Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary 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 3160-3 APD form.

Operator Signature Date: 5-21-15 Well information; Operator NPX , Well Name and Number Rosa Un. 7 29 # 101 # API# 30-039-3 330, Section 25, Township 31 N/S, Range Conditions of Approval: * APD Held for (See the below checked and handwritten conditions) Notify Aztec OCD 24hrs prior to casing & cement. Hold C-104 for directional survey & "As Drilled" Plat Ø À 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 0 with the following as applicable: A pit requires a complete C-144 be submitted and approved prior to the construction or ٠ 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 Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84 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. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore

Communication to be reported in accordance with 19.15.29.8.

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NMOCD Approved by Signature

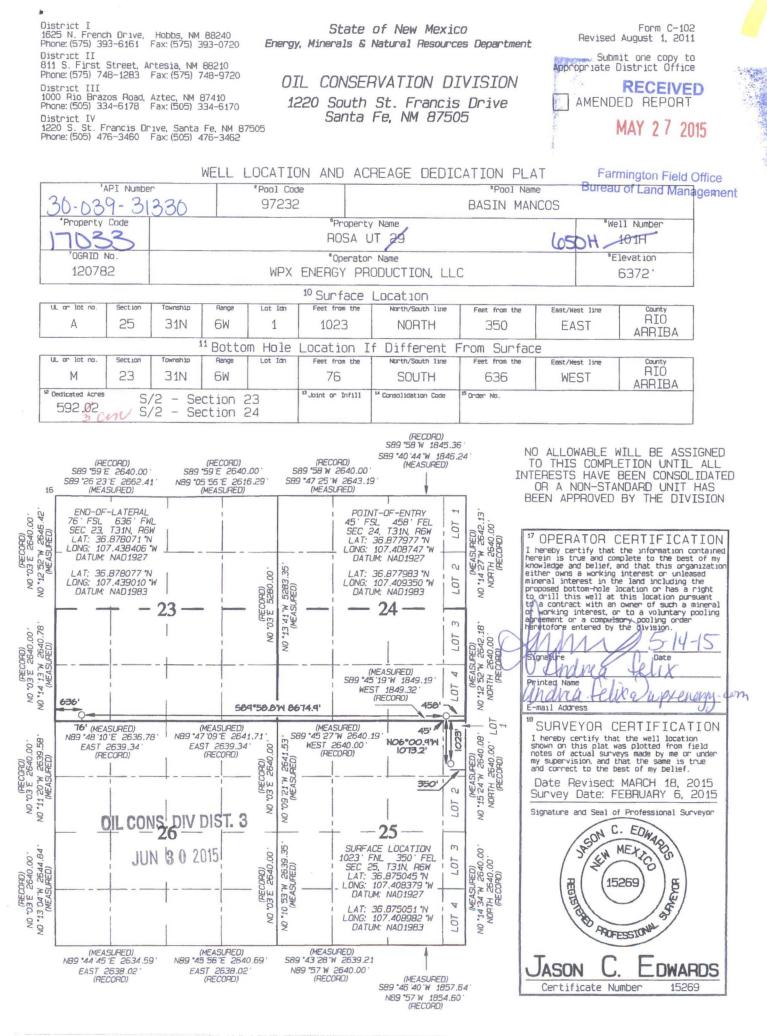
Date

1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

Form 3160-3 (September 2001) UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANAG	TERIOR TIN 20	2015	OMB No. Expires Janu 5. Lease Serial No. SF-078771	PPROVED 1004-0136 uary 31, 2004
APPLICATION FOR PERMIT TO DR			6 D Indian, Allottee	
la. Type of Work: 🛛 DRILL 🗌 REENTER	2	MAY 2/	Zoff Unit or CA Agree Rosa Unit R-13457	NMNM-78407t
lb. Type of Well: 🗌 Oil Well 🛛 Gas Well 🔲 Other		iple Zone	8. Lease Name and We Rosa, UT 29 101H	11 No.
2. Name of Operator		mington Fl u of Land N	Manageweine.	420 21220
WPX Energy Production, LLC 3a. Address	3b. Phone No. (include area code)		10. Field and Pool, or E	-039-31330
P.O. Box 640 Aztec, NM 87410	(505) 333-1849		Basin Mancos	xpioratory
 Location of Well (Report location clearly and in accordance with any At surface 1023' FNL & 350' FEL, sec 25, T31N, R6W At proposed prod. zone 76' FSL & 636' FWL, sec 23, T31N, R6W 	State requirements. *)		the second se	
14. Distance in miles and direction from nearest town or post office*			12. County or Parish	13. State
Approximately 58 miles East from Bloomfield NM			Rio Arriba	NM
15. Distance from proposed* location to nearest	16. No. of Acres in lease		Unit dedicated to this w	
property or lease line, ft. (Also to nearest drig. unit line, if any) 350,	2566.00	5	ection 23	592.32
18. Distance from proposed location*	592.02 19. Proposed Depth		West Rosa Unit Project A IA Bond No. on file	area 24,118.76 Acres
to nearest well, drilling, completed, applied for, on this lease, ft.		•		
15' 21. Elevations (Show whether DF, KDB, RT, GL, etc.)	16,324 MD / 6,797 TVD 22. Approximate date work will s	UTB00	0178 23. Estimated duration	
6372' GR	June 15, 2015		1 month	
	24. Attachments			
SUPO shaft be filed with the appropriate Forest Service Office).	6. Such other site s authorized office Name (Printed/Typed) Andrea Felix		mation and/or plans as	may be required by the $5-2(-\pi)15$
[Title Regulatory Specialist Senior	Andrea Penx		i	
