

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 11/20/13

Well information;

Operator WPX, Well Name and Number Chaco 2408-25M 237H

API# 30-045-35499, Section 25, Township 24 NS, Range 8 EW

Conditions of Approval:

(See the below checked and handwritten conditions)

- ☒ Notify Aztec OCD 24hrs prior to casing & cement.
- ☒ Hold C-104 for directional survey & "As Drilled" Plat
- ☐ Hold C-104 for NSL, NSP, DHC
- ☐ Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- ☐ Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- ☐ Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ☐ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils

Cham Herreria
NMOCD Approved by Signature

3-11-2014
Date CA

RECEIVED

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV 21 2013

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. BIANOG 01101554/BIANOG 40084774
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator WPX Energy Production, LLC		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 640 Aztec, NM 87410		8. Lease Name and Well No. Chaco 2408-25M #237H
3b. Phone No. (include area code) (505) 333-1808		9. API Well No. 30-045-35499
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 261' FSL & 330' FWL, sec 25, T24N, R8W At proposed prod. zone 380' FSL & 230' FWL, sec 26, T24N, R8W		10. Field and Pool, or Exploratory Lybrook Gallup
14. Distance in miles and direction from nearest town or post office* approximately 6 miles northwest of Lybrook, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area Sec 26, T24N R8W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 261'		12. County or Parish San Juan County
16. No. of Acres in lease 160 each lease		13. State NM
17. Spacing Unit dedicated to this well 160 acres 5252		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1390		20. BLM/BIA Bond No. on file NW8-12-11 UTB000478 B001576
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6846' GR		22. Approximate date work will start* January 1, 2014
		23. Estimated duration 1 month RCVD FEB 28 '14

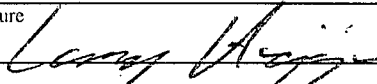
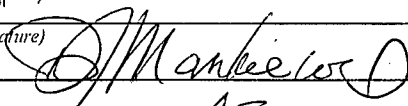
24. Attachments

OIL CONS. DIV.

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

DIST. 3

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Larry Higgins	Date 11/20/13
Title Permit Supervisor		
Approved by (Signature) 	Name (Printed/Typed) D. Manley	Date 1/24/14
Title APM	Office FLO	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

WPX Energy Production, LLC, proposes to develop the Lybrook Gallup formation at the above described location in accordance with the attached drilling and surface use plans.

The well pad surface is under jurisdiction of the BLM. The road and location are off lease.

This location has been archaeologically surveyed by La Plata Archaeological Consultants. Copies of their report have been submitted directly to the BLM.

1822 ft of new access road is needed.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

APD Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 20th day of November, 2013.

Name Larry Higgins

Position Title Permit Supervisor

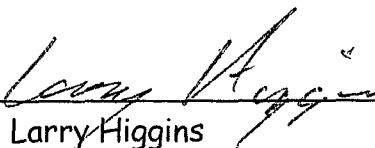
Address P.O. Box 640, Aztec, NM 87410

Telephone (505) 333-1808

Field representative (if not above signatory) _____

E-mail larry.higgins@wpxenergy.com

Date: 11/20/2013



Larry Higgins

Permit Suprv.

WPX Energy Production, LLC

District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Drive
Santa Fe, NM 87505

☐ AMENDED REPORT

RECEIVED

NOV 21 2013

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-35499		Pool Code 42289	Pool Name LYBROOK, GALLUP
Property Code 40446	Property Name CHACO 2408-25M		Well Number 237H
GRID No. 120782	Operator Name WPX ENERGY PRODUCTION, LLC		Elevation 6846'

10 Surface Location

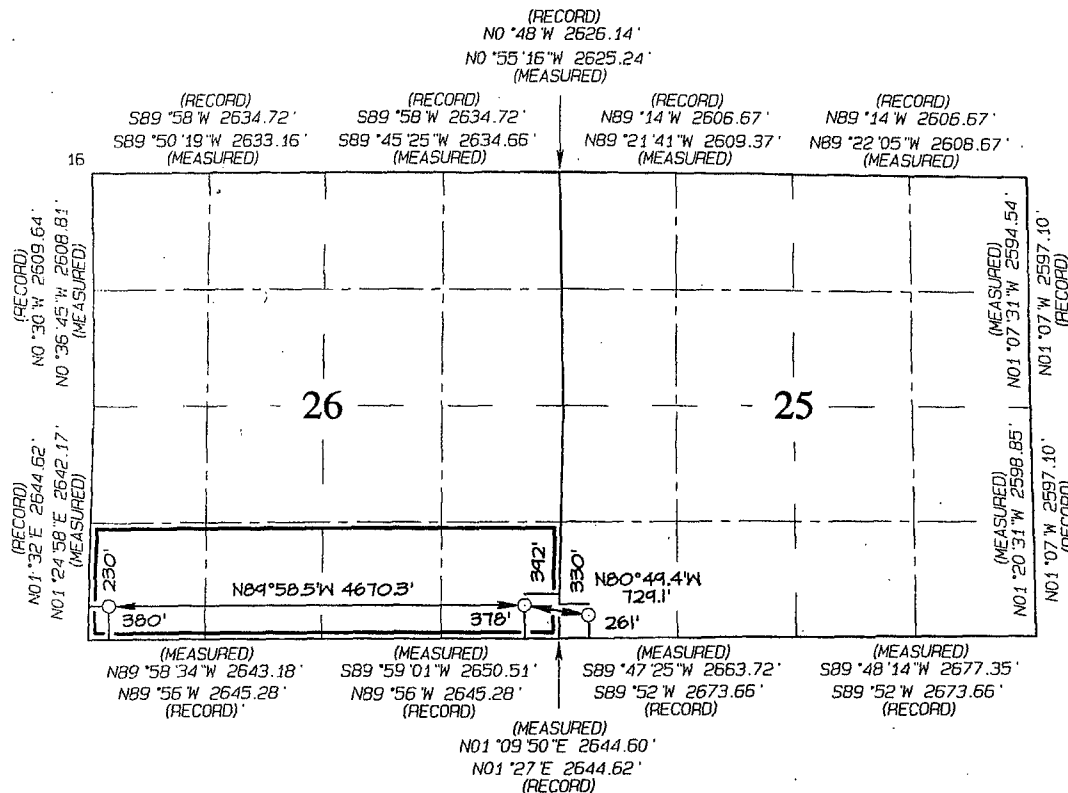
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	24N	8W		261	SOUTH	330	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	24N	8W		380	SOUTH	230	WEST	SAN JUAN

