

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 8, 2017

Randy VanDenBerg
District Superintendent
WPX Energy Production, LLC
PO Box 640
Aztec, NM 87410-0640

RE: Exception to 19.15.18.15 C(12) LACT Meter Proving Frequency

Northeast Chaco Communitization Agreement Area; NMNM 132829
Various Sections, Township 23 North, Range 6 and 7 West, NMPM,
Rio Arriba and Sandoval Counties, New Mexico
R-13817 Dated May 2, 2014, Chaco Unit NE HZ (Oil) Pool (Pool code 98088) Oil
Production

South Chaco Communitization Agreement; CA 133321X
Section 1 and Section 2, Township 22 North, 7 West, NMPM
Section 35, Township 23 North, 7 West, NMPM,
Sandoval County, New Mexico
R-13883-A dated August 18, 2014, Lybrook Gallup Pool (Pool code 42289) Oil Production

Northwest Lybrook Communitization Agreement; CA NMNM 133482X
Various Sections, Township 23 North, Range 6 and 7 West, NMPM
Rio Arriba and San Juan Counties, New Mexico
R-13921 dated November 3, 2014, Lybrook Unit NW HZ (Oil) Pool (Pool code 98101)
Oil Production

West Lybrook Communitization Agreement; CA NMNM 135216X
Various Sections, Township 23 North, Range 8 and 9 West, NMPM
San Juan County, New Mexico
R-14051 dated September 8, 2015, Lybrook Mancos W Pool (Pool code 98157) Oil
Production

Federal Communitization Agreement NMNM 134944
Section 35, Township 24 North, Range 7 West, NMPM, Rio Arriba County
R-14092 dated December 8, 2015, MC 6 Com; Mancos Pool (Pool code 98181) Oil
Production

Various locations and pools noted in Attachment A

Dear Mr. VanDenBerg:

Reference is made to your request on behalf of WPX Energy Production, LLC (OGRID 120782) to change the mandated LACT meter proving frequency from the monthly requirement in the Administrative Rule 19.15.18.15. 12 NMAC to a quarterly schedule. The LACT units, which are subject to this administrative order are identified in Applicant's Attachment A, and made part of this order. Further, the LACT units that are not associated with a specific pool may serve various areas, and measure production from the oil portion of the Basin Mancos Gas Pool and different Gallup/Mancos pools.

The LACT units in this application shall measure only production for the Gallup/Mancos Oil pools; regardless of the OCD pool designation.

It is our understanding that this relaxed meter proving frequency would follow the proving schedule within the Bureau of Land Management's new proposed Onshore Order and Gas Order No. 4 Measurement of Oil.

It is the Division's understanding that the Bureau of Land Management Farmington Field Office has approved this quarterly proving frequency within the NE Chaco Communitization and Federal Communitization Agreement NMNM 134944.

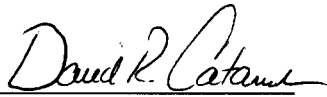
Whiptail Midstream LLC, the other interested party, the operator of the pipeline that the oil from the LACT units flows into, waived any objection to the change in metering frequency

Based on and limited to these findings, the Division hereby approves this exception to the subject rule.

Please provide a schedule of proving to the Aztec district office of the Division so personnel from that office may be given the opportunity to witness the quarterly meter tests.

This administrative order may be amended for future LACT Units if data is submitted to the Division in accordance to Division Rule 19.15.18.15 C (13).

Sincerely,



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Aztec District Office
Bureau of Land Management – Farmington Field Office
Case No. 15102
Case No. 15201
Case No. 15173
Case No. 15349
Case No. 15356