Approved by (Signature)	Name (Printed/Typed)			Date 6/24/15
Title AFM	Office FFO			1
Application approval does not warrant or certify that the applicant holds le operations thereon. Conditions of approval, if any, are attached.	egal or equitable title to those rights ir	n the subject le	ease which would entitle	the applicant to conduct
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it States any false, fictitious or fraudulent statements or representations as to *(Instructions on reverse)		d willfully to	make to any department	or agency of the United
WPX Energy Production, LLC, proposes to develop the Basin Mancos P	ool at the above described location in	accordance w	with the attached drilling	and surface use plans
The well pad surface is on lease on BLM surface within the Rosa Unit an 29 105H / Rosa UT 29 106H / Rosa UT 29 107H / Rosa UT 29 108H.				
This location has been archaeologically surveyed by LaPlata Archeology	. Copies of their report have been sub	mitted directly	y to the BLM.	
No new access road is needed for this location as this location will be co-	located with the existing WPX Rosa	UT 165A.		
New pipeline is approximately 725.1' on BLM surface on lease.				
BLM'S APPROVAL OR ACCEPTANCE OF THIS			This action is subjected his action is subjected by the second se	dural review
ACTION DOES NOT RELEASED FOR OPERATOR FROM OBTAINING ANY OTHER OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS	NMOCDA		RILLING OPERATIONS AUR RE SUBJECT TO COMPLI	

RP

ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"





WPX ENERGY

Operations Plan

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

DATE:	5/15/15	FIELD:	Basin Mancos
WELL NAME:	ROSA UT 29 #101H	SURFACE:	BLM
SH Location:	NENE Sec 25-31N-06W	ELEVATION:	6372' GR
BH Location:	SWSW Sec 23-31N-06W Rio Arriba, NM	MINERALS:	BLM

MEASURED DEPTH: 16324'

I. <u>GEOLOGY:</u> Surface formation – San Jose

Name	MD	TVD	Name	MD	TVD
Ojo Alamo	2545	2504	Point Lookout	5824	5695
Kirtland	2671	2626	Mancos	6287	6151
Picture Cliffs	3297	3236	Kickoff Point	6491	6390
Lewis	3705	3633	Top Target	6981	6810
Chacra	4706	4607	Landing Point	7569	7075
Cliff House	5552	5431	Base Target	7569	7075
Menefee	5604	5481			
			TD	16324	6797

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

B. LOGGING PROGRAM: LWD GR from surface casing to TD.

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

II. DRILLING

- A. <u>MUD PROGRAM</u>: LSND mud (WBM) will be used to drill the 12-1/4" Surface hole and the 8 ¾" Directional Vertical portion of the wellbore. A LSND (WBM) or (OBM) will be used to drill the curve and lateral portions of wellbore. Treat for lost circulation as necessary. Obtain 100% returns prior to cementing. Notify Engineering of any mud losses.
- B. <u>BOP TESTING:</u> 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 5000 psi, so the BOPE will be tested to 250 psi (Low) for 5 minutes and 5000 psi (High) for 10 minutes. Pressure test surface casing to 1500psi 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. All tests and inspections will be recorded in the tour book as to time and results.