Dedicated Acres 160.0 Acres S/2 S/2 - Section 26					Joint or Infill	Consolidation Code	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



END-OF-LATERAL
380' FSL 230' FWL
SECTION 26, T24N, R8W
LAT: 36.27909°N
LONG: 107.65891°W
DATUM: NAD1927

POINT-OF-ENTRY
378' FSL 392' FEL
SECTION 26, T24N, R8W
LAT: 36.27906°N
LONG: 107.64307°W
DATUM: NAD1927

SURFACE LOCATION
261' FSL 330' FWL
SECTION 25, T24N, R8W
LAT: 36.27874°N
LONG: 107.64063°W
DATUM: NAD1927

LAT: 36.27910°N
LONG: 107.65952°W
DATUM: NAD1983

LAT: 36.27907°N
LONG: 107.64368°W
DATUM: NAD1983

LAT: 36.27875°N
LONG: 107.64124°W
DATUM: NAD1983

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 Larry Higgins Date 11/20/13

Printed Name
Larry Higgins

E-mail Address
larry.higgins@wpxenergy.com

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: NOVEMBER 19, 2013
Survey Date: AUGUST 30, 2013

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269

WPX ENERGY

Operations Plan

(Note: This procedure will be adjusted on site based upon actual conditions)

DATE: 11/12/2013 **FIELD:** Lybrook (Gallup)

WELL NAME: Chaco 2408-25M #237H Rev (1) **SURFACE:** BLM

SH Location: SWSW Sec 25- T24N R08W **ELEVATION:** 6,846' GR

BH Location: SWSW Sec 26- T24N R08W **MINERALS:** Indian
San Juan Co, NM

MEASURED DEPTH: 10,626' **LEASE #:** BIANOG 01101554
BIANOG 10081774

I. GEOLOGY: Surface formation – Nacimiento

A. FORMATION TOPS: (KB)

Name	MD	TVD	Name	MD	TVD
Ojo Alamo	1,210	1,210	Point Lookout	4,180	4,180
Kirtland	1,339	1,339	Mancos	4,402	4,402
Pictured Cliffs	1,868	1,868	Kickoff Point	4,851	4,851
Lewis	1,952	1,952	Target Top	5,537	5,412
Chacra	2,276	2,276	Landing Point	5,954	5,523
Cliff House	3,371	3,371	Target Base	5,954	5,523
Menefee	3,427	3,427			
			TD	10,626	5,380

B. MUD LOGGING PROGRAM: Mudlogger on location from surface csg to TD.

C. LOGGING PROGRAM: LWD GR from surface casing to TD. LWD GR / E- Sonic will be run in Lateral.

D. NATURAL GAUGES: Gauge any noticeable increases in gas flow. Record all gauges in Tour book and on morning reports.

II. DRILLING

A. MUD PROGRAM: LSND mud (WBM) will be used to drill the 12-1/4" Surface hole, the 8 3/4" Directional Vertical hole, and the curve portion of the wellbore. LSND (WBM) or (OBM) will be used to drill the lateral portion of well. Treat for lost circulation as necessary. Obtain 100% returns prior to cementing. Notify Engineering of any mud losses.

B. BOP TESTING: While drill pipe is in use, the pipe rams and the blind rams will be function tested once each trip. The anticipated reservoir is expected to be less than 1300 psi, so the BOPE will be tested to **250 psi (Low) for 5 minutes** and **1500 psi (High) for 10 minutes**. Pressure test surface casing to **600 psi for 30 minutes** and intermediate casing to **1500 psi for 30 minutes**. Utilize a BOPE Testing Unit with a recording chart and appropriate test plug for testing. The drum brakes will be inspected and tested each tour. **All tests and inspections will be recorded in the tour book as to time and results.**

NOTE: Vertical portion of the well (8-3/4 in.) will be directionally drilled as per attached Directional Plan to +/- 4,851' (MD) / 4,851' (TVD). Curve portion of wellbore will be drilled and landed at +/- 90 deg. at +/- 5,954' (MD) / 5,523' (TVD). 7 in. csg will be set at this point. A 6-1/8" Lateral will be drilled as per the attached Directional Plan to +/- 10,626 (MD) / 5,380' (TVD). Will run 4-1/2 in. Production Liner from +/- 5,804 ft. to TD and cemented. Liner will be tied back to surface w / 4-1/2" Casing for stimulation / testing, then removed from the well.