Attachment A WPX Energy LACT Measurement facilities San Juan Basin

5/4/17

LOCATION	API	TOWNSHIP	RANGE	SECTION	COUNTY	Pool
NE Chaco Com. #166H Transfer LACT	3003931202	23N	07W	15M	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #175H Transfer LACT	3003931192	23N	07W	13L	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #173H Transfer LACT	3003931207	23N	07W	13D	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #184H Transfer LACT	3003931224	23N	07W	13A	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #171H Transfer LACT	3003931217	23N	07W	12L	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #168H Transfer LACT	3003931173	23N	07W	12E	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #176H Transfer LACT	3003931251	23N	06W	06D	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #179H Transfer LACT	3003931190	23N	06W	6L	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #254H Transfer LACT	3003931289	23N	06W	05L	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #197H Transfer LACT	3003931278	23N	06W	08E	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #181H Transfer LACT	3003931250	23N	06W	07L	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #199H Transfer LACT	3003931247	23N	06W	08L	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #201H Transfer LACT	3003931256	23N	06W	17E	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #209H Transfer LACT	3003931292	23N	06W	16L	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #187H Transfer LACT	3003931208	23N	07W	13I	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #240H Transfer LACT	3003931235	23N	06W	18M	RIO ARRIBA	Chaco Unit NE HZ (OIL)
NE Chaco Com. #206H Transfer LACT	3004321190	23N	06W	20L	SANDOVAL	Chaco Unit NE HZ (OIL)
NE Chaco Com. #208H Transfer LACT	3004321170	23N	06W	20M	SANDOVAL	Chaco Unit NE HZ (OIL)
NE Chaco Com. #191H Transfer LACT	3004321139	23N	06W	19M	SANDOVAL	Chaco Unit NE HZ (OIL)
NE Chaco Com. #188H Transfer LACT	3004321136	23N	06W	19E	SANDOVAL	Chaco Unit NE HZ (OIL)
South Chaco Unit #342H Pipeline LACT	3004321243	23N	07W	2A	SANDOVAL	Lybrook Gallup
NW Lybrook Unit #133H Transfer LACT	3004535623	24N	08W	36O	SAN JUAN	Lybrook Unit NW HZ (OIL)
NW Lybrook Unit #131H Transfer LACT	3004535507	24N	08W	25M	SAN JUAN	Lybrook Unit NW HZ (OIL)
NW Lybrook Unit #143H Transfer LACT	3004535474	24N	08W	36P	SAN JUAN	Lybrook Unit NW HZ (OIL)
MC 6 Com. #160H Transfer LACT	3003931312	24N	07W	35I	RIO ARRIBA	MC 6 COM; Mancos
MC 8 Com. #409H Transfer LACT	3003931337	23N	07W	7N	RIO ARRIBA	Basin Mancos+Lybrook Gallup
Chaco 2307-17H #163H Transfer LACT	3003931226	23N	07W	17H	RIO ARRIBA	Basin Mancos
Chaco 2206-02P #228H Truck LACT	3004321147	22N	06W	02P	SANDOVAL	Lybrook Gallup
MC 5 Com. #112H Transfer LACT	3004535605	24N	08W	33D	SAN JUAN	Basin Mancos
Chaco 2308-32P #114H Transfer LACT	3004535441	24N	08W	32P	SAN JUAN	Nageezi Gallup
MC 1 Com. #282H Transfer LACT	3004535616	23N	08W	04D	SAN JUAN	Basin Mancos+Nageezi Gallup
Chaco 2308-24H #153H Transfer LACT	3004535550	23N	08W	24H	SAN JUAN	Basin Mancos
Chaco 2308-14E #151H Transfer LACT	3004535503	23N	08W	14E	SAN JUAN	Nageezi Gallup
Chaco 2308-16I #147H Transfer LACT	3004535439	23N	08W	16I	SAN JUAN	Basin Mancos+Nageezi Gallup
MC 2 Com. #283H Transfer LACT	3004535608	23N	08W	04L	SAN JUAN	Basin Mancos+Nageezi Gallup
Chaco 2308-09A #145H Transfer LACT	3004535496	23N	08W	09A	SAN JUAN	Nageezi Gallup
Chaco 2308-04P #150H Transfer LACT	3004535497	23N	08W	04P	SAN JUAN	Nageezi Gallup
Chaco 2308-03L #404H Transfer LACT	3004535539	23N	08W	3L	SAN JUAN	Basin Mancos
Chaco 2308-06H #395 Truck LACT	3004535553	23N	08W	06H	SAN JUAN	Nageezi Gallup
Chaco 2308-11A #407H Transfer LACT	3004535564	23N	08W	11A	SAN JUAN	Basin Mancos
West Lybrook Unit Remote #1 Transfer LACT	3004535725	23N	09W	19K	SAN JUAN	
West Lybrook Unit Remote #2 Transfer LACT	3004535748	23N	08W	18D	SAN JUAN	
West Lybrook Unit 7-1 CDP Truck LACT #1		23N	09W	35L	SAN JUAN	
West Lybrook Unit 7-1 CDP Pipeline LACT #1		23N	09W	35L	SAN JUAN	
West Lybrook Unit 7-1 CDP Truck LACT #2		23N	09W	35L	SAN JUAN	
West Lybrook Unit 7-1 CDP Pipeline LACT #2		23N	09W	35L	SAN JUAN	
West Lybrook Unit 7-1 CDP Pipeline LACT #3		23N	09W	35L	SAN JUAN	
4-1 CDP Truck LACT #1		23N	07W	13	RIO ARRIBA	
4-1 CDP Truck LACT #2		23N	07W	13	RIO ARRIBA	
4-1 CDP Pipeline LACT #1		23N	07W	13	RIO ARRIBA	
4-1 CDP Pipeline LACT #2		23N	07W	13	RIO ARRIBA	