III. MATERIALS

CASING TYPE	OH SIZE (IN)	DEPTH (MD) (FT)	CASING SIZE (IN)	WEIGHT(LB)	GRADE
Surface	12.25"	320'+	9.625"	36#	J-55
Intermediate	8.75"	6391'	7"	23#	N-80
Prod. Liner	6.125"	6241' - 16324'	4-1/2"	11.6#	P-110
Tie-Back String	N/A	Surf 6241'	4-1/2"	11.6#	P-110

A. CASING PROGRAM:

B. FLOAT EQUIPMENT:

- 1. <u>SURFACE CASING</u>: 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of Surface Casing.
- 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.
- <u>PRODUCTION LINER</u>: Run 4-1/2" Liner with cement nose guide Float Shoe + 2jts. of 4-1/2" casing + Landing Collar + 4-1/2" pup joint + 1 RSI (Sliding Sleeve) positioned inside the 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. <u>TIE-BACK CASING:</u> Please see <u>Notes</u> below.

C. **CEMENTING:**

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

- <u>SURFACE</u>: 5 bbl Fresh Water Spacer, 100 sx (160 cu.ft.) of 14.5 ppg Type I-II (Neat G) + 20% Fly Ash cement w/ 7.41 gal/sack mix water ratio @ 1.61 cu ft/sx yield. Calculated @ volume + 50% excess. WOC 12 hours. Test csg to 600psi. Total Volume: (160 cu-ft/100 sx/ Bbls).TOC at Surface.
- 2. <u>INTERMEDIATE:</u> 20 bbl (112 cu-ft) Mud Flush III spacer + Lead: +/- 700 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: 1001 cu-ft / 178.3 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.). WOC 12 hrs. Test Casing to 1500 PSI for 30 minutes. Total Cement Volume: (900 sx / 1246 cu-ft / 222 bbls). Mix with +/- 84,000 SCF Nitrogen. TOC at surface.
- <u>PRODUCTION LINER</u>: Spacer #1:10 bbl (56.cu-ft) Water Spacer. Spacer #2: 40 bbl 9.5 ppg (224.6 cu-ft) Tuned Spacer III. Spacer #3: 10 bbl (56 cu-ft) Water Spacer. Lead Cement: Extencem ™ System. Yield 1.36 cu ft/sk, 13.3 ppg, (805 sx / 1095 cu ft. / 194 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/- 224 bbl Fr Water. Total Cement (1095 cu ft / 194 bbls).

2



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 131,250# 100 mesh sand and 6,930,000# 40/70 mesh sand in 9,282,000 gallons water for 21 stages.
- 2. Isolate stages with flow through frac plug.
- 3. Drill out frac plugs and flowback lateral.

D. RUNNING TUBING

- 1. <u>Production Tubing:</u> Run 2-3/8", 4.7#, J-55, EUE tubing with a SN on top of bottom joint. Land tubing in the curve.
- 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:

