

Submit 1 Copy To Appropriate District Office  
District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised August 1, 2011

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. <b>30-039-31294</b>
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>WPX Energy Production, LLC</b>		6. State Oil & Gas Lease No. <b>E012079</b>
3. Address of Operator <b>721 South Main Avenue, Aztec NM 87410</b>		7. Lease Name or Unit Agreement Name <b>132829</b>
4. Well Location Unit Letter <u>L</u> : <u>1449'</u> feet from the <u>SOUTH</u> line and <u>344'</u> feet from the <u>WEST</u> line Unit Letter <u>I</u> : <u>1531'</u> feet from the <u>EAST</u> line and <u>237'</u> feet from the <u>EAST</u> line Section <u>16</u> Township <u>23N</u> Range <u>6W</u> NMPM County: <b>Rio Arriba</b>		8. Well Number <b>NE Chaco Com #243H</b>
		9. OGRID Number <b>120782</b>
		10. Pool name or Wildcat <b>Chaco Unit NE HZ (oil)</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6858'</b>		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

OTHER: **POST SQUEEZE**  
☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/14/15-WPX completed the WellLock squeeze.

6/15/15-After drilling out and attempting to pressure test to 4000 psi, it was only able to reach 2500 psi which bled down to 800 psi in 5 minutes.

6/16/15- performed a few additional pressure tests after circulating out our foamy water that was used to drill out the WellLock plug. We were able to establish a leak off rate of ~73 psi/min. This was a 4300 psi test, that lost 3300 psi in a 45 minute timeframe.

With this reduction in leak off, we were unable to establish an injection rate that would allow successful placement of an additional squeeze without having to break down the formation. The well pressured out when pumping under ~1/2 bpm. Breaking down the formation could lead to lack of near wellbore placement, and therefore a much greater leak to contend with.

Since this damage is within the production window and leak off was minimized from the initial WellLock squeeze, WPX would like to proceed forward with the frac under the assumption that the leak off is not great enough to warrant concern once other perforations are opened. This is in lieu of a secondary squeeze that would have a minimal chance of success due to current conditions and the further increased risk associated with a casing patch option.

Spud Date:

**3/26/15**

Rig Release Date:

**4/13/15**

**OIL CONS. DIV DIST. 3**

**JUN 19 2015**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE Permit Tech III

DATE 6/18/15

Type or print name Lacey Granillo E-mail address: lacey.granillo@wpxenergy.com PHONE: 505-333-1816

**For State Use Only**

APPROVED BY:

TITLE

**DEPUTY OIL & GAS INSPECTOR**

DATE

**7/2/15**

Conditions of Approval (if any):

**N**

**DISTRICT #3**

**2**

**6/17/15**- WPX received verbal approval from NMOCD (Brandon Powell) with conditions as follows:

- Pressure test the annulus after each stage checking the leak off rate to ensure the leaking interval has not been fraced instead of the perforations.
- If it has been determined that the leaking interval has been further compromised notify the OCD with WPX's plan forward prior to proceeding.

**Will follow up on completion sundry**