

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

RECEIVED

MAR 19 2015

NMOCD
DISTRICT III

David R. Catanach, 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: 3/12/15

Well information:

| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf_Owner | UL | Sec | Twp | N/S | Rng | W/E |
|--------------------|----------------|--------|----------------------------|------|------|----------|------------|----|-----|-----|-----|-----|-----|
| 30-045-35607-00-00 | CHACO 2308 04L | 284H | WPX ENERGY PRODUCTION, LLC | O | N | San Juan | N | L | 4 | 23 | N | 8 | 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:

Provide CBL results for review/approval prior to C-104 approval
Report Pressure test on completion sundry

NMOCD Approved by Signature

3/17/15
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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MAR 12 2015

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.
Farmington Field Office
Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

WPX Energy Production, LLC

3a. Address

PO Box 640 Aztec, NM 87410

3b. Phone No. (include area code)

505-333-1808

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SHL:1871' FNL & 372' FEL SEC 17 T23N R7W

BHL: 2610' FNL & 230' FWL SEC 17 T23N R7W

5. Lease Serial No.

N0-G-1401-1868

6. If Indian, Allottee or Tribe Name

701-45

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

Chaco 2308 04L #284H

9. API Well No.

30-045-35607

10. Field and Pool or Exploratory Area

Nageezi Gallup / Basin Mancos

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 recompleate 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 recompletion 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.)

3/6/15 thru 3/7/15 - Drill 6-1/8" lateral.

3/8/15- TD 6-1/8" lateral @ 10395' (TVD 5210').

3/9/15 - Run 115jts, 4-1/2", J-55, 11.6# LT&C. 8RD., CSG set @ 10385', (5209'TVD), LC @ 10299', RSI tools 10287', TOL @ 5593'.

Test N2-fluid pumps and lines 6000PSI, start @ 4BPM 10bbbs FW, 40bbbs Tuned Spaced @ 10.5ppg, 10bbbs FW, Lead #1 35sx (9bbbs) Elastiseal Mixed @ 13.0ppg YD 1.46 water 6.92 gal/sx, additives, 2% bentonite, 0.2% Halad 344, 0.2% Versaset, 0.15% H 766. Lead #2 - 245sx (62bbbs) mixed @ 13ppg foamed t/10.0ppg, YD 1.46 water 6.92gal/sx, additive, 2% bentonite, 0.2% Halad 344, 0.2% Versaset, 0.15% H766. Tail in w/ 100sx (23bbbs) Expandacem mixed @ 13.5ppg, YD 1.3, water 5.81gal/sx shut down. Wash pumps and lines. Dropped dart, Displaced w/ 40bbbs MMCR 40bbbs 2% KCL (inhibited) 48.5bbbs FW, 35bbbs 2%KCL. Total of 123.5bbbs, Bumped Plug@17:06 3/9/15 to 2230psi press prior 1040psi, bled back 3/4bbbs, and floats held. Dropped 1.875" setting ball, pressure up 3800psi. Set liner, pulled up to 180K (50K over) slacked off neutral. Confirmed tool set w/ rotation release, bring on pumps. Circ., 1/2bbbs/min pulling out of liner then bring rate up t/4bpm. Roll hole after tuned spacer returned shut annular and divert to blow tank. Circ., 0bbbs foam cement to surface. Shut annular pressure back up to 1500psi hold for 30 mins - Test good. Bled off, lay down cement head. After 35bbbs into displacement driller closed the annular due to miscommunication. Resulting loss circulation. After 80bbbs pumped we realized the mistake. Regained full returns once annular was opened. 0bbbs cement to surface. Rig Release @ 23:59.

3/10/15 - Notified BLM (Ray Espinosa) & NMOCD (Brandon Powell) of failure to circulate cement above liner top. Received verbal approval to continue with operations. No remedial requirements from BLM based on production casing @ 179' overlap into the 7" casing. 7" intermediate casing was landed @ 5,772' MD @ 89' over setback. (330' set back line crossed @ 5683' MD, 7" casing @ 5772', Top of liner @ 5,593' MD). WPX's current plan is to run a CBL from Completions to verify isolation for the heel Frac stages, at this time no remediation is planned.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Marie E. Jaramillo

Title Permit Tech

Signature

Date 3/12/15

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

NMOCD

FARMINGTON FIELD OFFICE
BY: William Tambekou