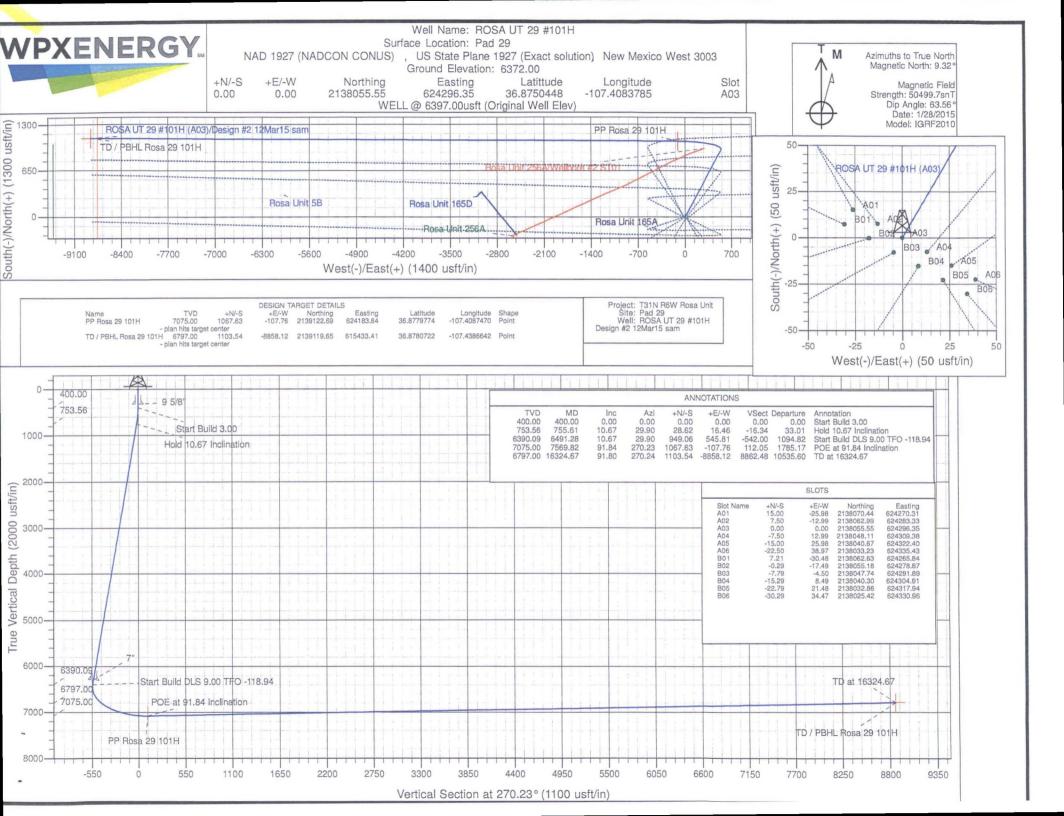
Installation of RSI sleeves at Toe of Lateral.

Proposed Operations:

A 4-1/2" 11.6# P-110 Liner will be run to TD and landed +/- 150 ft. into the 7" 23# N-80 Intermediate casing with a Liner Hanger and pack-off assembly then cemented to top of liner hanger.

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# P-110 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.



WPX Energy

T31N R6W Rosa Unit Pad 29 ROSA UT 29 #101H - Slot A03

Wellbore #1

Plan: Design #2 12Mar15 sam

Survey Report - Geographic

18 March, 2015

WPX

Survey Report - Geographic

Company: Project: Site: Well: Wellbore: Design:	WPX Energ T31N R6W Pad 29 ROSA UT 2 Wellbore #1 Design #2 1	Rosa Unit 29 #101H			TVD Refere MD Refere North Refe	nce:		WELL @ 6 WELL @ 6 True Minimum C	, UT 29 #101H (A03) - 3 397.00usft (Original We 397.00usft (Original We Curvature SANJUAN	ell Elev)
Project	T31N	R6W Rosa Ur	nit					in the second		
Map System: Geo Datum: Map Zone:	NAD 19	e Plane 1927 27 (NADCON exico West 300	CONUS)	n)	System I	Datum:		Mean Sea	Level	
Site	Pad 29	9								
Site Position:			Nor	thing:	2,13	8,085.32 usft	Latitude:			36.8751272
From:	Ma	р	Eas	ting:	62	4,244.26 usft	Longitud	le:		-107.4085562
Position Uncer	tainty:	0.00	usft Slo	t Radius:		13.20 in	Grid Con	vergence:		0.25 °
Well	ROSA	UT 29 #101H	- Slot A03		A CONTRACTOR OF					
Well Position	+N/-S			Northing:		2,138,055.55	5 usft	Latitude:		36.875044
Well Position						624,296.36				-107.408378
	+E/-W			Easting:				Longitude:		
Position Uncer	tainty	C).00 usft	Wellhead Eleva	ation:	0.00	0 usft	Ground Le	vel:	6,372.00 us
Magnetics		IGRF201		1/28/2015	Decli ((°) 9.32		Dip Angle (°)	Field S (n 33.56	т)
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COMPASS 5000.1 Build 72

