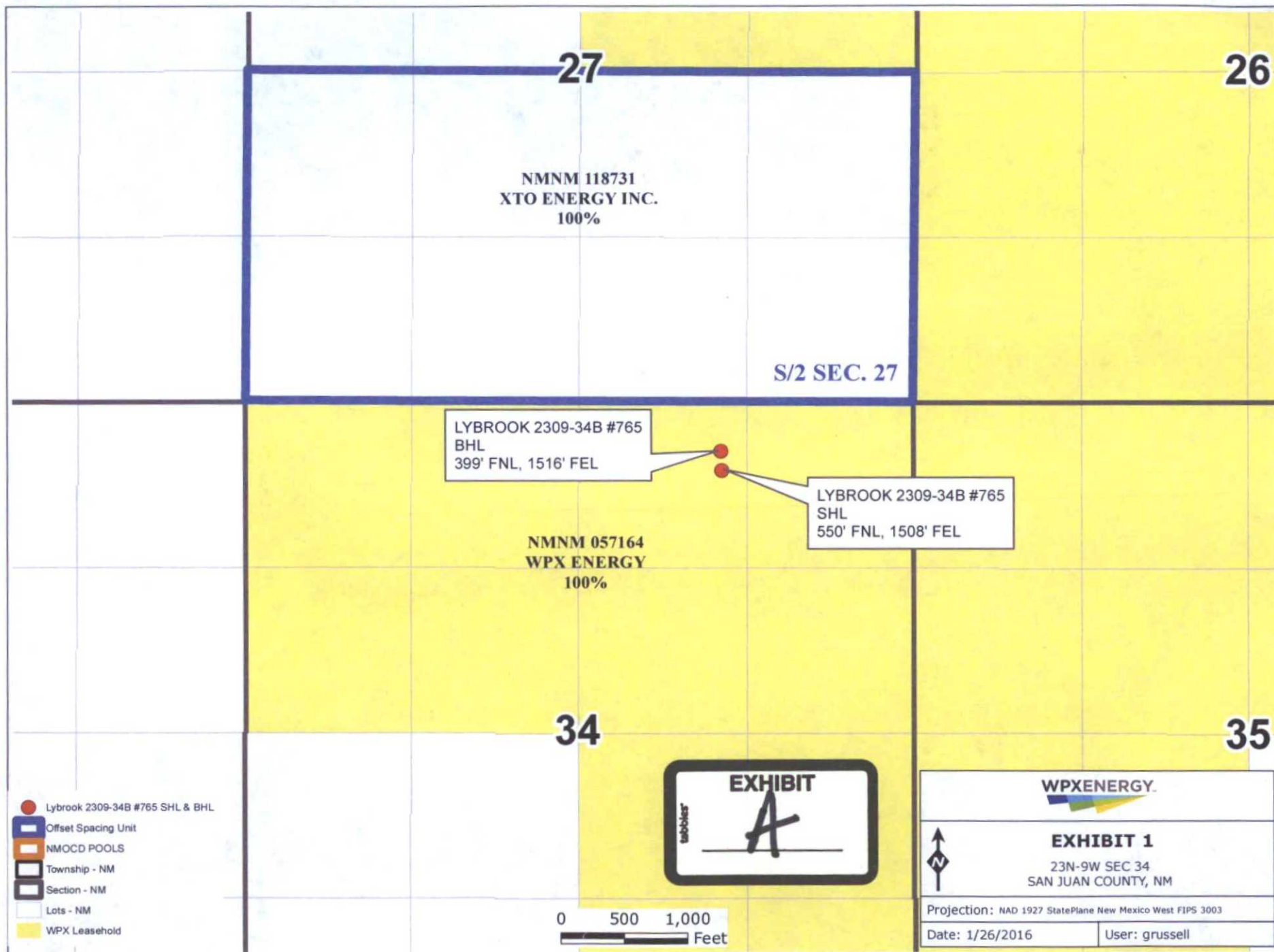
Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Jordan L. Kessler", is written over the typed name.