III. MATERIALS**A. CASING PROGRAM:**

CASING TYPE	OH SIZE (IN)	DEPTH (MD) (FT)	CASING SIZE (IN)	WEIGHT(LB)	GRADE
Surface	12.25"	400'+	9-5/8"	36#	J-55
Intermediate	8.75"	5954'	7"	23#	K-55
Prod. Liner	6.125"	5,804'-10,626'	4-1/2"	11.6#	N-80
Tie-Back String	N/A	Surf. - 5,804'	4-1/2"	11.6#	N-80

B. FLOAT EQUIPMENT:

1. SURFACE CASING: 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of Surface Casing.
2. INTERMEDIATE CASING: 7" cement nose guide shoe with a self-fill insert float. Place float collar one joint above the shoe. Install (1) centralizer on each of the bottom (3) joints and one standard centralizer every (3) joints to 2,500 ft. Run (1) centralizer at 2,700 ft., 2,500 ft., 2,300ft., 2,000ft., 1,500 ft., and 1,000 ft.
3. PRODUCTION LINER: Run 4-1/2" Liner with cement nose guide Float Shoe + 2jts. of 4-1/2" casing + Landing Collar + 4-1/2" pup joint + (2) RSI (Sliding Sleeves) positioned inside 330ft Hard line. Centralizer program will be determined by Wellbore condition and when Lateral is evaluated by Geoscientists and Reservoir Engineers. Set seals on Liner Hanger. Test TOL to 1500 psi for 15 minutes.
4. TIE-BACK CASING: None

C. CEMENTING:

(Note: Volumes may be adjusted onsite due to actual conditions)

1. SURFACE: 10 bbl Fr Water Spacer + 190 sx (222.3 cu.ft.) of "Premium Cement" + 2% Calcium Chloride Cement + 0.125# pps of Poly-E-Flake, 15.8 #/gal (1.17 cu ft./sk, Vol 39.58 Bbls.). The 100% excess should circulate cement to the surface. WOC 12 hours. Test csg to 600psi. Total Volume: (222.3 cu-ft/190 sx/39.6 Bbls). TOC at Surface.
2. INTERMEDIATE: 20 bbl (112 cu-ft) Mud Flush III spacer + Lead: 850 sx Foamed 50/50 Poz Cement. 13.0 ppg + 0.1% Halad 766 + 0.2% Versaset + 1.5% Chem-Foamer 760 (Yield :1.43 cu-ft/ sk. / Vol: 1216 cu-ft / 216.5 Bbls.) + TAIL: 100 sx 13.5 #/gal. + 0.2% Versaset + 0.15% HALAD-766 (Yield: 1.28 cu-ft / sk / Vol: 128 cu-ft / 22.8 Bbls.). + Fresh Water Displacement (1,362 cu-ft / +/- 242 Bbls) + 100 sx Top-Out Cement Premium: Yield: (1.17 cu-ft/ sk / (Vol: 117 cu-ft / 20.8 Bbls). Test Casing to 1500 PSI for 30 minutes. Total Cement Volume: (1050 sx / 1461 cu-ft / 260 bbls). Mix with +/- 84,000 SCF Nitrogen. TOC at surface.
3. PRODUCTION LINER: **STAGE 1**: 10 bbl (56 cu-ft) Fr Water Spacer. **STAGE 2**: 40 bbl 9.5 ppg (224.6 cu-ft) Tuned Spacer III + 0.5 gal/bbl Musol + 38.75 ppb Barite + 0.5 gal/bbl SEM-7. **STAGE 3**: 10 bbl Fr Water Spacer. **STAGE 4: Lead Cement**: 50 / 50 Poz Premium + 0.2% Versaset + 0.2% Halad -766, Yield 1.43 cu ft/sk, 13.0 ppg, (10 sx / 14.3 cu ft. / 2.5 bbls). **STAGE 5**: 200 sx. Foamed Lead Cement: 50 / 50 Poz Standard + 0.2% Versaset + 0.2% HALAD-766 + 1.5% Chem-Foamer 760. Yield 1.97 cu-ft/sk. 13.0 ppg (200 sx / 394 cu-ft. / 70.2 bbls.). **STAGE 6**: Tail Cement : 100 sx. 50/50 Poz Standard + 0.2% Versaset + 0.05% HALAD-766 + .05% SA-1015, Weight: 13.5 ppg (100 sx / Yield 1.28 cu ft/sk. / 128 cu ft. / 22.8 bbls) **STAGE 7**: Displace w/ +/- 137 bbl Fr Water. Total Cement (563.3 cu ft / 95.5 bbls). Mix Foamed Cement w/ +/- 75,000 SCF Nitrogen. Est. TOC +/- 5,504 ft.