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WPX

Survey Report - Geographic

Company:	WPX Energy	Local Co-ordinate Reference:	Well ROSA UT 29 #101H (A03) - Slot A03
Project:	T31N R6W Rosa Unit	TVD Reference:	WELL @ 6397.00usft (Original Well Elev)
Site:	Pad 29	MD Reference:	WELL @ 6397.00usft (Original Well Elev)
Well:	ROSA UT 29 #101H	North Reference:	True
Wellbore:	Wellbore #1	Survey Calculation Method:	Minimum Curvature
Design:	Design #2 12Mar15 sam	Database:	COMPASS-SANJUAN

Planned Survey

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Neasured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
3,000.00	10.67	29.90	2,959.16	388.79	223.60	2,138,445.33	624,518.22	36.8761127	-107.4076
3,500.00	10.67	29.90	3,450.51	469.03	269.74	2,138,525.77	624,564.01	36.8763331	-107.4074
4,000.00	10.67	29.90	3,941.87	549.27	315.89	2,138,606.22	624,609.80	36.8765535	-107.4072
4,500.00	10.67	29.90	4,433.23	629.51	362.03	2,138,686.66	624,655.59	36.8767739	-107.407
5,000.00	10.67	29.90	4,924.59	709.75	408.18	2,138,767.10	624,701.37	36.8769943	-107.406
5,500.00	10.67	29.90	5,415.94	789.98	454.32	2,138,847.55	624,747.16	36.8772147	-107.406
6,000.00	10.67	29.90	5,907.30	870.22	500.47	2,138,927.99	624,792.95	36.8774351	-107.406
6,391.00	10.67	29.90	6,291.54	932.97	536.56	2,138,990.90	624,828.76	36.8776075	-107.406
7"									
6,491.28	10.67	29.90	6,390.09	949.06	545.81	2,139,007.03	624,837.94	36.8776517	-107.406
Start Bui	Id DLS 9.00 T	FO -118.94							
6,500.00	10.31	26.06	6,398.66	950,46	546.56	2,139,008.44	624,838.68	36.8776555	-107.406
7,000.00	41.45	281.25	6,855.74	1,026.91	396.08	2,139,084.22	624,687.87	36.8778655	-107.407
7,500.00	85.63	271.25	7,073.46	1,066.72	-38.00	2,139,122.09	624,253.61	36.8779749	-107.408
7,569.82	91.84	270.23	7,075.00	1,067.63	-107.76	2,139,122.69	624,183.84	36.8779774	-107.408
POE at 9	1.84 Inclinatio	n	a salar	and the second second		A STREET CONTRACTOR	and the stand of		
8,000.00	91.83	270.23	7,061.23	1,069.39	-537.72	2,139,122.54	623,753.89	36.8779822	-107.410
8,500.00	91.83	270.23	7,045.23	1,071.44	-1,037.46	2,139,122.36	623,254.14	36,8779878	-107.411
9,000.00	91.83	270.23	7,029.26	1,073.49	-1,537.20	2,139,122.19	622,754.40	36.8779934	-107.413
9,500.00	91.83	270.23	7,013.29	1,075.54	-2,036.94	2,139,122.01	622,254.65	36.8779989	-107.415
10,000.00	91.83	270.24	6,997.35	1,077.59	-2,536.68	2,139,121.84	621,754.91	36.8780044	-107.417
10,500.00	91.83	270.24	6,981.42	1,079.64	-3,036.42	2,139,121.66	621,255.16	36.8780099	-107.418
11,000.00	91.82	270.24	6,965.50	1,081.69	-3,536.16	2,139,121.49	620,755.41	36.8780154	-107.4204
11,500.00	91.82	270.24	6,949.60	1,083.74	-4,035.91	2,139,121.31	620,255.67	36.8780208	-107.422
12,000.00	91.82	270.24	6,933.72	1,085.79	-4,535.65	2,139,121.14	619,755.92	36.8780263	-107.423
12,500.00	91.82	270.24	6,917.85	1,087.84	-5,035.39	2,139,120.97	619,256.17	36.8780317	-107.425
13,000.00	91.82	270.24	6,902.00	1,089.89	-5,535.14	2,139,120.79	618,756.42	36.8780370	-107.4273
13,500.00	91.81	270.24	6,886.17	1,091.94	-6,034.88	2,139,120.62	618,256.67	36.8780424	-107.429
14,000.00	91.81	270.24	6,870.35	1,094.00	-6,534.63	2,139,120.45	617,756.92	36.8780477	-107.4307
14,500.00	91.81	270.24	6,854.54	1,096.05	-7,034.38	2,139,120.28	617,257.17	36.8780530	-107.4324
15,000.00	91.81	270.24	6,838.75	1,098.10	-7,534.12	2,139,120.10	616,757.42	36.8780583	-107.434
15,500.00	91.81	270.24	6,822.98	1,100.15	-8,033.87	2,139,119.93	616,257.67	36.8780635	-107.4358
16,000.00	91.81	270.24	6,807.22	1,102.20	-8,533.62	2,139,119.76	615,757.92	36.8780688	-107.4375
16,324.67	91.80	270.24	6,797.00	1,103.54	-8,858.12	2,139,119.65	615,433.41	36.8780722	-107,4386