Jordan L. Kessler  
**ATTORNEY FOR**  
**WPX ENERGY PRODUCTION, LLC**

cc: Bureau of Land Management  
Farmington Field Office  
6251 College Blvd. Suite A  
Farmington, NM 87402



District II  
811 S. First Street, Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

Submit one copy to  
Appropriate District Office

District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

## OIL CONSERVATION DIVISION

1220 South St. Francis Drive  
Santa Fe, NM 87505

☐ AMENDED REPORT

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045-PENDING</b>	*Pool Code <b>97232</b>	*Pool Name <b>BASIN MANCOS</b>
*Property Code	*Property Name <b>LYBROOK 2309-34B</b>	*Well Number <b>765</b>
*OGRIID No. <b>120782</b>	*Operator Name <b>WPX ENERGY PRODUCTION, LLC</b>	*Elevation <b>6696'</b>

### 10 Surface Location

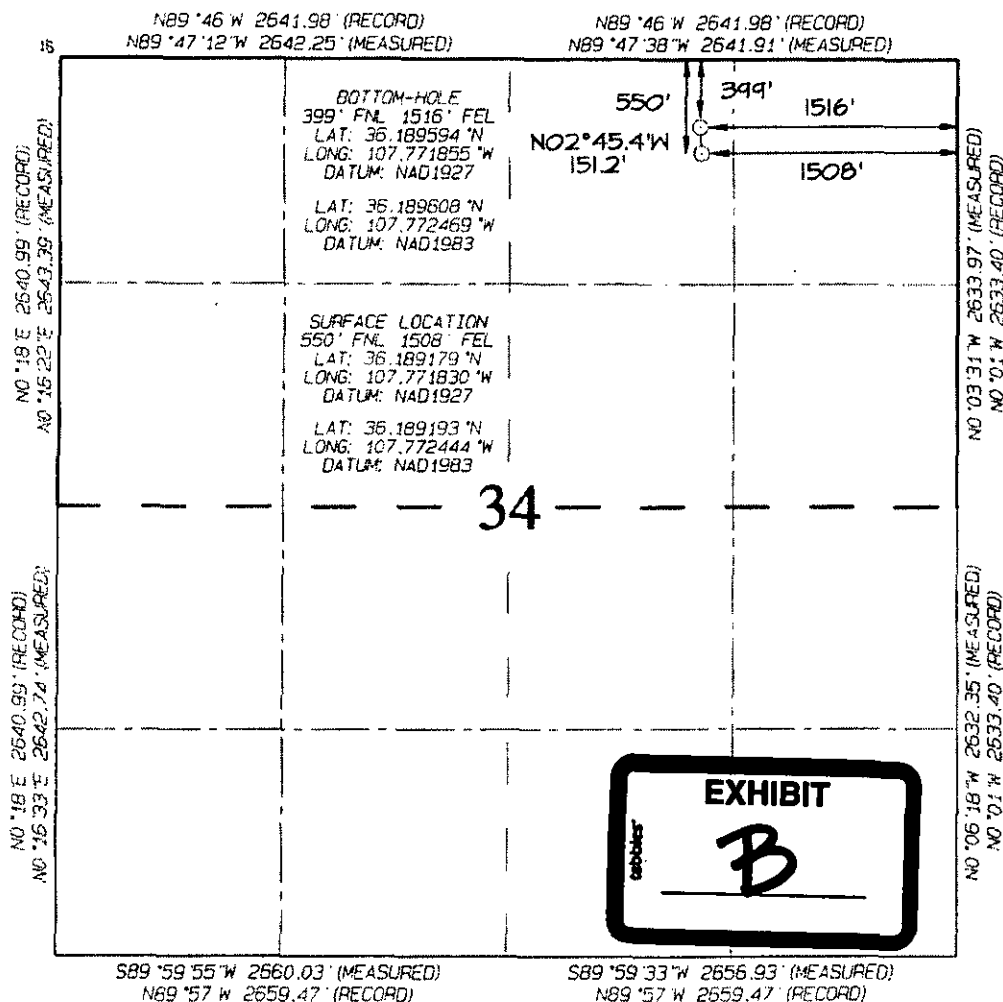
U. or lot no.	Section	Township	Range	Lot or	Feet from the	North/South line	Feet from the	East/West line	County
B	34	23N	9W		550	NORTH	1508	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/west line	County
B	34	23N	9W		399	NORTH	1516	EAST	SAN JUAN