IV. COMPLETION**A. CBL**

1. Run CCL for perforating.

B. PRESSURE TEST

1. Pressure test 4-1/2" casing to 4500 psi max, hold at 1500 psi for 30 minutes. Increase pressure to open RSI sleeves.

C. STIMULATION

1. Stimulate with approximately 2,805,000# 20/40 mesh sand and 340,000# 16/30 mesh sand in 619,113 gallons water with 42,696 mscf N₂ for 17 stages.
2. Isolate stages with flow through frac plug.
3. Drill out frac plugs and flowback lateral.

D. RUNNING TUBING

1. Production Tubing: Run 2-7/8", 6.5#, J-55, EUE tubing with a SN on top of bottom joint. Land tubing near Top of Liner point of curve (~5,600' MD).

- Although this horizontal well will be drilled past the applicable setbacks, an unorthodox location application is not required because the completed interval in this well, as defined by 19.15.16.7 B(1) NMAC, will be entirely within the applicable setbacks. This approach complies with all applicable rules, including 19.15.16.14 A(3) NMAC, 19.15.16.14 B(2) NMAC, 19.15.16.15 B(2) NMAC, and 19.15.16.15 B(4) NMAC.

NOTE:

Installation of RSI sleeves at Toe of Lateral.

Proposed Operations:

A 4-1/2" 11.6# N-80 Liner will be run to TD and landed +/- 150 ft. into the 7" 23# K-55 Intermediate casing (set at 5,904 ft. MD) with a Liner Hanger and pack-off assembly then cemented to +/- 300 ft above the liner hanger. TOL will be +/- 5,804 ft. (MD) +/- 78 degree angle. TOC: +/- 5,504ft. (MD). Set Pack-off at TOL

After cementing and TOL clean up operations are complete, the TOL will be tested to 1500 psi (per BLM).

A 4-1/2" 11.6# N-80 tie-back string with seal assembly will be run and stung into the PBR of the liner hanger, tested to 1500 PSI and hung off at the surface.

The Drilling Rig will be rigged down at this point and Completion operations will begin. After Stimulation and Testing operations are complete the 4-1/2" tie-back string will be removed from the well.

Note: Changes to formation tops, casing landing points, well TD, Directional Plan and GL-elevation.

WELL	Chaco 2408-25M #237H	FIELD	NM San Juan County NAD27	STRUCTURE	Sec 25-24N-8W
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Map Grid Information	Dip	Mag Dec	Date	Surface Location	NAD27 New Mexico State Plane, Western Zone, US Feet	Grid Conv	Scale Fact	Miscellaneous	Skid	Plan	TVD Ref	RKU (6624 above MSL)
Alvord 10/26/2013	63.041°	9.536°	November 05, 2013	Lat: N 36 16 43.464 Lon: W 107 38 26.268	1920160 21 AUS 556199 35 AUS	0.114°	0.9992036	Chaco 2408-25M #237H R2 mdr 11Nov13				November 05, 2013