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
TD / PBHL Rosa 29 101 - plan hits target cent - Point	0.00 ter	0.00	6,797.00	1,103.54	-8,858.12	2,139,119.65	615,433.41	36.8780722	-107.4386642
PP Rosa 29 101H - plan hits target cent - Point	0.00 ter	0.00	7,075.00	1,067.63	-107.76	2,139,122.69	624,183.84	36.8779774	-107.4087470

WPX

Survey Report - Geographic

Company:	WPX Energy T31N R6W Rosa Unit			Local Co-ord	dinate Reference:	Well ROSA UT 29 #10	ell ROSA UT 29 #101H (A03) - Slot A03		
Project:				TVD Referen	ice:	WELL @ 6397.00usft (WELL @ 6397.00usft (Original Well Elev)		
Site:	Pad 29			MD Reference	e:	WELL @ 6397.00usft (Original Well Elev)		
Well:	ROSA UT 29 #	101H		North Refere	ance:	True			
Wellbore:	Wellbore #1				ulation Method:	Minimum Curvature			
					ulation wethou:				
Design:	Design #2 12M	lar15 sam		Database:		COMPASS-SANJUAN			
Casing Points									
	Measured	Vertical				Casing	Hole		
	Depth	Depth				Diameter	Diameter		
	(usft)	(usft)		Name		(in)	(in)		
	320.00	320.00	9 5/8"			9.62	12.25		
	6,391.00	6,291.54	7"			7.00	8.75		
Plan Annotation	16								
i un Annoution									
	Measured	Vertical	Local Coor						
	Depth	Depth	+N/-S	+E/-W					
	(usft)	(usft)	(usft)	(usft)	Comment				
	400	400	0	0	Start Build 3.00				
	756	754	29	16	Hold 10.67 Inclination	on			
	6491	6390	949	546	Start Build DLS 9.00				
	7570	7075	1068	-108	POE at 91.84 Inclina	ation			
	1010								

Checked By:

Approved By:

Date:

