

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

APPLICATION OF WPX ENERGY PRODUCTION, LLC FOR APPROVAL OF THE NORTHWEST LYBROOK UNIT; CREATION OF A NEW POOL FOR HORIZONTAL DEVELOPMENT WITHIN THE UNIT AREA, AND FOR ALLOWANCE OF 330 FOOT SETBACKS FROM THE EXTERIOR OF THE PROPOSED UNIT, RIO ARRIBA AND SAN JUAN COUNTIES, NEW MEXICO.

CASE NO. 15201

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by WPX Energy Production, LLC (“WPX”) as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

WPX Energy Production, LLC
One Williams Center
Tulsa, OK 74172

ATTORNEY

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STATEMENT OF THE CASE

WPX seeks an order (1) approving it’s Northwest Lybrook Unit pursuant to 19.15.20.14 NMAC and (2) creating a new pool within the unitized area for horizontal development that will allow wells to be located anywhere within the proposed Unit so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The proposed unit area is comprised of approximately 2,002 acres of Federal, State and Allotted Indian lands situated in all or parts of the S/2 of Section 25, Sections 35 and 36 of Township 24 North, Range 8 West and

the E/2SW/4 of Section 30 and the N/2 of Section 31 of Township 24 North, Range 7 West, N.M.P.M., Rio Arriba and San Juan Counties, New Mexico. The unitized interval is from the top of the Mancos formation at a measured depth of 4,349 feet down to the stratigraphic equivalent of the top of the Greenhorn Limestone formation at a measured depth of 6,098 feet as encountered in the Federal 34-43 well in Section 34, Township 24 North, Range 8 West, N.M.P.M. (API No. 30-045-24521).

APPLICANT'S PROPOSED EVIDENCE

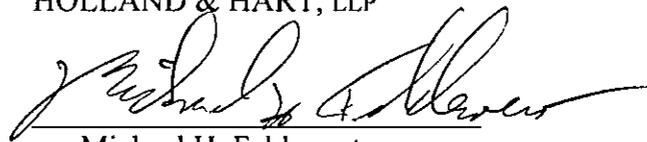
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chuck Bassett, Landman	Approx. 15 minutes	Approx. 7
Amy Richardson, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

WPX had applied for approval of a proposed Unit Area consisting of approximately 2,322 acres, including the S/2 of Section 26, Township 24 North, Range 8 West, N.M.P.M.. Upon further analysis, WPX has chosen to reduce the size of the unit by excluding the S/2 of Section 26, Township 24 North, Range 8 West.

Respectfully submitted,

HOLLAND & HART, LLP



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