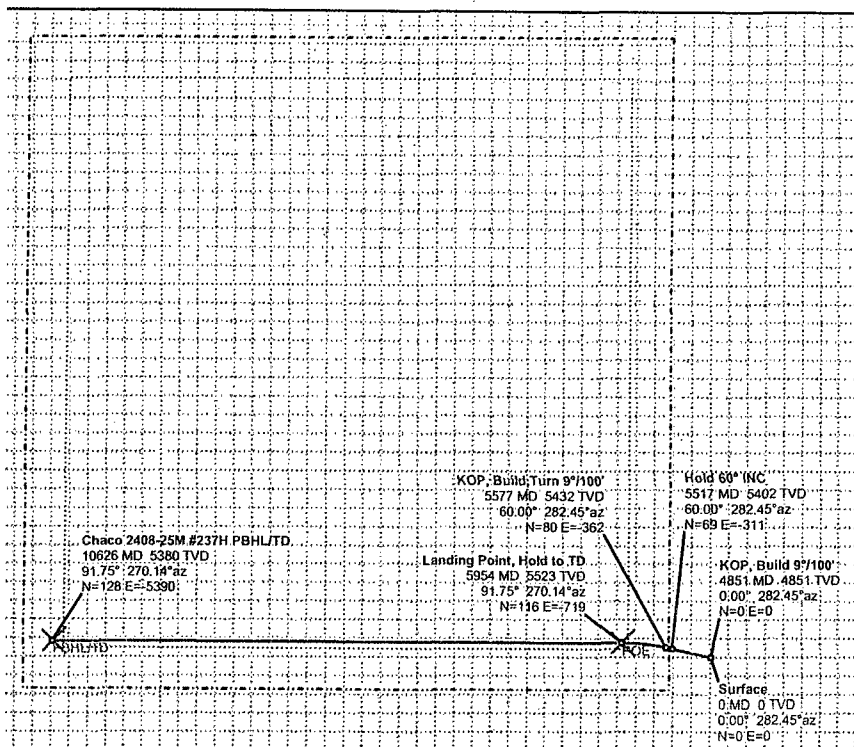
Proposal



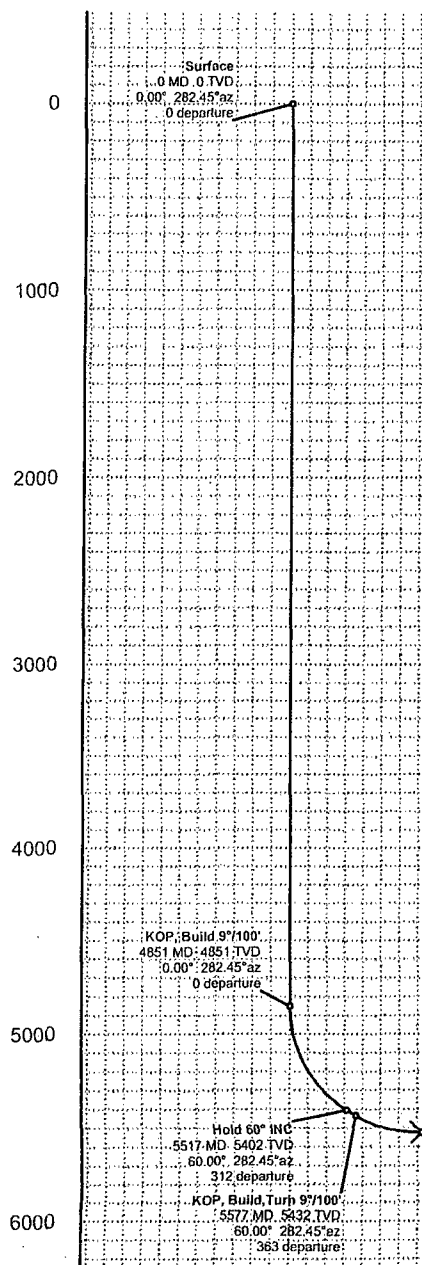
True North
Tot Cor (M-T) 9.5364°
Mag Dec (9.536°)
Grid Conv (0.114°)



<<< W Scale = 1:1500(ft) E >>>



TVD Scale = 1:1000(ft)



Targets						
Name	TVD(ft)	NS(ft)	EW(ft)	Latitude(deg)	Longitude(deg)	Shape
Chaco 2408-25M #237H POE	5523.00	116.50	-719.12	N 36 16 44.616	W 107 38 35.050	POINT
Chaco 2408-25M #237H PBHL/TD	5380.00	127.92	-5388.46	N 36 16 44.724	W 107 39 32.076	POINT

Critical Points									
Comments	MD(ft)	INC	AZM	TVD(ft)	SS TVD	VS(ft)	NS(ft)	EW(ft)	DLS
Surface	0.00	0.00	282.45	0.00	-6862.00	0.00	0.00	0.00	
KOP, Build 9°/100'	4850.71	0.00	282.45	4850.71	-2011.29	0.00	0.00	0.00	0.00
Hold 60° INC	5517.38	60.00	282.45	5402.04	-1459.96	312.36	68.63	-310.82	9.00
KOP, Build, Turn 9°/100'	5577.38	60.00	282.45	5432.04	-1429.96	363.35	79.84	-361.56	0.00
Landing Point, Hold to TD	5953.59	91.75	270.14	5523.00	-1339.00	721.68	116.50	-719.12	9.00
Chaco 2408-25M #237H PBHL/TD	10626.39	91.75	270.14	5380.00	-1482.00	5391.23	127.77	-5389.71	0.00



Chaco 2408-25M #237H R2 mdv 11Nov13 Proposal Geodetic Report



(Def Plan)

Report Date: November 11, 2013 - 10:09 AM
Client: WPX Energy
Field: NM San Juan County NAD77
Structure / Slot: WPX Sec 25-24N-8W (Chaco 2408-25M #237H) / Chaco 2408-25M #237H
Well: Chaco 2408-25M #237H
Borehole: Original Hole
UWI / API#: Unknown / Unknown
Survey Name: Chaco 2408-25M #237H R2 mdv 11Nov13
Survey Date: November 05, 2013
Tort / AID / I / DD / ERD Ratio: 93 863 * / 5400 878 ft / 5 889 / 0 978
Coordinate Reference System: NAD27 New Mexico State Plane, Western Zone, US Feet
Location Lat / Long: N 36° 10' 43.46400", W 107° 30' 26.26800"
Location Grid NIE YIX: N 1020760 207 HUS, E 556799 346 HUS
CRS Grid Convergence Angle: 0 1140 *
Grid Scale Factor: 0.9992036

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 271.350 * (True North)
Vertical Section Origin: 0 000 R, 0 000 H
TVD Reference Datum: RkR
TVD Reference Elevation: 6862.000 ft above MSL
Seabed / Ground Elevation: 6848.000 ft above MSL
Magnetic Declination: 0 536 *
Total Gravity Field Strength: 998.503mgals (9 80665 Banded)
Total Magnetic Field Strength: 50188.751 nT
Magnetic Dip Angle: 63 041 *
Declination Date: November 05, 2013
Magnetic Declination Model: IGM03 2013
North Reference: True North
Grid Convergence Used: 0.0000 *
Total Corr Mag North-True North: 0 5364 *
Local Coord Referenced To: Structure Reference Point