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- D. Well pad
 - 1. The construction phase of the project will commence upon receipt of the approved APD.
 - 2. Vegetation and topsoil removal, storage, and protection are described in detail in the Reclamation Plan (Appendix C).
 - 3. The well pads would be leveled to provide space and a level surface for vehicles and equipment. Excavated materials from cuts will be used on fill portions of the well pad to level the pad. No additional surfacing materials will be required for construction.
 - 4. As determined during the onsites on January 7, 2015 and March 11, 2015, the following best management practices will be implemented:
 - a. The Rosa UT 27 will be co-located with the Rosa Unit 204A.
 - b. The Rosa UT 29 will be co-located with the Rosa Unit 165A and facilities will be placed on the existing 165A well pad. The existing access road will be re-routed to accommodate for the new wells and production equipment.
 - c. No additional fill would be required to construct the pad.
 - d. Diversions will be installed upon reclamation.
 - 5. All project activities will be confined to permitted areas only.
 - 6. Construction equipment may include chain saws, a brush hog, scraper, maintainer, excavator, and a dozer.
 - 7. If drilling has not been initiated on the well pad within 120 days of the well pad being constructed, the operator will consult with the BLM to address a site-stabilization plan.
- E. Production Facilities
 - 1. As practical, access will be a teardrop-shaped road through the production area so that the center may be revegetated.
 - 2. Within 90 days of installation, production facilities would be painted Juniper Green to blend with the natural color of the landscape and would be located, to the extent practical, to reasonably minimize visual impact.
 - Berms will be constructed around all storage facilities sufficient in size to contain the storage capacity of tanks. Berm walls will be compacted with appropriate equipment to assure containment.

F. Recycling Containment

- 1. Recycling containments are governed by the NMOCD and would be constructed in compliance with their rules.
- Prior to constructing the Section 30 Recycling Containment, topsoil will be stripped and stockpiled for use as final cover during reclamation. Topsoil will be stockpiled within a Temporary Use Area (TUA), approximately 2 acres in size, located adjacent to and outside of the perimeter fence surrounding the recycling containment (Figure 8, Appendix B). Topsoil stockpiles will be reseeded and BMP's utilized as appropriate to reduce soil erosion.
- 3. The spoil from the holding pond will be utilized to reclaim a large, incised, abandoned arroyo directly west of the recycling containment. The area to be reclaimed is estimated at approximately 3 acres. Within the proposed arroyo reclaim area, spoil will be stockpiled approximately 10 feet above grade for the life of the recycling containment and then reclaimed back to blend with the surrounding grade upon final reclamation (Figure 8, Appendix B).
- 4. The holding pond would be approximately 700 feet by 300 feet and 25 feet deep. Total volume would be 622,708 barrels. The inside grade of the levee would be no steeper

than two horizontal feet to one vertical foot (2H:1V) and the outside grade no steeper than 3H:1V.

- 5. The recycling containments will be lined with a 45-mil LLDPE primary (upper) liner and a 30-mil LLDPE secondary (lower) liner with a leak detection system between the upper and lower geomembrane liners. Liners will be installed in a manner consistent with the manufacture's specifications.
- 6. The leak detection system will contain a 200-mil Hypernet drainage material between the primary and secondary liner that is sufficiently permeable to allow the transport of fluids to the drainage pipes and observation ports. When the holding pond contains fluid, the liners will be inspected daily.
- 7. The holding ponds will be netted with extruded polypropylene netting (3 ½ cm sized mesh). It will be supported by a system of perimeter and interior support poles and cables specifically designed to each individual pond for the purpose of excluding birds, bats and other small mammals. The entire perimeter of the netting enclosure will have a 2-foot net overhang on the ground to prevent small animals from entering the enclosure (See Appendix D). The support cable used along the perimeter and interior of the enclosure consists of ¼" 7 x 19 galvanized aircraft cable. The netting is woven to the perimeter cable with a 2.5 mm poly wire. The netting enclosure will be secured at ground level with a 4mm corrosion resistant poly wire. The netting enclosure will include double gates for access into the holding pond when needed. Appendix D further describes and illustrates the netting enclosure that will be implemented and how it will be constructed.
- 8. The outer perimeter of the recycling containment will be fenced to exclude wildlife and livestock. The game fence will be 8 feet tall. It will consist of woven wire fencing and two strands of 12½ GA barbed wire at the top and bottom. The first strand of barbed wire will be strung 2 inches from ground surface. The bottom of the woven wire will be placed 2 inches above the first strand of barbed wire. Two levels of woven wire fencing fabric, overlapping each other by 3 inches and totaling 7 feet 6 inches in height will be stapled to the wooden posts. A second strand of barbed wire will be strung 1 inch from the top of the woven wire. Two wooden stays will be stapled to the woven wire at 5-foot, 4-inch intervals between wooden posts. Refer to Appendix E Game Fence Detail for specific construction and material details.
- 9. The entire disturbed area will be completely reclaimed when all drilling and completion activities have been concluded.

