

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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 3160-4 or 3160-5 form.

Operator Signature Date: 09/15/14

Well information:

| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf_Owner | UL | Sec | Twp | N/S | Rng | W/E | Feet | NS | Ft | EW |
|--------------------|----------------|--------|----------------------------|------|------|------------|------------|----|-----|-----|-----|-----|-----|------|----|-----|----|
| 30-039-31191-00-00 | CHACO 2306 07L | 183H | WPX ENERGY PRODUCTION, LLC | O | N | Rio Arriba | F | L | 7 | 23 | N | 6 | W | 1935 | S | 301 | W |

Application Type:

- ☐ P&A ☒ Drilling/Casing Change ☐ Location Change
☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)
☐ Other:

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations, casing & cement

Report pressure test for 4 1/2" Liner on completion sundry

NMOCD Approved by Signature

10/15/14

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 16 2014

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

SUBMIT IN TRIPLICATE – Other instructions on page 2.

| | | |
|---|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMSF 078359 |
| 2. Name of Operator WPX Energy Production, LLC | | 6. If Indian, Allottee or Tribe Name RCVD SEP 23 '14 |
| 3a. Address PO Box 640 Aztec, NM 87410 | 3b. Phone No. (include area code) 505-333-1808 | 7. If Unit of CA/Agreement, Name and/or No. 132829 OIL CONS. DIV. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 1935' FNL & 301' FWL SEC 7 23N 6W BHL: 2259' FSL & 214' FWL SEC 11 23N 7W | | 8. Well Name and No. Chaco 2306-07L #183H DIST. 3 |
| | | 9. API Well No. 30-039-31191 |
| | | 10. Field and Pool or Exploratory Area Lybrook Gallup |
| | | 11. Country or Parish, State Rio Arriba, NM |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | FINAL CASING |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

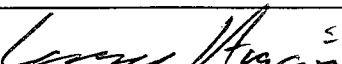
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

9/5/14 thru 9/9/14 – Drill 6-1/8" lateral

9/10/14 – TD 6-1/8" lateral @ 11654' (TVD 5454'), 0030 hrs

9/11/14 – Run 153 jts 4-1/2", 11.6#, N-80, LT&C. CSG set @ 11652', LC @ 11573', RSI tool 11561', marker jts @ 7875', 9752' TOL @ 5974'

9/12/14 – Cementing: Halliburton to pump 10bbls of fresh water, 40bbls of Tuned Spacer III, 9.5ppg, yield 14.49, mix ratio 98.9, 10bbls of fresh water, Lead Cement 40sx (10bbl Slurry) of Elastiseal Cement with .2% versaset, .15% Halad-766 .2% Halad-344, 6.92gal water, 13.0ppg, Yield 1.46, Mix 6.92, Foam Lead 290sks (67.5bbl Slurry) of Elastiseal Cement with .2% versaset, .15% Halad-766 .25% Chem-Foamer 760, .2% Halad-344, 6.924gal fresh water, 13.0ppg, Yield 1.46, Mix 6.92, Tail Cement 100sx (23bbl Slurry) of Elastiseal Cement with 2% versaset, .15% Halad-766, .05% SA-1015, 5.81gal fresh water, 13.5ppg, yield 1.3, Mix ratio 5.81 Displace with 40bbls of MMCR spacer, 40bbls of 2% KCL Water, 30bbls of fresh water, 29bbls of KCL water Final Circulating Pressure 1243psi @ 4bbls/min Bumped Plug to 1739psi Plug Down @ 00:36hrs 9/12/2014, plug held ok. Floats held Drop ball, waited 30min. for ball to seat Set liner with 3868psi Release from liner hanger Circulate with 2% KCL water Cement to Surface - 22bbls Release AWS #980 @ 1500 hrs 9/12/14 ✓

| | | |
|---|--|------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Larry Higgins | | Title Regulatory Spec Sr. |
| Signature  | | Date 9/15/14 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|------|
| Approved by | Title | Date |
| Conditions of approval, if any, are attached. Approval of this notice 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. | Office | |

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 page 2)

ACCEPTED FOR RECORD

SEP 17 2014