Comments	MD (ft)	Incl (°)	Azim True (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/100ft)	Northing (ft)	Easting (ft)	Latitude (N/S * ° ' ")	Longitude (E/W * ° ' ")
Surface	0.00	0.00	282.45	0.00	0.00	0.00	0.00	N/A	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	100.00	0.00	282.45	100.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	200.00	0.00	282.45	200.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	300.00	0.00	282.45	300.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	400.00	0.00	282.45	400.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	500.00	0.00	282.45	500.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	600.00	0.00	282.45	600.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	700.00	0.00	282.45	700.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	800.00	0.00	282.45	800.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	900.00	0.00	282.45	900.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1000.00	0.00	282.45	1000.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1100.00	0.00	282.45	1100.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1200.00	0.00	282.45	1200.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1300.00	0.00	282.45	1300.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1400.00	0.00	282.45	1400.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1500.00	0.00	282.45	1500.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1600.00	0.00	282.45	1600.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1700.00	0.00	282.45	1700.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1800.00	0.00	282.45	1800.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	1900.00	0.00	282.45	1900.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2000.00	0.00	282.45	2000.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2100.00	0.00	282.45	2100.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2200.00	0.00	282.45	2200.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2300.00	0.00	282.45	2300.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2400.00	0.00	282.45	2400.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2500.00	0.00	282.45	2500.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2600.00	0.00	282.45	2600.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2700.00	0.00	282.45	2700.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2800.00	0.00	282.45	2800.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	2900.00	0.00	282.45	2900.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3000.00	0.00	282.45	3000.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3100.00	0.00	282.45	3100.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3200.00	0.00	282.45	3200.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3300.00	0.00	282.45	3300.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3400.00	0.00	282.45	3400.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3500.00	0.00	282.45	3500.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3600.00	0.00	282.45	3600.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3700.00	0.00	282.45	3700.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3800.00	0.00	282.45	3800.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	3900.00	0.00	282.45	3900.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4000.00	0.00	282.45	4000.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4100.00	0.00	282.45	4100.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4200.00	0.00	282.45	4200.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4300.00	0.00	282.45	4300.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4400.00	0.00	282.45	4400.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4500.00	0.00	282.45	4500.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4600.00	0.00	282.45	4600.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4700.00	0.00	282.45	4700.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4800.00	0.00	282.45	4800.00	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
KOP, Build 9"/100'	4850.71	0.00	282.45	4850.71	0.00	0.00	0.00	0.00	1020760.21	556799.35	N 36 16 43.46 W 107 30 26.27	
	4900.00	4.44	282.45	4899.95	1.67	0.41	-1.86	9.00	1020760.61	556797.48	N 36 16 43.47 W 107 30 26.29	
	5000.00	13.44	282.45	4998.64	17.10	3.76	-17.01	9.00	1020763.93	556782.33	N 36 16 43.50 W 107 30 26.48	
	5100.00	22.44	282.45	5093.68	47.29	10.39	-47.05	9.00	1020770.50	556752.27	N 36 16 43.57 W 107 30 26.84	
	5200.00	31.44	282.45	5182.74	91.76	20.15	-91.24	9.00	1020780.17	556708.07	N 36 16 43.66 W 107 30 27.38	
	5300.00	40.44	282.45	5263.62	149.23	32.79	-148.49	9.00	1020792.70	556650.80	N 36 16 43.79 W 107 30 28.08	
	5400.00	49.44	282.45	5334.34	216.47	48.00	-217.39	9.00	1020807.77	556581.88	N 36 16 43.94 W 107 30 28.82	
	5500.00	58.44	282.45	5393.15	297.71	65.42	-296.25	9.00	1020825.03	556503.00	N 36 16 44.11 W 107 30 29.89	
Hold 60" INC	5517.38	60.00	282.45	5402.04	312.36	68.63	-310.82	9.00	1020828.22	556488.41	N 36 16 44.14 W 107 30 30.06	
KOP, Build, Turn 9"/100'	5577.38	60.00	282.45	5432.04	363.35	79.84	-361.56	0.00	1020839.32	556437.66	N 36 16 44.25 W 107 30 30.68	
	5600.00	61.88	281.57	5443.03	392.79	83.95	-360.90	9.00	1020843.39	556418.31	N 36 16 44.29 W 107 30 30.92	
	5700.00	70.27	273.29	5470.12	479.12	99.37	-470.55	9.00	1020858.63	556328.29	N 36 16 44.45 W 107 30 32.02	
	5800.00	78.72	274.77	5510.27	559.02	110.01	-566.57	9.00	1020869.08	556232.61	N 36 16 44.55 W 107 30 33.19	
	5900.00	87.20	271.74	5522.51	668.11	115.62	-665.55	9.00	1020874.49	556133.62	N 36 16 44.61 W 107 30 34.40	
Landing Point, Hold to TD	5953.59	91.75	270.14	5523.00	721.68	116.50	-719.12	9.00	1020875.28	556080.05	N 36 16 44.62 W 107 30 35.05	36.27060111 107.6430694
	6000.00	91.75	270.14	5521.58	760.06	116.61	-765.51	0.00	1020875.28	556033.67	N 36 16 44.62 W 107 30 35.62	
	6100.00	91.75	270.14	5518.52	867.99	116.85	-865.46	0.00	1020875.33	555933.73	N 36 16 44.62 W 107 30 36.84	
	6200.00	91.75	270.14	5515.46	967.92	117.10	-965.41	0.00	1020875.38	555833.78	N 36 16 44.62 W 107 30 38.06	
	6300.00	91.75	270.14	5512.40	1067.85	117.34	-1065.37	0.00	1020875.42	555733.84	N 36 16 44.62 W 107 30 39.28	
	6400.00	91.75	270.14	5509.33	1167.78	117.59	-1165.32	0.00	1020875.46	555633.89	N 36 16 44.63 W 107 30 40.50	
	6500.00	91.75	270.14	5506.27	1267.71	117.83	-1265.27	0.00	1020875.51	555533.95	N 36 16 44.63 W 107 30 41.72	
	6600.00	91.75	270.14	5503.21	1367.64	118.07	-1365.22	0.00	1020875.55	555434.00	N 36 16 44.63 W 107 30 42.94	
	6700.00	91.75	270.14	5500.15	1467.57	118.32	-1465.18	0.00	1020875.60	555334.06	N 36 16 44.63 W 107 30 44.16	
	6800.00	91.75	270.14	5497.09	1567.50	118.56	-1565.13	0.00	1020875.64	555234.11	N 36 16 44.64 W 107 30 45.38	
	6900.00	91.75	270.14	5494.03								