G. Cuttings Disposal

- Cuttings will be buried within the existing disturbance of two sandstone quarry pits. These pits were previously permitted under a free use permit with the BLM-FFO and have expired. WPX is in the process of renewing these free use permits in order to utilize the remaining material for road maintenance. Cuttings buried at the Section 23 Cuttings Disposal would be located within the existing Rosa Rock Pit #4 (FUP NM-070-90-04CX). Cuttings buried at the Section 25 Recycling Containment would located within the existing Rosa Pit #165 (FUP NM-070-01-472CX). The cuttings will be utilized to reclaim and restore the area to near original land contours.
- 2. Once the quarry has been depleted of its resources, drill cuttings will be tested and placed within the pits and continue until storage of the cuttings disposal meets capacity or drilling of all permitted wells associated with the cuttings disposal is complete, whichever comes first, at which point it will be closed and the area reclaimed.

3. Cuttings disposal construction, operation and closure will be permitted and regulated under NMOCD Rule 17.

After the completion phases and pipeline installation, portions of the project area not needed for operation will be reclaimed. When all wells are plugged, final reclamation will occur within the remainder of the project area. Reclamation is described in detail in the Reclamation Plan (Appendix C).

7.0 Methods for Handling Waste

A. Cuttings

- Drilling operations will utilize a closed-loop system. Drilling of the horizontal laterals will be accomplished with water-based mud. All cuttings will be placed in roll-off bins and hauled to Section 23 cuttings disposal and/or a cuttings disposal at Section 25 recycling containment. WPX will follow Onshore Oil and Gas Order No. 1 regarding the placement, operation, and removal of closed-loop systems. No blow pit will be used.
- 2. If oil-based mud drilling is used, a closed-loop system will be used to minimize potential impacts to surface and groundwater quality. A 30-mil reinforced liner will be placed under the drill rig mats and all drilling machinery. 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.
- 3. Closed-loop tanks will be adequately sized for containment of all fluids.
- B. Drilling Fluids
 - 1. Drilling fluids will be stored onsite in above-ground storage tanks. Upon termination of drilling operations, the drilling fluids will be recycled and transferred to other permitted closed-loop systems or returned to the vendor for reuse, as practical. All residual fluids will be hauled to a commercial disposal facility.
- C. Spills
 - 1. Any spills of non-freshwater fluids will be immediately cleaned up and removed to an approved disposal site.
- D. Sewage
 - 1. Portable toilets will be provided and maintained during construction, as needed (see Figure 11 and 12 in Appendix B for the location of toilets).
- E. Garbage and other waste material
 - 1. 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.
- F. Hazardous Waste
 - 1. No chemicals subject to reporting under Superfund Amendments and Reauthorization Act Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of these wells.
 - 2. No extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of these wells.
 - 3. All fluids (i.e., scrubber cleaners) used during washing of production equipment will be properly disposed of to avoid ground contamination or hazard to livestock or wildlife.

Directions from the Intersection of US Hwy 550 & US Hwy 64

in Bloomfield, NM to WPX Energy Production, LLC Rosa UT 29 #101H

1023' FNL & 350' FEL, Section 25, T31N, R6W, N.M.P.M., Rio Arriba County, NM

Latitude: 36.875051°N Longitude: 107.408982°W Datum: NAD1983

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Easterly on US Hwy 64 for 38.0 miles to Mile Marker 102.3 to State Hwy 527 (Simms Hwy):

Go Left (North-westerly) on State Hwy 527 (Simms Hwy) for 7.9 miles to Rosa Road $\langle \hat{a} \rangle$ La Jara Station;

Go Right (Northerly) on Rosa Road for 6.5 miles to 4-way intersection;

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Go Left which is straight (North-easterly) remaining on Rosa Road for 4.0 miles to 4-way intersection;

Go Straight (Northerly) for 0.4 miles to staked WPX Rosa UT 29 #101H location which overlaps existing WPX Rosa UT #165A location.

