

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL
CONSERVATION DIVISION**

**APPLICATION OF WPX ENERGY PERMIAN LLC
FOR THE COMPULSORY POOLING OF A HORIZONTAL
SPACING UNIT, EDDY COUNTY, NEW MEXICO**

Case No. 20991

APPLICATION

WPX Energy Permian, LLC, (“WPX”), OGRID No. 246289, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

WPX Energy Permian, LLC

ATTORNEY

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APPLICANT’S STATEMENT OF CASE

In Case No. 20991, WPX seeks an Order for order (1) establishing a 320-acre, more or less, horizontal spacing and proration unit comprised of the S/2 of Section 21, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [98220]) underlying said spacing unit.

WPX proposes to dedicate the HSU to its two Wells: a) the **Corgi 21-22-27 Fee 401H Well**, to be horizontally drilled from a surface location in SW/4SW/4 (Unit M) of Section 21, with the First Take Point (FTP) in the NW/4SW/4 (Unit L), to a bottom hole location in the NE/4SE/4 (Unit I) of Section 21, with the Last Take Point (LTP) in same Unit I; and b) the **Corgi 21-22-27 Fee 402H Well**, to be horizontally drilled from a surface location in SW/4SW/4 (Unit M) of Section 21, with the FTP in the same Unit M, to a bottom hole location in the SE/4SE/4 (Unit P) of Section 21, with the LTP in same Unit P.

The proposed wells are located in the Purple Sage; Wolfcamp (Gas) Pool, Code No. 98220, a gas field subject to Special Rules set forth in Division Order No. R-14262. The FTP of the **Corgi 21-22-27 Fee 401H Well** will be located 330 feet from the outer boundary from the spacing unit; however, its completed interval and LTP will be at a nonstandard location. Similarly, the FTP of the **Corgi 21-22-27 Fee 402H Well** will be located 330 feet from the outer boundary of said spacing unit, but its completed interval and LTP will be at a nonstandard location. WPX will apply administratively for approval of an unorthodox location for the two wells.

Also to be considered will be the costs of drilling and completing said wells; the allocation of these costs and the actual operating costs and charges for supervision; designating WPX as operator of the wells; allowing an extension of the normal period to drill and complete the initial well; and a 200% charge for risk involved in drilling the wells.

APPLICANT'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Brennan West - Landman	Approx. 15	Approx. 6
Kasmira Workman – Geologist	Approx. 15	Approx. 4

PROCEDURAL MATTERS

At this point, no party has made an entry of appearance in Case No. 20991. If no party makes an appearance, or if a party should make an appearance but does not protest or object to the pooling, then WPX plans to present the case by affidavit.

Respectfully submitted,

ABADIE & SCHILL, PC

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