Comments	MD (ft)	Incl (°)	Azim True (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
	9100.00	91.75	270.14	5426.70	3065.00	124.12	-3864.05	0.00	1920876.63	552035.38	N 36 16 44.69	W 107 39 13.46
	9200.00	91.75	270.14	5423.64	3065.83	124.36	-3864.00	0.00	1920876.67	552035.43	N 36 16 44.69	W 107 39 14.68
	9300.00	91.75	270.14	5420.58	3065.76	124.60	-4063.05	0.00	1920876.71	552735.49	N 36 16 44.69	W 107 39 15.90
	9400.00	91.75	270.14	5417.52	3165.00	124.84	-4163.01	0.00	1920876.75	552035.54	N 36 16 44.70	W 107 39 17.12
	9500.00	91.75	270.14	5414.46	4265.62	125.08	-4263.86	0.00	1920876.79	552535.60	N 36 16 44.70	W 107 39 18.34
	9600.00	91.75	270.14	5411.40	4365.56	125.32	-4363.81	0.00	1920876.83	552435.65	N 36 16 44.70	W 107 39 19.56
	9700.00	91.75	270.14	5408.34	4465.49	125.56	-4463.76	0.00	1920876.87	552335.71	N 36 16 44.70	W 107 39 20.78
	9800.00	91.75	270.14	5405.29	4565.42	125.80	-4563.72	0.00	1920876.91	552235.76	N 36 16 44.70	W 107 39 22.00
	9900.00	91.75	270.14	5402.23	4665.35	126.04	-4663.67	0.00	1920876.95	552135.82	N 36 16 44.71	W 107 39 23.22
	10000.00	91.75	270.14	5399.17	4765.28	126.27	-4763.62	0.00	1920876.99	552035.87	N 36 16 44.71	W 107 39 24.44
	10100.00	91.75	270.14	5396.11	4865.21	126.51	-4863.58	0.00	1920877.03	551935.93	N 36 16 44.71	W 107 39 25.67
	10200.00	91.75	270.14	5393.05	4965.14	126.75	-4963.53	0.00	1920877.07	551835.98	N 36 16 44.71	W 107 39 26.89
	10300.00	91.75	270.14	5389.99	5065.07	126.99	-5063.48	0.00	1920877.11	551736.04	N 36 16 44.72	W 107 39 28.11
	10400.00	91.75	270.14	5386.93	5165.00	127.23	-5163.43	0.00	1920877.15	551636.09	N 36 16 44.72	W 107 39 29.33
	10500.00	91.75	270.14	5383.87	5264.93	127.47	-5263.38	0.00	1920877.19	551536.15	N 36 16 44.72	W 107 39 30.55
	10600.00	91.75	270.14	5380.81	5364.86	127.71	-5363.34	0.00	1920877.23	551436.20	N 36 16 44.72	W 107 39 31.77
Chaco 2408-25M #237H1P01L111	10626.39	91.75	270.14	5380.00	5391.23	127.77	-5389.71	0.00	1920877.24	551409.83	N 36 16 44.72	W 107 39 32.09

Survey Type: Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D B5.000% Confidence 2.7955 sigma
Survey Program:

Description	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Survey Tool Type	Borehole / Survey
	0.000	14.000	1/100.000	30.000	30.000	SLB_MWD-STD-Depth Only	Original Hole / Chaco 2408-25M #237H R2 mdy 11Nov13
	14.000	10626.387	1/100.000	30.000	30.000	SLB_MWD-STD	Original Hole / Chaco 2408-25M #237H R2 mdy 11Nov13

1. INTRODUCTION

WPX Energy Production, LLC (WPX), is providing this Surface Use Plan of Operations (SUPO)/Plan of Development (POD) to the Bureau of Land Management – Farmington Field Office (BLM-FFO), per Onshore Oil and Gas Order No. 1. This SUPO/POD applies to the Chaco 2408-25M No. 237H (237H) project.