12 Dedicated Acres 320.00	N/2 - Section 34	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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



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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_


E-mail Address \_\_\_\_\_

18 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: JANUARY 20, 2016  
Date of Survey: JUNE 5, 2015

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269

## **EXHIBIT C**

XTO Energy Inc.  
Attn: Jackson Dean  
810 Houston Street  
Fort Worth, Texas 76102

HOLLAND & HART<sup>LLP</sup>



**Jordan L. Kessler**

**Associate**

**Phone** (505) 988-4421

**Fax** (505) 983-6043

[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

January 29, 2016

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO:** XTO Energy Inc.  
Attn: Jackson Dean  
810 Houston Street  
Fort Worth, Texas 76102

**Re:** Application of WPX Energy Production, LLC for administrative approval of an unorthodox well location for its Lybrook 2309-34B No. 765 Well, San Juan County, New Mexico.

Dear Mr. Dean,

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Brennan West  
Landman  
WPX Energy, Inc.  
P.O. Box 3102 MD: 44  
Tulsa, OK 74101-3102  
(539)-573-2878 (Office)  
[Brennan.West@wpxenergy.com](mailto:Brennan.West@wpxenergy.com)

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR**

**WPX ENERGY PRODUCTION, LLC**

## **Lowe, Leonard, EMNRD**

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**From:** Jordan L. Kessler <JLKessler@hollandhart.com>  
**Sent:** Monday, May 02, 2016 3:23 PM  
**To:** Lowe, Leonard, EMNRD  
**Subject:** RE: WPX Lybrook NSL

Sorry for the confusion. WPX owns 100% of the interest in the NE/4 of Section 27, and XTO owns 100% of the SE/4 of 27. All parties in the E/2 of 27 therefore received notice.

Jordan

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**From:** Lowe, Leonard, EMNRD [<mailto:Leonard.Lowe@state.nm.us>]  
**Sent:** Monday, May 02, 2016 1:37 PM  
**To:** Jordan L. Kessler  
**Subject:** FW: WPX Lybrook NSL

**From:** Lowe, Leonard, EMNRD  
**Sent:** Monday, May 02, 2016 11:46 AM  
**To:** 'jkessler@hollandhart.com' <[jkessler@hollandhart.com](mailto:jkessler@hollandhart.com)>  
**Cc:** Jones, William V, EMNRD <[WilliamV.Jones@state.nm.us](mailto:WilliamV.Jones@state.nm.us)>  
**Subject:** WPX Lybrook NSL

Jordan Kessler,

In review of your NSL application for WPX NSL application for Lybrook 2309-34 B, No. 765.

Did you verify notification of all affected parties in 320 of Section 27-23N-9W, E/2?

Please update.

### **Leonard Lowe**

Engineering Bureau  
Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St. Frances  
Santa Fe, New Mexico 87004  
Office: 505-476-3492  
Fax: 505-476-3462  
E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/>



**Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Wednesday, May 04, 2016 5:30 PM  
**To:** 'Jordan L. Kessler'  
**Cc:** Perrin, Charlie, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; lisa@rwbyram.com  
**Subject:** NSL-7405, Lybrook 2309 34B Well No. 765 (Unit B Sec. 34 23N 9W) San Juan County  
**Importance:** High

Jordan L. Kessler,

The following permit has been issued and will soon be available on the Division's web site:  
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

**NSL-7405**

WPX Energy Production, LLC

WELL: Lybrook 2309 34B Well No. 765 (Unit B Sec. 34 23N 9W) San Juan County

**Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>