The 237H oil and natural gas well will be permitted by an approved Application for Permit to Drill (APD). The associated well pad, which will be located partially off-lease, and access road, which will be located off-lease, will be permitted under Right-of-Way (ROW) Grants.

A pre-disturbance onsite meeting for the project was held on September 5, 2013. The BLM, WPX, and an environmental consultant (Nelson Consulting, Inc.) attended the meeting.

In addition to the best management practices (BMPs) provided below and in the Surface Reclamation Plan (Reclamation Plan; Appendix A), the general Conditions of Approval/stipulations will be followed, if any are attached to the approved APD and/or ROW Grants.

2. PROJECT LOCATION AND EXISTING ROADS

The project area is located approximately 35 miles south-southeast of the town of Bloomfield, New Mexico. To access the project area, head south from the U.S. Highway 550-U.S. Highway 64 intersection for approximately 43 miles, turn left onto County Road 7998 for approximately 1 mile, and turn left onto an unnamed road for approximately 0.6 mile to the start of the 237H access road. The access route from U.S. Highway 550 is depicted on Figure 1 (Appendix B) and on the construction plats provided in the APD/ROW Grant permit packages.

For existing County Roads or roads that are considered collector roads, WPX will defer to the county or Roads Committee, when formed, for maintenance determinations. For the project, WPX was not allocated existing roads for upgrading or maintenance. If required by the BLM-FFO, WPX will upgrade existing non-County Roads leading to the project site. The road(s) will be upgraded following *The Gold Book: Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (Gold Book)* and BLM Handbook 9113.

3. NEW OR RECONSTRUCTED ACCESS ROADS

The 237H access road, a resource road, will begin at an unnamed road and end on the southeastern side of the 237H well pad. Approximately 868 feet of this road (from stationing 0+00.0 to 8+67.5) will overlap an existing road that leads to Elm Ridge Exploration Company's (Elm Ridge's) plugged and abandoned South Blanco Federal 25 No. 3 well. Although the existing road is associated with a plugged and abandoned well, this road is devoid of vegetation. The access road is depicted on Figures 1 and 2 in Appendix B and on the construction plats provided in the APD/ROW Grant permit packages.

The road will be 1,822 feet long. The construction corridor will be 30 feet wide; the running surface will be 14 feet wide. The driving surface will be crowned with a surfacing material (sandstone), if economically viable. The road will be built up 18 to 24 inches and designed following the Basic Design Requirements for Constructed Roads from the *Gold Book* and BLM Handbook 9113. The maximum road grade will be 4 percent. Topsoil removed from the road will be used on cut slopes and bar ditches.

The need for water diversions, such as 24-inch-diameter culverts, will be determined at interim reclamation.

8. METHODS FOR HANDLING WASTE DISPOSAL

✓ Drilling operations will utilize a closed-loop system. Drilling of the horizontal lateral may be done with oil-based mud. All oil-based mud cuttings will be hauled to a commercial disposal facility or land farm.

A 30-mil reinforced liner will be placed under the drill rig mats and all drilling machinery, as shown on Figure 3 (Appendix B). This area will be enclosed by a containment berm and ditches, which will drain to sump areas for spill prevention and control. The containment berm will be ramped to allow access to the solids control area.

WPX will follow New Mexico Oil Conservation Division "Pit Rule" guidelines and Onshore Order Nos. 1 and 7 regarding the placement, operation, and closure of any reserve pits or closed-loop systems. No blow pit will be used.

As stated in the Reclamation Plan (Appendix A), if drilling has not been initiated on the well pad within 120 days of the well pad being constructed, WPX will submit a site-stabilization plan to the BLM-FFO.

All garbage and trash will be placed in a metal trash basket. The trash and garbage will be hauled off site and dumped in an approved landfill, as needed.

Portable toilets will be provided and maintained during drilling and completion operations.

9. ANCILLARY FACILITIES

Pipelines will be permitted and constructed at a later date.

One plugged and abandoned well pad (Elm Ridge's South Blanco Federal 25 No. 2) will be used as a staging area for the project. The staging area is located along the access road near stationing 3+98.1. During staging, WPX will stay within the boundaries of the well pad area. During interim reclamation, WPX will repair any damage to the staging area and will reseed the staging area.

The staging area is depicted in Appendix B (Figure 1).

10. WELL SITE LAYOUT

The interim reclamation/long-term disturbance layout is depicted in Figure 4, Appendix B, and is described below.

The following areas (known as the "non-reseed working areas") will remain unreclaimed throughout the lifetime of the project:

- Production facilities will be located within a 300-by-100-foot (0.69-acre) facility area at the eastern end of the well pad.
- The teardrop for the well pad will include a looped, 35-foot-wide driving surface, totaling approximately 0.57 acre.

The following areas (known as the "reseed working areas") will be reseeded (but not recontoured) during interim reclamation:

- The center of the teardrop will measure 0.47 acre.
- A 210-by-180-foot potential workover area will surround the wellhead. This area may be used for future activities within the well pad, but will not be used for daily activities. After excluding the portions of this area that overlap the teardrop and teardrop center, this area measures 0.48 acre.

